The Ontario Securities Commission

OSC Bulletin

March 6, 2009

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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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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 6, 2009

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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SCHEDULED OSC HEARINGS

March 9, 2009 10:00 a.m.	**Teodosio Vincent Pangia and Transdermal Corp.** s. 127 J. Feasby in attendance for Staff
March 9-13; March 30-April 17, 2009 10:00 a.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: JEAT/DLK/PLK
March 9, 2009 10:00 a.m.	**Teodosio Vincent Pangia and Transdermal Corp.** s. 127 J. Feasby in attendance for Staff Panel: TBA
March 12, 2009 10:00 a.m.	**Hahn Investment Stewards & Co. Inc.** s. 21.7 Y. Chisholm in attendance for Staff Panel: PJL/ST/MCH
March 16, 2009 10:00 a.m.	**Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork** s. 127 S. Kushneryk in attendance for Staff Panel: TBA

March 19, 2009 10:00 a.m.	**Berkshire Capital Limited, GP Berkshire Capital Limited, Panama Opportunity Fund and Ernest Anderson** s. 127 E. Cole in attendance for Staff Panel: TBA
March 19, 2009 11:00 a.m.	**Euston Capital and George Schwartz** s. 127 Y. Chisholm in attendance for Staff Panel: WSW/ST
March 20, 2009 10:00 a.m.	**Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan** s. 127 H. Craig in attendance for Staff Panel: WSW/ST
March 20, 2009 10:00 a.m.	**Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance** s. 127 J. Feasby in attendance for Staff Panel: LER
March 23, 2009 9:00 a.m.	**Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson** s. 127(1) and 127(5) M. Boswell in attendance for Staff Panel: WSW/MCH
March 23-April 3, 2009 10:00 a.m.	**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
March 23-27, 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: PJL/KJK/ST
March 24, 2009 11:00 a.m.	**Rajeev Thakur** s. 127 M. Britton in attendance for Staff Panel: TBA
April 6, 2009 10:00 a.m.	**Gregory Galanis** s. 127 P. Foy in attendance for Staff Panel: TBA
April 13-17, 2009 10:00 a.m.	**Matthew Scott Sinclair** s. 127 P. Foy in attendance for Staff Panel: TBA
April 20-27, 2009 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 S. Horgan in attendance for Staff Panel: TBA
April 20-May 1, 2009 10:00 a.m.	**Shane Suman and Monie Rahman** s. 127 & 127(1) C. Price in attendance for Staff Panel: JEAT/DLK/MCH

April 28, 2009 2:30 p.m.	**Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney**
April 29-30, 2009	s. 127
10:00 a.m.	J. Superina in attendance for Staff
	Panel: PJL/ST/DLK
May 4-29, 2009 10:00 a.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: TBA
May 7-15, 2009 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
May 12, 2009 2:30 p.m.	**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**
	s. 127
	M. Britton in attendance for Staff
	Panel: JEAT/ST
May 25 – June 2, 2009 10:00 a.m.	**Global Partners Capital, Asia Pacific Energy Inc., 1666475 Ontario Inc. operating as "Asian Pacific Energy", Alex Pidgeon, Kit Ching Pan also known as Christine Pan, Hau Wai Cheung, also known as Peter Cheung, Tony Cheung, Mike Davidson, or Peter McDonald, Gurdip Singh Gahunia also known as Michael Gahunia or Shawn Miller, Basis Marcellinius Toussaint also known as Peter Beckford, and Rafique Jiwani also known as Ralph Jay**
	s. 127
	M. Boswell in attendance for Staff
	Panel: TBA
June 1-3, 2009 10:00 a.m.	**Robert Kasner** s. 127
	H. Craig in attendance for Staff
	Panel: TBA
June 3, 2009 10:00 a.m.	**Adrian Samuel Leemhuis, Future Growth Group Inc., Future Growth Fund Limited, Future Growth Global Fund limited, Future Growth Market Neutral Fund Limited, Future Growth World Fund and ASL Direct Inc.**
	s. 127(5)
	K. Daniels in attendance for Staff
	Panel: TBA
June 4, 2009 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: DLK/CSP/PLK
June 4, 2009 11:00 a.m.	**Abel Da Silva** s. 127
	M. Boswell in attendance for Staff
	Panel: TBA

June 10, 2009 10:00 a.m.	**Global Energy Group, Ltd. and New Gold Limited Partnerships** s. 127 H. Craig in attendance for Staff Panel: TBA
August 10, 2009 10:00 a.m.	**New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price** s. 127 S. Kushneryk in attendance for Staff Panel: TBA
September 3, 2009 10:00 a.m.	**Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York** s. 127 S. Horgan in attendance for Staff Panel: TBA
September 7-11, 2009; and September 30-October 23, 2009 10:00a.m.	**Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** s. 127 M. Britton in attendance for Staff Panel: TBA
September 21-25, 2009 10:00 a.m.	**Swift Trade Inc. and Peter Beck** s. 127 S. Horgan in attendance for Staff Panel: TBA
November 16-December 11, 2009 10:00 a.m.	**Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries** s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA
January 11, 2010 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: TBA
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	**Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A.** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: JEAT/DLK/CSP
TBA	**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
TBA	**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: JEAT/MC/ST
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: WSW/DLK/MCH
TBA	**Irwin Boock, Stanton De Freitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiants, Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group** s. 127(1) and (5) P. Foy in attendance for Staff Panel: TBA
TBA	**Xi Biofuels Inc., Biomaxx Systems Inc., Xiiva Holdings Inc. carrying on Business as Xiiva Holdings Inc., Xi Energy Company, Xi Energy and Xi Biofuels, Ronald Crowe and Vernon Smith** s. 127 M. Vaillancourt in attendance for Staff Panel: WSW/DLK
TBA	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 M. Mackewn in attendance for Staff Panel: TBA
TBA	**Uranium308 Resources Inc., Uranium308 Resources PLC., Michael Friedman, George Schwartz, Peter Robinson, Alan Marsh Shuman and Innovative Gifting Inc.** s. 127 M. Boswell 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

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

Global Petroleum Strategies, LLC, Petroleum Unlimited, LLC, Aurora Escrow Services, LLC, John Andrew, Vincent Cataldi, Charlotte Chambers, Carl Dylan, James Eulo, Richard Garcia, Troy Gray, Jim Kaufman, Timothy Kaufman, Chris Harris, Morgan Kimmel, Roger A. Kimmel, Jr., Erik Luna, Mitch Malizio, Adam Mills, Jenna Pelusio, Rosemary Salveggi, Stephen J. Shore and Chris Spinler

1.2 Notices of Hearing

1.2.1 Teodosio Vincent Pangia and Transdermal Corp. – s. 127

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

AND

IN THE MATTER OF
TEODOSIO VINCENT PANGIA AND
TRANSDERMAL CORP.

NOTICE OF HEARING
(s. 127 of the Securities Act)

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 offices of the Commission, 20 Queen Street West, Toronto, Ontario, 17th Floor, Hearing Room B, commencing on March 9, 2009, at 10:00 am or as soon thereafter as the hearing can be held;

TO CONSIDER whether, in the opinion of the Commission, it is in the public interest for the Commission to make an order:

(a) to extend the temporary order made February 23, 2009, pursuant to s. 127(7) of the Act, until the final disposition of this matter or until such time as the Commission considers appropriate; and,

(b) to make such further Orders as the Commission considers appropriate;

BY REASON of the facts cited in the Temporary Order and of such allegations and evidence as counsel may advise and the Commission may permit;

AND TAKE FUTHER NOTICE THAT any party to the proceedings 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 25th day of February, 2009.

"John Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
TEODOSIO VINCENT PANGIA AND
TRANSDERMAL CORP.

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION
(In Support of Temporary Cease Trade Order)

Staff of the Ontario Securities Commission ("Staff") make the following allegations in support of a Notice of Hearing to extend the Temporary Order dated February 23, 2009, pending completion of Staff's investigation:

I. THE RESPONDENTS

1. Transdermal Corp. ("Transdermal") is a company incorporated in the State of Nevada, U.S.A. and advertises on its website[1] a business address in Burlington, Ontario.

2. Information provided on Transdermal's website indicates that the company develops and sells a line of skin care and anti-aging products.

3. Transdermal has been noted in default of its filing obligations in Nevada since October 1, 2008. According to the website of the Nevada Secretary of State, Transdermal failed to file a list of officers by the deadline of September 30, 2008, and has no active or inactive officers. Transdermal's shares are not known to be listed on any exchange.

4. Teodosio Vincent Pangia ("Pangia") is a resident of Burlington, Ontario and lives at the same location provided on Transdermal's website as the company's business address. He is not registered to trade in securities in Ontario.

II. ALLEGATIONS

5. In addition to ordering other sanctions, on December 16, 2003, the Ontario Securities Commission permanently banned Pangia from:

   a. trading in securities,

   b. using any exemptions contained in Ontario securities law, or

   c. becoming or acting as a director and/or officer of any issuer.

   In addition, the Commission ordered Pangia to undertake to never apply for registration in any capacity under Ontario securities law.

6. In November and December 2008, Pangia drafted a lengthy Business Plan for Transdermal's anticipated business in the cosmetics industry. Pangia provided the Business Plan to potential investors and used it and the representations contained in it as a platform to solicit investment in the company.

7. Pangia is an integral part of the mind and management of Transdermal and acted as a de facto officer or director of the company.

8. Transdermal permitted Pangia to act as described above on behalf of the company.

9. Transdermal's detailed Business Plan and website provide lists of the officers and directors of the company, but omit any mention of Pangia's involvement with Transdermal.

III. CONDUCT CONTRARY TO THE PUBLIC INTEREST

10. Pangia engaged in acts in furtherance of trades in securities of Transdermal in Ontario, contrary to his permanent ban and contrary to s. 25(1)(a) of the Securities Act (the "Act").

11. Pangia acted as a de facto officer or director of an issuer, contrary to his permanent ban.

12. Transdermal permitted Pangia to engage in acts in furtherance of trades in securities of Transdermal contrary to his permanent ban and contrary to s. 25(1)(a) of the Act.

13. Transdermal permitted Pangia to act as a de facto officer or director of an issuer, contrary to his permanent ban.

14. Transdermal made misleading or untrue statements, contrary to s. 126.2(1) the Act.

15. By acting as described above, the Respondents acted contrary to the public interest and in a manner that is harmful to the integrity of Ontario's capital markets.

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

DATED at Toronto this 25th day of February, 2009.

[1] www.transdermalcorp.com

1.2.2 Kwok-On Aloysius Lo – ss. 127, 127.1

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

AND

IN THE MATTER OF
KWOK-ON ALOYSIUS LO

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 offices, 20 Queen Street West, 17th Floor, in Hearing Room B, Toronto, Ontario, commencing on the 5th day of March, 2009 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 to approve the settlement agreement entered into between Staff of the Commission ("Staff") and the Respondent;

BY REASON OF the allegations set out in the Statement of Allegations 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 2nd day of March, 2009

"John P. Stevenson"
Secretary to the Commission

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

AND

IN THE MATTER OF
KWOK-ON ALOYSIUS LO

STATEMENT OF ALLEGATIONS
OF THE ONTARIO SECURITIES COMMISSION

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

The Respondent

1. The Respondent is a resident of Ontario. He has never been registered in any capacity under the *Act*.

2. As detailed below, in the period between May 1, 2006 to September 30, 2006, the Respondent executed trades in a manner that repeatedly invoked the minimum guarantee fill ("MGF") facility of the TSX for the shares of 8 listed stocks and thereby resulted in trades at artificial prices.

3. In carrying out the trades, the Respondent traded in his own discount brokerage account and in the discount brokerage accounts of two other individuals.

Background – Minimum Guaranteed Fill

4. A market maker is assigned to certain stocks traded on the Toronto Stock Exchange ("TSX") in order to maintain a fair, orderly and continuous two-sided market for the stocks. The participation of a market maker serves to enhance liquidity of, and reduce volatility in the market for the shares. The market maker commits to trade all orders of a certain size (known as a minimum guaranteed fill or MGF) within a spread goal (the price difference between buy and sell orders). The MGF and spread goal will vary by company, depending on the size of the issuer and trading activity.

5. When there is insufficient stock in the order book to fill an order, the market maker is required to guarantee an automatic and immediate "one price" execution of MGF eligible orders.

The Respondent's Trading

6. Between May 1, 2006 to September 30, 2006, the Respondent executed sets of trades in quick succession with the following pattern:

   (a) From one account, he placed an order to purchase a small number of shares at a price slightly below the posted offer;

(b) Through another account, he entered an order to sell a larger number of shares at the new bid (which was established in his first order described above); and

(c) The account that placed the sell order had its order filled, in part by the first order and in part by the market maker's account because the MGF facility was invoked.

As a result of this trading pattern, trades were executed at artificial prices because the fill of the order described in (b) above took place at a higher price than the prevailing market (as represented by the posted bid and offer) immediately before the first order was entered by the Respondent.

Registration requirement

6. The two individual account holders authorized the Respondent to select and implement a trading strategy for their accounts and had knowledge of the trading in their accounts by the Respondent. They were not sophisticated investors. To execute trades, the Respondent accessed the two individuals' accounts online, after he requested and received their account numbers and passwords.

Conduct contrary to the Act and the public interest

7. The Respondent knew or ought to have known that the trades described above would or may create artificial prices for the shares of the 8 listed securities.

8. The Respondent ought to have been registered under the Act to carry out trading on behalf of the two individual account holders.

9. The Respondent's conduct was, therefore, contrary to s. 25 and 126.1(a) of the Ontario *Securities Act*, and the public interest.

10. Such additional allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 2nd day of March, 2009.

1.4 Notices from the Office of the Secretary

1.4.1 Teodosio Vincent Pangia and Transdermal Corp.

FOR IMMEDIATE RELEASE
February 26, 2009

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

AND

IN THE MATTER OF
TEODOSIO VINCENT PANGIA AND
TRANSDERMAL CORP.

TORONTO – The Office of the Secretary issued a Notice of Hearing on February 25, 2009 setting the matter down to be heard on March 9, 2009 at 10:00 a.m. to consider whether it is in the public interest for the Commission to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission and to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated February 25, 2009, Staff's Statement of Allegations (in support of the Temporary Order) dated February 25, 2009 and Temporary Order dated February 23, 2009 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.2 Global Petroleum Strategies, LLC et al.

FOR IMMEDIATE RELEASE
February 26, 2009

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

AND

IN THE MATTER OF
GLOBAL PETROLEUM STRATEGIES, LLC,
PETROLEUM UNLIMITED, LLC AND
ROGER A. KIMMEL, JR.

TORONTO – Following a hearing held on February 24, 2009, the Commission issued an Order in the above matter which provides that the hearing is adjourned and the Temporary Order is extended against Global Petroleum Strategies LLC, Petroleum Unlimited, LLC, and Roger A. Kimmel, Jr. until the proceeding commenced by the Alberta Securities Commission is concluded and a decision is rendered, or such other date as is agreed by Staff and the respondents and is determined by the Office of the Secretary; and that this matter is to be spoken to before May 6, 2009 unless otherwise adjourned by the Office of the Secretary.

A copy of the Order dated February 24, 2009, is available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.3 David Cathcart

FOR IMMEDIATE RELEASE
February 27, 2009

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

AND

IN THE MATTER OF
DAVID CATHCART

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

The hearing on the merits scheduled to commence March 2, 2009 at 10:00 a.m. through to March 11, 2009 will no longer be held as all respondents in this matter have settled.

A copy of the Settlement Agreement and Order are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
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1.4.4 Rules of Procedure of the Ontario Securities Commission

NOTICE OF THE OFFICE OF THE SECRETARY TO THE COMMISSION

ADOPTION OF NEW RULES OF PROCEDURE ONTARIO SECURITIES COMMISSION

Adoption of new procedural rules applicable to all hearings before the Ontario Securities Commission

On February 18, 2009, the Ontario Securities Commission (Commission) approved and adopted new *Rules of Procedure of the Ontario Securities Commission*" (Rules). The current *Rules of Practice* (1997), 20 O.S.C.B. 1947 (*Rules of Practice*) are repealed in their entirety and replaced by the new Rules which are effective on April 1, 2009.

Public comments and the approval process

In May 2007 [(2007) 30 O.S.C.B. 4339], the Commission published a request for comment on proposed new draft rules of procedure. Written submissions were received in response to the request for comment and the Office of the Secretary also held a series of consultative meetings with interested counsel throughout 2007 to discuss the proposed draft rules. Following the close of the comment period and the consultations, the Adjudicative Committee of the Commission considered all of the comments received both in writing and during the consultative process. The Committee thoroughly considered a number of issues arising from the comments through 2008 and ultimately recommended to the Commission that it approve and adopt the proposed draft rules with a number of significant changes made in response to specific comments received. Copies of all of the comment letters are available on the Commission's website and a summary of the comments and the Commission's response to them is provided in Appendix "A" to this Notice.

The Commission wishes to thank those who provided written comments and participated in the consultations with the Office of the Secretary. Public participation is essential to the enactment of procedural rules that are appropriate, fair and effective.

The *Rules of Procedure* were adopted by the Commission under the authority of section 25.1 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (SPPA).

Application of the Rules

The Rules apply to all proceedings before the Commission where the Commission is required under the *Securities Act*, R.S.O. 1990, c. S.5 (Act), the *Commodity Futures Act*, R.S.O. 1990, c. C.20 or otherwise by law to hold a hearing or to afford to the parties to the proceeding an opportunity for a hearing before making a decision. **The new Rules apply to all proceedings before the Commission commenced on or after April 1, 2009**. The Commission's *Rules of Practice* will, however, continue to apply to all proceedings commenced on or prior to March 31, 2009.

Purpose and substance of the new Rules

The Commission's goal is to ensure that its adjudicative proceedings are more transparent and accessible. The Rules, therefore, are designed to ensure the fair and efficient resolution of proceedings before the Commission in the most expeditious and cost-effective manner by providing parties with more complete and easily accessible guidance on the procedures required for the conduct of Commission proceedings.

The Rules are now more comprehensive than were the former *Rules of Practice* and identify all of the procedures required in the course of all proceedings before the Commission. The Rules are also now organized according to the chronological order of procedural steps normally taken in most proceedings. It is hoped, therefore, that the new Rules, both in their organization and comprehensiveness, will provide all stakeholders, including self-represented parties and those unfamiliar with adjudicative proceedings generally, with clearer and simpler guidelines on proceedings before the Commission.

The new Rules improve the accessibility and transparency of Commission proceedings by providing clearer guidance on key procedural issues such as:

- who constitutes a "party" to a proceeding and what they are entitled to by way of notice and service;
- how to file a request for leave to intervene in a proceeding;
- what types of applications for a hearing may be filed with the Commission and what procedures to follow for each type of application;

- how to bring motions, what materials are required to be filed in support of the motion and the time limits for filing motion materials;
- what disclosure is required by parties, the time limits for that disclosure and the procedures to follow for calling witnesses including expert witnesses and requesting subpoenas;
- what access the public has to hearings, including access to documents used at the hearing and how hearing documents may be sealed;
- how to request an adjournment of a proceeding either on consent or where there is an objection to the adjournment by another party;
- how to initiate proceedings, including filing and serving documents, for a hearing in connection with a take-over bid or an issuer bid; and
- what is required of Commission Staff in making a request for costs to enable parties to test the validity of the costs and prepare a response.

Implementation of the Rules and future consultation

The Commission, through the Office of the Secretary, will be actively monitoring the implementation of the Rules over the coming year and will be seeking further guidance on the Rules through continued consultation with stakeholders and, where appropriate, by further requests for public comment on proposed Rule changes. It is anticipated that the Commission will undertake a further review of the Rules in early 2010.

However, prior to that review, the Commission will publish concept proposals with respect to two of the current Rules: Rule 6 dealing with pre-hearing conferences, and Rule 12 dealing with hearings to consider settlement agreements. The Commission will consult with stakeholders on the concept proposals and, if amendments to the Rules are required to give effect to the final proposals developed after that consultation, the Commission will publish the proposed rule amendments for comment prior to their adoption.

As part of the monitoring of their implementation and for the continued improvement and development in the Rules, the Office of the Secretary encourages stakeholders to inform the Commission of their experience with the Rules over the coming year by contacting:

Josée Turcotte
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E-mail: jturcotte@osc.gov.on.ca

Publication of the Rules

The *Rules of Procedure* are published in chapter 5 of this issue of the *OSC Bulletin* and are available on the Commission's website.

Questions regarding the application of the Rules with respect to specific proceedings before the Commission should be referred to:

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APPENDIX "A"

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
1.6.1(1) Service of Originating Documents	1.5.1(1)	**Comment 1:** Service of originating documents should be solely by personal delivery to the party, subject to the consent of a party's counsel or agent to accept such service; or by any other means authorized or permitted by the Panel. The methods of service listed are appropriate for service of other types of documents. **Comment 2:** The Commission's jurisdiction for service of originating documents is derived from subsection 6(1) of the *Statutory Powers Procedure Act* (SPPA), which provides that the parties to a proceeding shall be given reasonable notice of the hearing by the tribunal. The various methods of service provided for in this Rule are in accordance with subsection 6(1) of the SPPA and are consistent with part 2.3 of the Society of Ontario Adjudicators and Regulators (SOAR) Model Rules.	The Rule, as adopted, is consistent with the position put forth in comment 2. Comment 1 might arise from familiarity with Rule 16 of the *Rules of Civil Procedure* which provides that an "originating process" must be served personally, with limited exceptions, while other documents may be served personally or by alternative means. The SPPA is silent on the question of service. Subsection 6(1) of the SPPA merely provides that an administrative tribunal must provide "reasonable notice" of the originating process. In addition, unlike the *Rules of Civil Procedure*, section 24 of the SPPA goes further in authorizing an administrative tribunal to "issue a notice by way of public advertisement or otherwise as the tribunal may direct" under certain circumstances where personal or substituted service may be impossible or impractical. The "notice" referred to in the SPPA is the notice of originating process, i.e. the Notice of Hearing.
1.6.1(1)(h) Alternative Service	1.5.1(1)(h)	It is questionable whether it is appropriate to give the Secretary the power to direct alternative means of service without any direction from the Panel, contemplated by sub-paragraph (h).	The Rule has been amended accordingly.
1.8 Appearance and Represen-tation	1.7	The Rules should have a provision similar to subsection 50(3) of the *Provincial Offences Act*. It is recommended that there be a provision in the Rules which expressly confers the discretion on the Panel to bar a person from acting as an agent in a Commission proceeding when that person is not a lawyer and if the Panel finds that they are not competent.	The Commission does not agree. Many parties who appear before the Commission are represented by an agent without legal or other expertise. Subsection 23(3) of the SPPA does not provide authority for a tribunal to exclude a representative who is licensed under the *Law Society Act*. However, Panels have power to control the process and to intervene as necessary to ensure the proper conduct of the proceeding, including the conduct of counsel or agents.
1.8.4 Withdrawal by Counsel or Agent	1.7.4	**Comment 1:** This Rule should be eliminated, as the *Rules of Professional Conduct* already govern the circumstances of counsel withdrawing from representation of a client. **Comment 2:** This Rule is required to provide clear procedural direction for the	The Rule, as adopted, is consistent with the position put forth in comment 2. The Commission's concerns go beyond those addressed in the *Rules of Professional Conduct*. The Commission notes that, for example, Rule 15.04 of the *Rules of Civil Procedure* has similar

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		withdrawal of counsel, particularly in circumstances where it would result in an unrepresented respondent and/or if withdrawal of counsel occurs on the eve of a hearing.	provisions requiring notification of and leave from the courts on the withdrawal of counsel of record.
1.9.1 Motion for Leave to Intervene	1.8.1	**Comment 1:** The opportunity under the Rules to seek leave to intervene in a proceeding should not be limited to applications relating to take-over bids, issuer bids and mergers and acquisitions transactions, but should apply to all proceeding s before the Commission. **Comment 2:** The opportunity to intervene should not be expanded beyond take-over bids and similar proceedings. It is recommended that caution and restraint be taken such that proceedings are not unduly complicated and lengthened, and respondents are not prejudiced. In contrast to take-over type hearings, there is no place in discipline type proceedings for separate representation of private interests. Rule 13 of the *Rules of Civil Procedure* may provide guidance. **Comment 3:** The ability of a person to apply for leave to intervene should not be limited to take-over bid/issuer bid proceedings and mergers and acquisitions transactions. The Rules should not limit applications for interventions. Decisions regarding interventions should be made by Commission Panels in the context of specific proceedings on the basis of the factors listed in the Rules. For example, in *Re Albino* (1991), 14 O.S.C.B. 365 an applicant sought intervenor status and was refused this status, nonetheless, this decision should not preclude a Panel in another proceeding, including a disciplinary proceeding from granting intervenor status. Subsection 127(3.1) of the Act implicitly recognizes that intervenor status can be granted in a disciplinary hearing.	The Rule, as adopted, is consistent with the position put forth in comments 1 and 3.
1.9.1(2) Motion for Leave to Intervene	1.8.1(2)	The Rules should state that in an application to intervene, the applicant should set out the extent to which they seek to intervene, i.e. whether full standing is sought or only limited standing to make submissions.	The Rule has been amended accordingly.

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
2.4(2) Commence-ment of Proceedings	2.4(2)	**Comment 1:** The Rules should confer the discretion to decline to issue a Notice of Hearing where the application pursuant to sections 104 and/or 127 is believed to be frivolous (e.g. frivolous take-over bid applications). **Comment 2:** The Secretary should not decline to issue a Notice of Hearing pursuant to this Rule if the Manager of Take-Over Bids does not recommend that a hearing be held.	The Rule, as adopted, is consistent with the position put forth in comment 2. See Rule 16.2.
3.7(2)(b) Affidavits	3.7(2)	**Comment 1:** It is recommended that the Rules be modified to expressly require that where a party files an affidavit in support of a motion, that the party opposite make the affiant available to be cross-examined prior to the hearing, or in the alternative, that the party seeking to cross-examine can apply to the Panel to conduct that cross-examination before the Panel. **Comment 2:** The provision is unclear as to whether it limits the right to cross-examine, in which case, it is found objectionable. The right to cross-examine at first instance should be unfettered, subject to a party having the right to apply to the Panel for an order limiting or precluding such cross-examination.	The Rule has been amended accordingly.
4 Disclosure	4	**Comment 1:** This Rule should provide greater clarity as to the scope of the Commission's jurisdiction to order production of documents from non-parties. The production of documents from non-parties is of particular interest in the context of proceedings under sections 104 and/or 127 of the Act in connection with a take-over bid or issuer bid. The Commission has ordered non-parties to produce and disclose documents in the past. This was done on consent and occurred in *Re Sears,* by Order dated July 6, 2006, whereby non-parties "Desjardins and Mayers agreed to disclose and produce certain documents and information". **Comment 2:** The Commission does not have jurisdiction to order disclosure from non-parties absent the issuance of a summons pursuant to section 12 of the SPPA. The decision in *Sears Canada* was in the context of a take-over bid and the order for disclosure dated July 6, 2006	The Rule, as adopted, is consistent with the position put forth in comment 2.

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		reflects that the non-parties agreed to disclose and produce the documents and information sought. Moreover, the non-parties had brought motions for standing which were granted by order dated June 20, 2006. It is recommended that the *Sears Canada* production order not be viewed as a precedent for third party disclosure orders in an enforcement proceeding.	
4.2 Disclosure	4.2	**Comment 1:** It is recommended that the Rules not limit disclosure obligations to "any stage of the proceeding", thereby requiring a "proceeding" to have commenced. Staff disclosure should be required at the early stage of Staff's completion of the investigation, at the point where an "Enforcement Letter" is provided to persons under investigation, and potential respondents are given the opportunity to submit, on a with prejudice basis, information and documentation with a view to Staff reversing its position to commence a proceeding. The disclosure should be tailored to the individual affected by providing Rule 4.4 disclosure, but not the more fulsome disclosure requirements set out in Rules 4.5 and 4.6. Staff's disclosure obligations should be subject to disclosure restrictions contained in section 17 of the Act and any other restrictions at law, but Staff should be required to seek the consent of any person or entity to disclosure in such circumstances. **Comment 2**: Staff disclosure should not be required at an earlier stage. The "Enforcement Notice" process is a voluntary process engaged in by Staff where a person is provided with notice of the general nature of the concerns that Staff have arising from an investigation and consideration of a matter. It is not a hearing. If proceedings are commenced, respondents are entitled to complete disclosure of all relevant documents. Staff's disclosure obligation is not triggered at the investigative stage, but rather, at the time a proceeding is commenced.	The Rule, as adopted, is consistent with the position put forth in comment 2. The Rules apply only to adjudicative proceedings before the Commission.

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4.3 Disclosure of Documents or Things	4.3	A respondent to an enforcement proceeding should not be obliged to make such disclosure at any point in time prior to being called upon to present their defence. Requiring the respondent to make disclosure to Staff in an enforcement proceeding will unfairly compromise how a respondent may wish to respond to the case presented by Staff, including the respondent's right to choose whether to call evidence.	The Rule, as adopted, carries forward the provisions of Rule 3.3 of the *Rules of Practice* in this respect.
4.4 and 4.5 Disclosure, Witness Lists and Witness Summaries where Section 8 of the SPPA Applies	4.4 and 4.5	**Comment 1**: Where proceedings engage section 8 of the SPPA and Rule 4 disclosure obligations, the provision of a witness list and the provision of witness summaries ought not to be reciprocal. Given Staff's powers to investigate, the onus of proof on Staff, the fact that Staff is making the allegations against the respondents, and the severe consequences resulting from adverse findings, the rules of disclosure should not approximate those of a civil proceeding. It is recommended that Staff's disclosure obligations in such instances approximate the Crown's *Stinchcombe* disclosure obligations. **Comment 2**: Disclosure obligations ought to be reciprocal in proceedings engaging section 8 of the SPPA. Sections 5.4(1)(a) and (c) of the SPPA expressly contemplate the exchange of witness statements. Further, a Commission Rule regarding the reciprocal exchange of documents is consistent both with the SPPA and the principles of both fairness and efficiency in the context of an administrative proceeding.	The Rules, as adopted, carry forward the provisions of Rules 3.4 and 3.5 of the *Rules of Practice* in this respect.
4.5(2) Witness Summaries	4.5(2)	The requirement in this Rule that parties provide a summary of the evidence a witness is expected to give should be triggered 10 days before the commencement of the hearing, rather than at least 10 days before a witness is to testify. This is consistent with the requirement in Rule 4.5(1).	The Rule has been amended accordingly.
4.5(2) and (5) Witness Summaries	4.5(2) and (5)	**Comment 1:** It is not clear from the Rules whether it is contemplated that where the party has disclosed a transcript or similar record (e.g. "will say") of a proposed witness that a summary will still be required to be disclosed. It is recommended that a summary be required only where the material matters to which the witness is to	The Rule has been amended accordingly.

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
		testify have not otherwise been disclosed (e.g. in a transcript or will say). **Comment 2:** It is not necessary to provide witness summaries in circumstances where the material matters to which the witness is to testify have already been disclosed in a transcript or will say unless other material testimony, not contained in prior documents, is intended.	
4.6(1) Expert Witness	4.6(1)	In terms of advance notice of an expert witness's testimony, Staff should be required to advise of the intent to call an expert and/or to file an expert report/affidavit as soon as possible, but in any event not later than 90 days prior to the commencement of the hearing. On the other hand, the requirement of a respondent to advise of the intent to call an expert and/or to file an expert report/affidavit should be no later than 30 days prior to the calling of a witness to testify or the filing of such report/affidavit. The time for delivery of any responding expert report/affidavit from Staff should be no later than 10 days prior to the testimony of the responding expert witness. It is also recommended that the right to cross-examine an expert on his/her evidence, expert report/affidavit should be as of right.	The Rule carries forward the provisions of Rule 4.6 of the *Rules of Practice* in imposing identical requirements on Staff and respondents. The timelines in the Rules have been amended. See also Rule 1.6(2).
4.6(2) Provision of an Expert's Affidavit or an Expert's Report	4.6(2)	**Comment 1**: The requirement of a party who intends to introduce evidence of an expert witness at the hearing to deliver an affidavit of that expert witness should be deleted. It should be replaced instead with an option for the party to either deliver and file an expert report and produce the expert to testify at the hearing, or deliver and file an affidavit that can be cross-examined upon prior to or at the hearing, at the option of the cross-examining party(ies). **Comment 2**: A party who intends to introduce evidence of an expert witness at the hearing should be required to serve an expert report, not an affidavit. This is consistent with other rules, such as subsection 5.4(1)(c) of the SPPA and Rule 53.03(1) of the *Rules of Civil Procedure* and other tribunals, as reflected in part 5.7 of the SOAR Model Rules.	The Rule has been amended accordingly.
6.2(d) Issues at a Pre-Hearing	6.2(e)(ii)	**Comment 1:** It is recommended that either the consent of the parties be required before the pre-hearing Panel may make an order	The Commission has adopted the position articulated in comment 2. The Rule has been amended accordingly.

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Conference		respecting disclosure, or that the Rules expressly confer on the hearing Panel the right to make an order "otherwise" in the context of a disclosure order made by the pre-hearing Panel. It is alternatively recommended that disclosure disputes be heard by the Hearing Panel in the same manner as other pre-hearing motions, and not at a pre-hearing conference. **Comment 2:** Disclosure motions ought to be heard by a Panel rather than by a pre-hearing Panel, unless the consent of all parties is obtained.	
6.2(f) Issues at a Pre-Hearing Conference	6.2(e)(iii)	**Comment 1:** The scope of pre-hearing conferences should be expanded to include the concept of a settlement conference, which should be conducted by a Commissioner who will not be a member of the Hearing Panel. As the majority of enforcement proceedings settle at some stage during their proceedings, it is also recommended that the facilities and expertise of the Commission be utilized to promote and effectuate settlements at an early stage. **Comment 2:** It is recommended that issues of settlement should only be dealt with by pre-hearing Commissioners with the consent of all the parties.	The Rule, as adopted, is consistent with the position put forth in comment 2.
6.5 Electronic Pre-Hearing Conferences	6.5	The reference to "electronically" should be changed to "by way of an electronic hearing", as "electronic hearing" is a defined term, and "electronically" is not.	The Rule has been amended accordingly.
8.1 *In Camera* Hearings	8.2	The right of a party to apply for an *in camera* hearing should be made explicit.	Rule 8.2 has been added to clarify the procedure for an application by a party to have all or part of the hearing held *in camera*.
10.2 Electronic Hearings	10.2	The reference to "electronically" should be changed to "by way of an electronic hearing", as "electronic hearing" is a defined term, but "electronically" is not.	The Rule has been amended accordingly.
12 Settlement Agreements	12	The following subsections from the current Practice Guideline on Settlement Procedures have been omitted in the proposed Rules; however, they have provided flexibility and guidance in the past	The Practice Guidelines have been removed from the Rules, as adopted, in order to clarify that Practice Guidelines are not Rules and to avoid any confusion about their status.

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
		where the consent of all parties has been obtained: subsection 5(2) of the current Practice Guideline, which allows the consideration of a proposed settlement agreement by the Hearing Panel; subsection 5(4) of the current Practice Guideline, which sets out the Settlement Panel's complete discretion in approving or not approving a settlement; and, subsection 6(2) of the current Practice Guideline, which allows the same Settlement Panel to consider a subsequent proposed settlement.	
12.1(1)(a) Settlement Agreements	12.1(2)	**Comment 1:** Where a settlement agreement contains a statement of admitted facts and/or liability, the "facts" section of such an agreement should be explicitly agreed to or "admitted" by Staff, as well as by the respondent. Such facts should explicitly include mitigating and explanatory facts that serve to explain and support any admitted regulatory liability and sanction in light of the allegations set out in the Statement of Allegations and Notice of Hearing, rather than continuing Staff's current practice of only agreeing to the inclusion of such information in the "respondent's position" section of the settlement documents or to be stated to the Hearing Panel in oral submissions. The respondent should have the right to require the inclusion of a statement that Staff and the respondent agree that any admissions are made only for the purpose of settlement of this proceeding. **Comment 2:** There is no recognition in this Rule that settlement agreements are not required to contain admissions of fact. Using the same language as the current provision 4(1)(a) of Practice Guideline 7, Rule 12(1)(a) requires "a full and accurate statement of the relevant facts as admitted by the respondent." It is appropriate for Respondents to make admissions of fact, but not for Staff to make such admissions in the context of a settlement proceeding. Often, the Respondent's Position portion of settlements is incapable of being verified and so Staff cannot be required to admit to "positional" statements.	The Rules do not, nor should they, speak to whether a settlement agreement includes admissions by either party. Rule 12.1 has been amended accordingly.
12.4(3) Settlement Agreements	12.4(3)	**Comment 1:** It is recommended that the Rule be modified to expressly permit the Hearing Panel which rejected a settlement agreement to sit as the Hearing Panel to consider any revised settlement agreement	The Rule, as adopted, applies only to the hearing on the merits and appropriately does not preclude a Panel that has heard and rejected a settlement from considering a revised settlement.

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
		which may be entered into by Staff and the respondent. **Comment 2:** It is recommended that a Hearing Panel which rejects a settlement agreement should be permitted to sit on a subsequent proposed settlement hearing if there is consent of all the parties.	
14.3 Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency	14.3(1), (2) and (4)	**Comment 1:** A record does not exist for all decisions that are subject to review because not all decisions are the result of a hearing. Therefore, this Rule should only apply if a record exists of the subject proceedings to be reviewed. **Comment 2**: It is Staff's view that for most decisions that are subject to review, a record should exist and should be put before the Commission as set out in this proposed Rule. In unusual circumstances where no record is available, it is recommended that counsel advise the Commission.	Rule 14.3 has been amended. The Rule, as adopted, is consistent with the position put forth in comment 2.
14.3 Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency	14.4(6) and (7)	A provision should be made to allow a respondent in a review application to serve and file a responding record if the applicant has filed an inadequate or incomplete record. This problem has arisen before and a responding record was required. For example, in disciplinary proceedings before the Ontario District Council of the IDA, a respondent is required to file a document called a "response" in which he or she indicates which allegations in the Notice of Hearing he/she is admitting or denying. Filing a responding record will assist the Panel to better understand which issues are contentious in the proceeding.	Rule 14.4 has been amended to reflect that a responding and reply record may be filed.
14.3(d) Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency	14.3(2)(e) and (3)	The Application Record should not be limited to documents that were "filed" in the proceeding. The proposed Rule allows for documentary evidence to be part of the record if it was "filed" in the proceeding. In circumstances where a document was ruled to be inadmissible (at the SRO level) and was accordingly not filed in the proceeding, such a document technically could not be part of the record. However, if the admissibility of the document itself is at issue in the review application, it should be put before the Commission. Language similar to Rule 61.10(1)(i) of the *Rules of Civil Procedure* may be sufficient to remedy this problem, i.e. the record shall include "a	Rule 14.3(2)(e) has been added to provide greater clarity. In addition, see Rule 14.9(2).

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
		copy of any other documents relevant to the hearing of the appeal (application) that are referred to in the appellant's (the requesting party's) factum".	
14.4(1) and (2) Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency	14.4 and 1.1	It should be made clear that Commission Staff is always a "party" in these applications. The issue of whether or not Commission Staff is a "party" in these applications has been previously raised. Although Commission Staff may determine that they do not want to take any position in a particular review application, they should still be served with a copy of the materials served for the application, e.g. the Record.	"Party" is defined in Rule 1.1 to include Staff.
14.4(4) and (5) Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency	14.4(4) and (5)	This Rule allowing review applications to be dismissed for delay is an important improvement to the Rules. There have been problems with some applicants not diligently pursuing their applications.	No response necessary.
14.9 Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency	14.9	More time should be given to exchange statements of fact and law. The timelines in this Rule allowing parties to serve and file their Statement of Fact and Law (SFL) are too tight. It is recommended that the party requesting the application serve and file his/her SFL at least 30 days prior to the hearing and the responding parties serve and file their SFL at least 15 days before the hearing.	The Rule has been amended accordingly.
15.2 Further Decision Pursuant to Subsection 9(6) of the Act or Revocation or Variation of a Decision pursuant to	15.3	The factors to be considered by the Panel in deciding whether to hold an oral hearing versus a written decision should be enumerated.	Rule 15.3, which gives the Panel discretion to grant the application, refuse the application, or hold an oral hearing to consider the application, is consistent with subsection 9(6) and section 144 of the Act.

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
Section 144 of the Act			
15.3 Further Decision pursuant to Subsection 9(6) of the Act or Revocation or Variation of a Decision pursuant to Section 144 of the Act Hearing	15.2	The Panel should be required to notify the applicant in advance of its decision not to hold an oral hearing in order to permit the applicant to comply with this Rule if the applicant proposes to introduce new evidence. As the Rule is drafted, a party proposing to introduce new evidence could only do so at the hearing of the application, but would be precluded from doing so if the Panel decided not to hold an oral hearing.	The Rule, as adopted, is consistent with the position put forth in this comment. Rule 15.3 has been moved to become Rule 15.2 to clarify the timing.
16 Take-Over Bid Applications	16	**Comment 1:** It is possible that on some occasions a take-over bid application may be frivolous and commenced for tactical reasons. It is recommended that a provision be included in the Rules which would enable the Commission to prevent its process from being invoked in take-over matters solely for tactical purposes by the parties. Two suggestions are given: (1) the Secretary should be required to consult with the Manager of Take-Over Bids whether a hearing should be held; and (2) the Commission should have the jurisdiction to review and decide whether to hold an oral hearing to consider the application. **Comment 2:** Requiring consultation and a recommendation of the Manager of Take-Over Bids to issue a Notice of Hearing, could inappropriately transfer adjudicative power from the Commissioners, and in some circumstances, lead to an apprehension of bias. **Comment 3:** It is recommended that this Rule be amended to reflect that, under both sections 104 and 127, the Commission is not *required* to hold a hearing upon the receipt of an application alleging a breach of Part XX or a complaint alleging that an aspect of a take-over bid or issuer bid is contrary to the public interest. It is recommended that the Commission should have the discretion to determine whether a hearing is required to deal with the application or complaint based on initial materials exchanged between the parties. It is recommended that it may not always be	The Rule, as adopted, is consistent with the position put forth in comment 2. See also Rule 16.2 below.

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
		necessary to hold a hearing, because in some situations, parties may use the Commission to file a complaint for the purpose of gaining a tactical advantage and this should not be encouraged.	
16.1(2) Take-Over Bid Applications	16.1(2) and 16.3	This Rule should be redrafted to reflect the current practice, as follows: An application should contain a description of the matter and circumstances, together with legal submissions. The response should be in the same form and content.	The Rules, as adopted, are consistent with the position put forth in this comment. See Rules 16.1(2) and 16.3.
16.2 Take-Over Bid Applications	16.2	**Comment 1:** There is concern with proposed Rule 16.2, which provides that: "Once all of the documents for the application have been filed in accordance with Rule 16.1, the Secretary *shall* establish the schedule for the filing of a response and a reply and give notice of the time and place for the hearing of the application" [emphasis added]. It is recommended that the Commission should not depart from its current practice regarding filing materials and memoranda of fact and law. The current practice is as follows: the party requesting a hearing files an application or a complaint with the Commission describing the facts on which it relies and the relief it would seek if a hearing was held, together with references to the relevant legal principles and prior Commission decisions. The party against whom relief was sought would then file a responding letter and the initiating party would file a reply letter, if necessary. At that point, the Commission would advise whether a hearing should be held and a schedule would be set for the exchange of affidavits and memoranda of fact and law in advance of the scheduled hearing date. At that time, the Secretary would issue a Notice of Hearing. **Comment 2:** It should be added that, following the delivery of the application and the response, the Secretary should establish the schedule for the exchange of affidavits and memoranda of fact and law.	The Rule, as adopted, is consistent with the position put forth in comment 2. The Commission does not agree with comment 1. Rule 16.2, as adopted, is consistent with the Commission's practice: neither the Secretary nor Take-Over Bid Staff can act as "gatekeepers" to prevent or limit an applicant's access to the tribunal. In response, a respondent may bring a cross-application pursuant to Rule 16.2 and/or a response pursuant to Rule 16.3.
16.5 Take-Over Bid Applications	16.5 and 1.8	The opportunity to seek leave to intervene in a proceeding should not be limited to Applications relating to take-over bids, issuer bids and mergers and acquisitions transactions, but should apply to all proceedings before the Commission.	Rule 1.8 (Intervenors) has been amended accordingly.

Rule Number in Draft for Comment	Rule Number in Final Version	Summary of Comments	Commission's Response
17.2(2) Decisions and Reasons	17.2(2)	The Secretary should ensure that all decisions of Courts arising from proceedings under the Act, whether at first instance or under appeal, and any applications to which the Commission is a party, are published.	The Office of the Secretary is responsible for the public record of all adjudicative proceedings before the Commission and plays no role in connection with Commission proceedings before the courts.
18 Costs	18	The right to award costs under this Rule and section 127.1 of the Act should be eliminated entirely. The proposed costs regime is unfair and not in accordance with the Rules of Practice of other disciplinary tribunals. Alternatively, the Rule should be amended to provide the Panel with the ability to award costs in favour of the respondent and against Staff of the Commission, in circumstances where a respondent has successfully responded to any portion or all of a Staff proceeding under sections 127, 122 or 26, and suffered the financial burden and irreparable harm to his/her reputation.	Section 127.1 of the Act gives the Commission power to award costs to Staff. Rule 18 merely clarifies the procedure and criteria for doing so.
18.2 Costs	18.2(d)	An additional factor should be included in the list of factors to consider when awarding costs. The Panel should consider the conduct of Staff during the investigation and during the proceeding, and how Staff's conduct contributed to costs of the proceeding.	The Rule has been amended accordingly.

1.4.5 Kwok-On Aloysius Lo

FOR IMMEDIATE RELEASE
March 3, 2009

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

AND

IN THE MATTER OF
KWOK-ON ALOYSIUS LO

TORONTO – The Office of the Secretary issued a Notice of Hearing on March 2, 2009 for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Kwok-On Aloysius Lo. The hearing will be held on March 5, 2009 at 2:00 p.m. in the Hearing Room B on the 17th floor of the Commission's office located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated March 2, 2009 and Statement of Allegations of the Ontario Securities Commission dated March 2, 2009 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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Assistant Manager,
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416-593-2361

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

1.4.6 Brilliante Brasilcan Resources Corp. et al.

FOR IMMEDIATE RELEASE
March 3, 2009

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

AND

IN THE MATTER
BRILLIANTE BRASILCAN RESOURCES CORP.,
YORK RIO RESOURCES INC.,
BRIAN W. AIDELMAN, JASON GEORGIADIS,
RICHARD TAYLOR AND VICTOR YORK

TORONTO – Today, the Commission issued an Order pursuant to subsections 127(1), (2) and (8) of the Act in the above named matter.

The hearing is adjourned to September 3, 2009 at 10:00 a.m.

A copy of the Order dated March 3, 2009 is available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Loring Ward International Ltd.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – 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).

February 25, 2009

Loring Ward International Ltd.
61 Broadway, Suite 2220
New York, New York
10006

Dear Sirs/Mesdames:

Re: Loring Ward International Ltd. (the "Applicant") – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Nunavut, and Yukon Territory (collectively, 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

2.1.2 AGF Funds Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to mutual funds from paragraph 2.5(2)(a) of National Instrument 81-102 Mutual Funds to permit the funds to invest up to 10% of net assets in exchange-traded commodity pools that correlate to a multiple (or inverse multiple) of the performance of an underlying index, which are not subject to National Instrument 81-101 Mutual Fund Prospectus Disclosure, and qualified for sale using a long form prospectus, subject to certain conditions.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.5(2)(a), 19.1.

February 24, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
AGF FUNDS INC.
NORREP INC.
COUNSEL GROUP OF FUNDS INC.
(THE MANAGERS)

AND

IN THE MATTER OF
BETAPRO MANAGEMENT INC.
(BETAPRO)

DECISION

Background

The Ontario Securities Commission has received an application from the Managers with respect to mutual funds managed by them that are subject to National Instrument 81-102 *Mutual Funds* (**NI 81-102**) (the **Existing Funds**), and such other mutual funds subject to NI 81-102 that are managed by a Manager or an affiliate of the Manager in the future (together with the Existing Funds, individually, a **Fund** and, collectively, the **Funds**), and BetaPro, the manager and trustee of the Horizons BetaPro ETFs listed in Schedule A (each an **Existing HBP ETF**) and such other similar funds managed by BetaPro in the future (together with the Existing HBP ETFs, individually a **HBP ETF** and, collectively, the **HBP ETFs**), for a decision under Ontario securities legislation (the **Legislation**) exempting the Funds from paragraph 2.5(2)(a) of NI 81-102 to permit each Fund to invest in HBP ETFs (the **Exemption Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

(ii) the Managers on behalf of the Funds have provided notice that subsection 4.7(2) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in each of the other Provinces and Territories of Canada (together with Ontario, the **Jurisdictions**, and individually a **Jurisdiction**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

This decision is based on the following facts represented by each of the Managers on its own behalf and on behalf of the Funds it or an affiliate manages or will manage, and by BetaPro on its own behalf and on behalf of the HBP ETFs:

Managers

1. Each Existing Fund is managed by a Manager. Each future Fund will be managed by a Manager, or an affiliate of the Manager.

2. None of the Managers, or any of the Existing Funds, is in default of securities legislation in any of the Jurisdictions.

3. Each Existing Fund is, and each future Fund will be, (a) a mutual fund organized under the laws of Canada or a Jurisdiction, and (b) a reporting issuer under the laws of one or more of the Jurisdictions.

4. Securities of each Existing Fund are, and securities of each future Fund will be, distributed pursuant to a prospectus that has been filed with, and receipted by, some or all of the securities regulatory authorities in the Jurisdictions.

5. The location of the head office of each Manager is as follows:

Manager	Head Office Location
AGF Funds Inc.	Toronto, Ontario
Norrep Inc.	Calgary, Alberta
Counsel Group of Funds Inc.	Toronto, Ontario

BetaPro

6. BetaPro, a corporation incorporated under the laws of Canada, acts as the trustee and manager of each HBP ETF, and will act as the trustee and manager of any future HBP ETF. The head office of BetaPro is located in Toronto, Ontario.

7. Neither BetaPro, nor any of the HBP ETFs listed in Schedule A, are in default of securities legislation in any of the Jurisdictions.

8. Each HBP ETF is, and each future HBP ETF will be, (a) a mutual fund organized under the laws of Ontario, and (b) a reporting issuer under the laws of some or all of the Jurisdictions.

9. Securities of each HBP ETF are, and securities of any future HBP ETF 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.

10. Each HBP ETF is, and each future HBP ETF 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, and each future HBP ETF 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.

11. Each HBP ETF's investment objective is, and each future 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**).

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

13. An HBP ETF will not track its Underlying Index by a multiple (or inverse multiple) that exceeds +200% (or -200%) on a daily basis. Each bull HBP ETF uses, or will use, financial instruments to track its Underlying Index by +200% on a daily basis (a **Bull HBP ETF**). Each bear HBP ETF uses, or will use, financial instruments to track its Underlying Index by -200% on a daily basis (a **Bear HBP ETF**).

14. 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 be -200% of its Underlying Index on each day on which it is valued.

15. The maximum exposure of an investment by a Fund in a HBP ETF will be the amount invested by the Fund in securities of the HBP ETF.

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

17. An investment by a Fund in units of a HBP ETF will represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Fund.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted in those Jurisdictions in which a Fund is a reporting issuer provided that:

(a) A Fund may not purchase securities of an HBP ETF if, immediately after the purchase, more than 10% of the net assets of the Fund, taken at market value at the time of the purchase, would consist of securities of HBP ETFs;

(b) In addition to (a), if short selling relief has been obtained in respect of a Fund, the Fund may not purchase securities of a Bear HBP ETF or sell any security short if, immediately after the transaction, the aggregate market value of (i) all securities sold short by the Fund, and (ii) all securities of Bear HBP ETFs held by the Fund, would exceed 20% of the Fund's net assets, taken at market value at the time of the transaction;

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

(d) the Exemption Sought does not apply to a Fund that is a money market fund;

(e) the prospectus of each Fund discloses, or will disclose the next time it is renewed after the date hereof, (i) to the extent applicable, the risks associated with an investment in HBP ETFs, and (ii) in the Investment Strategy section of the prospectus, the fact that the Fund has obtained relief that permits it to invest in commodity pools that use financial instruments that correlate to a multiple (or inverse multiple) of the performance of an Underlying Index; and

(f) a Fund will not invest in an HBP ETF with an Underlying Index based, directly or indirectly through a specified derivative or otherwise, on a physical commodity other than gold.

"Rhonda Goldberg"
Manager, Investment Funds
Ontario Securities Commission

Schedule A

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
Horizons BetaPro S&P 500® Bull Plus ETF
Horizons BetaPro S&P 500® Bear Plus ETF
Horizons BetaPro NASDAQ-100® Bull Plus ETF
Horizons BetaPro NASDAQ-100® Bear Plus ETF
Horizons BetaPro MSCI Emerging Markets Bull Plus ETF
Horizons BetaPro MSCI Emerging Markets Bear Plus ETF
Horizons BetaPro US Dollar Bull Plus ETF
Horizons BetaPro US Dollar Bear Plus ETF
Horizons BetaPro US 30-year Bond Bull Plus ETF
Horizons BetaPro US 30-year Bond Bear Plus ETF

2.1.3 CI Financial Income Fund – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

February 25, 2009

CI Financial Income Fund
2 Queen Street East, Twentieth Floor
Toronto, Ontario

Dear Sirs/Mesdames:

Re: CI Financial Income Fund (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, 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.

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

2.1.4 Canadian International LP – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

February 23, 2009

Canadian International LP
2 Queen Street East, Twentieth Floor
Toronto, Ontario

Dear Sirs/Mesdames:

Re: Canadian International LP (the Applicant) - application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, 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.

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

2.1.5 Quadrus Investment Services Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption from section 4.2(1) of NI 81-105 to permit certain sales representatives of a principal distributor of proprietary funds to compensate their Specified Approved Persons for the distribution of proprietary funds and third party funds in an unequal manner – the primary business of the affected sales representatives is financial planning.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Fund Sales Practices, ss. 4.2(1), 9.1.

February 27, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(THE JURISDICTION)

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
QUADRUS INVESTMENT SERVICES LTD.
(THE FILER)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for an exemption under section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (NI 81-105) from the requirements in section 4.2(1) of NI 81-105 such that the Filer may compensate Specified Approved Persons (as defined below) in the manner described below (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and the Northwest Territories.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

1. The Filer is registered as a mutual fund dealer or equivalent in each of the provinces and territories of Canada and is a member of the Mutual Fund Dealers Association of Canada (the MFDA).

2. The Filer is the principal distributor of mutual funds (Quadrus Group of Funds) which are managed in whole or in part by Mackenzie Financial Corporation (MFC).

3. The Filer is not in default of securities legislation in any jurisdiction of Canada.

4. The Filer has two general classes of sales persons or approved persons only as defined in Bylaw No. 1 of the MFDA: those who are authorized to sell Quadrus Group of Funds and other mutual funds for which the Filer acts as a participating dealer (Third Party Funds), and those who are authorized to sell Quadrus Group of Funds but, except for the following products, no other mutual funds (Specified Approved Persons). Both groups are authorized to offer clients an MFC registered education savings plan which is only permitted to hold certain Mackenzie mutual funds, as well as certain approved labour sponsored funds. Quadrus also has a direct sales unit of head office employees (the “Direct Sales Unit”) who are authorized to sell Quadrus Group of Funds as well as Third Party Funds.

5. The Filer is the exclusive distributor of Quadrus Group of Funds and distributes them on a deferred sales charge and front end load basis.

6. Each of the Filer and MFC is a "member of the organization", within the meaning of NI 81-105, of Quadrus Group of Funds.

7. The primary business of the Specified Approved Persons is to provide financial planning services to clients and to implement those plans through the sale and distribution of Quadrus Group of Funds.

8. The Filer also permits Third Party Funds to be held in certain client accounts serviced by Specified Approved Persons. Third Party Funds are held only at the request of an investor and on

an "accommodation" basis only, for clients who either already held them when their account moved to the Filer, or who wish to incorporate them into their financial plan. For purposes of this decision, "accommodation" means that the Filer does not promote, or encourage the Specified Approved Persons to promote the purchase of Third Party Funds by clients. Further, the Filer does not advertise that Third Party Funds may be purchased through Specified Approved Persons, nor are Specified Approved Persons authorized to hold themselves out as a distributor of Third Party Funds. However, as a service to clients who request to continue holding one or more Third Party Funds in their mutual fund account with the Filer or to purchase additional or new securities of a Third Party Fund, the Filer will accommodate the request and facilitate the Third Party Fund transaction. Only certain Third Party Funds may be accommodated through the Filer, specifically only those that (i) may be settled through FundSERV and (ii) are purchased on a "no load" basis or on a "front load" basis where the front load is reduced to nil. If a Third Party Fund does not have a no-load series of securities, the Filer requires that the front-load series be sold with the front load reduced to nil. Quadrus offers registered education savings plans offered by MFC, which may only hold certain Mackenzie mutual funds, through its Specified Approved Persons, for which the Specified Approved Persons receive the same percentage sales commissions for sales of Quadrus Group of Funds. The Filer also permits clients of Specified Approved Persons to hold their investments in a registered education savings plan offered by a third party other than MFC, but only on a no-load or front-load nil basis.

9. Third Party Funds sold to the clients of Specified Approved Persons on the accommodation basis described in Representation 8 represent 8.77% of the dollar value of mutual funds purchased by clients of Specified Approved Persons in 2008. The ratio of Third Party Funds held by clients of Specified Approved Persons as a percentage of Quadrus's total assets under management was 7.92% as of December 31, 2008.

10. As a result of offering the accommodation service described in 8 above, the Filer is considered a "participating dealer" as defined in NI 81-102, in respect of Third Party Funds held by clients of Specified Approved Persons.

11. Specified Approved Persons receive compensation from the Filer, on the sale of securities of Quadrus Group of Funds, whether they are sold under a deferred sales charge option or a front end sales charge option, as follows:

    (i) a sales commission at the time of the initial sale of the securities; and

    (ii) an annual trailing commission payable monthly based on the end of month value of the applicable securities.

    The amount of the sales commission and the trailing commission is fixed at 50% of the dealer commission received from MFC. The amount of the front end sales charge option is negotiated between the Specified Approved Person and the client, up to a maximum of 5%.

12. In respect of the sale of Third Party Funds (which the Filer only permits to be offered by Specified Approved Persons under a no-load option or where the front end load is reduced to nil) on the accommodation basis set out above, the Filer compensates Specified Approved Persons with an annual trailing commission, based on 50% of the trailing commission received by the Filer payable monthly.

    As a result, the percentage amount of annual trailing commissions that Specified Approved Persons receive in respect of assets invested in Quadrus Group of Funds and in Third Party Funds is the same. As noted in Representation 11, however, Specified Approved Persons receive sales commissions at the time of the initial sale of Quadrus Group of Funds which they do not receive in respect of the Third Party Funds sold to their clients on the accommodation basis set out above.

13. The Filer does not reimburse Specified Approved Persons for expenses incurred in respect of the distribution of Quadrus Group of Funds nor pay for Specified Approved Persons to attend conferences sponsored by the Filer. Further, the Filer does not award prizes and bonuses to Specified Approved Persons in respect of the distribution of Quadrus Group of Funds.

14. The compensation paid to Specified Approved Persons of the Filer in respect of Quadrus Group of Funds is paid to the Filer by MFC from management fees paid to MFC by Quadrus Group of Funds.

15. To the knowledge of the Filer, the compensation paid to Specified Approved Persons in respect of Third Party Funds is paid to the Filer by the managers of Third Party Funds from management fees paid to the managers by Third Party Funds.

16. The compensation paid to Specified Approved Persons in respect of Quadrus Group of Funds and in respect of Third Party Funds is determined as a percentage of what the Filer receives from MFC or the manager of the Third Party Funds, as the case may be.

17. Section 4.2(1) of NI 81-105 prohibits a principal distributor from providing an incentive for its sales

representatives to recommend a fund of which it is a principal distributor over a fund of which it is a participating dealer.

18. Specified Approved Persons will disclose the unequal compensation schemes between Quadrus Group of Funds and Third Party Funds. Clients of Specified Approved Persons who transfer Third Party Funds to a Quadrus account will receive disclosure prior to the transfers, that the Specified Approved Person will receive trailing commissions in respect of Third Party Funds. Clients of a Specified Approved Person who wish to purchase Third Party Funds for their Quadrus account going forward, will be informed prior to the purchase, that they can only purchase Third Party Funds on a no-load basis or on a front-end basis if the front-end commission is reduced to nil and that the Specified Approved Person will receive only trailing commissions in respect of Third Party Funds going forward.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that the sale of Third Party Funds is on an "accommodation" basis, as described above, only.

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.1.6 Bank of Montreal and BMO Capital Trust II

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemption granted to a trust from continuous disclosure requirements under National Instrument 51-102 Continuous Disclosure Obligations and certification obligations under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, subject to certain conditions. Trust established for purpose of effecting offerings of trust securities in order to provide bank with a cost-effective means of raising capital for Canadian bank regulatory purposes. Trust became reporting issuer upon filing a prospectus offering trust securities. Without relief, trust would have to comply with continuous disclosure and certification requirements. Given the nature, terms and conditions of the trust securities and various covenants of the bank in connection with the prospectus offering, the meaningful information to public holders of trust securities is information with respect to the bank, rather than the trust.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

February 23, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the "Jurisdiction")

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BANK OF MONTREAL ("BMO") AND
BMO CAPITAL TRUST II
(the "Trust" and, together with BMO, the "Filers")

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision (the "Exemption Sought") under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") that the requirements contained in the Legislation to:

(a) (i) file interim financial statements and audited annual financial statements and deliver same to the security holders of

the Trust, pursuant to sections 4.1, 4.3 and 4.6 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102");

(ii) file interim and annual management's discussion and analysis ("MD&A") and deliver same to the security holders of the Trust pursuant to sections 5.1 and 5.6 of NI 51-102;

(iii) file an annual information form pursuant to section 6.1 of NI 51-102; and

(iv) comply with any other provisions of NI 51-102,

(collectively, the "Continuous Disclosure Obligations"); and

(b) file interim and annual certificates (collectively, the "Officers' Certificates") pursuant to Parts 4 and 5 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109") (the "Certification Obligations");

shall not apply to the Trust, subject to certain terms and conditions.

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("MI 11-102") is intended to be relied upon in each of the provinces and territories of Canada other than Ontario.

Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions* have the same meaning if used in this decision, unless otherwise defined.

In this decision,

- "Automatic Exchange" means the automatic exchange of the BMO Tier 1 Notes – Series A for newly issued Class B Preferred Shares Series 20 upon the occurrence of a Loss Absorption Event.
- "Business Day" means a day on which Canadian chartered banks are open for business in the City of Toronto and which is not a Saturday or Sunday.
- "Class B Preferred Shares Series 20" means the non-cumulative Class B Preferred Shares, Series 20 of BMO.
- "Canada Yield Price" means the price per $1,000 principal amount of BMO Tier 1 Notes – Series A calculated by BMO to provide an annual yield thereon from the applicable date of redemption to, but excluding, the next Interest Reset Date equal to the GOC Redemption Yield plus (i) 1.75% if the redemption date is any time prior to December 31, 2018, or (ii) 3.50% if the redemption date is any time after December 31, 2018.
- "GOC Redemption Yield" means, on any date, the average of the annual yields at 12:00 p.m. (Eastern time) on the Business Day immediately preceding the date on which the Trust gives notice of the redemption of the BMO Tier 1 Notes — Series A as determined by two Canadian registered investment dealers, each of which will be selected by, and must be independent of, BMO and the Trust, as being the annual yield from the applicable date of redemption to, but excluding, the next Interest Reset Date which a non-callable Government of Canada bond would carry, assuming semi-annual compounding, if issued in Canadian dollars at 100% of its principal amount on the date of redemption and maturing on the next Interest Reset Date.
- "Government of Canada Yield" means, on any Interest Reset Date, the average of the annual yields as at 12:00 p.m. (Easter time) on the third Business Day prior to the applicable Interest Reset Date as determined by two Canadian registered investment dealers, each of which will be selected by, and must be independent of, BMO and the Trust, as being the annual yield to maturity on such date which a non-callable Government of Canada bond would carry, assuming semi-annual compounding, if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of give years.
- "Loss Absorption Event" means the occurrence of any one of the following events: (i) an application for a winding-up order in respect of BMO pursuant to the Winding-up and Restructuring Act (Canada) is filed by the Attorney General of Canada or a winding-up order in respect of BMO pursuant to that Act is granted by a court; (ii) the Superintendent advises BMO in writing that the Superintendent has taken control of BMO or its assets pursuant to the Bank Act; (iii) the Superintendent advises BMO in writing that BMO has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; (iv) the Board of Directors of BMO advises the Superintendent in writing that BMO has a risk-based Tier 1 Capital ratio of less than 5.0% or a risk-based Total Capital ratio of less than 8.0%; or (v) the Superintendent directs BMO, pursuant to the Bank Act, to increase its capital or provide additional liquidity and BMO elects to cause the Automatic Exchange as a consequence of the issuance of such direction or BMO does not comply with such direction to the satisfaction of the Superintendent within the time specified.

- "Prospectus" means the final short form prospectus of BMO and the Trust dated December 12, 2008.

- "SEDAR" means the System for Electronic Document Analysis Retrieval.

Representations

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

The Trust

1. The Trust is a trust established under the laws of Ontario by Montreal Trust Company of Canada (the "Trustee") pursuant to an amended and restated declaration of trust dated as of December 18, 2008, as may be amended, restated and supplemented from time to time. The Trust's principal office is located in Toronto, Ontario.

2. The Trust was established solely for the purpose of effecting the Offering (as defined below) and other offerings of debt securities in order to provide BMO with a cost-effective means of raising capital for regulatory purposes under the Bank Act (Canada) (the "Bank Act"). BMO will be the Administrative Agent of the Trust pursuant to an Administration Agreement between the Trustee and BMO.

3. The Trust completed an initial public offering (the "Offering") of trust subordinated notes (the "Trust Subordinated Notes") in each of the provinces and territories of Canada on December 18, 2008 and may, from time to time, issue further series of Trust Subordinated Notes. The first series of Trust Subordinated Notes were designated as 10.221% BMO Tier 1 Notes – Series A due December 31, 2107 (the "BMO Tier 1 Notes - Series A"), representing direct subordinated unsecured debt obligations of the Trust. As a result of the Offering, the capital of the Trust consists of BMO Tier 1 Notes – Series A and voting trust units (the "Voting Trust Units"). The BMO Tier 1 Notes – Series A distributed pursuant to the Prospectus are held by the public and all outstanding Voting Trust Units are held by BMO.

4. As a result of the Offering, the Trust is now a reporting issuer or its equivalent in each of the provinces and territories of Canada (the "Reporting Jurisdictions") where such concept exists. The Trust is not, to the best of its knowledge, in default of any requirement of the securities legislation in the Reporting Jurisdictions.

5. The BMO Tier 1 Notes – Series A are debt securities of the Trust, which have the attributes described below under "BMO Tier 1 Notes – Series A". The Voting Trust Units are voting securities of the Trust.

6. The Trust will not carry on any operating activity other than in connection with the offering of its securities to the public. The assets of the Trust consist primarily of a senior deposit note issued by BMO which has been acquired with the proceeds of the offerings of BMO Tier 1 Notes – Series A and the Trust may, from time to time, acquire additional senior deposit notes issued by BMO from the proceeds of the offering of other Trust Subordinated Notes (each, a "Bank Deposit Note"). The Bank Deposit Notes will generate income to provide the Trust with funds to pay the interest payable on the BMO Tier 1 Notes – Series A and other Trust Subordinated Notes (if any) from time to time.

7. BMO Tier 1 Notes – Series A qualify as Tier 1 Capital of BMO under the Innovative Capital Guidelines issued by the Office of the Superintendent of Financial Institutions (Canada) (the "Superintendent") pursuant to the *Bank Act*.

BMO

8. BMO is a Schedule I bank under the *Bank Act*, which constitutes its charter. The principal executive offices are located at Bank of Montreal, 100 King Street West, 1 First Canadian Place, Toronto, Ontario, Canada M5X 1A1. BMO's head office is located at 129 Rue St. Jacques, Montreal, Québec, Canada H2Y 1L6.

9. The authorized capital of BMO consists of an unlimited number of (i) common shares ("Common Shares"), (ii) Class A Preferred Shares, issuable in series, and (iii) Class B Preferred Shares (the "Class B Preferred Shares"), issuable in series.

10. The Common Shares are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange.

BMO Tier 1 Notes – Series A

11. The BMO Tier 1 Notes – Series A are issued under the Trust Indenture (the "Trust Indenture") dated December 18, 2008 between the Trust, BMO and Computershare Trust Company of Canada (the "Indenture Trustee"), as trustee for the holders of BMO Tier 1 Notes – Series A.

12. From December 18, 2008 until December 31, 2107, the Trust will pay interest on the BMO Tier 1 Notes - Series A in equal (subject to the reset of the interest rate) semi-annual instalments on June 30 and December 31 of each year (each semi-annual interest payment date, an "Interest Payment Date"). Starting on December 31, 2018 and on every fifth anniversary of such date thereafter until December 31, 2103 (each such date, an "Interest Reset Date"), the interest rate on the BMO Tier 1 Notes - Series A will be reset at an interest rate per annum equal to the

Government of Canada Yield plus 10.50%. The BMO Tier 1 Notes - Series A will mature on December 31, 2107. Interest will be payable in cash, subject to a Deferral Event (as described below).

13. On the maturity date of the BMO Tier 1 Notes - Series A, the Trust will be required to pay the principal amount of the BMO Tier 1 Notes - Series A, together with any accrued and unpaid interest, in cash, subject to the deferral provisions described below.

14. Pursuant to the Assignment, Set-Off and Trust Agreement between BMO, the Trust and the Indenture Trustee dated December 18, 2008 (the "Assignment and Set-Off Agreement"), on each Interest Payment Date in respect of which a Deferral Event has occurred (each a "Deferral Date"), holders of the BMO Tier 1 Notes - Series A will be required to invest interest payable on the BMO Tier 1 Notes - Series A in a series of non-cumulative perpetual Class B Preferred Shares of BMO (the "Class B Deferral Preferred Shares"). A new series of Class B Deferral Preferred Shares will be issued in respect of each Deferral Event. A "Deferral Event" will occur in circumstances where (i) BMO has failed to declare cash dividends on all of the outstanding Class B Preferred Shares or, failing any Class B Preferred Shares being outstanding, on all of the outstanding Common Shares (other than a failure to declare dividends on such shares during a Dividend Restricted Period), in accordance with BMO's ordinary dividend practice in effect from time to time, in each case, in the last 90 days preceding the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date; or (ii) BMO elects, at its sole option, prior to the commencement of the Interest Period ending on the day preceding the relevant Interest Payment Date, that holders of BMO Tier 1 Notes – Series A will be required to invest interest payable on the BMO Tier 1 Notes – Series A on the relevant Interest Payment Date in Class B Deferral Preferred Shares; or (iii) for whatever other reason, interest is not paid in full in cash on the BMO Tier 1 Notes – Series A on any Interest Payment Date (or the next following Business Day if the relevant Interest Payment Date is not a Business Day) (in the case of either (ii) or (iii) referred to as an "Other Deferral Event"). "Dividend Restricted Period" means the period from and including a Deferral Date to but excluding the applicable Dividend Declaration Resumption Month. "Dividend Declaration Resumption Month" means the month that is the 6th month following the relevant Deferral Date in respect of which an Other Deferral Event has occurred, being the month in which BMO may resume declaring dividends on the Common Shares and Class B Preferred Shares (collectively, "Dividend Restricted Shares").

15. The subscription amount of each Class B Deferral Preferred Share will be an amount equal to the face amount of the Class B Deferral Preferred Share, and the number of Class B Deferral Preferred Shares subscribed for on each Deferral Date will be calculated by dividing the amount of the interest payment on the BMO Tier 1 Notes - Series A that has not been paid in cash on the applicable Deferral Date by the face amount of each Class B Deferral Preferred Share. There is no other limit on the number of Deferral Events that may occur.

16. Pursuant to the Assignment and Set-Off Agreement, BMO has agreed that in the event of an Other Deferral Event, in the period commencing on the relevant Deferral Date to but excluding the Dividend Declaration Resumption Month: (i) BMO will not declare dividends of any kind on any of the Dividend Restricted Shares; and (ii) no subsidiary of BMO may make any payment to holders of Class B Preferred Shares or, failing any Class B Preferred Shares being outstanding, on any Common Shares in respect of dividends not declared or paid by BMO, and no subsidiary of BMO may purchase any Class B Preferred Shares or, failing any Class B Preferred Shares being outstanding, any outstanding Common Shares, provided that any subsidiary of BMO whose primary business is dealing in securities may purchase shares of BMO in certain limited circumstances as permitted by the Bank Act or the regulations thereunder. Accordingly, it is in the interest of BMO to ensure, to the extent within its control, that the Trust complies with the obligation to pay interest in cash on the BMO Tier 1 Notes - Series A in full when due.

17. The BMO Tier 1 Notes - Series A, including any accrued and unpaid interest thereon, will be exchanged automatically, without the consent of the holder thereof, for newly issued non-cumulative Class B Preferred Shares, Series 20 of BMO upon the occurrence of certain stated events relating to the solvency of BMO or actions taken by the Superintendent in respect of BMO, as described in the Prospectus.

18. On or after December 31, 2013, the Trust may, at its option, with the prior approval of the Superintendent, redeem the BMO Tier 1 Notes - Series A, in whole or in part. The price payable in respect of any such redemption will include an early redemption compensation component in the event of a redemption on any date other than an Interest Reset Date. The price payable in all other cases will be the principal amount of the BMO Tier 1 Notes - Series A together with any accrued and unpaid interest thereon.

19. Upon the occurrence of certain regulatory or tax events affecting BMO or the Trust, as described in the Prospectus, the Trust may, at its option, with the prior approval of the Superintendent, redeem

at any time all but not less than all of the BMO Tier 1 Notes - Series A at a price equal to the principal amount of the BMO Tier 1 Notes - Series A together with any accrued and unpaid interest thereon.

20. On or after December 31, 2013, the Trust may purchase in whole or in part, at the direction of BMO and with prior approval of the Superintendent, in the open market or by tender or private contract at any price, the BMO Tier 1 Notes - Series A. BMO Tier 1 Notes - Series A purchased by the Trust shall be cancelled and not re-issued.

21. BMO has covenanted for the benefit of the holders of BMO Tier 1 Notes – Series A, pursuant to the Share Exchange Agreement dated December 18, 2008 (the "Share Exchange Agreement") between BMO, the Trust and Computershare Trust Company of Canada, or the Assignment and Set-Off Agreement, as applicable, that:

    (a) all of the outstanding Voting Trust Units will be held at all times by BMO;

    (b) as long as any BMO Tier 1 Notes - Series A are outstanding and held by any person other than BMO, BMO will not take any action to cause the termination of the Trust, except in certain limited circumstances, as described in the Prospectus, and with the prior approval of the Superintendent;

    (c) BMO will not create or issue any Class B Preferred Shares which, in the event of insolvency or winding-up of BMO, would rank in right of payment in priority to the Class B Preferred Shares Series 20 or the Class B Deferral Preferred Shares;

    (d) BMO will not assign or otherwise transfer its obligations under the Share Exchange Agreement or the Assignment and Set-Off Agreement, except in the case of a merger, consolidation, amalgamation or reorganization or a sale of substantially all of the assets of BMO;

    (e) if BMO Tier 1 Notes – Series A have not exchanged for Class B Preferred Shares Series 20 pursuant to the Automatic Exchange, BMO will not, without the approval of the holders of BMO Tier 1 Notes – Series A, delete or vary any terms attaching to the Class B Preferred Shares Series 20 other than the terms which may be amended without the approval of the holders of the series; and

    (f) prior to the issue of any Class B Deferral Preferred Shares in respect of a Deferral Event, BMO will not, without the approval of the holders of BMO Tier 1 Notes – Series A, delete or vary any terms attaching to the Class B Deferral Preferred Shares other than the terms which may be amended without the approval of the holders of each series thereof.

22. The Voting Trust Units will entitle BMO to vote with respect to certain matters regarding the Trust.

23. Pursuant to the Amended and Restated Administration Agreement dated December 18, 2008 (the "Administration Agreement") between the Trust and BMO, the Trustee has delegated to BMO certain of its obligations in relation to the administration of the Trust. BMO, as administrative agent, provides advice and counsel with respect to the administration of the day-to-day operations of the Trust and other matters as may be requested by the Trustee from time to time.

24. Because of the terms of the BMO Tier 1 Notes – Series A, the Share Exchange Agreement, the Assignment and Set-Off Agreement and the various covenants of BMO, information about the affairs and financial performance of BMO, as opposed to that of the Trust, is meaningful to holders of BMO Tier 1 Notes – Series A. BMO's filings will provide holders of BMO Tier 1 Notes – Series A and the general investing public with all information required in order to make an informed decision relating to an investment in BMO Tier 1 Notes – Series A and any other Trust Subordinated Notes that the Trust may issue from time to time. Information regarding BMO is relevant both to an investor's expectation of being paid the principal, interest or redemption price, if any, and any other amount on the BMO Tier 1 Notes – Series A when due and payable.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted provided that:

1. in respect of the Continuous Disclosure Obligations,

    (a) BMO remains a reporting issuer under the Legislation and has filed all continuous disclosure documents it is required to file by the Legislation;

    (b) BMO files with the securities regulatory authority or regulator in each Reporting Jurisdiction, in electronic format under

the Trust's SEDAR profile, the continuous disclosure documents referred to in paragraph 1(a) above, at the same time as those documents are required under the Legislation to be filed by BMO;

(c) the Trust pays all filing fees that would otherwise be payable by the Trust in connection with the filing of the continuous disclosure documents under NI 51-102;

(d) the Trust sends or causes BMO to send BMO's interim and audited annual financial statements and interim and annual MD&A, as applicable, to holders of Trust's debt securities, at the same time and in the same manner as if the holders of Trust's debt securities were holders of BMO's Common Shares;

(e) all outstanding securities of the Trust are either BMO Tier 1 Notes - Series A, additional series of debt securities having terms substantially similar to the BMO Tier 1 Notes - Series A or Voting Trust Units;

(f) the rights and obligations of holders of additional series of debt securities are the same in all material respects as the rights and obligations of the holders of the BMO Tier 1 Notes - Series A, with the exceptions of economic terms such as the rate of interest, redemption dates and maturity dates;

(g) BMO is, directly or indirectly, the beneficial owner of all issued and outstanding voting securities of the Trust, including the Voting Trust Units;

(h) he Trust does not carry on any operating activity other than in connection with offerings of its securities and the Trust has minimal assets, operations, revenues or cash flows other than those related to the Bank Deposit Notes or the issuance, administration and repayment of the Trust Subordinated Notes;

(i) BMO, as holder of the Voting Trust Units, will not propose changes to the terms and conditions of any outstanding BMO Tier 1 Notes – Series A that would result in BMO Tier 1 Notes – Series A being exchangeable for securities other than BMO's Class B Preferred Shares;

(j) the Trust issues a news release and files a material change report in accordance with Part 7 of NI 51-102 as amended, supplemented or replaced from time to time, in respect of any material change in the affairs of the Trust that is not also a material change in the affairs of BMO;

(k) in any circumstances where the BMO Tier 1 Notes – Series A (or any additional series of Trust's debt securities having terms substantially similar to the BMO Tier 1 Notes – Series A) are voting, the Trust will comply with Part 9 of NI 51-102; and

(l) the Trust complies with Parts 4A, 4B, 11 and 12 of NI 51-102;

2. in respect of the Certification Obligations,

(a) the Trust is not required to, and does not, file its own interim filings and annual filings (as those terms are defined in NI 52-109);

(b) the Trust is and continues to be exempted from the Continuous Disclosure Obligations and BMO and the Trust are in compliance with the conditions set out in paragraph 1 above; and

(c) BMO files with the securities regulatory authority or regulator in each of the Reporting Jurisdictions, in electronic format under the Trust's SEDAR profile, the Officers' Certificates at the same time as such documents are required under the Legislation to be filed by BMO; and

3. this decision shall expire 30 days after the date a material adverse change occurs in the representations made by the Trust in this decision.

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

2.1.7 Chalk Media Corp. – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Issuer deemed to no longer be a reporting issuer under securities legislation.

Applicable Legislative Provisions

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

March 3, 2009

Chalk Media Corp.
Second Floor - 1071 Mainland Street
Vancouver, B.C. V6B 5P9

Dear Sirs/Mesdames:

Re: Chalk Media Corp. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, 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.

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

2.1.8 Deans Knight Income Corporation

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-106, s.17.1 – Continuous Disclosure Requirements for Investment Funds – NAV calculation – An investment fund wants relief from the requirement to calculate its net asset value at least once every business day. – Units of the fund are listed or to be listed on a stock exchange and unitholders can buy or sell units of the fund through the exchange; the fund calculates its net asset value on a weekly basis and makes that calculation available to the public on request.

Applicable Legislative Provisions

National Instrument 81-106 Continuous Disclosure Requirements for Investment Funds, ss. 14.2(3)(b), 17.

March 3, 2009

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

AND

IN THE MATTER OF
THE PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
DEANS KNIGHT INCOME CORPORATION
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for relief from Section 14.2(3)(b) of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106), which requires the net asset value of an investment fund that uses specified derivatives (as such term is defined in National Instrument 81-102 *Mutual Funds*) to be calculated at least once every business day (the Exemption Sought).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

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

(b) the Filers have provided notice that Subsection 4.7(1) of Multilateral Instru-ment 11-102 Passport System (MI 11-102) is intended to be relied upon in Alberta, Saskatchewan, Manitoba, Qué-bec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Yukon, Northwest Territories and Nunavut; and

(c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

Representations

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

The Filer

1. the Filer is a closed-end, non-redeemable investment company continued under the federal laws of Canada; the principal and registered office of the Filer is located in Vancouver, British Columbia; to its knowledge, the Filer is not in default of securities legislation in any jurisdiction of Canada;

2. the Filer will retain Deans Knight Capital Management Ltd. (the Investment Advisor) as its investment advisor; following the closing of the Offering (as defined below), the Filer will have the same principal office as the Investment Advisor and certain officers and portfolio managers of the Investment Advisor will serve as the officers and a director of the Filer; a majority of the board of directors of the Filer will be independent of the Investment Advisor;

The Offering

3. the Filer is authorized to issue an unlimited number of voting common shares and an unlimited number of non-voting common shares;

4. the Filer intends to make an offering to the public, on a best efforts basis, of voting common shares (the Shares) at a price of $10.00 per Share in each of the Jurisdictions (the Offering);

5. a preliminary prospectus for the Filer dated February 9, 2009 (the Preliminary Prospectus) has been filed with the securities regulatory authority in each of the Jurisdictions under SEDAR Project No. 1373168;

6. the Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the TSX); the Filer has made an application for conditional listing approval to the TSX;

7. the Offering is a one-time offering and the Filer will not continuously offer Shares once the Filer is out of primary distribution;

The Shares

8. the Shares will not be redeemable by the holders, but will be redeemable by the Filer for a cash amount equal to 100% of the net asset value per Share on April 30, 2014; the Shares may be redeemed by the Filer prior to April 30, 2014 if in the opinion of the board of directors of the Filer, and with the prior approval of the shareholders of the Filer, it is no longer commercially viable to continue the Filer and/or it would be in the best interests of the Filer's shareholders;

9. the net proceeds of the Offering will be invested by the Filer in a portfolio (the Portfolio) actively managed by the Investment Advisor, consisting primarily of corporate debt securities rated BBB or below by Standard & Poor's Rating Services or an equivalent rating by another nationally recognized statistical rating organization; the Filer may also invest in investment grade debt securities rated above BBB and non-rated debt securities from time to time;.

10. the Filer's investment objectives are to: (i) maximize the total return for shareholders, consisting of dividend income and capital appreciation; and (ii) provide shareholders with monthly dividends targeted to payout a minimum of 75% of the Filer's net earnings annually;

11. the Filer may borrow funds to make investments or maintain liquidity and may pledge its assets to secure the borrowings, all in accordance with its investment objectives, investment strategy and investment restrictions as set forth in the Preliminary Prospectus;

12. the Filer expects to hedge substantially all of the value of the Filer's non-Canadian dollar securities in its Portfolio back to the Canadian dollar through the use of forward currency contracts; a forward currency contract is a "specified derivative" as defined in NI 81-106; additionally, the Investment Advisor may use derivative instruments to: (i) hedge against losses from movements in stock markets or interest rates; (ii) gain indirect exposure to individual securities or markets instead of buying the securities directly; (iii) seek to generate additional income; or (iv) profit from declines in financial markets;

Calculation of Net Asset Value

13. following the issuance of a receipt for a final prospectus, the Filer will become a reporting issuer (or its equivalent thereof) in each of the Jurisdictions; pursuant to subsection 14.2(3)(b) of NI 81-106, an investment fund that uses specified derivatives, such as the Filer intends to do, must calculate its net asset value at least once every business day;

14. the Filer is not a mutual fund trust for the purposes of the *Income Tax Act* (Canada); it will not be a mutual fund for the purposes of securities legislation and will differ from a conventional mutual fund as follows:

    (a) the Filer does not intend to continuously offer Shares once the Filer is out of primary distribution; and

    (b) the Shares are expected to be listed and posted for trading on the TSX and as a result, shareholders will be able to trade their Shares and will not have to rely on the redemption of the Shares by the Filer to provide liquidity for their investment;

15. the Preliminary Prospectus discloses, and the final prospectus will disclose, that the Filer's net asset value will be:

    (a) calculated weekly;

    (b) made available to the public through a website established for such purpose; and

    (c) available to the public upon request.

Decision

4 Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

(a) the net asset value calculation is available to the public upon request; and

(b) the public has access to a website for this purpose;

for so long as:

(c) the Shares are listed on the TSX; and

(d) the Filer calculates its net asset value at least weekly.

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

2.1.9 BMO Investments Inc.

Headnote

MI 11-102 Passport System – Process for Exemptive Relief Applications in Multiple Jurisdictions – A mutual fund dealer selling model portfolios of mutual funds is exempt from registration as an adviser with respect to discretionary strategic rebalancing activities carried out by the affiliated adviser to the model portfolios of mutual funds, subject to certain conditions.

Applicable Legislative Provisions

Multilateral Instrument 11-102 Passport System.
Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., ss. 25(1)(c), 74(1).

March 3, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF

THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BMO INVESTMENTS INC.
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for exemption from the adviser registration requirement (the **Exemption Sought**) with respect to the Strategic Rebalancing Activities (as defined below) carried out by Jones Heward Investment Counsel Inc. (**JHIC**) in connection with the Product (as defined and described below).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

(b) the Filer has provided notice that section 4.7(1) of the Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut, and Yukon.

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 business corporation incorporated under the laws of Canada. The head office of the Filer is located in Toronto, Ontario, and Ontario is the domicile of the mutual funds it manages.

2. The Filer is registered under the Legislation as a dealer in the category of mutual fund dealer and holds the equivalent registration in each of the other provinces and territories in Canada (the **Other Jurisdictions**).

3. JHIC is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager and holds the equivalent registration in each of the Other Jurisdictions.

4. The Filer and JHIC are affiliated entities.

5. The Filer's salespersons distribute the BMO MatchMaker and BMO Intuition Portfolios (the **Product**) to their clients (**clients**).

6. The Product consists of a number of portfolios (the **Portfolios**), which together occupy successive portions of the investing spectrum from conservative, income-maintenance investing to aggressive growth investing. Each Portfolio, other than the registered and non-registered savings portfolios (the **Savings Portfolios**) is made up exclusively of securities of BMO Mutual Funds. Each of the Savings Portfolios currently consist of guaranteed investment certificates (**GICs**) and securities of BMO Mutual Funds designed to ensure preservation of capital.

7. Any of the BMO Mutual Funds that currently exist or that may be created in the future (the **Funds**) and that are used in the Product are or will be qualified under a simplified prospectus that has been receipted by the applicable securities regulators under applicable securities legislation.

8. If a client is interested in the Product, the client completes an investor profile form (the **Form**). The Form is used by the Filer as a "know your client" form to enable the Filer to consider the client's financial circumstances, investment knowledge, investment objectives and risk tolerance and thereby assist in determining an appropriate

Portfolio for the client. From and based on the information provided in the Form, the Filer recommends one of the Portfolios as suitable for the client.

9. The client receives a description of the Funds in a Portfolio and, in the case of the Savings Portfolios, both the Funds and the GICs in a Portfolio, at the time it is selected by the client (the **Selected Portfolio**), completes the account application and enters into an agreement (the **Account Agreement**) with the Filer. Clients will receive express disclosure that JHIC will be providing discretionary investment management services in connection with the Strategic Rebalancing Activities (defined below) and that the client shall be treated as having retained JHIC to provide such activities just as though JHIC were a direct signatory to the Account Agreement.

10. Except for the Savings Portfolios, each Fund within a Selected Portfolio is given a target weighting and a target range for determining when the Selected Portfolio will be rebalanced through a series of purchase and redemption trades effected by the Filer on behalf of all clients invested in the Funds in the Selected Portfolio. The Selected Portfolio will only be automatically rebalanced if the percentage weighting of at least one of the Funds in the Selected Portfolio varies by more than its set target range. Such trades are referred to herein as the **Auto Rebalancing Activities**. The Savings Portfolios are not subject to the Auto Rebalancing Activities.

11. In addition to the mechanical non-discretionary Auto Rebalancing Activities described above that are effected by the Filer, JHIC will review all of the Portfolios on a periodic basis, currently expected to be every two or three years, to consider changing the relative weightings of the Funds in the Portfolios, and to make any changes in the Funds included in the Portfolios, which will be done on a full discretionary basis. In the case of the Savings Portfolios, JHIC will also consider whether any changes in the GICs in the Portfolios are warranted, again, on a fully discretionary basis. JHIC will give trade instructions to the Filer to effect these changes in the Selected Portfolios and each client account. Such activities are referred to herein as the **Strategic Rebalancing Activities**.

12. The Filer will retain JHIC under an advisory agreement (the **Advisory Agreement**) to provide the Strategic Rebalancing Activities with respect to the Product and will be responsible for the remuneration paid to JHIC, if any, with respect to the provision of such services. The Filer will at all times be ultimately responsible to the client for the Strategic Rebalancing Activities undertaken by JHIC.

13. Each Portfolio is comprised of different asset classes (**Asset Classes**). Each Asset Class is allocated a permitted range (**Permitted Range**), being a minimum and maximum percentage of the Portfolio that can be allocated to Funds of a particular Asset Class. The Asset Classes and Permitted Ranges will be disclosed to the client in the Selected Portfolio and cannot be changed without the prior consent of the client.

14. The Account Agreement will authorize the Filer to permit JHIC to exercise discretion over the client's account so that it may engage in the Strategic Rebalancing Activities in accordance with the terms of the Selected Portfolio and the Product. The Account Agreements of clients in the Product before the relief requested hereby is effective will be amended to address the client's granting of authority to JHIC to engage in the Strategic Rebalancing Activities.

15. There is no separate charge to a client for the Product. The Filer, as manager of the Funds, receives the management fees and fixed administration fee from the Funds used in the Product in the usual manner and each Fund may pay certain operating expenses not covered by the fixed administration fee. No sales charges would be payable in respect of any sales, redemptions or fund switches. As a result, there will be no duplication of any fees.

16. All trades for clients in the Product will be reflected in each client's account on the day following the trade, and will also be reflected in the Filer's trade blotter in connection with the Product. The Filer will be responsible for providing clients with confirmations and account statements that reflect this trading activity in their accounts in accordance with the Legislation.

17. Notwithstanding that there is no direct relationship between the client and JHIC, the client will be entitled to treat JHIC as if JHIC were a party to the Account Agreement with respect to its responsibilities described above.

18. If and when a Fund for which a client has not yet received a prospectus is intended to be included in a Portfolio, the Filer will provide such client with a new or amended simplified prospectus that includes that Fund prior to investing the Portfolio in such Fund.

19. In the absence of the Exemption Sought, the Filer would have to be registered under the Legislation as an adviser in the categories of investment counsel/portfolio manager (or its equivalent in each of the Other Jurisdictions) in order to assume ultimate responsibility for, and to facilitate JHIC's involvement in, the Strategic Rebalancing Activities described in this decision.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted, provided that:

(a) the Filer ensures that the Account Agreement and other material with respect to the Portfolios fully describe the Product and the applicable Selected Portfolio including (but not limited to) that:

(i) in addition to the Auto Rebalancing Activities effected by the Filer, JHIC is authorized to exercise discretion in performing the Strategic Rebalancing Activities in connection with the Selected Portfolio pursuant to the Advisory Agreement;

(ii) while JHIC provides limited discretionary investment services in performing the Strategic Rebalancing Activities, it is not responsible for determining or confirming the suitability of a Portfolio for the client, and JHIC has no direct relationship with the client and will not provide the client with direct access to investment management services;

(iii) the Filer assumes ultimate responsibility to the client for the Strategic Rebalancing Activities;

(iv) JHIC and the Filer are affiliated entities;

(v) in performing its Strategic Rebalancing Activities JHIC will, in its discretion, choose the Funds in which each Portfolio will invest and their weightings so that they are consistent with the general risk profile determined by the Filer and suggested by the characterization of each Portfolio, and the Asset Classes and Permitted Ranges cannot be changed without the prior consent of the client;

(vi) all trades will be effected by the Filer and reflected in the client's account on the day following the trade and will also be reflected in the trade blotter of the Filer in connection with the Product and the client will receive confirmations and account statements reflecting such trading activity in accordance with the Legislation; and

(vii) the client will not be responsible for the remuneration paid to JHIC, if any, with respect to the provision of the Strategic Rebalancing Activities, and there is no separate charge or duplication of any fees to a client in connection with the Product; and

(b) if and when a Fund for which a client has not yet received a prospectus is intended to be included in a Portfolio, the Filer will provide such client with a new or amended simplified prospectus that includes that Fund prior to investing the Portfolio in such Fund.

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

2.1.10 Bank of Montreal et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Exemptions from the dealer registration and prospectus requirements provided to permit U.S. banks to offer U.S. dollar deposit accounts and services to Canadian residents, including those Canadian residents that have been referred or introduced by a related Canadian bank.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 74(1), 25, 53.

March 3, 2009

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO
(the Jurisdiction)

AND

IN THE MATTER OF

THE PROCESS FOR EXEMPTIVE RELIEF APPLICATIONS IN MULTIPLE JURISDICTIONS

AND

IN THE MATTER OF
BANK OF MONTREAL (BMO), HARRIS N.A. (HNA)
AND THE HARRIS BANK N.A. (THBNA)
(together, the Filers)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption from the Registration Requirements (as defined below) and the Prospectus Requirement (as defined below) of the Legislation (the **Exemptions Sought**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport application):

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

(b) the Filers have provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the other provinces and territories of Canada (together with Ontario, the **Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

In this decision, the following additional terms have the following meanings:

"Bank Act" means the *Bank Act* (Canada);

"BMO Affiliates" means the affiliates of BMO set out in Appendix A attached to this Decision;

"Deposits" means the United States dollar deposit-taking accounts and services offered by HNA and THBNA to Canadian residents, including retail savings accounts, retail chequing accounts, individual retirement accounts (similar to RRSP accounts), certificates of deposit (similar to guaranteed investment certificates), business savings accounts, business chequing accounts and business certificates of deposit;

"FDIC" means the United States Federal Deposit Insurance Corporation;

"FRB" means the United States Federal Reserve Board;

"OCC" means the United States Office of the Comptroller of Currency;

"OSA" means the *Securities Act* (Ontario);

"OSFI" means the Office of the Superintendent of Financial Institutions;

"Prospectus Requirement" means the provision of section 53 of the OSA, and the equivalent provisions in the legislation of the Jurisdictions, that prohibits a person or company from trading in a security unless the person or company satisfies the requirements of section 53 of the OSA;

"Registration Requirements" means the provisions of section 25 of the OSA, and the equivalent provisions in the legislation of the Jurisdictions, that prohibit a person or company from trading in a security, acting as an underwriter or acting as an adviser, in each case as defined in the OSA, unless the person or company satisfies the applicable requirements of section 25 of the OSA.

Representations

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

1. BMO is a Canadian chartered bank that is listed in Schedule I to the Bank Act.

2. Each of HNA and THBNA is a United States national bank chartered under the United States *National Bank Act*. Each of HNA and THBNA is an indirect wholly-owned subsidiary of BMO.

3. HNA carries on the business of banking in the United States and is a national bank with trust powers. Its principal place of business is Chicago, Illinois.

4. THBNA carries on the business of banking in the United States and is a national bank with trust powers. Its principal place of business is Scottsdale, Arizona.

5. Neither HNA nor THBNA is a bank for purposes of the Bank Act and the Deposits are therefore securities for purposes of the Legislation.

6. Each of HNA and THBNA would like to offer Deposits to Canadian residents, including those Canadian residents that have been referred to it or introduced to it by BMO or a BMO Affiliate (collectively, the **Canadian Clients**). The offer and sale of Deposits to Canadian Clients would constitute a distribution of securities, making each of HNA and THBNA subject to the Registration Requirements and the Prospectus Requirement. In addition, the referral or introductory activities of BMO or a BMO Affiliate may constitute an act in furtherance of a trade in such securities.

7. BMO and the BMO Affiliates would refer some of its customers that indicate that they would like to have United States dollar deposits to one of HNA or THBNA. In the case of certain customers and to the extent permitted by the Bank Act, BMO and the BMO Affiliates may take a more proactive role between HNA or THBNA and its customer.

8. Customers interested in the Deposits would be provided with marketing material that describes the services that HNA or THBNA, as the case may be, provides in the United States or would be referred to HNA or THBNA, as the case may be.

9. BMO or a BMO Affiliate, HNA and THBNA, may pay and/or receive a fee in connection with the referral or introductory services described herein (the **Referral Arrangement**). Payments arising from the Referral Arrangements, if any, would be consistent with existing bank practices and policies associated with intercompany services. In addition, each Canadian Client that is the subject of a Referral Arrangement would be informed, prior to opening an account or making an initial Deposit, of the Referral Arrangement, including the method of calculating the fees arising from the Referral Arrangement.

10. Although neither HNA nor THBNA is a bank for purposes of the Bank Act, each of HNA and THBNA is a United States national bank under Title 12 of the United States Code and is subject to the regulation, examination and supervision of its chartering agency, the OCC, as well as the FRB.

11. Each of the OCC and the FRB are regulatory authorities created under the federal laws of the United States. The OCC has been granted extensive discretionary authority to assist it with the fulfillment of its supervisory and enforcement obligations. It exercises this authority for the purpose of conducting periodic examinations of HNA's and THBNA's compliance with various regulatory requirements, including minimum capital and consumer disclosure requirements, and to establish policies respecting the classification of assets and the establishment of loan loss reserves for regulatory purposes.

12. Each of HNA and THBNA must file reports with the OCC and the FRB concerning its activities and financial condition in addition to obtaining regulatory approvals prior to entering into certain transactions, such as mergers with, or acquisitions of, other financial institutions.

13. The Deposits held by either HNA or THBNA are protected by FDIC insurance up to the applicable coverage limits under the FDIC rules, based on ownership categories. The FDIC is an independent United Stated government agency that was created by the United States Congress in 1933 to protect against the loss of insured deposits if a bank fails. FDIC insurance is backed by the full faith and credit of the United States government. HNA, THBNA and other United States federally insured depository institutions are required to pay premiums for this deposit insurance.

14. Each of HNA and THBNA is subject to a comprehensive scheme of regulation and supervision that is comparable to the regulatory framework within which Schedule I and Schedule II banks pursuant to the Bank Act are required to conduct their businesses and the supervisory responsibilities of OSFI.

15. The issuance of the Deposits by HNA or THBNA to Canadian Clients will not contravene any Canadian federal or provincial deposit-taking legislation or any provision of the Bank Act.

16. The Deposits that are purchased by Canadian Clients will be subject to the same regulation and oversight by the OCC and the FRB as Deposits that are purchased by residents of the United States.

17. Deposits purchased by Canadian Clients will remain throughout the term of such Deposits fully entitled to the benefits of applicable FDIC deposit

insurance coverage as if such Deposits had been made by residents of the United States.

18. Other than in compliance with Canadian securities laws, neither HNA nor THBNA will trade in any securities other than Deposits with or on behalf of persons or companies who are resident in Canada.

19. The Deposits will be offered in compliance with the banking regulations governing HNA or THBNA, as the case may be, in the United States.

20. Except as otherwise disclosed to the principal regulator, no Filer is in default of securities legislation in any Jurisdiction.

Decision

The principal regulator is satisfied that the decision meets the test set out in the Legislation for the principal regulator to make the decision.

The decision of the principal regulator under the Legislation is that the Exemptions Sought are granted provided that at the relevant time that such activities are engaged in:

(a) each of HNA and THBNA continues to be subject to regulation, examination and supervision by the OCC and/or the FRB;

(b) the Deposits are insured by the FDIC up to the applicable coverage limits under the FDIC rules, regardless of the residence or citizenship of the holder of a Deposit;

(c) details of the FDIC insurance coverage in respect of the Deposits are disclosed to each prospective holder of a Deposit prior to trading any Deposit with the prospective holder; and

(d) each Canadian Client that is the subject of a Referral Arrangement is informed, prior to opening an account or making an initial Deposit, of the Referral Arrangement, including the method of calculating the fees arising from the Referral Arrangement, in connection with the Deposit.

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"Margot C. Howard"
Commissioner
Ontario Securities Commission

APPENDIX A
LIST OF BMO AFFILIATES

BMO Affiliates means:

BMO Nesbitt Burns Inc.
BMO Nesbitt Burns Ltée/Ltd
BMO Harris Investment Management Inc.
BMO Nesbitt Burns Securities Ltd.
BMO Trust Company
BMO Investorline Inc.
BMO Capital Markets Corp.
Harris Investment Management Inc.
Harris Investor Services Inc.
HIM Monegy, Inc.
Jones Heward Investment Counsel Inc.

2.1.11 HSIF Technologies Corporation – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – 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 2, 2009

Stewart McKelvey
Suite 900, Purdy's Wharf Tower One
1959 Upper Water Street
Halifax, NS B3J 3N2

Dear Sirs/Mesdames:

Re: HSIF Technologies Corporation (the Applicant) – application for a decision under the securities legislation of Alberta, Ontario, and Nova Scotia (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

2.2 Orders

2.2.1 Teodosio Vincent Pangia and Transdermal Corp. – 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
TEODOSIO VINCENT PANGIA AND
TRANSDERMAL CORP.**

**TEMPORARY ORDER
Section 127(1) & 127(5)**

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Transdermal Corp. ("Transdermal") is a corporation registered in the State of Nevada, U.S.A., with offices in Burlington, Ontario;

2. Teodosio Vincent Pangia ("Pangia") is a resident of Burlington, Ontario;

3. That on December 16, 2003, the Commission ordered (the "sanction order") that:

   a. Pangia cease trading in securities permanently,

   b. Any exemptions contained in Ontario securities law do not apply to Pangia,

   c. Pangia is permanently prohibited from becoming or acting as an officer and/or director of any issuer, and

   d. Pangia undertake never to apply for registration in any capacity under Ontario securities law.

4. Pangia may have committed acts in furtherance of trades in the securities of Transdermal after the date of the sanction order;

5. Pangia may have acted as a de facto officer or director of Transdermal after the date of the sanction order;

6. Transdermal may have permitted Pangia to commit acts in furtherance of trades in Transdermal's securities;

7. Transdermal may have permitted Pangia to act as a de facto officer or director of Transdermal;

8. Transdermal may have made misleading or untrue statements about the identity of the officers and directors of Transdermal by omitting to state

Pangia's role in the company in its business plan and on its website;

9. Pangia is not registered to trade securities under the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act");

10. Staff of the Commission are conducting an ongoing investigation into the activities of the Respondents.

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest as set out in s. 127(5) of the Act;

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

IT IS ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities by Transdermal shall cease and that all trading in securities of Transdermal shall cease;

IT IS FURTHER ORDERED pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities by Pangia shall cease;

IT IS FURTHER ORDERED that pursuant to subsection 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 "23rd" day of February, 2009.

"David Wilson"

2.2.2 Global Petroleum Strategies, LLC et al. – ss. 127(1), (7), (8), (10)

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

AND

IN THE MATTER OF
GLOBAL PETROLEUM STRATEGIES, LLC,
PETROLEUM UNLIMITED, LLC AND
ROGER A. KIMMEL JR.

ORDER
(Section 127(1), (7) (8) and (10))

WHEREAS the Ontario Securities Commission (the Commission) issued a temporary order on January 6, 2009 (the Temporary Order) against Global Petroleum Strategies, LLC, Petroleum Unlimited, LLC, Aurora Escrow Services, LLC, John Andrew, Vincent Cataldi, Charlotte Chambers, Carl Dylan, James Eulo, Richard Garcia, Troy Gray, Jim Kaufman, Timothy Kaufman, Chris Harris, Morgan Kimmel, Roger A. Kimmel, Jr., Erik Luna, Mitch Malizio, Adam Mills, Jenna Pelusio, Rosemary Salveggi, Stephen J. Shore and Chris Spinler;

AND WHEREAS the Temporary Order ordered that: (1) trading in any securities by the respondents cease pursuant to subsection 127(5), paragraph 2 of subsection 127(1) and paragraph 4 of subsection 127(10) of the Act; and (2) any exemptions contained in Ontario securities law do not apply to the respondents pursuant to subsection 127(5), paragraph 3 of subsection 127(1) and paragraph 4 of subsection 127(10) of the Act;

AND WHEREAS the Commission further ordered that the Temporary Order is continued until the 15th day after its making unless extended by the Commission;

AND WHEREAS Petroleum Unlimited, LLC, Aurora Escrow Services, LLC, Morgan Kimmel and Roger A. Kimmel, Jr. were represented by counsel and were served with the Temporary Order, the Notice of Hearing dated January 6, 2009, the Statement of Allegations dated January 5, 2009 and the Affidavit of George Gutierrez sworn January 12, 2009 (the Gutierrez affidavit);

AND WHEREAS Staff have filed the Gutierrez Affidavit in support of Staff's request to extend the Temporary Order;

AND WHEREAS on January 15, 2009, the Commission extended the Temporary Order on the consent of Petroleum Unlimited, LLC, Aurora Escrow Services, LLC, Morgan Kimmel and Roger A. Kimmel, Jr., the other respondents not appearing, until February 24, 2009 or further order of the Commission;

AND WHEREAS Staff served the Temporary Order, the extension of the Temporary Order, the Statement of Allegations dated January 5, 2009 and a letter

providing notice of the hearing scheduled on February 24, 2009 on Global Petroleum Strategies LLC, by serving persons whom Staff believes to be its principals: Michael Geraud and Robert Rossi by email and Joseph Valko and Jeffrey Jedlicki by courier;

AND WHEREAS Staff were unable to serve the Temporary Order, the Notice of Hearing dated January 6, 2009, the Statement of Allegations dated January 5, 2009 on John Andrew, Vincent Cataldi, Charlotte Chambers, Carl Dylan, James Eulo, Richard Garcia, Troy Gray, Jim Kaufman, Timothy Kaufman, Chris Harris, Erik Luna, Mitch Malizio, Adam Mills, Jenna Pelusio, Rosemary Salveggi, Stephen J. Shore and Chris Spinler;

AND WHEREAS on January 6, 2009, the Alberta Securities Commission issued an amended Notice of Hearing with allegations against Global Petroleum Strategies, LLC, Petroleum Unlimited, LLC and Roger A. Kimmel Jr.;

AND WHEREAS on February 20, 2009, the Alberta Securities Commission scheduled a hearing into this matter to begin on May 11, 2009;

AND WHEREAS Staff served the amended Statement of Allegations dated February 23, 2009 on Global Petroleum Strategies, LLC by serving Michael Geraud and Robert Rossi by email, and on Petroleum Unlimited, LLC and Roger A. Kimmel, Jr. by email to their counsel;

AND WHEREAS on February 24, 2009, Staff advised the Commission that Petroleum Unlimited, LLC and Roger A. Kimmel, Jr. are now self-represented;

AND WHEREAS on February 24, 2009, Staff appeared before the Commission, Roger A. Kimmel, Jr. having provided consent on his own behalf and on behalf of Petroleum Unlimited, LLC in writing, Global Petroleum Strategies, LLC not appearing, to extend the Temporary Order against Petroleum Unlimited, LLC and Roger A. Kimmel, Jr. and to adjourn the hearing until the proceeding commenced by the Alberta Securities Commission is concluded and a decision is rendered or such other date as is agreed by Staff and the respondents and is determined by the Office of the Secretary;

AND WHEREAS on February 24, 2009, Staff advised the Commission that it is not seeking an extension of the Temporary Order against Aurora Escrow Services, LLC, Morgan Kimmel, John Andrew, Vincent Cataldi, Charlotte Chambers, Carl Dylan, James Eulo, Richard Garcia, Troy Gray, Jim Kaufman, Timothy Kaufman, Chris Harris, Erik Luna, Mitch Malizio, Adam Mills, Jenna Pelusio, Rosemary Salveggi, Stephen J. Shore and Chris Spinler;

IT IS ORDERED THAT the hearing is adjourned and the Temporary Order is extended against Global Petroleum Strategies LLC, Petroleum Unlimited, LLC, and Roger A. Kimmel, Jr. until the proceeding commenced by the Alberta Securities Commission is concluded and a decision is rendered, or such other date as is agreed by Staff and the respondents and is determined by the Office of the Secretary; and

IT IS ORDERED THAT this matter is to be spoken to before May 6, 2009 unless otherwise adjourned by the Office of the Secretary.

DATED at Toronto this 24th day of February 2009.

"Lawrence E. Ritchie"
Vice-Chair

"Margot C.Howard"
Commissioner

2.2.3 David Cathcart – ss. 127, 127.1

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

AND

IN THE MATTER OF
DAVID CATHCART
("Cathcart")

ORDER
(Sections 127 and 127.1)

WHEREAS on July 11, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act in respect of Illidge and others;

AND WHEREAS Cathcart and Staff of the Commission entered into a settlement agreement dated February 25, 2009 (the "Settlement Agreement") in which they agreed to a settlement of the proceeding subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission, and upon hearing the submissions from Cathcart and from counsel for Staff of the Commission;

AND WHEREAS Cathcart has undertaken in writing to co-operate with Staff and has agreed to provide truthful testimony in this matter;

AND WHEREAS Cathcart has undertaken in writing that he will never apply for registration in any capacity under the Act;

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

IT IS HEREBY ORDERED THAT:

(1) the Settlement Agreement attached to this Order is hereby approved;

(2) under section 127 of the Act:

a. The Respondent shall be banned from trading in or acquiring any securities for a period of 5 years with the exception that the Respondent will be permitted to trade in securities in one RRSP account in his name and one non-RRSP account in his name, each account to be held at a full service dealer registered with the Commission (which accounts have been identified by the Respondent in writing for Staff of the Commission), if:

(i) the securities are listed on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, NASDAQ or the Chicago Board Options Exchange; or

(ii) the securities are listed in section 35(2) clauses 1 and 2 of the Act; and

(iii) neither the Respondent nor any member of his family is an insider, partner or promoter of the issuer of the securities; and

(iv) the Respondent does not own directly or indirectly more than one percent of the outstanding securities of the issuer of the securities.

b. Any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 5 years; and,

c. The Respondent shall be permanently banned from becoming or acting as an officer or director of any registrant or reporting issuer, and,

d. The Respondent shall be permanently banned from becoming or acting as a registrant.

DATED at Toronto, February 27th, 2009

"Wendell S. Wigle"

"Margot C. Howard"

2.2.4 Brilliante Brasilcan Resources Corp. et al. – ss. 127(1), (2), (8)

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

AND

**IN THE MATTER OF
BRILLIANTE BRASILCAN RESOURCES CORP.,
YORK RIO RESOURCES INC.,
BRIAN W. AIDELMAN, JASON GEORGIADIS,
RICHARD TAYLOR AND VICTOR YORK.**

**ORDER
(Subsections 127(1), (2) and (8))**

WHEREAS on October 21, 2008, the Ontario Securities Commission ("Commission") ordered pursuant to subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in the securities of Brilliante Brasilcan Resources Corp. ("Brilliante") shall cease and that Brilliante, York Rio Resources Inc. ("York Rio") and their representatives, including Brian W. Aidelman ("Aidelman"), Jason Georgiadis ("Georgiadis"), Richard Taylor ("Taylor"), and Victor York ("York") shall cease trading in all securities (the "Temporary Order");

AND WHEREAS on October 21, 2008, the Commission further ordered pursuant to subsection 127(6) of the Act that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS the Commission issued a Notice of Hearing on October 23, 2008 to consider, among other things, whether to extend the Temporary Order;

AND WHEREAS on November 4, 2008 the Commission adjourned the hearing to November 14, 2008 at 10:00 a.m. and further extended the Temporary Order, on consent, until the close of business on November 14, 2008;

AND WHEREAS on November 14, 2008, the Commission adjourned the hearing to March 3, 2009 at 2:30 p.m. and further extended the Temporary Order, on consent, until the close of business on March 4, 2009;

AND WHEREAS on March 3, 2009, the Commission held a hearing where Staff attended and on being advised by Staff that Brilliante, York Rio, Aidelman, Georgiadis and York are consenting to the extension of the Temporary Order for a further period of six months, and no other Respondents attended;

AND WHEREAS the Commission is satisfied that reasonable steps have been taken by Staff to give all Respondents notice of the hearing and all Respondents, other than Taylor, have been duly served with such notice;

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 satisfactory information has not been provided by the Respondents to the Commission;

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

IT IS ORDERED pursuant to subsection 127(8) of the Act that the hearing is adjourned to September 3, 2009 at 10:00 a.m.;

IT IS FURTHER ORDERED pursuant to subsection 127(8) of the Act that the Temporary Order is extended until September 4, 2009, subject to further extension by order of the Commission;

IT IS FURTHER ORDERED pursuant to subsections 127(1) and (2) of the Act that, notwithstanding the Temporary Order, each of York, Aidelman, Georgiadis and Taylor are permitted to trade securities for the account of his registered retirement savings plans (as defined in the *Income Tax Act* (Canada)) in which he and/or his spouse have sole legal and beneficial ownership, provided that:

(i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

(ii) he does not own legally or beneficially (in the aggregate, together with his spouse) more than one percent of the outstanding securities of the class or series of the class in question;

(iii) he carries out any permitted trading through a registered dealer (which dealer must be given a copy of this order) and through accounts opened in his name only; and

(iv) he shall provide Staff with the particulars of the accounts (before any trading in the accounts under this order occurs) including the name of the registered dealer through which the trading will occur and the account numbers, and he shall instruct the registered dealer to provide copies of all trade confirmation notices with respect to the accounts directly to Staff at the same time that such notices are provided to him.

Dated at Toronto this 3rd day of March, 2009

"Suresh Thakrar"

"Margot C. Howard"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Biovail Corporation et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
BIOVAIL CORPORATION, EUGENE N. MELNYK,
BRIAN H. CROMBIE, JOHN R. MISZUK AND
KENNETH G. HOWLING

HEARING HELD PURSUANT TO SECTIONS 127 and 127.1 OF THE ACT

SETTLEMENT HEARING RE: BRIAN H. CROMBIE

HEARING:	Thursday, February 12, 2009	
PANEL:	Wendell S. Wigle, Q.C.	- Commissioner and Chair of the Panel
	Suresh Thakrar	- Commissioner
	Carol S. Perry	- Commissioner
APPEARANCES:	Johanna Superina Alexandra Clark	- for Staff of the Ontario Securities Commission
	Paul LeVay	- for Brian H. Crombie

ORAL RULING AND REASONS

The following text has been prepared for the purpose of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the Chair of the Panel for the purpose of providing a public record of the decision.

Chair:

[1] This was a hearing under sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, (the "Act") for the Ontario Securities Commission (the "Commission") to consider whether it is in the public interest to approve a proposed Settlement Agreement between Staff of the Commission ("Staff") and the respondent Brian H. Crombie ("Crombie").

[2] We have decided to approve the Settlement Agreement as being in the public interest. These are our oral reasons in this matter which will be published in the Bulletin.

[3] The facts and circumstances agreed to by Staff and Crombie are set out in the Settlement Agreement. These facts are not findings of fact by this Panel, rather, they are facts agreed to by Staff and Crombie for purposes of this settlement. In approving the Settlement Agreement, we relied solely on the facts set out in that agreement and those facts represented to us at today's hearing (see: *Re Rankin* (2008), 31 O.S.C.B. 3303 at para. 5).

[4] Crombie's conduct in this matter is in relation to Biovail Corporation ("Biovail"), which is a reporting issuer in the province of Ontario and is Canada's largest publicly traded pharmaceutical company. The common shares of Biovail are listed and posted for trading on the Toronto Stock Exchange and the New York Stock Exchange.

[5] During the period May 2000 to August 2004, Crombie was Biovail's Chief Financial Officer and as Chief Financial Officer, Crombie had overall responsibility for Biovail's finance and accounting function. From August 2004 to May 2007, Crombie was Vice-President, Strategic Development. Crombie is no longer employed by Biovail.

[6] Crombie's conduct relates to improper accounting practices in the area of revenue recognition and Crombie's role in the dissemination of incorrect statements in certain press releases and in certain analyst calls and investor meetings and providing misleading information to Staff during a continuous disclosure review.

[7] The specific matters that are the subject of the Settlement Agreement fall into three categories:

(1) Crombie's role in Biovail's recognition in its interim financial statements for Q2 of 2003 of revenue relating to a sale of Wellbutrin XL tablets;

(2) Crombie's role in Biovail's dissemination of materially inaccurate information concerning the consequences of a truck accident in the press releases of October 3, 8 and 30, 2003 and in March 3, 2004, in the analyst call held on October 3, 2003, and in investor meetings held in October 2003; and

(3) Crombie's role in Biovail's provision of misleading information to Staff during a continuous disclosure review of Biovail in 2003 and 2004.

[8] With respect to the sale of Wellbutrin XL tablets in June 2003:

(1) As the senior financial officer of Biovail, Crombie had principal responsibility for ensuring that the Q2 2003 financial statements complied with Canadian Generally Accepted Accounting Principles ("GAAP"). He certified the public disclosure of these financial statements on behalf of Biovail and thereby acquiesced in their release to the public;

(2) Crombie acknowledges that he ought to have been more careful in considering the recognition of revenue for this transaction;

(3) Crombie specifically admits that he ought to have made further inquiries or ensured that Biovail sought further guidance from a qualified accounting professional; and

(4) Crombie, now acknowledges that he acquiesced in conduct by Biovail that was a violation of Ontario securities law and, by his conduct, acted contrary to the public interest.

[9] With respect to Biovail's dissemination of materially inaccurate information in connection with the truck accident:

(1) As chief financial officer of Biovail, Crombie played a leading role in the preparation and drafting of the press releases in issue, including being the person to provide the estimate as to the range of revenue loss in the October 3, 2003 press release. Crombie was also a participant in the October 3, 2003 analyst call and provided the estimate as to the range of revenue loss in the call. He also attended the October 2003 investor meetings as a member of Biovail's senior management;

(2) Crombie should have taken greater care to ensure that the correct information was disseminated to the investing public and that this was done in a timely fashion; and

(3) Crombie now acknowledges that he acquiesced in conduct by Biovail that was a violation of Ontario securities law and, by his conduct, acted contrary to the public interest.

[10] With respect to Biovail's provision of misleading information to Staff:

(1) During the continuous disclosure review of Biovail conducted by Commission Staff in 2003 and 2004, Staff requested information from Biovail in relation to several issues, including arrangements between Biovail and Pharmaceutical Technologies Corporation ("PTC");

(2) In response to Staff's disclosure review, Crombie participated in drafting the January 28, 2003 letter to Staff from Biovail, which Biovail has admitted contained a materially inaccurate statement. Crombie signed this letter on behalf of Biovail;

(3) Crombie should have taken greater care to ensure that the letter did not contain an inaccurate statement; and

(4) Crombie now acknowledges that, by his conduct, he acted contrary to the public interest.

[11] By entering into the Settlement Agreement, Crombie has recognized that his conduct was contrary to the public interest, and we find that it is appropriate to impose sanctions including a reprimand, an eight year officer and director ban, an administrative penalty of $250,000 and costs of $50,000.

[12] In coming to our conclusion to approve the Settlement Agreement, we considered the following principles relating to the approval of settlement agreements and sanctioning factors.

[13] First, the Commission's mandate in upholding the purposes of the Act, as set out in section 1.1 of the Act, is:

(a) to provide protection to investors from unfair, improper or fraudulent practices; and

(b) to foster fair and efficient capital markets and confidence in the capital markets.

[14] In pursuing the purposes of the Act, section 2.1 provides that the Commission shall have regard to certain fundamental principles. Relevant to this case, paragraph 2 states that the primary means for achieving the purposes of the Act are: requirements for timely, accurate and efficient disclosure of information, and requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants.

[15] These requirements articulated in section 2.1 dealing with the timely, accurate and efficient disclosure of information form the cornerstone principle of securities regulation. As stated in *Re Phillip Services Corp.* (2006), 29 O.S.C.B. 3971 at para. 7:

> Disclosure is the cornerstone principle of securities regulation. All persons investing in securities should have equal access to information that may affect their investment decisions. The Act's focus on public disclosure of material facts in order to achieve market integrity would be meaningless without a requirement that such disclosure be accurate and complete and accessible to investors.

[16] By entering into the Settlement Agreement, Crombie has recognized the seriousness of his misconduct relating to Biovail's disclosure practices. It is a recognition that this is a serious violation of securities law that undermines the primary goals of the Commission to achieve investor protection and to foster fair and efficient capital markets. Disseminating incorrect statements to the marketplace sends the wrong signal to investors and misleads the market as a whole and this endangers the efficiency of the capital markets and damages investor confidence. In our view, misleading Staff is also very serious misconduct that is contrary to the public interest.

[17] With respect to sanctions, we are guided by the sanctioning factors listed in *Re M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B. 1133 and *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743, which were referred to us by Staff in their written submissions. In doing this, the Commission takes into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that the proposed sanctions are proportionately appropriate with respect to the circumstances facing the particular respondent (*Re M.C.J.C. Holdings and Michael Cowpland*, *supra* at 1134).

[18] Further, as set out in *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at 1610-1611, it is not the role of the Panel to punish the respondent, but rather to make an order that will protect investors and prevent their exposure to similar conduct in the future.

[19] With respect to reviewing the Settlement Agreement, as established in *Re Sohan Singh Koonar et al.* (2002), 25 O.S.C.B. 2691, the role of the Commission Panel in reviewing a settlement agreement is not to substitute its own sanctions for what is proposed in the settlement agreement. The Commission should ensure that the agreed sanctions in the settlement agreement are within acceptable parameters. Specifically, the Commission's role is to decide whether to approve the Settlement Agreement, as a whole, on the terms presented to us (see: *Re Melnyk* (2007), 30 O.S.C.B. 5232 at para. 15).

[20] We also took into account the following mitigating factors:

(1) The avoidance of substantial costs and expenses associated with proceeding with a contested hearing; and

(2) Crombie shall cooperate with the Commission and Staff in this matter and shall appear and testify at the hearing in this matter if requested by Staff.

[21] In addition, consideration should be given to the agreement reached between adversarial parties, as a balancing of factors and interests, has taken place between Staff and Crombie in reaching this Settlement Agreement.

[22] Although the regulatory sanctions agreed to in the Settlement Agreement may be below what we might have imposed after a hearing on the merits, we note that this was not a hearing on the merits, and there is no certainty as to what the outcome of any such hearing would have been.

[23] Considering the respondent's position as stated in the Settlement Agreement, we are of the view that the sanctions set out in the Settlement Agreement are within the acceptable parameters and are aligned with previous settlement agreements reached with members of senior financial management, including Chief Financial Officers, involved in accounting irregularities (see: *Re Philip Services Corp.* (2006), 29 O.S.C.B. 2064, 2073 and 3941). The sanctions are also proportionate for Crombie's conduct in this matter in comparison with the conduct of the other respondents that have settled in this same proceeding.

[24] We therefore find it appropriate to order that:

(1) The Settlement Agreement is approved;

(2) Crombie is reprimanded;

(3) Crombie is prohibited from becoming or acting as a director or officer of a reporting issuer for a period of eight (8) years from the date of this Order;

(4) Crombie shall cooperate with the Commission and Staff in this matter and shall appear and testify at the hearing in this matter if requested by Staff;

(5) Crombie shall pay an administrative penalty of CAN $250,000, to be paid to or for the benefit of third parties designated by the Commission, pursuant to section 3.4(2) of the Act; and

(6) Crombie shall pay CAN $50,000 in respect of a portion of the costs of the investigation and hearing in relation to this matter.

[25] In conclusion, we find that together, all the sanctions imposed in this matter provide adequate specific and general deterrence, which the Supreme Court of Canada has established is an important regulatory objective for securities commissions (*Re Cartaway Resources Corp.*, [2004] 1 S.C.R. 672).

[26] The public reprimand provides strong censure of Crombie's past conduct.

[27] In our view, the imposition of an administrative penalty in the amount of CAN $250,000 is appropriate. In this matter there are multiple breaches of the Act.

[28] The amount of CAN $50,000 ordered in costs will also enable the Commission to recover a part of its costs of conducting the investigation and the hearing in this matter.

[29] Therefore, we approve the Settlement Agreement as being in the public interest.

[30] Now, Mr. Crombie, will you please stand. Mr. Crombie, as the Chief Financial Officer of Biovail during the period in question, you had overall responsibility for the company's finance and accounting function. By your own admission, you acquiesced in conduct by Biovail that was a violation of Ontario securities law, and by your own conduct, acted contrary to the public interest. You are hereby reprimanded by the Commission for your conduct. You may please now be seated.

Approved by the Chair of the Panel on February 25, 2009.

"Wendell S. Wigle"

3.1.2 David Cathcart

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

AND

IN THE MATTER OF
DAVID CATHCART

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "Commission") will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission to make certain orders in respect of David Cathcart [the "Respondent"].

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("Staff") agree to recommend settlement of the proceeding commenced by Notice of Hearing dated July 11, 2005 (the "Proceeding") against the Respondent according to the terms and conditions set out in Part VI of this Settlement Agreement. The Respondent agrees to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

3. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, the Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

i. David Cathcart

4. The Respondent was a registered representative with Rampart Securities Inc. ("Rampart"), a Toronto brokerage house, from December 1999 to August 2001.

5. The Respondent was a registered representative with St. James from May 1996 to November, 1999, and with Northern Securities Inc. ("Northern") from November to December, 1999.

ii. Hucamp Mines Ltd.

6. Hucamp Mines Ltd. ("Hucamp"), a junior mining company, was a reporting issuer in Ontario until becoming dormant in early 2002. Until October 9, 2000 common shares in Hucamp were quoted on the Canadian Dealing Network ("CDN"). From October 10, 2000 until early 2002 when trading was halted, common shares in Hucamp were listed for trading on the CDNX Exchange.

III. THE OTHER RESPONDENTS

a. John Illidge

7. John Illidge ("Illidge") was the President and CEO of Hucamp from March, 1996 until May, 2001. He was Chairman of Hucamp from May, 2001 until September 6, 2001.

8. Illidge was also a Director of Rampart Mercantile Inc. ("Mercantile") from December, 1999 until his resignation on September 19, 2001. Mercantile was the parent corporation of Rampart. Rampart was a member of the IDA until its membership was terminated in on January 21, 2002.

9. In 1996, Illidge founded St. James Securities Inc. ("St. James"), a Toronto brokerage house and a member of the Toronto Stock Exchange. St. James ceased operations in October 1999 when most of its clients were transferred to Northern.

10. Illidge has not been registered with the Commission since January 26, 2000.

b. Patricia McLean

11. Patricia McLean ("McLean") was a director of Hucamp from March 1996 until June 30, 2001. McLean was also the Secretary of Hucamp until her resignation in May, 2001.

12. McLean was also a member of the corporate finance department of Rampart, beginning in November, 1999. She was a registered representative with Rampart between February 2000 and February 2001.

c. Stafford Kelley

13. Stafford Kelley ("Kelley") is the President of Medallion Capital Corporation ("Medallion"), a company that offers investor relations consulting services to Canadian companies. Kelley and Medallion provided investor relation services to Hucamp beginning on January 3, 2001.

d. Devendranauth Misir

14. Devendranauth Misir ("Misir") is a Toronto businessman, financial advisor and lawyer, at the firm of Misir & Co. He is not registered with the Commission in any capacity.

IV. HUCAMP PRIVATE PLACEMENTS

15. In 2000 and 2001, Hucamp entered into a series of private placements, one of which is described below.

a. November 4, 2000

16. Hucamp's public file reflects a non-brokered private placement dated November 4, 2000 and announced to the public by press release on October 10, 2000. Hucamp announced that "it has agreed to a non-brokered private placement of up to" 1.5 million flow through common shares at $1.30 per share.

17. As at December 31, 2000, 500,000 shares had been issued to one placee: Almasa Distribution FZCO ("Almasa"), a private investment company. These shares were deposited in the Almasa account at Rampart by the Respondent at the direction of Illidge. The Respondent was the registered representative on the Almasa account at Rampart. Neither Almasa nor Almasa's principals authorized the purchase of these shares.

18. By participating in the conduct described in the previous paragraph, the Respondent failed to act in a manner that was duly diligent.

v. Trading in Hucamp Shares

19. In 2000 and 2001, the market in Hucamp was subjected to abusive trading practices in the accounts of Illidge, McLean, Kelley and Misir. The Respondent was the registered representative on, and executed the trading in, accounts owned or controlled by Illidge, McLean, Misir and others, which accounts traded in the shares of Hucamp. Each of the other Respondents engaged in some of the conduct described below and, on instructions from Illidge, the Respondent engaged in all of the conduct described below or permitted it to occur, both advertently and inadvertently, in accounts on which he was the registered representative. In so doing, the Respondent allowed himself to be used in engaging in the following conduct:

a. Controlled the market for Hucamp shares and manipulated or attempted to manipulate the market price for Hucamp shares;

b. Engaged in trading for the purpose of creating a false appearance of trading volume in and demand for Hucamp shares;

c. Engaged in trades in Hucamp shares between the Respondents;

d. Dominated trading in Hucamp shares;

e. Engaged in trading of Hucamp shares by using nominee accounts at Rampart and elsewhere; and,

f. Both bought and sold Hucamp shares through jitney trades.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

20. By engaging in the conduct described above, the Respondent has acted contrary to the public interest.

PART V – TERMS OF SETTLEMENT

21. The Respondent agrees to the terms of settlement listed below.

22. The Commission will make an order pursuant to section 127(1) of the Act that:

(a) The settlement agreement is approved.

(b) The Commission will make an Order under section 127 of the Act as follows:

i. The Respondent shall be banned from trading in or acquiring any securities for a period of 5 years with the exception that the Respondent will be permitted to trade in securities in one RRSP account in his name and one non-RRSP account in his name, each account to be held at a full service dealer registered with the Commission (which accounts have been identified by the Respondent in writing for Staff of the Commission), if:

(a) the securities are listed on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, NASDAQ or the Chicago Board Options Exchange; or

(b) the securities are listed in section 35(2) clauses 1 and 2 of the Act; and

(c) neither the Respondent nor any member of his family is an insider, partner or promoter of the issuer of the securities; and

(d) the Respondent does not own directly or indirectly more than one percent of the outstanding securities of the issuer of the securities.

ii. Any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 5 years;

iii. The Respondent shall be permanently banned from becoming or acting as an officer or director of any registrant or reporting issuer; and,

iv. The Respondent shall be permanently banned from becoming or acting as a registrant.

PART VI – STAFF COMMITMENT

23. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 13 below.

24. If the Commission approves this Settlement Agreement and the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

25. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for February 27, 2009, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

26. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

27. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

28. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

29. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

30. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule "A" to this Settlement Agreement:

    i. this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and

    ii. Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

31. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

32. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

33. A fax copy of any signature will be treated as an original signature.

Dated this 25th day of February, 2009.

"David Cathcart"
Respondent

"Pierrette Foudrignier"
Witness

"Tom Atkinson"
Director, Enforcement Branch

SCHEDULE A

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

AND

IN THE MATTER OF
DAVID CATHCART
("Cathcart")

ORDER
(Sections 127 and 127.1)

WHEREAS on July 11, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the Act in respect of Illidge and others;

AND WHEREAS Cathcart and Staff of the Commission entered into a settlement agreement dated February ____, 2009 (the "Settlement Agreement") in which they agreed to a settlement of the proceeding subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission, and upon hearing the submissions from Cathcart and from counsel for Staff of the Commission;

AND WHEREAS Cathcart has undertaken in writing to co-operate with Staff and has agreed to provide truthful testimony in this matter;

AND WHEREAS Cathcart has undertaken in writing that he will never apply for registration in any capacity under the Act;

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

IT IS HEREBY ORDERED THAT:

(1) the Settlement Agreement attached to this Order is hereby approved;

(2) The Commission will make an Order under section 127 of the Act as follows:

a. The Respondent shall be banned from trading in or acquiring any securities for a period of 5 years with the exception that the Respondent will be permitted to trade in securities in one RRSP account in his name and one non-RRSP account in his name, each account to be held at a full service dealer registered with the Commission (which accounts have been identified by the Respondent in writing for Staff of the Commission), if:

(i) the securities are listed on the Toronto Stock Exchange, the TSX Venture Exchange, the New York Stock Exchange, NASDAQ or the Chicago Board Options Exchange; or

(ii) the securities are listed in section 35(2) clauses 1 and 2 of the Act; and

(iii) neither the Respondent nor any member of his family is an insider, partner or promoter of the issuer of the securities; and

(iv) the Respondent does not own directly or indirectly more than one percent of the outstanding securities of the issuer of the securities.

b. Any exemptions contained in Ontario securities law shall not apply to the Respondent for a period of 5 years; and,

c. The Respondent shall be permanently banned from becoming or acting as an officer or director of any registrant or reporting issuer, and,

d. The Respondent shall be permanently banned from becoming or acting as a registrant.

_____ _____

DATED at Toronto, February ___, 2009

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
NIR Diagnostics Inc.	20 Feb 09	04 Mar 09	04 Mar 09	
Dinnerex Limited Partnership VIII	02 Mar 09	13 Mar 09		
MedcomSoft Inc.	02 Mar 09	13 Mar 09		

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
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09	03 Mar 09		

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
CoolBrands International Inc.	30 Nov 06	13 Dec 06	13 Dec 06		
Brainhunter Inc.	28 Jan 09	10 Feb 09	10 Feb 09		
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09	03 Mar 09		

Editor's Note: The entry for Name Inc. (as seen below) is not a Management Cease Trade Order and should not have appeared in last week's Bulletin document 4.2.2

Name Inc.	27 Jan 09	06 Feb 09	06 Feb 09		

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Chapter 5

Rules and Policies

5.1.1 Rules of Procedure of the Ontario Securities Commission

ONTARIO SECURITIES COMMISSION RULES OF PROCEDURE

Made under the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22

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ONTARIO SECURITIES COMMISSION - RULES OF PROCEDURE

Made under the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended

GENERAL RULES

Rule 1 – General

(See also the SPPA.)

1.1 Interpretation – In these Rules:

"Act" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended;

"address" includes a valid address for electronic transmission;

"application" includes an application:

(a) by Staff pursuant to section 127 of the Act;

(b) for review of a decision of the Director pursuant to section 8 of the Act;

(c) for review of a decision of a stock exchange, a self-regulatory organization, a quotation and trade reporting system or a clearing agency pursuant to section 21.7 of the Act;

(d) for a further decision pursuant to subsection 9(6) of the Act;

(e) for a revocation or a variation of a decision pursuant to section 144 of the Act;

(f) pursuant to section 104 and/or section 127 of the Act in connection with take-over bids, issuer bids and mergers and acquisitions transactions; and

(g) for an order authorizing disclosure pursuant to section 17 of the Act.

"Bulletin" means the Commission Bulletin;

"Commission" means the Ontario Securities Commission;

"company" means a company as defined in subsection 1(1) of the Act;

"decision" means a decision as defined in subsection 1(1) of the Act;

"Director" means a Director as defined in subsection 1(1) of the Act;

"electronic hearing" means an electronic hearing as defined in subsection 1(1) of the SPPA;

"electronic transmission" means transmission by facsimile or electronic mail (e-mail);

"file" means to file with the Office of the Secretary to the Commission in accordance with Rule 1.5.4;

"holiday" means:

(a) any Saturday or Sunday,

(b) New Year's Day,

(c) Family Day,

(d) Good Friday,

(e) Easter Monday,

(f) Victoria Day,

(g) Canada Day,

(h) Civic Holiday,

(i) Labour Day,

(j) Thanksgiving Day,

(k) Remembrance Day,

(l) Christmas Day,

(m) Boxing Day,

(n) any special holiday proclaimed by the Governor General or the Lieutenant Governor, and

(o) where New Year's Day, Canada Day or Remembrance Day falls on a Saturday or Sunday, the following Monday is a holiday, where Christmas Day falls on a Saturday or Sunday, the following Monday and Tuesday are holidays, and where Christmas Day falls on a Friday, the following Monday is a holiday;

"intervenor" means a person who has applied to intervene pursuant to the Rules and who has been granted intervenor status by order of a Panel;

"oral hearing" means an oral hearing as defined in subsection 1(1) of the SPPA;

"Panel" means a quorum of at least 2 members of the Commission pursuant to subsection 3(11) of the Act or a single member of the Commission authorized by order of the Commission pursuant to subsection 3.5(3) of the Act;

"party" may include:

(a) a person recognized as a party by the Act;

(b) a person entitled by law to be a party to the proceeding;

(c) a person granted party status by order of a Panel; and

(d) Staff;

"person" means a person as defined in subsection 1(1) of the Act, and where applicable, includes a company as defined in subsection 1(1) of the Act;

"Rules" means the *Ontario Securities Commission Rules of Procedure*;

"Secretary" means the Secretary to the Commission appointed pursuant to section 7 of the Act;

"service" means the delivery of a document to a party in accordance with the Rules;

"SPPA" means the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended;

"Staff" means Staff of the Commission;

"Website" means the Commission's Website; and

"written hearing" means a hearing conducted in writing as defined in subsection 1(1) of the SPPA.

1.2 General Principles – (1) Unless otherwise provided in the Rules, the Rules apply to all proceedings before a Panel where the Commission is authorized under the Act or the *Commodity Futures Act*, R.S.O. 1990, c. C.20, as amended, or otherwise by law to hold a hearing.

(2) Except where otherwise specifically provided in the SPPA, if there is a conflict between the SPPA and the Rules, the SPPA shall prevail over the Rules.

(3) The Rules shall be construed to secure the most expeditious and least expensive determination of every proceeding before the Commission on its merits, consistent with the requirements of natural justice.

(4) Effect of Irregularity in Form – No proceeding, document or order in a proceeding is invalid by reason of a defect or other irregularity in form.

1.3 General Powers of a Panel under the Rules – (1) The Commission may, from time to time, issue procedural directions or practice guidelines with respect to the application of the Rules as may be appropriate. The Commission shall give notice of these procedural directions or practice guidelines by issuing a notice from the Office of the Secretary, which shall be posted on the Website and published in the Bulletin.

1.4 Procedural Directions or Orders by a Panel – (1) A Panel may exercise any of its powers under the Rules on its own initiative or at the request of a party.

(2) A Panel may issue procedural directions or orders with respect to the application of the Rules in respect of any proceeding before it, and may impose any conditions in the direction or order as it considers appropriate.

(3) A Panel may waive or vary any of the Rules in respect of any proceeding before it, if it is of the opinion that to do so would be in the public interest or that it would otherwise be advisable to secure the just and expeditious determination of the matters in issue.

(4) In considering a request to waive or vary any of the Rules or to hold a hearing on an expedited basis, a Panel may consider factors including:

(a) the nature of the matters in issue;

(b) whether adherence to the time periods set out in the Rules would be likely to cause undue delay or prejudice to any of the parties;

(c) costs; and

(d) any other factors a Panel considers relevant in the public interest.

(5) When granting a request for an expedited hearing, a Panel may, as a condition, require that the parties file documents electronically.

1.5 Service and Filing

1.5.1 Service of Documents on Parties – (1) All documents required to be served under the Rules shall be served by one of the following methods:

(a) by personal delivery to the party;

(b) by delivery to the counsel or agent of the party;

(c) by delivery to an adult person at the premises where the party resides, is employed or carries on business, or where the counsel or agent of the party carries on business;

(d) by delivery to a company, by leaving a copy with an officer, director or agent of the company, or a person at any place of business of the company who appears to be in control or management of the place of business;

(e) by regular, registered or certified mail to the last known address of the party or the counsel or agent of the party;

(f) electronically to the facsimile number or e-mail address of the party or the counsel or agent of the party;

(g) by courier to the last known address of the party or the counsel or agent of the party; or

(h) by any other means authorized by a Panel.

(2) Date on Which Service is Effective – Service is deemed to be effective, when delivered:

(a) by personal delivery, on the day of delivery;

(b) by mail, on the fifth day after the day of mailing;

(c) electronically, on the same day;

(d) by courier, on the earlier of the date on the delivery receipt or the second day after it was sent; or

(e) by any other means authorized by a Panel, on the date specified by the Panel.

(3) Service After 4:30 p.m. – Documents served after 4:30 p.m. shall be deemed to have been served on the next day that is not a holiday.

1.5.2 Information on Documents Served or Filed – (1) A person who serves or files a document should include with it the following information:

(a) the person's name, address, telephone number, facsimile number and e-mail address, as applicable; or

(b) if the person is represented by counsel or an agent, the name, address, telephone number, facsimile number and e-mail address of the counsel or agent, as applicable; and

(c) the name of the proceeding to which the document relates; and

(d) the name of the person, counsel or agent being served.

(2) If any information referred to in subrule 1.5.2(1) changes, the person who provided the information shall notify the person to whom the information was provided and the Secretary of the change and any new information.

1.5.3 Inability to Effect Service – (1) If a person required to serve a document is unable to serve it by one of the methods described in Rule 1.5.1, the person may apply to a Panel for an order for substituted, validated or waived service.

(2) Application for an Order for Substituted, Validated or Waived Service – The application shall be filed with an affidavit setting out the efforts already made to serve the person and stating:

(a) why the proposed method of substituted service is likely to be successful; or

(b) why a Panel should validate or waive service on that person.

(3) Substituted, Validated or Waived Service – A Panel may give directions for substituted service or, where necessary, may validate or waive service if it considers it appropriate.

1.5.4 Filing – (1) A document required under the Rules to be filed shall be filed by personal delivery, mail, facsimile transmission or courier to the offices of the Commission, marked to the attention of the Secretary, or, alternatively if the Secretary consents, by e-mail to the Secretary.

(2) The filing of a document with the Secretary pursuant to these Rules does not constitute service of the document on any party to the proceeding, including Staff or any other person.

(3) Unless otherwise specified in the Rules or otherwise directed by the Secretary, when a document is filed, 5 copies shall be filed. The Secretary may require that a greater number of copies be filed.

(4) Filing After 4:30 p.m. – Documents filed after 4:30 p.m. shall be deemed to have been filed on the next day that is not a holiday.

1.5.5 Binding of Documents – (1) A record for a motion and an application should have a light blue backsheet.

(2) A factum or case book filed by an applicant or a moving party should be bound front and back in white covers. A factum or case book of a respondent or responding party should be bound front and back in green covers.

1.5.6 Electronic Transmission – If a document is filed with the Secretary by electronic transmission, the required number of print copies of the document shall be filed forthwith.

1.5.7 Lengthy Facsimile Transmissions – Documents filed by facsimile transmission shall not exceed 25 pages, including the cover sheet, except with the consent of the Secretary.

1.5.8 Requirement to File Electronically – The Secretary may require a party to file an electronic version of any or all documents.

1.6 Time – (1) When computing time under the Rules, except where a contrary intention appears:

(a) if there is a reference to a number of days between 2 events, they are counted by excluding the day on which the first event occurs and including the day on which the second event occurs;

(b) if a period of less than 7 days is prescribed, holidays are not counted; and

(c) if the time for doing an act under the Rules expires on a holiday, the act may be done on the next day that is not a holiday.

(2) Extension or Abridgement – A Panel may extend or abridge any time period prescribed under the Rules, before or after the time period expires and on any conditions that the Panel considers advisable. Prior to the commencement of a hearing, a Panel may authorize the Secretary to extend or abridge any time period under the Rules with respect to a hearing.

1.7 Parties

1.7.1 Appearance and Representation – In any proceeding a party may be self-represented or may be represented by counsel or an agent.

1.7.2 Self-Representation – (1) When a party first appears before a Panel in a proceeding, the party shall file or otherwise state on the record, and keep current during the proceeding, the party's address, telephone number, facsimile number and e-mail address, as applicable.

(**2) Representation by Counsel or Agent –** When a person first appears as counsel or agent for a party in a proceeding before a Panel, the person shall file or otherwise state on the record, and keep current during the proceeding, the person's address, telephone number, facsimile number and e-mail address, as applicable, and the name and address of the party being represented.

1.7.3 Change in Representation by a Party – (1) A party who is represented by counsel or an agent may change the counsel or agent by serving on the counsel or agent and on every other party, and filing a notice of the change, giving the name, address, telephone number, facsimile number and e-mail address of the new counsel or agent, as applicable.

(2) A party who is represented by counsel or an agent may elect to act in person by serving on the counsel or agent and on every other party and filing a notice of the intention to act in person, giving the party's address, telephone number, facsimile number and e-mail address, as applicable.

1.7.4 Withdrawal by Counsel or Agent – (1) A counsel or an agent for a party in a proceeding may withdraw as counsel or agent for the party only with leave of the Panel.

(2) A notice of motion seeking leave to withdraw as counsel or agent must be served on the party and filed, and must state all facts material to a determination of the motion, including a statement of the reasons why leave should be given. The notice must not disclose any solicitor client communication in which solicitor client privilege has not been waived.

(3) The notice of motion shall include:

(a) the client's last known address or the address for service, if different; and

(b) the client's telephone number, facsimile number and e-mail address, as applicable, unless the Panel orders otherwise.

1.8 Intervenors

1.8.1 Motion for Leave to Intervene – (1) A motion for leave to intervene in a proceeding shall be made pursuant to Rule 3.

(2) A motion for leave to intervene shall set out:

(a) the title of the proceeding in which the person making the request wishes to intervene;

(b) the name and address of the person making the request;

(c) a concise statement of the scope of the proposed intervention, the issue that directly affects that person and the extent to which that person wishes to intervene; and

(d) the reasons why intervenor status should be granted.

(3) A Panel may grant leave to intervene or refuse the request on any terms and conditions that it deems appropriate.

(4) Factors – In considering a motion for leave to intervene, a Panel may consider factors such as:

(a) the nature of the matter;

(b) the issues;

(c) whether the person or company is directly affected;

(d) the likelihood that the person or company will be able to make a useful and unique contribution to the Panel's understanding of the issues;

(e) any delay or prejudice to the parties; and

(f) any other factor the Panel considers relevant.

1.8.2 Application of the Rules – Once a person has been granted intervenor status, the Rules, including those with respect to the service and filing of documents, apply to the intervenor as if it were a party, subject to the order of a Panel.

COMMENCEMENT OF PROCEEDINGS

Rule 2 – Application and Notice of Hearing

2.1 Application by Staff – (1) Subject to Rule 2.4, an application by Staff pursuant to section 127 of the Act shall be made by filing a Statement of Allegations.

(2) Issuance and Service of a Notice of Hearing – Once a Statement of Allegations has been filed by Staff, the Secretary shall issue a Notice of Hearing forthwith.

(3) Staff shall serve the Statement of Allegations and the Notice of Hearing forthwith on all the parties.

2.2 Application for Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency – (1) An application for review of a decision of the Director, a stock exchange, a self-regulatory organization or a clearing agency pursuant to section 8 or 21.7 of the Act shall be made in accordance with Rule 14.

(2) Issuance of a Notice of Hearing – In the case of an application referred to in subrule 2.2(1), the Secretary shall issue a Notice of Hearing only after all the documents required to be filed and served pursuant to Rule 14 have been filed and served.

(3) The Secretary shall issue the Notice of Hearing and the applicant shall serve it on all the parties and on any other persons as the Secretary considers necessary.

2.3 Application for a Further Decision pursuant to Subsection 9(6) of the Act or for a Revocation or Variation of a Decision pursuant to Section 144 of the Act – (1) An application for a further decision pursuant to subsection 9(6) of the Act or an application pursuant to section 144 of the Act for a revocation or a variation of a decision made by a Panel shall be made in accordance with Rule 15.

(2) In the case of an application referred to in subrule 2.3(1), the Secretary shall issue a Notice of Hearing only after all the documents required to be filed and served pursuant to Rule 15 have been filed and served.

(3) The applicant shall serve the Notice of Hearing on all the parties and on any other persons as the Secretary considers necessary.

2.4 Application pursuant to Section 104 and/or Section 127 of the Act – (1) An application made pursuant to section 104 of the Act in connection with a take-over bid or an issuer bid by an interested person as defined in subsection 89(1) of the Act, or an application pursuant to section 127 of the Act in connection with a take-over bid or an issuer bid, shall be made in accordance with Rule 16, with any modifications as the circumstances require.

(2) Issuance of a Notice of Hearing – The Secretary shall issue a Notice of Hearing for an application referred to in subrule 2.4(1) only after all the documents required to be filed and served pursuant to Rule 16 have been filed and served.

(3) The applicant shall serve the Notice of Hearing on all the parties and on any other persons or companies as the Secretary considers necessary.

2.5 Effect of a Notice of Hearing – (1) A proceeding commences upon the issuance of a Notice of Hearing by the Secretary.

(2) Publication on the Website and in the Bulletin – A Notice of Hearing, together with the Statement of Allegations or any other document required to be filed in connection with an application under Rule 2, shall be posted on the Website and published in the Bulletin upon confirmation of service on the parties or, in any event, no later than 2 days following the issuance of the Notice of Hearing.

2.6 Request for a Written Hearing – Any request to have an application heard by way of a written hearing pursuant to Rule 11 shall be specified in the application.

2.7 Notice of a Constitutional Question – If a party intends to raise a question about the constitutional validity or applicability of legislation, a regulation or a by-law made under legislation, or a common law rule, the party shall serve a notice of the constitutional question on the Attorneys General of Canada and Ontario and on the other parties, and file it as soon as the circumstances requiring a notice become known and in any event, at least 15 days before the question is to be argued.

PROCEDURES BEFORE HEARINGS

Rule 3 – Motions

3.1 Time and Date – A person who wishes to make a motion shall contact the Secretary, who may set a time and date for the hearing of the motion by a Panel.

3.2 Notice – (1) A motion shall be made by filing a notice of motion accompanied by a motion record, including any affidavit(s) setting out the facts to be relied upon.

(2) The person making the motion shall serve the motion on each party and file the motion, at least 10 days before the day on which the motion is to be heard.

3.3 Request for a Written Hearing – Any request to have a motion heard by way of a written hearing pursuant to Rule 11 shall be specified in the notice of motion.

3.4 Response – (1) A party served with a notice of motion may serve on the person making the motion and on each other party an affidavit(s) in response, at least 6 days before the day on which the motion is to be heard.

(2) The party serving any affidavit(s) in response shall file the affidavit(s) in response, within the period set out in subrule 3.4(1).

3.5 Reply – (1) A party served with any affidavit(s) in response to a motion may serve on the person making the response and on each other party an affidavit(s) in reply, at least 4 days before the day on which the motion is to be heard.

(2) The party serving any affidavit(s) in reply shall file the affidavit(s) in reply, within the period set out in subrule 3.5(1).

3.6 Memorandum of Fact and Law – (1) The party making the motion shall serve a memorandum of fact and law on each party and file it, at least 4 days before the day on which the motion is to be heard.

(2) A party served with a notice of motion and affidavit(s) shall serve a memorandum of fact and law on each party and file it, at least 2 days before the day on which the motion is to be heard.

3.7 Affidavit(s) – (1) Subject to subrule 3.7(2), evidence on a motion may be made by affidavit(s).

(2) Where a party files an affidavit in respect of a motion, the party shall make the deponent reasonably available for cross-examination by any adverse party.

(3) If the circumstances require, the Panel may, before the hearing, grant leave on any terms and conditions that it deems appropriate for:

(a) oral testimony in relation to an issue raised in the notice of motion; and

(b) the cross-examination of a deponent to an affidavit.

3.8 Where No Notice Required – The Panel may permit a party to make a motion without notice if:

(a) the nature of the motion or the circumstances render service of a notice of motion impractical or unnecessary; or

(b) the delay necessary to effect service might entail serious consequences.

3.9 Filing Motion Materials – If the party bringing a motion fails to comply with the time limits for the filing of motion materials set out in the Rules or directed by the Secretary, the Panel may dispose of the motion as it considers appropriate.

Rule 4 – Disclosure
(See also sections 5.4 and 8 of the SPPA and Part VI of the Act.)

4.1 Interpretation – (1) In Rule 4, "document" includes a sound recording, video-tape, film, photograph, chart, graph, map, plan, survey, book of account, and information recorded or stored by means of any device.

(2) "Particulars" includes:

(a) the grounds upon which any remedy or order is being sought or opposed in the proceeding; and

(b) a general statement of the alleged material facts upon which the party relies in the proceeding.

4.2 Disclosure Order – At any stage in a proceeding, the Panel may order that a party:

(a) provide to another party and to the Panel any particulars that the Panel considers necessary for a full and satisfactory understanding of the subject of the proceeding; and

(b) make any other disclosure required by this Rule, within the time limits and on any conditions that the Panel may specify.

4.3 Disclosure of Documents or Things – (1) Requirement to Disclose – Each party to a proceeding shall deliver to every other party copies of all documents that the party intends to produce or enter as evidence at the hearing, as soon as is reasonably practicable after the Notice of Hearing is served, and in any case, at least 20 days before the commencement of the hearing on the merits or as determined by a Panel as the circumstances require.

(2) In the case of a hearing under section 127 of the Act and subject to Rule 4.7, Staff shall make available for inspection by every other party all other documents and things that are in the possession or control of Staff that are relevant to the hearing. Staff shall provide copies, or permit the inspecting party to make copies, of these documents at the inspecting party's expense, as soon as is reasonably practicable after the Notice of Hearing is served, and in any case at least 20 days before the commencement of the hearing.

(3) Non-disclosure of a Document or Thing – A party who does not disclose a document or thing in compliance with subrule 4.3(1) may not refer to the document or thing or introduce it in evidence at the hearing without leave of the Panel, which may be on any conditions that the Panel considers just.

4.4 Disclosure Where Section 8 of the SPPA Applies – Subject to Rule 4.7, if the good character, propriety of conduct or competence of a party is an issue in a proceeding, Staff shall provide particulars of the allegations and disclose to the party against whom the allegations are made all documents and things in Staff's possession or control relevant to the allegations, as soon as is reasonably practicable after the Notice of Hearing is served, and in any case at least 20 days before the commencement of the hearing on the merits.

4.5 Witness Lists and Summaries – (1) Provision of a Witness List – A party to a proceeding shall serve every other party and file with the Secretary a list of the witnesses the party intends to call to testify on the party's behalf at the hearing, at least 10 days before the commencement of the hearing.

(2) Provision of Witness Summaries – If material matters to which a witness is to testify have not otherwise been disclosed, a party to a proceeding shall provide to every other party a summary of the evidence that the witness is expected to give at the hearing, at least 10 days before the commencement of the hearing.

(3) Content of the Witness Summary – A witness summary shall contain:

(a) the substance of the evidence of the witness;

(b) reference to any documents that the witness will refer to; and

(c) the witness's name and address or, if the witness's address is not provided, the name and address of a person through whom the witness can be contacted.

(4) Failure to Provide a Witness List or a Summary – A party who does not include a witness in the witness list or provide a summary of the evidence a witness is expected to give in accordance with subrules 4.5(1), 4.5(2) and 4.5(3), may not call that person as a witness without leave of the Panel, which may be on any conditions as the Panel considers just.

(5) Incomplete Witness Summary – A witness may not testify to material matters that were not previously disclosed without leave of the Panel, which may be on any conditions that the Panel considers just.

4.6 Expert Witness – (1) Intent to Call an Expert – A party who intends to call an expert to give evidence at a hearing shall inform the other parties of the intent to call the expert and state the issue on which the expert will be giving evidence, at least 90 days before the commencement of the hearing.

(2) Provision of an Expert's Affidavit or an Expert's Report – A party who intends to introduce evidence of an expert witness at the hearing shall either:

(a) serve the expert's report on each other party at least 60 days before the commencement of the hearing; or

(b) if granted leave by a Panel, serve an affidavit of the expert witness on each other party, at least 60 days before the commencement of the hearing. Where an affidavit of an expert witness is used, and the deponent is cross-examined prior to the hearing, the Panel reserves the right to call the expert to testify at the hearing if necessary.

(3) Provision of an Expert's Affidavit or an Expert's Report in Response – A party on whom an expert's affidavit or expert's report referred to in subrule 4.6(2) has been served and who wishes to respond with expert evidence to a matter set out in the affidavit or report, shall serve an expert's affidavit or expert's report in response on each other party, at least 30 days before the commencement of the hearing.

(4) Provision of an Expert's Affidavit or an Expert's Report in Reply – A party on whom a responding expert's affidavit or responding expert's report has been served and who wishes to reply with expert evidence to a matter set out in that affidavit or report, shall serve an expert's affidavit or expert's report in reply on each other party, at least 15 days before the commencement of the hearing.

(5) An affidavit or report referred to in subrules 4.6(2), 4.6(3) and 4.6(4) shall include:

(a) the name, address and qualifications of the expert;

(b) the substance of the expert's evidence; and

(c) a list of any documents that the expert will refer to.

(6) Failure to Advise of Intent to Call an Expert – A party who fails to comply with subrule 4.6(1) may not call the expert as a witness without leave of the Panel, which may be on any conditions that the Panel considers just.

(7) Failure to Provide an Expert's Affidavit or Expert's Report – A party who fails to comply with subrules 4.6(2), 4.6(3) and 4.6(4) may not file the expert's affidavit or report without leave of the Panel, which may be on any conditions that the Panel considers just.

4.7 Request to Issue a Summons – (1) At the request of a party, a summons to a witness may be issued pursuant to section 12 of the SPPA.

(2) The issuance of or a refusal to issue a summons may be reviewed by a Panel by motion filed in accordance with Rule 3.

(3) Once a summons is served, it is effective for the duration of the hearing as long as the witness is advised of the adjourned dates.

Rule 5 – Public Access to Documents

5.1 Public Documents – Subject to Rule 5.2 and subrule 10.9(3), documents required to be filed or received in evidence in proceedings shall be available to the public.

5.2 Request Regarding Confidentiality – (1) At the request of a party or person, the Panel may order that any document filed with the Secretary or any document received in evidence or transcript of the proceeding be kept confidential pursuant to section 9 of the SPPA.

(2) A party or person who makes a request pursuant to subrule 5.2(1) shall advise the Panel of the reasons for the request.

(3) The Panel may, if it is of the opinion that there are valid reasons for restricting access to a document, declare the document confidential and make such other orders as it deems appropriate.

Rule 6 – Pre-Hearing Conferences
(See also section 5.3 of the SPPA.)

6.1 Requesting a Pre-Hearing Conference – (1) A Panel may direct the parties in a proceeding to participate in a pre-hearing conference at any stage of the proceeding.

(2) Any party may request a pre-hearing conference by filing a request.

6.2 Issues at a Pre-Hearing Conference – At a pre-hearing conference, a Panel may:

(a) create a timetable for the scheduling of the hearing;

(b) amend an existing timetable;

(c) schedule any preliminary motions;

(d) give consideration to the simplification or clarification of issues in the proceeding;

(e) on consent of all of the parties, make an order resolving any matter, including matters relating to:

(i) facts or evidence agreed upon;

(ii) order the disclosure of documents; and

(iii) the resolution of any or all of the issues in the proceeding.

6.3 Notice – (1) The Secretary shall give notice of a pre-hearing conference to the parties and to any other persons as the Panel directs.

(2) The notice shall include:

(a) the date, time, place and purpose of the pre-hearing conference;

(b) any direction of the Panel regarding the exchange or filing of documents or pre-hearing submissions as prescribed by Rule 6.4 and, if so, the issues to be addressed and the date or dates on or before which the documents or pre-hearing submissions must be exchanged and filed;

(c) a direction as to whether parties are required to attend in person and,

(i) if so, that they may be accompanied by counsel or an agent; or

(ii) if not, that they may be represented by counsel or an agent who has the authority to make agreements and undertakings on their behalf;

(d) a statement that if a party does not attend (in person or by counsel or an agent, as required) at the pre-hearing conference, the Panel may proceed in the absence of that party; and

(e) a statement that any order made by the Panel at the pre-hearing conference will be binding on all the parties.

6.4 Filing and Exchange of Documents for a Pre-Hearing Conference – The parties shall serve and file a pre-hearing conference form (see Appendix A of the Rules). All documents intended to be used at the pre-hearing conference that may be of assistance shall be exchanged among the parties and be made available to the Panel.

6.5 Oral or Electronic – A pre-hearing conference may be held in person or by way of an electronic hearing, as the Panel may direct.

6.6 Public Access – (1) In order to encourage a full and frank exchange of views, a pre-hearing conference shall be confidential and conducted in private.

(2) Any pre-hearing submissions referred to in Rule 6.4 shall not be made available to the public.

6.7 Orders, Agreements, Undertakings – (1) After giving the parties an opportunity to make submissions, the Panel presiding at a pre-hearing conference may make orders permitted by this Rule. These orders shall be binding on all parties to the proceeding and become part of the record.

(2) All agreements and undertakings made or given at a pre-hearing conference shall be recorded in a memorandum prepared under the direction of the Panel and circulated in draft to the parties or their counsel for corrections, if any, and then signed by the Panel.

(3) Orders, agreements and undertakings made at the pre-hearing conference govern the conduct of the proceeding and are binding upon the parties to the proceeding, unless otherwise ordered by a pre-hearing Panel, and shall be available to the Panel hearing the matter on the merits.

(4) No Communication to Hearing Panel – Notwithstanding subrule 6.7(3), no communication shall be made to the Panel hearing the matter on the merits of any statement made at a pre-hearing conference or in a pre-hearing submission referred to in Rule 6.4, except as disclosed in an order made under subrule 6.7(1) or the memorandum made under subrule 6.7(2).

HEARINGS

Rule 7 – Failure to Participate at the Hearing and Withdrawal
(See also sections 6 and 7 of the SPPA.)

7.1 Failure to Participate – If a Notice of Hearing has been served on any party and the party does not attend the hearing, the Panel may proceed in the party's absence and that party is not entitled to any further notice in the proceeding.

7.2 Withdrawal – (1) A person or company that has filed an application under Rule 2 or a request for leave to intervene under Rule 1.8.1 may withdraw the application at any time before a final determination of it by a Panel.

(2) The person or company referred to in subrule 7.2(1) shall serve a notice of withdrawal on each party and on each intervenor and file the notice.

(3) In the case of a withdrawal of a Statement of Allegations or of an application under Rule 2, the Statement of Allegations or the application shall be removed from the Website and the notice of withdrawal shall be posted on the Website and published in the Bulletin.

7.3 Discontinuance of Intervention – (1) An intervenor may discontinue the intervention at any time before a final determination of the application by the Panel on any terms that the Panel deems appropriate.

(2) The intervenor referred to in subrule 7.3(1) shall serve a notice of discontinuance on each party and on each intervenor and file the notice.

Rule 8 – Public Access to Hearings

8.1 Open to the Public Except under Certain Conditions – Subject to Rule 8.2, a hearing shall be open to the public, except when having regard to the circumstances, the Panel is of the opinion that intimate financial, personal or other matters may be disclosed at the hearing and that the desirability of avoiding that disclosure in the interests of any person affected or in the public interest outweighs the desirability of adhering to the principle that hearings be open to the public pursuant to section 9 of the SPPA.

8.2 In Camera Hearing – If a party wishes to have a hearing held in camera, the party shall make a request at the commencement of the hearing before the Panel pursuant to section 9 of the SPPA. The Panel will make a decision on whether or not to hold the hearing or a portion of the hearing in camera, based on the facts and circumstances of each case.

8.3 Request to Make a Visual or Audio Recording – (1) Any request to make a visual or audio recording of a hearing should be made in writing to the Secretary at least 5 days before the day of the hearing on which the audio or visual recording is to be made.

(2) Media personnel or any person permitted to make a visual or audio recording under subrule 8.3(1) will be subject to the direction of the chair of the Panel.

(3) Media personnel shall not engage in any activity at the hearing that may disrupt the hearing. Disruptive activities include:

(a) interviewing persons in the hearing room at any time or in the vicinity of the hearing room;

(b) television lights, cables and other equipment which, when in use, could distract the persons in the hearing room;

(c) electronic flash for still photography;

(d) movement of persons or equipment while the hearing is in session; and

(e) any other behaviour that disrupts or detracts from the process of the hearing.

Rule 9 – Adjournments

9.1 How and When to Request an Adjournment – (1) As soon as a party decides to request an adjournment, the party shall advise the other parties and the Secretary.

(2) With Consent – If the other parties consent to the adjournment and the requesting party files a written request certifying that it is made on consent, the Panel may:

(a) refuse the request;

(b) reschedule the hearing without a hearing on the request; or

(c) require a hearing on the request.

(3) Without Consent – If the parties do not consent to a request for adjournment, the requesting party shall serve and file a notice of motion on the other parties as soon as possible. The notice of motion shall set out:

(a) the reasons for the adjournment;

(b) the length of time requested for the adjournment; and

(c) the earliest available dates for that party to make submissions on the motion.

(4) If the parties do not consent, the requesting party and/or the party's representative shall appear before the Panel to request the adjournment orally and shall be prepared to proceed if the adjournment is denied.

(5) After considering the submissions of the parties, the Panel may grant or deny the adjournment on any terms that it considers appropriate.

9.2 Factors Considered – In deciding whether to grant an adjournment, the Panel shall consider all relevant factors, including, but not restricted to, the following:

(a) whether an adjournment would be in the public interest;

(b) whether all parties consent to the request;

(c) whether granting or denying the adjournment would prejudice any party;

(d) the amount of notice of the hearing date that the requesting party received;

(e) the number of any previous adjournment requests made and by whom;

(f) the reasons provided to support the adjournment request;

(g) the cost to the Commission and to the other parties for rescheduling the hearing;

(h) evidence that the party made reasonable efforts to avoid the need for the adjournment; and

(i) whether the adjournment is necessary to provide an opportunity for a fair hearing.

Rule 10 – Conduct of Oral Hearings
(See also the *French Language Services Act* and sections 5.2 and 15 of the SPPA.)

10.1 Oral Hearings – An oral hearing shall be conducted in accordance with the provisions set out in the SPPA.

10.2 Electronic Hearings – A hearing may be conducted by way of an electronic hearing, unless a party objects as provided by subsection 5.2(2) of the SPPA.

10.3 Video-Conferencing – A hearing may be conducted by video-conferencing or by other similar means approved by the Secretary.

10.4 Hearings Conducted in French and in English – (1) A hearing may be conducted in English or in French, or partly in English or in French.

(2) A party who wishes all or part of the proceeding to be conducted in French must, at least 30 days prior to the hearing, notify the Secretary who will inform the other parties.

(3) If an English or French speaking party or witness requires an interpreter, the party shall notify the Secretary as soon as possible.

(4) The Secretary will arrange for an interpreter at the Commission's expense.

10.5 Interpreters for Other Languages – If a party requires an interpreter for a language other than English or French, the party shall notify the Secretary as soon as possible, and in any event, at least 30 days before the hearing, and the Secretary will arrange for an interpreter at the requesting party's expense.

10.6 Special Needs of Parties or Witnesses – Parties should notify the Secretary as soon as possible, and in any event at least 30 days before the hearing, of any special needs of parties or their witnesses for the hearing.

10.7 Affirmation of a Witness – Oral examination of witnesses shall be conducted under affirmation or oath that their evidence will be true.

10.8 Transcripts of Proceedings – Official transcripts of proceedings are prepared by a court reporting services agency retained by the Commission. Parties who wish to obtain a copy of the transcripts may do so directly from the court reporting services agency at their own expense.

10.9 Final Arguments and Submissions – (1) Except in the case of a written hearing where parties shall file final written submissions pursuant to Rule 11.6, a party may file and serve on every other party a factum consisting of a concise argument stating the facts and law relied upon by the party.

(2) Final submissions may include:

(a) facts or quotations from the oral evidence, referenced to the transcript volume and page number if a transcript is available; or

(b) facts or quotations from documentation filed as exhibits, referenced to the exhibit and page number; and

(c) a concise summary of the law.

(3) Final arguments and submissions shall not be made public until the commencement of the hearing of the submissions.

(4) A party referring to any court decision, legal article or authority shall provide a copy for each member of the Panel and each party.

(5) Parties may include in their argument the details of the specific order that they request.

(6) Any party may file a draft order within the time permitted by the Panel, but shall do so only if they serve a copy on all other parties.

Rule 11– Written Hearings
(See also subsections 5.1(1), 6(4), 7(2) and 9(1.1) of the SPPA.)

11.1 Application – (1) This Rule does not apply to the admissibility, at an oral hearing, of written evidence admissible under section 15 of the SPPA.

(2) Nothing in this Rule precludes a Panel from directing that further submissions be filed in respect of a matter arising in a hearing. If the Panel so directs, the parties may also be given an opportunity to make oral submissions on a matter, which may be time-limited by the Panel.

11.2 Filing – Where this Rule requires that documentation be filed with the Secretary, 5 copies shall be filed, except in the case of a notice of an objection to a written hearing which shall be filed in duplicate.

11.3 Definition of an Applicant – In this Rule, "applicant" means the party who instituted the proceeding or the person or company who is bringing a motion.

11.4 When to Hold a Written Hearing – (1) A Panel may conduct any proceeding or part of a proceeding, including motions, by means of a written hearing.

(2) Written hearings may be held in the following circumstances unless a party objects, as provided by subsection 5.1(2) of the SPPA:

(a) motions relating to procedural issues;

(b) hearings on agreed facts; and

(c) any other motions or applications that the Panel considers are appropriate for a written hearing.

11.5 Converting From or to a Written Hearing – (1) A Panel may:

(a) continue a written hearing as an oral hearing;

(b) subject to subsection 5.2(2) of the SPPA, continue a written hearing as an electronic hearing; or

(c) subject to subsection 5.1(2) of the SPPA, continue an oral hearing or an electronic hearing as a written hearing.

(2) If a Panel decides to continue a written hearing as an oral or electronic hearing or an oral or electronic hearing as a written hearing, it shall notify the parties of its decision and may provide directions as to the holding of that hearing. Any procedures set down in the Rules for such a hearing shall apply.

11.6 Submissions and Supporting Documents – (1) Within 10 days after receiving notice that a hearing will be in writing, the applicant shall serve on all other parties and file written submissions setting out:

(a) the grounds on which the request for the remedy or order is made;

(b) a statement of the facts and evidence relied on in support of the remedy or order requested; and

(c) any law relied on in support of the remedy or order requested.

(2) A Panel may require the applicant to provide further information, which the applicant shall serve on every other party.

11.7 Objection to a Written Hearing – (1) A party who objects to a hearing being held as a written hearing shall file and serve a notice of objection setting out the reasons for the objection, within 5 days after receiving notice of the written hearing.

(2) A notice of objection shall set out the reasons for the objection in the submissions relating to the matter and be accompanied by a statement of the facts, any evidence and any law relied on in support of the objection.

11.8 Response to an Objection – (1) If a party wishes to respond, the party shall do so by serving the written response on every other party and filing it within 7 days after the notice of objection has been served on the party.

(2) The response shall set out the party's submissions and be accompanied by a statement of the facts, any evidence and any law relied on in support of the response.

11.9 Decision – (1) Upon consideration of the written record, the Panel may render a decision as to whether the matter shall be heard at an oral or a written hearing.

Rule 12 – Settlement Agreements

12.1 Settlement Documents – (1) A settlement shall be evidenced by a written settlement agreement between Staff and the respondent, which shall be filed no later than 2 days before the hearing.

(2) Accompanying Documents – A settlement agreement shall be accompanied by:

(a) a draft order;

(b) the respondent's consent to the order;

(c) a waiver by the respondent of a full hearing, judicial review and appeal rights;

(d) an undertaking by Staff not to initiate further action in relation to the subject facts;

(e) an agreement concerning confidentiality of the settlement agreement until the Panel has decided that it should be made public; and

(f) an undertaking by Staff and the respondent not to make public statements that are inconsistent with the settlement agreement.

(3) Draft Order – The written settlement agreement shall be accompanied by a draft order for consideration by the Panel.

12.2 In Camera Settlement Hearing – If a party wishes to have the hearing relating to the proposed settlement held in camera, the party shall follow the procedure set out in Rule 8.2.

12.3 Transcript of In Camera Proceeding – (1) If the Panel approves the settlement, the transcript of the in camera proceeding will be made public, unless the Panel orders that the transcript should not be part of the public record.

(2) If the Panel does not approve the proposed settlement, the transcript of the in camera proceeding shall not be made public.

12.4 Where Proposed Settlement Not Approved – (1) If the Panel does not approve the proposed settlement, reasons shall be provided to the parties at the request of any party.

(2) In such circumstances, a party may apply to have the reasons delivered in camera, and the Commission will make a decision whether it is appropriate to do so under section 9 of the SPPA.

(3) No Communication Relating to Proposed Settlement at Hearing – If the Panel does not approve a proposed settlement and the matter proceeds to a full hearing on the merits, the members of the Panel that considered the proposed settlement shall not sit on the Panel that will conduct the hearing on the merits and shall not communicate about the matter with the Panel that will conduct the hearing on the merits.

12.5 Publication of Settlement Agreement – (1) Publication Where Approved – After the Panel approves a proposed settlement agreement, the settlement agreement and any related order will be posted forthwith on the Website and published in the Bulletin.

(2) Settlement agreements shall be made public immediately, except where there are public interest reasons for not making a settlement agreement public for a period of time.

(3) No Publication Where Not Approved – If the Panel does not approve a settlement agreement and the settlement hearing was in camera, the hearing record for the settlement agreement shall not be made public.

Rule 13 – Simultaneous Hearing with Other Securities Administrators
(See also subsection 2(5) of the Act.)

13.1 Request for Simultaneous Hearing – (1) At the request of a party to a proceeding or on the Commission's own initiative, the Commission may hold a hearing in or outside Ontario in conjunction with any other body empowered by statute to administer or regulate trading in securities.

(2) A request for a simultaneous hearing shall be made in writing and state the reasons for a simultaneous hearing.

(3) Invitation to Federal Corporations Branch – If the issue that is the subject of the simultaneous hearing is also of interest to the Director, Corporations Branch, of the Federal Department of Consumer and Corporate Affairs in administering the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, the applicant may also request that the federal officer be invited to join the hearing.

(4) Factors in Deciding Whether to Hold a Simultaneous Hearing – When deciding whether to hold a simultaneous hearing, the Commission may take into account any circumstances it considers relevant, which may include whether:

(a) the issues raised through the application and the evidence and arguments to be presented are likely to be substantially the same, notwithstanding any apparent difference in the form of the several applications or the specific legislation in each jurisdiction;

(b) there is an urgent business reason for holding one simultaneous hearing rather than multiple hearings; or

(c) the matter in issue is a novel one and it is in the public interest that securities administrators strive to achieve consistency in their decision-making on the matter.

(5) Factors in Deciding Where to Hold a Simultaneous Hearing – When deciding where to hold a simultaneous hearing, the Commission may take into account any circumstances it considers relevant, which may include:

(a) the preponderance of convenience to the majority of interested parties, taking into account where the majority of the parties reside or have their principal places of business and where witnesses reside; and

(b) where it can be determined that it is in the public interest to do so.

13.2 Payment of Expenses – (1) If a party requests that a simultaneous hearing be held outside Ontario, the Commission may, despite any general public interest perceived in the holding of a simultaneous hearing, before and as a condition precedent to its granting the request, require that party to undertake to pay the additional costs incurred by the Commission.

(2) These costs include travel and related expenses incurred by the Panel, Staff, witness fees and expenses.

Rule 14 – Review of a Decision of the Director, a Stock Exchange, a Self-Regulatory Organization or a Clearing Agency
(See also sections 8 and 21.7 of the Act.)

14.1 Application – In Rule 14, "decision" means any direction, decision, order, ruling or other requirement made by the Director, a stock exchange, a self-regulatory organization or a clearing agency.

14.2 Application for a Hearing and Review – An application for a hearing and review of a decision pursuant to section 8 or 21.7 of the Act shall:

(a) identify the decision in respect of which the hearing and review is being sought;

(b) state the interest in the decision of the party filing the request;

(c) state in summary form the alleged errors in the decision and the reasons for requesting the hearing and review; and

(d) state the desired outcome.

14.3 Record – (1) The party requesting a hearing and review of a decision shall obtain from the Director, stock exchange, self-regulatory organization or clearing agency a record of the subject proceeding and file it.

(2) The record of the proceeding shall include:

(a) the application or other document by which the proceeding was commenced;

(b) the Notice of Hearing;

(c) any interim orders made in the proceeding;

(d) any documentary evidence filed in the proceeding, subject to any limitation expressly imposed by any statute, regulation or rules on the extent to which, or the purpose for which, any such documents may be used in any proceeding;

(e) a copy of any other documents relevant in the proceeding that are referred to in the party's statement of fact and law;

(f) any transcript of the oral evidence given at the hearing; and

(g) the decision that is the subject of the request for a hearing and review and the reasons therefore, if reasons were given.

(3) Omission of Documents from Record – Despite subrule 14.3(1), any of the documents may be omitted from the record if all parties consent, and the Panel agrees or the Panel otherwise directs.

(4) Where Record Unavailable – In the circumstance where no record is available, the parties shall advise the Panel.

14.4 Service and Filing – (1) An application for a hearing and review of a decision shall be served by the applicant on every other party to the original proceeding and filed.

(2) The party requesting a hearing and review shall provide a copy of the record of the proceeding to any other party that requests a copy of the record.

(3) The party requesting a hearing and review shall perfect the application by complying with Rule 14.3 and subrules 14.4(1) and 14.4(2):

(a) if no transcript of evidence is required for the review, within 30 days after filing the request; or

(b) if a transcript of evidence is required for the review, within 60 days after receiving notice that the evidence has been transcribed.

(4) If the party requesting a hearing and review has not complied with subrule 14.4(3), the Secretary may serve a notice on the requester that the request may be dismissed for delay unless it is perfected within 10 days after service of the notice.

(5) Dismissal Where Default not Cured – If the party requesting a hearing and review does not cure the default within 10 days after the service of the notice under subrule 14.4(4), or within a longer period allowed by a Panel, a Panel may make an order dismissing the request and serve the order on the requester.

(6) Record in Response – A party served with an application for a hearing and review and record may serve a record in response on the person making the application and on each other party, at least 15 days before the day on which the application is to be heard.

(7) Record in Reply – A party served with a record in response to an application for hearing and review may serve a record in reply on the person making the response and on each other party an affidavit(s) in reply, at least 5 days before the day on which the application is to be heard.

14.5 New Evidence – If a party proposes to introduce new evidence at the hearing and review, that party shall, at least 10 days before the hearing and review, advise every other party as to the substance of the new evidence and shall deliver to every other party copies of all new documents that the party will rely on at the hearing and review.

14.6 Order Dispensing with Transcripts – The Panel may direct that a transcript of the oral evidence be dispensed with, if the Panel is of the opinion that a transcript of the oral evidence taken at the original hearing is unnecessary to deal effectively with the hearing and review, or for any reason the Panel considers appropriate.

14.7 Stay of a Decision – (1) Before the hearing and review, the party requesting the hearing and review may apply to the Panel for an order staying the original decision until the hearing and review is concluded.

(2) The party shall make the application in writing on notice to all the parties and the application shall state the reasons why a stay is required.

14.8 Setting Down for a Hearing – Once the record of the proceeding is perfected in accordance with subrule 14.4(3), the Secretary shall give notice of the time and place for the hearing and review.

14.9 Statement of Fact and Law in an Oral Hearing – (1) The party requesting a hearing and review shall, if an oral hearing is to be held, serve on every other party and file the memorandum of fact and law being relied upon, at least 30 days before the date of the hearing and review.

(2) Each other party to the hearing and review shall serve on every other party and file a statement of the points to be argued and the memorandum of fact and law being relied upon by it at least 15 days before the date of the hearing and review.

Rule 15 – Further Decision pursuant to Subsection 9(6) of the Act or Revocation or Variation of a Decision pursuant to Section 144 of the Act

15.1 Application – (1) An application for a further decision pursuant to subsection 9(6) of the Act or an application pursuant to section 144 of the Act for a revocation or a variation of a decision made by a Panel shall:

(a) identify the decision in respect of which the request is being made;

(b) state the interest in the decision of the party filing the request;

(c) state the factual and legal grounds for the request; and

(d) state the desired outcome.

(2) An application for a further decision or an application for a revocation or variation of a decision made by a Panel shall be served by the applicant on every other party to the original proceeding and filed.

15.2 New Evidence – If a party proposes to introduce new evidence at the hearing of the application for a further decision or for a revocation or variation of a decision, the party shall, at least 10 days before the hearing, advise every other party as to the substance of the new evidence and shall deliver to every other party copies of all new documents that the party will rely on at the hearing.

15.3 Whether or Not to Hold an Oral Hearing – (1) Upon reviewing the application, a Panel may, on the basis of the written record:

(a) decide to grant the application;

(b) refuse to grant the application; or

(c) decide to hold an oral hearing to consider the application.

15.4 Statement of Fact and Law in an Oral Hearing – (1) The party requesting a further decision or a revocation or a variation of a decision made by a Panel shall, if an oral hearing is to be held, serve on every other party and file a statement of the points to be argued and the memorandum of fact and law being relied upon by it at least 10 days before the date of the hearing.

(2) Each other party to a hearing shall, if an oral hearing is to be held, serve on every other party and file a statement of the points to be argued and the memorandum of fact and law being relied upon by it at least 5 days before the date of the hearing.

15.5 Written Hearing – If the parties consent to a further decision, revocation or variation of a decision made by a Panel, the matter may be heard in writing.

Rule 16 – Application pursuant to Section 104 and/or Section 127 of the Act

16.1 Application – (1) An application made pursuant to section 104 of the Act in connection with a take-over bid or an issuer bid by an interested person as defined in subsection 89(1) of the Act, or an application made pursuant to section 127 of the Act in connection with a take-over bid or an issuer bid, shall be made by serving it on every other party and on the Manager of Take-Over Bids, Issuer Bids and Mergers and Acquisitions Transactions and filing it.

(2) An application shall be accompanied by a memorandum of fact and law and any affidavit(s) as appropriate setting out the facts to be relied upon.

16.2 Setting Down for a Hearing – Once all the documents for the application have been filed in accordance with Rule 16.1, the Secretary shall establish the schedule for the filing of a response and a reply and give notice of the time and place for the hearing of the application.

16.3 Response – A party served with an application may serve on the person making the application and on each other party a memorandum of fact and law and any affidavit(s), and file them in accordance with the schedule established by the Secretary.

16.4 Reply – A party served with a memorandum of fact and law and any affidavit(s) in response to an application may serve on the person making the response and on each other party a memorandum of fact and law and any affidavit(s) in reply, and file them in accordance with the schedule established by the Secretary.

16.5 Request for Leave to Intervene – A request for leave to intervene in an application relating to a take-over bid or an issuer bid shall be made by serving it on each of the parties and filing it in accordance with Rule 1.8.1.

DECISIONS

Rule 17 – Oral and Written Decisions
(See also section 17 of the SPPA.)

17.1 Issuance of Decisions – (1) A Panel may reserve its decision or may give its decision orally at the end of the hearing.

(**2) Written Final Decisions –** A Panel shall issue a final written decision, which shall be the official decision.

(3) Discrepancy – If there is a discrepancy between an oral decision rendered at the hearing and the written decision, the written decision shall prevail.

17.2 Service of Decisions and Reasons – (1) The Secretary shall send to all parties to the proceeding a copy of the Panel's final decision, including any reasons that have been given.

(2) Publication – A decision shall be published on the Website and in the Bulletin, unless a Panel orders that it shall remain confidential.

17.3 Sanctions Hearing – (1) Unless the parties to a proceeding agree to the contrary, a separate hearing shall be held to determine the matter of sanctions and costs.

(2) Following the issuance of the reasons for the decision on the merits, the Secretary shall set a date for the sanctions hearing if such a hearing is necessary.

(3) Submissions by Staff – Staff shall file submissions regarding the matter of sanctions and costs at least 10 days before the sanctions hearing, unless the Panel provides otherwise.

(4) Responding Submissions – A respondent shall file submissions regarding the matter of sanctions and costs at least 5 days before the sanctions hearing, unless the Panel provides otherwise.

(5) Reply Submissions – Staff shall file any reply submissions regarding the matter of sanctions and costs at least 2 days before the sanctions hearing, unless the Panel provides otherwise.

COSTS AWARDS

Rule 18 – Costs
(See also section 127.1 of the Act.)

18.1 Request for an Award of Costs – (1) A Panel may award costs against a respondent at the request of Staff after having considered any submissions from the parties.

(2) Content of a Request for an Award of Costs – A request for costs by Staff shall be made in a written motion and served on the respondent and it shall contain the following information:

(a) an explanation of the basis of the claim;

(b) a summary statement of hours and fees for each lawyer and each professional that worked on the file, supported by time dockets setting out the hourly wage for the individual and a description of the work performed;

(c) a summary statement of disbursements for each lawyer or professional, supported by corresponding invoices and receipts. If invoices or receipts are not obtainable, the Commission may accept a written record of disbursements and associated dates; and

(d) an affidavit declaring that all the information contained in the dockets and the summary statement of disbursements are true and accurate, and all disbursements were incurred directly and necessarily as a result of the investigation or proceeding.

(3) Time Limit for Making a Request for an Award of Costs – A request for an award of costs on a motion or on the main proceeding shall be served by Staff on the respondent no later than 30 days after the issuance of a final order or decision of a Panel on the main proceeding.

(4) Response – The respondent served with a request for an award of costs may serve on Staff a response setting out any objections to the request, within 15 days of the request.

(5) Reply – After receiving a response, Staff may serve a reply to the respondent's objections within 5 days of receiving the response.

(6) General Principle – A Panel has the discretion to shorten or extend any of these time limits, and may consider the timeliness of any request for costs in determining the amount to be awarded.

18.2 Factors Considered When Awarding Costs – In exercising its discretion under section 127.1 of the Act to award costs against a person or company, a Panel may consider the following factors:

(a) whether the respondent failed to comply with a procedural order or direction of the Panel;

(b) the complexity of the proceeding;

(c) the importance of the issues;

(d) the conduct of Staff during the investigation and during the proceeding, and how Staff's conduct contributed to the costs of the investigation and the proceeding;

(e) whether the respondent contributed to a shorter, more efficient, and more effective hearing, or whether the conduct of the respondent unnecessarily lengthened the duration of the proceeding;

(f) whether any step in the proceeding was taken in an improper, vexatious, unreasonable, or negligent fashion or in error;

(g) whether the respondent participated in the proceeding in a way that helped the Commission understand the issues before it;

(h) whether the respondent participated in a responsible, informed and well-prepared manner;

(i) whether the respondent co-operated with Staff and disclosed all relevant information;

(j) whether the respondent denied or refused to admit anything that should have been admitted; or

(k) any other factors the Panel considers relevant.

18.3 Payment of Investigation Costs – (1) If the Panel orders under subsection 127.1(1) of the Act that the costs of the investigation be paid by a person or company whose affairs were the subject of an investigation, the costs awarded may include the following:

(a) the costs of Staff involved in the investigation, based on the time spent on the investigation by each member of Staff and the applicable hourly rate as prescribed by subrule 18.3(3);

(b) the actual amount of the fees and disbursements paid to a person appointed or engaged under sections 5, 11 or 12 of the Act;

(c) the actual amount of the witness examination costs;

(d) the actual amount of the court reporter's fees;

(e) the actual cost of the transcripts of examinations of individuals during the course of the investigation;

(f) the actual costs of experts;

(g) the disbursements and the incidental costs incurred in respect of the investigation; and

(h) any other costs the Panel considers relevant.

(2) Payment of Hearing Costs – If the Panel orders under subsection 127.1(2) of the Act that the costs of, or related to, a hearing be paid by a person or company whose affairs were the subject of a hearing, the costs awarded may include the following:

(a) the costs of Staff involved in the hearing, based on the time spent on the hearing by each member of Staff and the applicable hourly rate as prescribed by subrule 18.3(3);

(b) the actual amount of the fees and disbursements paid to a person appointed or engaged under sections 5, 11 or 12 of the Act;

(c) the reasonable costs of witnesses, other than a witness referred to in sub-paragraph (b) required to attend at the hearing;

(d) the reasonable costs for the services of a lawyer acting as counsel with or for Staff;

(e) the costs to the Commission to administer the hearing, including fees paid to the court reporter, fees for transcripts, and disbursements required to conduct a hearing;

(f) the reasonable costs incurred for each expert or person engaged by Staff; and

(g) any other costs the Panel considers relevant.

(3) Publication of Costs in Staff Notice – The specific hourly rates for the costs categories, which can be determined a priori, set out in subrules 18.3(1) and 18.3(2) shall be published from time to time as a Staff Notice and will be posted on the Website and published in the Bulletin.

Appendix A – Pre-Hearing Conference Form

The parties may submit this form pursuant to Rule 6.4. In the alternative, the parties may submit such other written submissions as they deem appropriate.

Ontario Securities Commission | Commission des valeurs mobilières de l'Ontario | P.O. Box 55, 19th Floor, 20 Queen Street West, Toronto ON M5H 3S8 | CP 55, 19e étage, 20, rue queen ouest, Toronto ON M5H 3S8

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

AND

IN THE MATTER OF
{INSERT STYLE OF CAUSE}

DATE OF PRE-HEARING:

PRE-HEARING CONFERENCE SUBMISSIONS OF:

_____
(insert name of Party)

COUNSEL:

I. INTRODUCTORY MATTERS

A. Procedural History

1. Notice of Hearing and Statement of Allegations - Date of Issue:
2. Date(s) of Alleged Conduct:
3. Date of Hearing:
4. Interim Orders:
   a) Temporary Cease Trade Order: (Date of Order)
      Provide Details:
   b) Freeze Order: (Date of Order)
      Provide Details:

B. Settlement Discussions

1. Have the parties discussed settlement?
   Provide Details:
2. Is there a reasonable prospect of this matter settling?
   Provide Details:

C. Disclosure (Rule 4)

1. Has Staff made disclosure to the Respondent?

   Provide Details:

2. Has the Respondent made disclosure to Staff?

   Provide Details:

3. Is further disclosure requested?

   Provide Details:

4. Are there any issues in respect of a third party and disclosure?

   Provide Details:

II. PRE-HEARING MATTERS

A. Severance

1. Do you expect to bring a motion to sever the hearing of certain Respondents?

   Provide Details:

B. Disclosure

1. Do you expect to bring a motion respecting disclosure?

   Provide Details:

C. Other

1. Do you expect to bring any other motions?

   Provide Details:

III. THE HEARING

A. Procedure on Hearing

1. Will you be requesting that the hearing, or any part of the hearing, be conducted electronically? (Rule 10.2)

   Provide Details:

2. Will you be requesting that the hearing, or any part of the hearing, be conducted in writing? (Rule 11)

   Provide Details:

B. Hearing Brief re: Documents

1. Have you prepared or will you be preparing a Hearing Brief?

   Provide Details:

   The Hearing Brief has been delivered to the other parties:

   Provide Details:

OR

   The Hearing Brief will be delivered by: _____

   Provide Details:

IV. EVIDENTIARY MATTERS

A. Expert Evidence

1. Will you be tendering the opinion evidence of a duly qualified expert for admission?

   By Staff:

   By the Respondent:

2. Upon what issue(s) will you be tendering such evidence?

   Provide Details:

3. Will you be challenging the qualification of the expert?

   Provide Details:

4. Will you be filing an expert's report? When?

   Provide Details:

5. Will you be challenging the admissibility of the report?

   Provide Details:

B. Privilege

1. Will you be asserting any claim of privilege in respect of any evidence proposed for introduction:

   Provide Details:

C. Procedural Issues

1. Will you be asking the Commission to rule on any procedural matters?

   Provide Details:

2. Are you making any admissions?

   Provide Details:

D. Documents

1. Has Staff prepared a brief of documents?

   Provide Details:

2. Does the Respondent object to the admissibility of any of the documents?

   Provide Details:

3. Has the Respondent prepared a brief of documents?

   Provide Details:

4. Does Staff object to the admissibility of any of the documents?

   Provide Details:

V. LENGTH AND SCHEDULING OF PROCEEDINGS

1. Length of Hearing and Scheduling of Proceeding

Has the hearing been scheduled? If so, when?

If not, what is the anticipated length of time needed to deal with pre-hearing matters?

For Staff:

For the Respondent:

2. Witnesses

Please list the witnesses you will be calling:

Witness Name	Estimated Time for Examination – in-Chief	Estimated Time for Cross-Examination (to be completed at pre-hearing)

_____

Dated: At Toronto this _____ day of _____, 2009

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
02/18/2009	3	6990371 Canada Inc. - Notes	275,000.00	NA
02/18/2009	11	6990371 Canada Inc. - Units	1,450,000.00	0.00
10/15/2008	16	Alexis Minerals Corporation - Flow-Through Shares	5,000,000.00	10,000.00
02/06/2009	5	Altria Group Inc. - Notes	1,960,440.00	1,580,415.00
08/29/2008	1	Ashmore Local Currency Debt Portfolio - Units	581,134.95	18,608.80
02/06/2009	22	Atlanta Gold Inc. - Units	767,600.00	7,676,000.00
10/27/2008	29	Avigilon Corporation - Preferred Shares	2,004,913.00	2,004,913.00
10/16/2008 to 10/24/2008	1	BlackRock Credit (Offshore) Investors Co-Invest, L.P. - Limited Partnership Interest	206,972,792.00	N/A
01/04/2008 to 09/05/2008	36	Caldwell Growth Opportunities Trust - Units	2,116,610.86	105,768.20
01/04/2008 to 10/31/2008	82	Caldwell ICM Market Strategy Trust - Units	3,597,440.74	332,311.79
02/19/2009 to 02/25/2009	32	CareVest Blended Mortgage Investment Corporation - Preferred Shares	707,026.00	707,026.00
02/19/2009	22	CareVest First Mortgage Investment Corporation - Preferred Shares	483,057.00	483,057.00
02/05/2009 to 02/17/2009	13	CMC Markets UK plc - Contracts for Differences	30,501.00	13.00
02/17/2009 to 02/25/2009	15	CMC Markets UK plc - Contracts for Differences	82,500.00	15.00
02/16/2009	12	CoolIT Systems Inc. - Preferred Shares	2,217,261.36	1,199,391.00
01/01/2008 to 12/31/2008	219	Crystal Enhanced Mortgage Fund - Trust Units	14,988,535.64	1,485,334.10
08/01/2008	1	DB Torus Japan Fund Ltd. - Units	135,000.00	135.00
01/02/2008 to 12/24/2008	1	DeAm Canada Global Equity Fund - Trust Units	839,271.17	77,282.28
02/18/2009	5	Dumont Nickel Inc. - Units	22,000.00	2,200,000.00
02/19/2009	20	Dynasty Metals & Mining Inc. - Common Shares	10,000,000.00	2,500,000.00
02/06/2009	1	East Coast Energy Inc. - Debentures	325,000.00	N/A

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/01/2008 to 03/01/2008	1	Eosphoros Asset Management Fund I, LP - Units	1,000,000.00	10,000.00
01/01/2008 to 12/31/2008	83	ESI Managed Portfolio - Trust Units	1,644,173.50	140,557.36
01/01/2008 to 12/31/2008	10	ESI Premium Portfolio - Trust Units	716,352.33	60,953.00
02/25/2009	4	Eugenic Corp. - Units	50,013.00	2,600,000.00
02/20/2009	36	Explor Resources Inc. - Flow-Through Units	999,989.00	3,492,100.00
02/11/2009	1	Falcon Ventures International Inc. - Common Shares	5,000.00	50,000.00
02/02/2009 to 02/26/2009	8	First Leaside Fund - Trust Units	43,876.00	43,876.00
02/17/2009 to 02/19/2009	6	First Leaside Fund - Units	173,000.00	173,000.00
02/17/2009 to 02/18/2009	6	First Leaside Fund - Units	230,000.00	230,000.00
02/20/2009 to 02/26/2009	9	First Leaside Fund - Units	176,505.00	176,505.00
02/20/2009	1	First Leaside Progressive Limited Partnership - Units	31,000.00	31,000.00
02/11/2008	18	First Uranium Corporation - Units	61,500,000.00	20,500,000.00
02/02/2009 to 02/06/2009	6	General Motors Acceptance Corporation of Canada, Limited - Notes	1,659,830.01	1,659,830.01
02/09/2009 to 02/13/2009	7	General Motors Acceptance Corporation of Canada, Limited - Notes	1,224,463.87	1,224,463.87
02/17/2009 to 02/20/2009	8	General Motors Acceptance Corporation of Canada, Limited - Notes	2,958,349.28	29,583.49
02/09/2009	33	Genesis Genomics Inc. - Common Shares	1,166,752.50	777,835.00
02/16/2009	1	Golden Dawn Minerals Inc. - Common Shares	20,000.00	200,000.00
02/04/2009	1	Great Lakes Power Holding Corporation - Common Shares	65,000,000.00	4,062,500.00
02/04/2009	2	Great Lakes Power Holding Corporation - Common Shares	65,000,100.00	100.00
02/18/2009	2	Hallstone Developments Inc. - Units	200,200.00	200.00
02/11/2009	4	HCA Inc. - Notes	4,348,400.00	3,500.00
02/13/2009	150	Hellman & Friedman Capital Partners VII, L.P. - Capital Commitment	6,542,431,095.00	4.00
02/03/2009	1	Hess Corporation - Notes	1,250,000.00	1,000,000.00
02/18/2009	1	Imperial Capital Equity Partners Ltd. - Capital Commitment	2,000,000.00	1.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/03/2009	32	ISG Capital Corporation - Common Shares	2,111,603.49	4,225,000.00
02/20/2009	18	KBP Capital Corp. - Bonds	208,600.00	2,086.00
02/02/2009	9	Keystone Business Park Inc. - Common Shares	208.60	2,086.00
02/20/2009	1	Kibboko Inc. - Debentures	500,000.00	N/A
02/15/2009	2	Kingwest Avenue Portfolio - Units	41,200.00	2,139.38
01/31/2009	2	Kingwest Avenue Portfolio - Units	10,000.00	514.46
02/15/2009	1	Kingwest Canadian Equity Portfolio - Units	823,922.53	105,526.92
02/17/2009	2	Kirkland Lake Gold Inc. - Common Shares	3,007,000.00	620,000.00
02/13/2009	1	Landry's Resturants, Inc. - Notes	10,912,000.00	1.00
02/13/2009 to 02/20/2009	3	Liquid Computing Corporation - Debentures	1,312,913.71	1.00
02/13/2009 to 02/20/2009	6	Liquid Computing, Inc. - Debentures	1,446,053.31	6.00
02/25/2009	25	Loubac Top Environmental Inc. - Common Shares	300,000.00	3,000,000.00
02/26/2009	79	Luna Gold Corp. - Common Shares	31,008,473.88	258,403,949.00
02/13/2009	15	Majescor Resources Inc. - Units	200,000.00	2,000,000.00
02/02/2009	11	Malbex Resources Inc. - Common Shares	1,035,000.00	10,350,000.00
02/12/2009	1	Mantis Mineral Corp. - Common Shares	10,000.00	40,000.00
02/04/2009	38	Marifil Mines Limited - Units	268,829.25	5,376,585.00
02/18/2009	1	Minera Andes Inc. - Common Shares	18,299,970.00	18,299,970.00
02/18/2009	22	Multiplied Media Corporation - Units	498,200.00	9,964,000.00
01/01/2009 to 02/01/2009	3	New Haven Mortgage Income Fund (I) Inc. - Special Shares	410,000.00	N/A
02/15/2009	1	New Solutions Financial (II) Corporation - Debenture	35,800.00	1.00
02/01/2009 to 02/20/2009	2	New Solutions Financial (II) Corporation - Debentures	500,000.00	2.00
02/18/2009	1	Newport Canadian Equity Fund - Units	20,000.00	199.89
12/09/2008 to 12/11/2008	5	Newport Canadian Equity Fund - Units	56,000.00	557.63
02/09/2009	1	Newport Canadian Equity Fund - Units	5,000.00	47.19
02/11/2009 to 02/18/2009	51	Newport Fixed Income Fund - Units	1,792,880.17	17,765.56
12/05/2008 to 12/10/2008	25	Newport Fixed Income Fund - Units	2,420,900.00	24,017.59

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/02/2009 to 02/10/2009	46	Newport Fixed Income Fund - Units	2,694,249.79	26,895.48
12/10/2008 to 12/11/2008	2	Newport Global Equity Fund - Units	15,000.00	267.38
02/09/2009	2	Newport Global Equity Fund - Units	22,000.00	398.62
02/11/2009 to 02/18/2009	54	Newport Yield Fund - Units	1,340,500.00	13,817.90
12/08/2008 to 12/10/2008	24	Newport Yield Fund - Units	1,060,276.05	10,967.55
02/02/2009 to 02/10/2009	45	Newport Yield Fund - Units	889,200.00	9,109.49
02/01/2009	4	North American Financial Group Inc. - Debt	323,000.00	4.00
02/18/2009	3	NovaDaq Technologies Inc. - Debentures	5,000,000.00	N/A
10/01/2008	1	O'Connor Global Multi-Strategy Alpha Fund - Common Shares	19,500,000.00	19,500.00
02/27/2009	1	Pacific & Western Credit Corp. - Notes	45,000.00	5.00
02/01/2008 to 12/01/2008	12	Peregrine Investment Management Fund LP - Units	2,400,000.00	875.22
01/01/2008 to 12/31/2008	339	Phillips, Hager & North Absolute Return Fund - Units	51,822,302.83	5,309,511.18
01/01/2008 to 12/31/2008	2	Phillips, Hager & North Canadian Equity 130/30 Fund - Units	4,000,100.00	400,010.00
01/01/2008 to 12/31/2008	2	Phillips, Hager & North Canadian Equity Market Neutral Fund - Units	4,000,100.00	400,010.00
01/01/2008 to 12/31/2008	88	Phillips, Hager & North High Grade Corporate Bond Fund - Units	3,403,962.15	352,988.50
01/01/2008 to 12/31/2008	12	Phillips, Hager & North Institutional S.T. I. F. - Units	39,845,295.82	3,984,529.58
01/01/2008 to 12/31/2008	3	Phillips, Hager & North Investment Grade Corporate Bond Trust - Units	19,455,489.56	1,988,230.08
01/01/2008 to 12/31/2008	81	Phillips, Hager & North Long Bond Pension Trust - Units	1,457,989.86	141,122.83
01/01/2008 to 12/31/2008	1	Phillips, Hager & North Long Bond Pension Trust - Units	2,978,755.52	326,150.18
01/01/2008 to 12/31/2008	1	Phillips, Hager & North Long Mortgage Pension Trust - Units	3,337,496.86	337,093.84
01/01/2008 to 12/31/2008	165	Phillips, Hager & North Mortgage Pension Trust - Units	10,886,010.79	1,038,955.10
02/11/2009	18	Plexmar Resources Inc. - Units	343,000.00	6,860,000.00
01/01/2008 to 12/31/2008	292	Private Client Bond Portfolio - Trust Units	13,673,927.54	1,424,335.94
01/01/2008 to 12/31/2008	272	Private Client Canadian Equity Income and Growth Portfolio II - Trust Units	4,838,256.09	381,039.04

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/01/2008 to 12/31/2008	262	Private Client Canadian Value Portfolio - Trust Units	5,383,020.69	329,731.71
01/01/2008 to 12/31/2008	219	Private Client Global Equity Portfolio - Trust Units	12,592,327.67	1,947,325.05
01/01/2008 to 12/31/2008	152	Private Client High Yield Bond Portfolio - Trust Units	1,299,492.75	143,551.04
01/01/2008 to 12/31/2008	42	Private Client International Equity Portfolio - Trust Units	871,320.73	86,654.22
01/01/2008 to 12/31/2008	276	Private Client Money Market Portfolio - Trust Units	64,893,597.07	6,482,045.62
01/01/2008 to 12/31/2008	276	Private Client Small Cap Portfolio II - Trust Units	2,062,813.61	152,824.38
01/01/2008 to 12/31/2008	44	Private Client US Equity Portfolio - Trust Units	1,340,957.28	228,109.28
02/09/2009	1	Probe Resources Ltd. - Warrants	840,000.00	4,200,000.00
02/20/2009 to 02/23/2009	26	Quetzal Energy Inc - Receipts	2,590,000.00	20,720,000.00
02/11/2009	29	Radiant Energy Corporation - Common Shares	1,062,000.00	21,240,000.00
01/01/2008 to 10/01/2008	3	Robeco-Saga Capital International, Ltd. - Common Shares	539,126.60	N/A
02/06/2009	6	Royal Bank of Canada - Notes	975,000.00	975.00
02/23/2008	8	Rye Patch Gold Corp. - Units	585,799.92	4,881,666.00
05/29/2008 to 12/31/2008	9	Short-Term Investment Company (Global Series), PLC - Units	128,584,810.07	109,564,398.10
01/30/2009	40	Silvermex Resources Ltd. - Units	1,500,000.00	15,000,000.00
02/06/2009	3	Simberi Mining Corporation - Common Shares	65,000.00	6,500,000.00
02/13/2009 to 02/15/2009	40	Skyline Apartment Real Estate Investment Trust - Units	3,126,510.66	242,228.24
02/13/2009 to 02/18/2009	5	Special Notes Limited Partnership - Units	475,000.00	475,000.00
02/20/2009	1	Special Notes Limited Partnership - Units	100,000.00	100,000.00
02/10/2009	4	Spectra Energy Corp. - Common Shares	33,276,000.00	28,000,000.00
02/18/2009	1	Strategic Energy Fund - Trust Units	1,749.00	300.00
02/19/2009	3	Suncorp-Metway Ltd. - Common Shares	2,773,163.00	763,957.00
12/31/2008	11	Taurean Argentian Rural Development LP - Limited Partnership Units	122,000.00	2.00
01/02/2009	1	Ten Peaks Capital Trust - Units	165,000.00	16,500.00
02/11/2009	5	Tenth Power Technologies Corp. - Debentures	415,000.00	415,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/20/2009	1	The Toronto United Church Council - Notes	50,000.00	50,000.00
02/02/2009	8	Timbercreek Mortgage Investment Corporation - Common Shares	1,200,000.00	120,000.00
02/17/2009	12	TLC Explorations Inc. - Units	147,000.00	98,000.00
02/17/2009	1	United Mexican States - Notes	1,000,000.00	N/A
10/16/2007	4	Uranium308 Resources Inc. - Common Shares	30,000.00	60,000.00
10/31/2007	7	Uranium308 Resources Inc. - Common Shares	57,500.00	115,000.00
09/04/2007	6	Uranium308 Resources Inc. - Common Shares	36,500.00	73,000.00
11/16/2007	10	Uranium308 Resources Inc. - Common Shares	340,000.00	1,180,000.00
11/20/2007	4	Uranium308 Resources Inc. - Common Shares	52,500.00	105,000.00
12/14/2007	25	Uranium308 Resources Inc. - Common Shares	247,500.00	495,000.00
01/18/2008	20	Uranium308 Resources Inc. - Common Shares	309,500.00	619,000.00
02/08/2008	6	Uranium308 Resources Inc. - Common Shares	87,500.00	175,000.00
02/13/2008	4	Uranium308 Resources Inc. - Common Shares	32,500.00	65,000.00
03/28/2008	8	Uranium308 Resources Inc. - Common Shares	77,500.00	155,000.00
03/07/2008	5	Uranium308 Resources Inc. - Common Shares	47,500.00	95,000.00
04/14/2008	8	Uranium308 Resources Inc. - Common Shares	62,500.00	125,000.00
04/25/2008	9	Uranium308 Resources Inc. - Common Shares	152,500.00	305,000.00
05/07/2008	12	Uranium308 Resources Inc. - Common Shares	111,000.00	222,000.00
05/16/2008	23	Uranium308 Resources Inc. - Common Shares	448,000.00	896,000.00
02/20/2009	2	WALLBRIDGE MINING COMPANY LIMITED - Common Shares	3,420.00	36,000.00
02/11/2009	17	Walton AZ Sawtooth Investment Corporation - Common Shares	512,750.00	51,275.00
02/11/2009	152	Walton AZ Vista Del Monte 2 Investment Corporation - Units	3,415,420.00	341,542.00
02/11/2009	37	Walton AZ Vista Del Monte Limited Partnership 2 - Limited Partnership Units	4,466,666.37	357,219.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
02/13/2009	32	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	542,100.00	54,210.00
02/13/2009	31	Walton TX Amble Way Investment Corporation - Limited Partnership Units	449,200.00	44,920.00
02/19/2009	111	WesterOne Equity Income Fund - Trust Units	2,122,904.20	558,659.00
02/10/2009	44	Weststar Resources Corp. - Units	577,250.00	4,000,001.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Canadian Imperial Bank of Commerce
CIBC Capital Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
$ * - * % CIBC Tier I Notes - Series A Due June 20, 2108 (CIBC Tier I Notes - Series A); and $ * - * % CIBC Tier I Notes - Series B Due June 20, 2108 (CIBC Tier I Notes - Series B)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
-
Project #1378884/1378875

Issuer Name:
frontierAlt Quebec 2009 Flow-Through Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated February 24, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
Maximum Offering: $15,000,000.00 (600,000 Units); Minimum Offering: $3,000,000.00 (120,000 Units)
Subscription Price: $25 per Unit Minimum Subscription: $2,500
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
Laurentian Bank Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Wellington West Capital Markets Inc.
Industrial Alliance Securities Inc.
Manulife Securities Incorporated
Promoter(s):
FrontierAlt Quebec 2009 Inc.
FrontierAlt Funds Management Limited
Allyson Taylor Partners Inc.
Project #1379200

Issuer Name:
InterOil Corporation
Type and Date:
Preliminary Base Shelf Prospectus dated February 27, 2009
Receipted on March 2, 2009
Offering Price and Description:
$ * - 652,931 Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1381426

Issuer Name:
McLean Budden American Equity Fund
McLean Budden Balanced Growth Fund
McLean Budden Balanced Value Fund
McLean Budden Canadian Equity Fund
McLean Budden Canadian Equity Growth Fund
McLean Budden Canadian Equity Value Fund
McLean Budden Fixed Income Fund
McLean Budden Global Equity Fund
Mclean Budden High Income Equity Fund
McLean Budden International Equity Fund
VMD - McLean Budden LifePlan 2010 Fund
VMD - McLean Budden LifePlan 2020 Fund
VMD - McLean Budden LifePlan 2030 Fund
VMD - McLean Budden LifePlan Retirement Fund
McLean Budden Money Market Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated February 26, 2009
NP 11-202 Receipt dated March 2, 2009
Offering Price and Description:
Class VMD, AA , F and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
McLean Budden Limited
Project #1379708

Issuer Name:
SHAW COMMUNICATIONS INC.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated March 2, 2009
NP 11-202 Receipt dated March 2, 2009
Offering Price and Description:
$2.5 Billion:
Debt Securities
Class B Non-Voting Participating Shares
Class 1 Preferred Shares
Class 2 Preferred Shares
Warrants
Share Purchase Contracts
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1382266

Issuer Name:
SILVERCORP METALS INC.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated February 25, 2009
NP 11-202 Receipt dated February 25, 2009
Offering Price and Description:
$31,000,000.00 - 10,000,000 Common Shares Price: $3.10 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Salman Partners Inc.
Cormark Securities Inc.
Genuity Capital Markets
Promoter(s):
-
Project #1378638

Issuer Name:
UBS (Canada) High Yield Debt Fund
Type and Date:
Preliminary Simplified Prospectus dated February 27, 2009
Receipted on February 27, 2009
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
UBS Global Asset Management (Canada) Inc.
Project #1371932

Issuer Name:
BFI Canada Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 27, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
$80,750,000.00 - 8,500,000 Common Shares Price: $9.50 per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Clarus Securities Inc.
Cormark Securities Inc.
Macquarie Capital Markets Canada Inc.
Octagon Capital Corporation
Raymond James Ltd.
Promoter(s):
-
Project #1376081

Issuer Name:
Cameco Corporation
Principal Regulator - Saskatchewan
Type and Date:
Final Short Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
$399,999,900.00 - 23,188,400 Common Shares Price: $17.25 Per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
BNP Paribas (Canada) Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #1376208

Issuer Name:
Colossus Minerals Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 27, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
$21,500,000.00 - 10,000,000 Units Price: $2.15 per Unit
Underwriter(s) or Distributor(s):
Macquarie Capital Markets Ltd.
Canaccord Capital Corporation
GMP Securities L.P.
Dundee Securities Corporation
Haywood Securities Inc.
Blackmont Capital Inc.
Promoter(s):
Ari Sussman
Project #1376271

Issuer Name:
First Majestic Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 27, 2009
NP 11-202 Receipt dated March 2, 2009
Offering Price and Description:
$17,000,000.00 - 6,800,000 Units Price: $2.50 per Unit
Underwriter(s) or Distributor(s):
CIBC Wold Markets Inc.
Blackmont Capital Inc.
GMP Securities L.P.
Thomas Weisel Partners
Promoter(s):
-
Project #1376022

Issuer Name:
First Uranium Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 2, 2009
NP 11-202 Receipt dated March 2, 2009
Offering Price and Description:
Cdn.$90,160,000.00 - 19,600,000 Common Shares Price: Cdn.$4.60 per Offered Share
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Promoter(s):
-
Project #1377288

Issuer Name:
Fortis Global Equity Exposure Fund
(formerly, ABN AMRO Global Equity Exposure Fund)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated February 25, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
Mutual Fund Securities at Net Asset Value
Underwriter(s) or Distributor(s):
Fortis Investment Management Canada Ltd.
Promoter(s):
-
Project #1366411

Issuer Name:
Gold Wheaton Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
Cdn.$100,000,000.00 - 400,000,000 Units Cdn$0.25 per Unit
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Canaccord Capital Corporation
GMP Securities L.P.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #1376241

Issuer Name:
High Rider Capital Inc.
Principal Regulator - British Columbia
Type and Date:
Final Long Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
1,000,000 Common Shares Deemed Price: $0.15 per Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1364359

Issuer Name:
Horizons AlphaPro Gartman Fund
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
$150,000,000.00 (15,000,000 Units) $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Blackmont Capital Inc.
MGI Securities Inc.
Raymond James Ltd.
Wellington Capital Markets Inc.
Desjardins Securities Inc.
Promoter(s):
AlphaPro Management Inc.
Project #1370981

Issuer Name:
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 NYMEX® Crude Oil Bull Plus ETF
Horizons BetaPro NYMEX® Crude Oil Bear Plus ETF
Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF
Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF
Horizons BetaPro DJ-AIGSM Agricultural Grains Bull Plus ETF
Horizons BetaPro DJ-AIGSM Agricultural Grains Bear Plus ETF
Principal Regulator - Ontario
Type and Date:
Amended and Restated Long Form Prospectus dated February 27, 2009 amending and restating Long Form Prospectus dated January 20, 2009
NP 11-202 Receipt dated March 3, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1357188

Issuer Name:
Horizons BetaPro S&P/TSX 60 Inverse ETF
Horizons BetaPro S&P/TSX Capped Energy Inverse ETF
Horizons BetaPro S&P/TSX Capped Financials Inverse ETF
Horizons BetaPro S&P/TSX Global Gold Inverse ETF
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated February 27, 2009
NP 11-202 Receipt dated March 3, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
BetaPro Management Inc.
Project #1372455

Issuer Name:
Lake Shore Gold Corp.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
$60,000,000.00 - 30,615,871 Common Shares and 6,272,700 Flow Through Common Shares
Underwriter(s) or Distributor(s):
Scotia Capita Inc.
Haywood Securities Inc.
Wellington West Capital Markets Inc.
Raymond James Ltd.
TD Securities Inc.
Sandfire Securities Inc.
Promoter(s):
-
Project #1376569

Issuer Name:
Laramide Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
$8,750,000.00 - 5,000,000 Units Price: $1.75 per Unit
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Dundee Securities Corporation
Cormark Securities Inc.
Haywood Securities Inc.
Promoter(s):
-
Project #1376488

Issuer Name:
LifePoints Balanced Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated February 19, 2009 to the Simplified Prospectus and Annual Information Form dated July 18, 2008
NP 11-202 Receipt dated March 2, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Russell Investments Canada Limited
Promoter(s):
Russell Investments Canada Limited
Project #1282689

Issuer Name:
Series A, F, I and O Securities (unless otherwise indicated) of:
Mackenzie Ivy Canadian Fund (Hedged Class & Unhedged Class) (also offering Series F8, G, T6 and T8 securities)
Mackenzie Maxxum Canadian Value Fund
Mackenzie Maxxum Canadian Value Class (also offering Series E, J, T6 and T8 securities) (of Mackenzie Financial Capital Corporation)
Mackenzie Universal U.S. Dividend Income Fund (Hedged & Unhedged Class) (also offering Series E and J in the Hedged Class, E5 and J5 in the Hedged Class, T5 securities, U in the Hedged Class and U5 in the Hedge Class securities)
Mackenzie Cundill Global Dividend Fund (also offering Series F8, T5, T6, T8, U and U5 securities)
Mackenzie Universal Emerging Markets Class (also offering Series M and U securities) (of Mackenzie Financial Capital Corporation)
Mackenzie Universal European Opportunities Fund
Mackenzie Cundill International Class (Also offering Series T6 and T8 securities) (of Mackenzie Financial Capital Corporation)
Mackenzie Universal Global Infrastructure Fund (Also offering Series F8, T5, T6, T8, U and U5 securities)
Mackenzie Universal Health Sciences Class (also offering Series U securities) (of Mackenzie Financial Capital Corporation)
Mackenzie Universal World Resource Class (also offering Series U securities) (of Mackenzie Financial Capital Corporation)
Mackenzie Sentinel Global Bond Fund (also offering Series U securities)
Mackenzie Sentinel Real Return Bond Fund (also offering Series G and U securities)
Mackenzie Balanced Fund (Also offering Series F8, T6 and T8 securities)
Principal Regulator - Ontario
Type and Date:
Amendment No. 2 dated February 20, 2009 to the Simplified Prospectuses dated November 19, 2008 and Amendment No. 3 dated February 20, 2009 to the Annual Information Forms of the dated November 19, 2008.
NP 11-202 Receipt dated March 2, 2009
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #1331186

Issuer Name:
Series R securities of:
Mackenzie Sentinel Canadian Short-Term Yield Pool (of Multi-Class Investment Corp)
(formerly Mackenzie Sentinel Canadian Managed Yield Pool)
Mackenzie Sentinel Canadian Money Market Pool
Mackenzie Sentinel U.S. Short-Term Yield Pool (of Multi-Class Investment Corp.)
(formerly Mackenzie Sentinel U.S. Managed Yield Pool)
Mackenzie Sentinel U.S. Money Market Pool
Mackenzie Universal Canadian Resource Class (of Mackenzie Financial Corporation)
Symmetry Equity Pool (of Multi-Class Investment Corp.)
Symmetry Fixed Income Pool (of Multi-Class Investment Corp.)
Type and Date:
Final Simplified Prospectus dated February 26, 2009
Receipted on February 27, 2009
Offering Price and Description:
Series R units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1370028

Issuer Name:
MRF 2009 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
Limited Partnership Units Price pre Unit: $25.00 -
Maximum Offering: $100,000,000.00 (4,000,000 Units)
Minimum Offering: $5,000,000.00 (200,000 Units)
Minimum Subscription: $2,500.00 (100 Units)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Manulife Securities Incorporated
Raymond James Ltd.
Blackmont Capital Inc.
Middlefield Capital Corporation
Richardson Partners Financial Limited
Wellington West Capital Markets Inc.
Burgeonvest Securities Limited
Promoter(s):
Middlefield Fund Management Limited
Middlefield Group Limited
Project #1367188

Issuer Name:
MSP 2009 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
Maximum: $50,000,000.00 (2,000,000 Units); Minimum: $3,000,000.00 (120,000 Units) $25.00 per Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Manulife Securities Incorporated
Wellington West Capital Markets Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
GMP Securities L.P.
M Partners Inc.
Richardson Partners Financial Limited
Promoter(s):
MSP 2009 GP Inc.
Mackenzie Financial Corporation
Project #1367288

Issuer Name:
Orleans Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
$14,001,000.00 - 7,180,000 Common Shares Price: $1.95 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
National Bank Financial Inc.
Peters & Co. Limited
CIBC World Markets Inc.
Dundee Securities Corporation
Macquarie Capital Markets Canada Ltd.
RBC Dominion Securities Inc.
Thomas Weisel Partners Canada Inc.
Promoter(s):
-
Project #1376321

Issuer Name:
Raymond James Canadian Focus Picks Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
Mutual fund securities at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1370886

Issuer Name:
Storm Exploration Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 26, 2009
Offering Price and Description:
$19,610,000.00 - 1,850,000 Common Shares $10.60 per Common Share
Underwriter(s) or Distributor(s):
Firstenergy Capital Corp.
GMP Securities L.P.
Peters & Co. Limited
Tristone Capital Inc.
Wellington West Capital Markets Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #1376298

Issuer Name:
Veritas Canadian Select Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated February 26, 2009
NP 11-202 Receipt dated February 27, 2009
Offering Price and Description:
Mutual fund securities as net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1370887

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Category	CWM Investment Counsel Inc.	From: Investment Counsel & Portfolio Manager To: Limited Market Dealer and Investment Counsel & Portfolio Manager	February 20, 2009
Change of Category	Sanford C. Bernstein & Co., LLC	From: International Dealer, Non-Canadian Adviser and Commodity Trading Manager To: Limited Market Dealer, International Dealer, Non-Canadian Adviser and Commodity Trading Manager	February 26, 2009
New Registration	Epoch Investment Partners, Inc.	International Adviser (Investment Counsel & Portfolio Manager)	March 2, 2009
New Registration	Omega Securities Inc.	Investment Dealer	March 2, 2009
Consent to Suspension (Rule 33-501 Surrender of Registration)	Emerald Technology Ventures AG	International Adviser (Investment Counsel & Portfolio Manager)	March 2, 2009

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Hearing Panel Issues Reasons for Decision with Respect to Penalty in the Gerard and Mavis Brake Disciplinary Hearing

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES REASONS FOR DECISION WITH RESPECT TO PENALTY IN THE GERARD AND MAVIS BRAKE DISCIPLINARY HEARING

February 27, 2009 (Toronto, Ontario) – A Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Reasons for Decision with respect to penalty in connection with the disciplinary hearing held in Winnipeg, Manitoba on February 19, 2009 in respect of Gerard Brake and Mavis Brake.

A copy of the Reasons for Decision with respect to penalty is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 152 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 Sets Date for Hearing in the Matter of Hill & Crawford Investment Management Group Ltd. and Albert Hill

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR HEARING IN THE MATTER OF HILL & CRAWFORD INVESTMENT MANAGEMENT GROUP LTD. AND ALBERT HILL

February 27, 2009 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Hill & Crawford Investment Management Group Ltd. and Albert Rodney Hill by Notice of Hearing dated December 31, 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 ("Hearing Panel").

The hearing of this matter on its merits has been scheduled to take place before the Hearing Panel on June 9-10, 2009 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 website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 152 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

13.1.3 MFDA Reschedules Hearing on the Merits in the Matter of Michele and Jeffrey Longchamps

NEWS RELEASE
For immediate release

MFDA RESCHEDULES HEARING ON THE MERITS IN THE MATTER OF MICHELE AND JEFFREY LONGCHAMPS

March 3, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Michele Longchamps and Jeffrey Longchamps by Notice of Hearing dated October 22, 2008.

The hearing of this matter on its merits, originally scheduled for March 5, 2009, has been rescheduled for Wednesday, April 8, 2009 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.

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

The MFDA is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 151 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

Chapter 25

Other Information

25.1 Exemptions

25.1.1 Global Iman Fund – Part 6 of NI 81-101 Mutual Fund Prospectus Disclosure

Headnote

Passport System for Exemptive Relief Applications – exemption from section 2.1(e) of National Instrument 81-101 Mutual Fund Prospectus Disclosure to allow additional time to file final prospectus.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 2.1(e).

February 24, 2009

Global Prosperata Funds Inc.

Attention: Mr. Glenn Moore

Dear Sirs/Mesdames:

Re: Global Iman Fund (the Fund)
Exemptive Relief Application under Part 6 of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* (NI 81-101)
Application No. 2009/0088; SEDAR Project No. 1320633

By letter dated February 20, 2009 (the Application), the Fund applied to the Director of the Ontario Securities Commission (the Director) under section 6.1 of NI 81-101 for relief from the operation of section 2.1(e) of NI 81-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Fund's prospectus, subject to the condition that the prospectus be filed no later than March 20, 2009.

Yours very truly,

"Rhonda Goldberg"
Manager, Investment Funds Branch

25.1.2 Invesco Trimark Ltd. et al. – s. 19.1 of NI 41-101 General Prospectus Requirements

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – NI 41-101 – Relief to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am.
NI 41-101 General Prospectus Requirements.

February 13 2009

Osler, Hoskin & Harcourt LLP

Attention: Ron Kugan

Dear Sirs/Mesdames:

Re: Invesco Trimark Ltd. (the Manager)

PowerShares China ETF, PowerShares Emerging Markets Infrastructure ETF, PowerShares FTSE RAFI Developed Markets ETF, PowerShares FTSE RAFI Emerging Markets ETF, PowerShares Global Agriculture ETF, PowerShares Global Clean Energy ETF, and PowerShares Global Water ETF (the Funds)

Exemptive Relief Application under Section 19.1 of National Instrument 41-101 *General Prospectus Requirements* ("NI 41-501")
Application No. 2009/0051, SEDAR Project No. 1306822

By letter dated October 28, 2008 (the "**Application**"), the Manager applied on behalf of the Funds to the Director of the Ontario Securities Commission (the "**Director**") pursuant to section 19.1 of NI 41-101 for relief from the operation of subsection 2.3(1) of NI 41-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director grants the requested exemption to be evidenced by the issuance of a receipt for the Funds' prospectus, provided the Funds' final prospectus is filed no later than June 17, 2009.

Yours very truly,

"Darren McKall"
Assistant Manager, Investment Funds Branch

25.2 Approvals

25.2.1 Vision Capital Corporation – 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).

February 27, 2009

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

Attention: Linda M. Pavao

Dear Sirs/Medames:

Re: Vision Capital Corporation (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. 2008/0838

Further to your application dated November 24, 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 Vision Opportunity Fund Trust and such other funds as the Applicant may establish from time to time, will be held in the custody of 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, 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 Vision Opportunity Fund Trust and such other funds 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,

"Suresh Thakrar"

"Margot C. Howard"

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