

The Ontario Securities Commission

# OSC Bulletin

March 20, 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)

**The Ontario Securities Commission**

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## Chapter 1

# Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

**MARCH 20, 2009**

#### **CURRENT PROCEEDINGS**

#### **BEFORE**

#### **ONTARIO SECURITIES COMMISSION**

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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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20 Queen Street West  
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M5H 3S8

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Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

### SCHEDULED OSC HEARINGS

March 20, 2009  
**Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan**

10:00 a.m.

s. 127

H. Craig in attendance for Staff

Panel: WSW/ST

March 20, 2009

**Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance**

10:00 a.m.

s. 127

J. Feasby in attendance for Staff

Panel: JEAT

March 23, 2009

**Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson**

9:00 a.m.

s. 127(1) and 127(5)

M. Boswell in attendance for Staff

Panel: WSW/MCH

March 23-27, 2009

**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**

10:00 a.m.

s. 127

C. Price in attendance for Staff

Panel: PJL/ST

March 24, 2009 10:00 a.m.	<b>W.J.N. Holdings Inc., MSI Canada Inc., 360 Degree Financial Services Inc., Dominion Investments Club Inc., Leveragepro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Networth Financial Group Inc., Networth Marketing Solutions, Dominion Royal Credit Union, Dominion Royal Financial Inc., Wilton John Neale, Ezra Douse, Albert James, Elnonieth "Noni" James, David Whitely, Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Trudy Huynh, Dorlan Francis, Vincent Arthur, Christian Yeboah, Azucena Garcia and Angela Curry</b>  s. 127  K. Daniels, H. Daley in attendance for Staff  Panel: TBA	April 8, 2009  10:00 a.m.	<b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b>  s. 127  M. Mackewn in attendance for Staff  Panel: LER
March 24, 2009 11:00 a.m.	<b>Rajeev Thakur</b>  s. 127  M. Britton in attendance for Staff  Panel: WSW/ST	April 13-17, 2009  10:00 a.m.	<b>Matthew Scott Sinclair</b>  s. 127  P. Foy in attendance for Staff  Panel: TBA
March 30-April 17, 2009 10:00 a.m.	<b>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</b>  s. 127(1) and 127.1  J. Superina, A. Clark in attendance for Staff  Panel: JEAT/DLK/PLK	April 20-27, 2009  10:00 a.m.	<b>Al-Tar Energy Corp., Alberta Energy Corp., Drago Gold Corp., David C. Campbell, Abel Da Silva, Eric F. O'Brien and Julian M. Sylvester</b>  s. 127  S. Horgan in attendance for Staff  Panel: TBA
April 7, 2009 2:00 p.m.	<b>Teodosio Vincent Pangia and Transdermal Corp.</b>  s. 127  J. Feasby in attendance for Staff  Panel: LER	April 20-May 1, 2009  10:00 a.m.	<b>Shane Suman and Monie Rahman</b>  s. 127 and 127(1)  C. Price in attendance for Staff  Panel: JEAT/DLK/MCH
		April 28, 2009 2:30 p.m.	<b>Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney</b>  s. 127
		April 29-30, 2009  10:00 a.m.	J. Superina in attendance for Staff  Panel: PJL/ST/DLK

<p>May 4-29, 2009 10:00 a.m.</p>	<p><b>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</b></p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>	<p>May 25 – June 2, 2009 10:00 a.m.</p>	<p><b>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</b></p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
<p>May 7-15, 2009 10:00 a.m.</p>	<p><b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b></p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	<p>June 1-3, 2009 10:00 a.m.</p>	<p><b>Robert Kasner</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
<p>May 12, 2009 2:30 p.m.</p>	<p><b>LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&amp;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</b></p> <p>s. 127</p> <p>M. Britton in attendance for Staff</p> <p>Panel: JEAT/ST</p>	<p>June 3, 2009 10:00 a.m.</p>	<p><b>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.</b></p> <p>s. 127(5)</p> <p>K. Daniels in attendance for Staff</p> <p>Panel: TBA</p>
<p>May 19-22; June 17-19, 2009 10:00 a.m.</p>	<p><b>Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony</b></p> <p>s. 127 and 127.1</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	<p>June 4, 2009 10:00 a.m.</p>	<p><b>Shallow Oil &amp; Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</b></p> <p>s. 127(7) and 127(8)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: DLK/CSP/PLK</p>
		<p>June 4, 2009 11:00 a.m.</p>	<p><b>Abel Da Silva</b></p> <p>s.127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>

June 10, 2009 10:00 a.m.	<b>Global Energy Group, Ltd. and New Gold Limited Partnerships</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA	September 21-25, 2009  10:00 a.m.	<b>Swift Trade Inc. and Peter Beck</b>  s. 127  S. Horgan in attendance for Staff  Panel: TBA
June 16, 2009 10:00 a.m.	<b>Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork</b>  s. 127  S. Kushneryk in attendance for Staff  Panel: TBA	November 16 – December 11, 2009  10:00 a.m.	<b>Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries</b>  s. 127 & 127.1  M. Britton in attendance for Staff  Panel: TBA
August 10, 2009 10:00 a.m.	<b>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</b>  s. 127  S. Kushneryk in attendance for Staff  Panel: TBA	January 11, 2010  10:00 a.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>  s. 127  H. Craig in attendance for Staff  Panel: TBA
September 3, 2009 10:00 a.m.	<b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b>  s. 127  S. Horgan in attendance for Staff  Panel: TBA	TBA	<b>Yama Abdullah Yaqeen</b>  s. 8(2)  J. Superina in attendance for Staff  Panel: TBA
September 7-11, 2009; and September 30 – October 23, 2009 10:00a.m.	<b>Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b>  s. 127  M. Britton in attendance for Staff  Panel: TBA	TBA	<b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b>  s. 127  J. Waechter in attendance for Staff  Panel: TBA
			<b>Frank Dunn, Douglas Beatty, Michael Gollogly</b>  s.127  K. Daniels in attendance for Staff  Panel: TBA



TBA	<p><b>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.</b></p>	TBA	<p><b>Irwin Boock, Stanton De Freitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjants, 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</b></p>
	s. 127 and 127.1		
	Y. Chisholm in attendance for Staff		
	Panel: JEAT/DLK/CSP		
TBA	<p><b>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</b></p>		s. 127(1) & (5)
	s.127 and 127.1		P. Foy in attendance for Staff
	D. Ferris in attendance for Staff		
	Panel: TBA	TBA	Panel: TBA
TBA	<p><b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b></p>		<p><b>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</b></p>
	s. 127		s. 127
	H. Craig in attendance for Staff		M. Vaillancourt in attendance for Staff
	Panel: JEAT/MC/ST		Panel: WSW/DLK
TBA	<p><b>Norshield Asset Management (Canada) Ltd., Olympus United Group Inc., John Xanthoudakis, Dale Smith and Peter Kefalas</b></p>	TBA	<b>Gregory Galanis</b>
	s.127		s. 127
	P. Foy in attendance for Staff		P. Foy in attendance for Staff
	Panel: WSW/DLK/MCH	TBA	Panel: TBA
			<p><b>Uranium308 Resources Inc., Uranium308 Resources PLC., Michael Friedman, George Schwartz, Peter Robinson, Alan Marsh Shuman and Innovative Gifting Inc.</b></p>
			s. 127
			M. Boswell in attendance for Staff
			Panel: TBA

TBA **Berkshire Capital Limited, GP  
Berkshire Capital Limited, Panama  
Opportunity Fund and Ernest  
Anderson**

s.127

E. Cole in attendance for Staff

Panel: WSW/ST

TBA **Euston Capital and George Schwartz**

s. 127

Y. Chisholm in attendance for Staff

Panel: WSW/ST

**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**

**1.1.2 Notice of Ministerial Approval of Memorandum of Understanding with the Autorité des marchés financiers and the Ontario Securities Commission**

**NOTICE OF MINISTERIAL APPROVAL**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE AUTORITÉ DES MARCHÉS FINANCIERS AND  
THE ONTARIO SECURITIES COMMISSION**

On December 16, 2008, the Minister of Finance for Ontario (Minister) approved a memorandum of understanding (MOU) between the Ontario Securities Commission and the Autorité des marchés financiers regarding co-ordination and information sharing relating to TMX Group Inc., TSX Inc. and Bourse de Montréal Inc. The Minister approved the MOU with a revised effective date of April 1, 2009. The MOU was published in the Bulletin on October 17, 2008, at (2008) 31 OSCB 9957. We are publishing the MOU again in this Bulletin, reflecting the revised effective date. No other changes have been made.

**LETTER OF INTENT BETWEEN:**  
**AUTORITÉ DES MARCHÉS FINANCIERS**  
**AND**  
**ONTARIO SECURITIES COMMISSION**  
**REGARDING**

**CO-ORDINATION AND INFORMATION SHARING RELATING TO  
TMX GROUP INC., TSX INC. AND BOURSE DE MONTRÉAL INC.**

TSX Group Inc., now TMX Group Inc. ("TMX Group"), and Bourse de Montréal Inc. ("Bourse") have combined their organizations resulting in the Bourse becoming a direct subsidiary of TMX Group ("Transaction"), effective May 1, 2008.

Under the "lead regulator" model of oversight of Canadian exchanges, the Ontario Securities Commission ("OSC") has recognized TSX Inc. ("TSX") as an exchange (OSC Recognition Order), and is the lead regulator responsible for the oversight of this entity and the Autorité des marchés financiers ("AMF") has authorized the Bourse as an exchange and recognized it as a self-regulatory organization (AMF Authorization and Recognition Order) and is the lead regulator of the Bourse. Moreover, the OSC has also recognized TMX Group Inc. as an exchange.

Both regulators recognize that this letter has the sole purpose of acknowledging the common intent to cooperate and to assist each other in a timely and co-ordinated response between the OSC and the AMF with regard to an application to own more than 10% of TMX Group and to share information.

**PART I - Application to own more than 10% of TMX Group.**

Following the Transaction, if a person or company or combination of persons or companies acting jointly or in concert seeks to beneficially own or exercise control or direction over more than 10% of any class or series of voting shares of TMX Group, approval of both the AMF and OSC is required. Approval of the AMF is required pursuant to written undertakings, dated April 9, 2008, given by TMX Group to the AMF, attached as Annexe 1 to AMF Authorization and Recognition Order. Approval of the OSC is required pursuant to section 21.11 of the *Securities Act* (Ontario), as amended by regulation, and an order of the OSC dated September 3, 2002.

Upon the OSC and/or the AMF receiving an application for approval to own more than 10% of TMX Group or any successor ("Application"), the OSC and the AMF will use best efforts to adhere to the following process:

1. The OSC shall promptly notify the Director, SRO Oversight of the AMF in writing of receipt of an Application and shall provide the Director, SRO Oversight of the AMF with any information it receives pertaining to the Application. The AMF shall likewise promptly notify the Manager, Market Regulation of the OSC in writing if it receives an Application and shall provide the Manager, Market Regulation of the OSC with any information it receives pertaining to the Application;
2. If either the OSC or the AMF determines that an Application should be published for comment, the OSC and the AMF will co-ordinate the publication date and the length of the consultation period;
3. AMF and OSC will agree on which entity will act as the "co-ordinating regulator" responsible for the process set out below;
4. Comments to the co-ordinating regulator will be provided in writing within 20 business days of receiving notice of the Application or if a Notice of the Application has been published for comment, 10 business days after the expiry of the comment period;
5. The co-ordinating regulator will send a comment letter on behalf of the OSC and AMF to the filer(s) of the Application within seven business days of receiving comments. In the event that OSC and AMF comments conflict, OSC and AMF will try to reach consensus;
6. Once a response to the initial comment letter from the filer(s) of the Application is received, any additional comments will be provided to the co-ordinating regulator in writing within 10 business days of receipt of the response. If no additional comments are received, the OSC and the AMF will proceed with any necessary approvals;

7. OSC and AMF will discuss and attempt to resolve any concern(s) raised regarding the filer(s)' response, including discussing with the filer(s) if necessary. If these concerns are not resolved to the satisfaction of both OSC and AMF, the concerns will be escalated to the Chair of the OSC and the President and chief executive officer of the AMF or other OSC and AMF senior executives;
8. OSC and AMF will prepare documentation for approval of the Application within 14 business days of resolving comments under paragraph (6) or (7) and will notify each other once approval is obtained;
9. The co-ordinating regulator will promptly notify the filer(s) of the Application in writing after approval of the Application is granted by each of the OSC and AMF.

## **PART II – Information Sharing**

For as long as the OSC recognizes TSX or TMX Group and for as long as the AMF authorizes and recognizes the Bourse:

1. The OSC will use best efforts to promptly advise the AMF in writing if the OSC:
  - a. becomes concerned about the financial viability of TSX or TMX Group;
  - b. is advised by TMX Group that it will not allocate sufficient financial and other resources to the Bourse to ensure that the Bourse can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the AMF Authorization and Recognition order;
  - c. is advised by TMX Group that it will not allocate sufficient financial and other resources to the TSX to ensure that the TSX can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the OSC Recognition order;
  - d. is considering revoking or revokes its recognition of TSX or TMX Group;
  - e. becomes aware of an intention of TSX or TMX Group to cease its operations or dispose of all or substantially all of its assets.
2. The AMF will use best efforts to promptly advise the OSC in writing if the AMF:
  - a. becomes concerned about the financial viability of the Bourse;
  - b. is advised by the Bourse that it will not have sufficient financial and other resources to ensure that it can carry out its functions in a manner that is consistent with the public interest and the terms and conditions of the AMF Authorization and Recognition order;
  - c. is considering revoking or revokes its authorization and recognition of the Bourse;
  - d. becomes aware of an intention of the Bourse to cease its operations or dispose of all or substantially all of its assets.

In addition, to the extent practicable, as appropriate in the particular circumstances and subject to applicable privacy laws, the OSC and the AMF endeavour to inform each other in advance of:

1. any material events that may have a significant impact on the operations or activities of either the Bourse, TSX or TMX Group; and
2. sanctions that could adversely impact the Bourse, TSX or TMX Group in the other regulator's jurisdiction.

### **Effective Date:**

This letter of intent comes into effect on April 1<sup>st</sup>, 2009.

**AUTORITÉ DES MARCHÉS FINANCIERS**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ONTARIO SECURITIES COMMISSION**

Per: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

For purposes of An Act respecting the  
Ministère du Conseil exécutif (R.S.Q., c. M-30),  
**Secrétaire général associé aux affaires  
intergouvernementales canadiennes**

Per: \_\_\_\_\_

Date: \_\_\_\_\_

**1.1.3 Notice of Commission Approval – Material Amendments to CDS Rules Relating to the FINet Function**

**CDS CLEARING AND DEPOSITORY SERVICES INC.**

**MATERIAL AMENDMENTS TO CDS RULES**

**FINet Function**

**NOTICE OF COMMISSION APPROVAL**

In accordance with the Rule Protocol between the Ontario Securities Commission (Commission) and CDS Clearing and Depository Services Inc. (CDS), the Commission approved on March 13, 2009, amendments filed by CDS to its rules to replace its current fixed income netting and central counterparty Function, currently known as “DetNet®”, with a new Function named “FINet™”. The original notice published for comment stated that eligible securities in FINet would also include federally guaranteed corporate debt. CDS has decided to remove federally guaranteed corporate debt from its list of eligible securities. Making such securities eligible for FINet would require significant systems changes to CDSX that are not within the scope of the FINet initiative. A copy and description of these amendments were published for comment on December 12, 2008 at (2008) 31 OSCB 11933. No comments were received.

**1.2 Notices of Hearing**

**1.2.1 W.J.N. Holdings Inc. et al. – s. 127**

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

**AND**

**IN THE MATTER OF  
W.J.N. HOLDINGS INC., MSI CANADA INC.,  
360 DEGREE FINANCIAL SERVICES INC.,  
DOMINION INVESTMENTS CLUB INC.,  
LEVERAGEPRO INC., PROSPOREX INVESTMENT  
CLUB INC., PROSPOREX INVESTMENTS INC.,  
PROSPOREX LTD., PROSPOREX INC.,  
NETWORTH FINANCIAL GROUP INC.,  
NETWORTH MARKETING SOLUTIONS,  
DOMINION ROYAL CREDIT UNION, DOMINION  
ROYAL FINANCIAL INC., WILTON JOHN NEALE,  
EZRA DOUSE, ALBERT JAMES,  
ELNONIETH “NONI” JAMES, DAVID WHITELY,  
CARLTON IVANHOE LEWIS, MARK ANTHONY  
SCOTT, SEDWICK HILL, TRUDY HUYNH,  
DORLAN FRANCIS, VINCENT ARTHUR,  
CHRISTIAN YEBOAH, AZUCENA GARCIA, AND  
ANGELA CURRY**

**NOTICE OF HEARING  
(Section 127)**

**TAKE NOTICE THAT** the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, in the Large Hearing Room on the 17th Floor, 20 Queen Street West, Toronto, Ontario on March 24, 2009 commencing at 10:00 a.m., or as soon thereafter as the hearing can be held;

**TO CONSIDER** whether, pursuant to section 127 of the Act, it is in the public interest for the Commission:

- (a) pursuant to s. 127(7), to continue the Commission’s order made March 10, 2009 (the “Temporary Orders”) until the final disposition of this matter or until the Commission considers appropriate; and
- (b) to make such other order as the Commission considers appropriate.

**BY REASON OF** the allegations recited in the Temporary Order and by reason of such allegations and evidence 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 11th day of March, 2009.

“John Stevenson”  
Secretary to the Commission

**1.2.2 Gold-Quest International et al. – ss. 127(7), 127(8)**

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

**AND**

**IN THE MATTER OF  
GOLD-QUEST INTERNATIONAL,  
1725587 ONTARIO INC. carrying on business as  
HEALTH AND HARMONEY, HARMONEY CLUB INC.,  
DONALD IAIN BUCHANAN, LISA BUCHANAN  
AND SANDRA GALE**

**NOTICE OF HEARING  
Section 127(7) and 127(8)**

**TAKE NOTICE THAT** the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127, and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Friday, March 20th, 2009 at 10 a.m., 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 to order that:

- (i) trading in any securities by Gold-Quest International ("Gold-Quest"), 1725587 Ontario Inc. carrying on business as Health and Harmony ("Health and Harmony"), the Harmony Club Inc. (the Harmony Club"), Donald Iain Buchanan ("Iain Buchanan"), Lisa Buchanan ("Lisa Buchanan"), and Sandra Gale, also known as Sandi Gale, ("Gale") (collectively the "Respondents") cease permanently or for such period as is specified by the Commission;
- (ii) the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;
- (iii) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
- (iv) each Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that respondent with Ontario securities law;
- (v) the Respondents be reprimanded;
- (vi) Iain Buchanan, Lisa Buchanan and Gale (collectively the "Individual Respondents") resign one or more positions that they hold as a director or officer of any



- issuer, registrant, or investment fund manager;
- (vii) the Individual Respondents be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
  - (viii) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
  - (ix) the Respondents each pay an administrative penalty of not more than \$1 million for each failure by that respondent to comply with Ontario securities law;
  - (x) the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and
  - (xi) whether to make such further orders as the Commission considers appropriate.

**BY REASON OF** the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 12, 2009 and such further additional allegations as counsel may advise and the Commission may permit;

**AND BY REASON OF** the evidence filed with the Commission and the testimony heard by the Commission;

**AND TAKE FURTHER 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 proceedings.

**DATED** at Toronto this 13th day of March, 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  
GOLD-QUEST INTERNATIONAL,  
1725587 ONTARIO INC. carrying on business as  
HEALTH AND HARMONEY, HARMONEY CLUB INC.,  
DONALD IAIN BUCHANAN, LISA BUCHANAN  
AND SANDRA GALE**

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

Staff of the Ontario Securities Commission (“Staff”) make the following allegations regarding violations of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) and conduct contrary to the public interest:

**I. THE RESPONDENTS**

**i) Gold-Quest**

1. Gold-Quest International (“Gold-Quest”) is a Panamanian corporation that was controlled by a number of individuals resident in the United States.
2. From June 2006 to May 2008, Gold-Quest accepted approximately \$29 million (U.S.) from investors, including investors in Ontario, through direct solicitations, an Internet website maintained by Gold-Quest and by referrals from existing investors.

**ii) The Ontario Respondents**

3. 1725587 Ontario Inc., carrying on business as Health and Harmony, (“Health and Harmony”) is an Ontario corporation that was incorporated on September 20, 2007. Prior to being incorporated, Health and Harmony operated as a general partnership whose business name was registered on November 14, 2006 with the Province of Ontario. Health and Harmony carried out its business from an office located at Unit 390, 1288 Ritson Road North, Oshawa, Ontario.
4. The Harmony Club Inc. (the “Harmony Club”) is a Canadian corporation that was incorporated on December 21, 2007. The Harmony Club also carried out its business from an office located at Unit 390, 1288 Ritson Road North, Oshawa, Ontario.
5. Donald Iain Buchanan (“Iain Buchanan”) is a director of both Health and Harmony and the Harmony Club. Iain Buchanan was also one of the partners of Health and Harmony when it

operated as a general partnership. Iain Buchanan resides in Oshawa, Ontario.

6. Lisa Buchanan is an employee of Health and Harmony and a director of the Harmony Club. Lisa Buchanan resides in Oshawa, Ontario.

7. Sandra Gale, also known as Sandi Gale, ("Gale") is a director of both Health and Harmony and the Harmony Club. Gale was also one of the partners of Health and Harmony when it operated as a general partnership. Gale resides in Oshawa, Ontario.

## II. TRADING IN SECURITIES OF GOLD-QUEST

### i) The Gold-Quest Pyramid Scheme

8. On May 6, 2008, the Securities and Exchange Commission of the United States (the "SEC") filed a complaint in the United States District Court, District of Nevada, alleging that Gold-Quest was operating a pyramid or "Ponzi" scheme. Gold-Quest has never been registered in any capacity with the SEC. The SEC further alleged that Gold-Quest used very little of the money that it raised for legitimate investments but rather the vast majority of new investor funds was used by Gold-Quest to make payments to current investors and commissions to participants in the Ponzi scheme.

9. Individuals that introduced an investor to Gold-Quest would receive the title "Administrative Manager" for the new investor. Administrative Managers would receive an up-front commission of 10% of that investor's original investment and then a further 4% per month for a year (for a total commission of 58% of the principal invested). The individual who introduced the Administrative Manager to Gold-Quest would receive the title "Managing Director" for the new investor and would receive a commission of 1.5% per month (for a year for a total of 18% of the principal invested). Lastly, the individual who introduced the Managing Director to Gold-Quest would receive the title "Supervisory Managing Director" for the new investor and would receive a commission of 1% per month for one year (for a total of 12% of the principal invested). In sum, when a new investor sent funds to Gold-Quest, 88% of that investor's funds were earmarked for commissions to be paid to their Administrative Manager, Managing Director and the Supervisory Managing Director over the course of a year.

10. From June 2006 until May, 2008, despite receiving no income from its investments or business operations, Gold-Quest disbursed \$20.3 million (U.S.) through distributions to investors and payment of commissions as set out in paragraph 9.

11. Gold-Quest has ceased to operate and has been put into receivership by order of the United States District Court. As of December 12, 2008, the receiver appointed by the United States District Court had only recovered \$273,475.85 (U.S.).

### ii) Trading in Gold-Quest Securities in Ontario

12. Gold-Quest has never been registered in any capacity with the Ontario Securities Commission (the "Commission").

13. No preliminary prospectus or prospectus has ever been filed with the Commission to attempt to qualify the trading of Gold-Quest securities.

14. From November of 2006 until February of 2008 (the "Material Time"), Health and Harmony, Iain Buchanan, Lisa Buchanan, and Gale (the "Ontario Respondents") and the other employees, representatives and agents of Health and Harmony promoted the trading of securities in Gold-Quest to Ontario residents (the "Gold-Quest Investors").

15. Throughout the Material Time, the Ontario Respondents were not registered in any capacity with the Commission.

16. During the Material Time, the Gold-Quest Investors sent over \$1,800,000 (U.S.) to Gold-Quest as a result of promotional and trading activities by the Ontario Respondents. These activities included recommending investing with Gold-Quest, providing specific information regarding the nature of the investment with Gold-Quest, providing the documents required to invest with Gold-Quest, and in certain cases facilitating the transfer of funds to Gold-Quest on behalf of investors.

17. The Gold-Quest Investors entered into one-year investment contracts with Gold-Quest. Gold-Quest stated investor funds would be invested in the foreign exchange or "forex" market. Gold-Quest informed the Gold-Quest Investors that they would receive an annual return on investment equal to 87.5% of the funds invested with Gold-Quest. However, in order to receive this 87.5% investment return, the Gold-Quest Investors would be required to leave their funds with Gold-Quest for a year.

18. The Ontario Respondents were all aware of the terms of the investment contracts entered into by the Gold-Quest Investors as well as the commission structure outlined above in paragraph 9. However, the Ontario Respondents did not inform the Gold-Quest Investors of this commission structure.

19. There were no exemptions under the Act which allowed the Ontario Respondents to trade Gold-Quest securities in Ontario.

**III. TEMPORARY CEASE TRADE ORDERS IN ONTARIO**

20. On April 1, 2008, the Commission issued a temporary order under sections 127(1) and (5) of the Act (the "Temporary Order"). Pursuant to the Temporary Order, Health and Harmony, Iain Buchanan, and Lisa Buchanan were prohibited from trading in any securities and that any exemptions contained in Ontario securities law did not apply to Health and Harmony, Iain Buchanan, and Lisa Buchanan.

21. The Temporary Order also prohibited any further trading in securities of Gold-Quest.

**IV. TRADING IN SECURITIES OF THE HARMONEY CLUB**

22. The Harmony Club was created by the Ontario Respondents who then offered securities in this corporation to approximately 138 Ontario investors (the "Harmony Club Investors") from October of 2007 until July of 2008.

23. Through the activities of the Ontario Respondents, the Harmony Club received almost \$2.5 million (U.S.) from the Harmony Club Investors. These funds were then apparently used by the Harmony Club for investments in the United States.

24. No preliminary prospectus or prospectus has ever been filed with the Commission to attempt to qualify the trading of Harmony Club securities.

25. There were no exemptions under the Act available to the Ontario Respondents allowing them to trade Harmony Club securities.

26. Over half of the Harmony Club Investors purchased shares in the Harmony Club from the Ontario Respondents after April 1, 2008, the date of the Temporary Order.

**V. MISLEADING THE COMMISSION**

27. Gale had notice of the Temporary Order in April of 2008. Gale stated to Staff that when she became aware of the Temporary Order she ceased trading in securities including securities of the Harmony Club.

28. Gale continued to trade in securities of the Harmony Club after she became aware of the Temporary Order.

**V. VIOLATIONS OF THE SECURITIES ACT AND CONDUCT CONTRARY TO THE PUBLIC INTEREST**

**i) Conduct Related to Trading in Securities of Gold-Quest International**

29. The conduct of Gold-Quest including its officers and directors, employees, representatives and agents was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act; and
- ii. an illegal distribution of securities contrary to section 53 of the Act.

30. The conduct of Health and Harmony, including its officers and directors, employees, representatives and agents was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act; and
- ii. an illegal distribution of securities contrary to section 53 of the Act.

31. The conduct of Iain Buchanan was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act;
- ii. an illegal distribution of securities contrary to section 53 of the Act; and
- iii. as a director of the Harmony Club, directing, permitting or acquiescing in breaches of sections 25 and 53 of the Act by Health and Harmony contrary to section 129.2 of the Act.

32. The conduct of Lisa Buchanan was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act; and
- ii. an illegal distribution of securities contrary to section 53 of the Act.

33. The conduct of Gale was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act;

- ii. an illegal distribution of securities contrary to section 53 of the Act; and
- iii. as a director of the Harmony Club, directing, permitting or acquiescing in breaches of sections 25 and 53 of the Act by Health and Harmony contrary to section 129.2 of the Act.

**ii) Conduct Related to Trading in Securities of the Harmony Club**

34. The conduct of the Harmony Club, including its officers and directors, employees, representatives and agents was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act; and
- ii. an illegal distribution of securities contrary to section 53 of the Act.

35. The conduct of Iain Buchanan was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act;
- ii. an illegal distribution of securities contrary to section 53 of the Act;
- iii. as a director of the Harmony Club, directing, permitting or acquiescing in breaches of sections 25 and 53 of the Act by the Harmony Club contrary to section 129.2 of the Act; and
- iv. trading in securities while prohibited from doing so by an order of the Commission contrary to section 122 of the Act.

36. The conduct of Lisa Buchanan was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act;
- ii. an illegal distribution of securities contrary to section 53 of the Act;
- iii. as a director of the Harmony Club, directing, permitting or acquiescing in breaches of sections 25 and 53 of the Act by the Harmony Club contrary to section 129.2 of the Act; and
- iv. trading in securities while prohibited from doing so by an order of the Commission contrary to section 122 of the Act.

37. The conduct of Gale was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act;
- ii. an illegal distribution of securities contrary to section 53 of the Act; and
- iii. as a director of the Harmony Club, directing, permitting or acquiescing in breaches of sections 25 and 53 of the Act by the Harmony Club contrary to section 129.2 of the Act.

**(iii) Conduct Related to Misleading the Commission**

38. On October 16, 2008, Gale misled Staff contrary to section 122(1) of the Act and contrary to the public interest.

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

**DATED** at Toronto, March 12, 2009.

1.2.3 Paul Iannicca – ss. 127(7), 127(8)

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

**AND**

**IN THE MATTER OF  
PAUL IANNICCA**

**NOTICE OF HEARING  
Section 127(7) and 127(8)**

**TAKE NOTICE THAT** the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Friday, March 20th, 2009 at 10 a.m., 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 to order that:

- (i) trading in any securities by Paul Iannicca (the "Respondent") cease for 10 years or for such period as is specified by the Commission;
- (ii) the acquisition of any securities by the Respondent is prohibited for 10 years or for such other period as is specified by the Commission;
- (iii) any exemptions contained in Ontario securities law do not apply to the Respondent for 10 years or for such period as is specified by the Commission;
- (iv) the Respondent disgorge to the Commission any amounts obtained as a result of non-compliance by that respondent with Ontario securities law;
- (v) the Respondent be reprimanded;
- (vi) the Respondent resign one or more positions that they hold as a director or officer of any issuer, registrant, or investment fund manager;
- (vii) the Respondent be prohibited for 10 years or for such other period as is specified by the Commission from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (viii) the Respondent be prohibited for 10 years or for such other period as is specified by the Commission from becoming or acting as a registrant, as an

investment fund manager or as a promoter;

- (ix) the Respondent be ordered to pay the costs of the Commission investigation and the hearing; and
- (x) whether to make such further orders as the Commission considers appropriate.

**BY REASON OF** the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 12, 2009 and such further additional allegations as counsel may advise and the Commission may permit;

**AND BY REASON OF** the evidence filed with the Commission and the testimony heard by the Commission;

**AND TAKE FURTHER 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 proceedings.

**DATED** at Toronto this 13th day of March, 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  
PAUL IANNICCA**

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

Staff of the Ontario Securities Commission ("Staff") make the following allegations regarding violations of the Securities Act, R.S.O 1990, c. S. 5, as amended (the "Act") and conduct contrary to the public interest:

**I. THE RESPONDENT**

1. Paul Iannicca ("Iannicca") is an accountant who practices in Mississauga, Ontario.

**II. TRADING IN SECURITIES OF GOLD-QUEST**

**i) The Gold-Quest Pyramid Scheme**

2. Gold-Quest International ("Gold-Quest") is a Panamanian corporation that was controlled by a number of individuals resident in the United States.

3. From June 2006 to May 2008, Gold-Quest accepted approximately \$29 million (U.S.) from investors, including investors in Ontario, through direct solicitations, an Internet website maintained by Gold-Quest and by referrals from existing investors.

4. On May 6, 2008, the Securities and Exchange Commission of the United States (the "SEC") filed a complaint in the United States District Court, District of Nevada, alleging that Gold-Quest was operating a pyramid or "Ponzi" scheme. Gold-Quest has never been registered in any capacity with the SEC. The SEC further alleged that Gold-Quest used very little of the money that it raised for legitimate investments but rather the vast majority of new investor funds was used by Gold-Quest to make payments to current investors and commissions to participants in the Ponzi scheme.

5. Individuals that introduced an investor to Gold-Quest would receive the title "Administrative Manager" for the new investor. Administrative Managers would receive an up-front commission of 10% of that investor's original investment and then a further 4% per month for a year (for a total commission of 58% of the principal invested). The individual who introduced the Administrative Manager to Gold-Quest would receive the title "Managing Director" for the new investor and would receive a commission of 1.5% per month

(for a year for a total of 18% of the principal invested). Lastly, the individual who introduced the Managing Director to Gold-Quest would receive the title "Supervisory Managing Director" for the new investor and would receive a commission of 1% per month for one year (for a total of 12% of the principal invested). In sum, when a new investor sent funds to Gold-Quest, 88% of that investor's funds were earmarked for commissions to be paid to their Administrative Manager, Managing Director and the Supervisory Managing Director over the course of a year.

6. From June 2006 until May, 2008, despite receiving no income from its investments or business operations, Gold-Quest disbursed \$20.3 million (U.S.) through distributions to investors and payment of commissions as set out in paragraph 5.

7. Gold-Quest has ceased to operate and has been put into receivership by order of the United States District Court. As of December 12, 2008, the receiver appointed by the United States District Court had only recovered \$273,475.85 (U.S.).

**ii) Trading in Gold-Quest Securities in Ontario**

8. Gold-Quest has never been registered in any capacity with the Ontario Securities Commission (the "Commission").

9. No preliminary prospectus or prospectus has ever been filed with the Commission to attempt to qualify the trading of Gold-Quest securities.

10. Iannicca was registered with the Commission as a limited market dealer with London House Capital Management from May 29, 2007 to present.

11. Between April and August of 2007 (the "Material Time"), approximately 38 Ontario residents (the "Gold-Quest Investors") invested over \$300,000 (U.S.) with Gold-Quest as a result of promotional and trading activities by Iannicca. These activities included recommending investing with Gold-Quest and providing specific information regarding the nature of the investment with Gold-Quest.

12. During the Material Time, the Gold-Quest Investors sent over \$300,000 (U.S.) to Gold-Quest as a result of promotional and trading activities by Iannicca.

13. The Gold-Quest Investors entered into one-year investment contracts with Gold-Quest. Gold-Quest stated investor funds would be invested in the foreign exchange or "forex" market. Gold-Quest informed the Gold-Quest Investors that they would receive an annual return on investment equal to 87.5% of the funds invested with Gold-Quest. However, in order to receive this 87.5% investment return, the Gold-Quest Investors would

required to leave their funds with Gold-Quest for a year.

14. Iannicca was aware of the nature of the investment contract entered into by the Gold-Quest Investors as well as the commission structure outlined above in paragraph 5. However, Iannicca did not inform the Gold-Quest Investors of this commission structure.

15. Staff are not aware of any exemptions under the Act allowing trading in Gold-Quest securities.

**III. VIOLATIONS OF THE SECURITIES ACT AND CONDUCT CONTRARY TO THE PUBLIC INTEREST**

16. The conduct of Iannicca was contrary to the public interest and constituted the following breaches of the Act:

- i. trading without registration contrary to section 25 of the Act; and
- ii. an illegal distribution of securities contrary to section 53 of the Act

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

**DATED** at Toronto, March 12, 2009.

**1.3 News Releases**

**1.3.1 OSC Seeking Order to Appoint Receiver Over Affairs of Sextant**

**FOR IMMEDIATE RELEASE  
March 12, 2009**

**OSC SEEKING ORDER TO APPOINT RECEIVER OVER AFFAIRS OF SEXTANT**

**TORONTO** – On March 5, 2009, the Ontario Securities Commission (OSC) filed an application with the Ontario Superior Court of Justice seeking an order appointing a receiver and manager of all the property and assets of Sextant Capital Management Inc. (SCMI), Sextant Capital GP Inc. (Sextant GP) and Sextant Strategic Opportunities Hedge Fund L.P. (Sextant Canadian Fund). On March 10, 2009, the Ontario Superior Court of Justice scheduled the hearing of the application for Thursday, April 30, 2009 at 10:00 a.m.

This follows the issuance by the Commission on December 8, 2008, of a Direction freezing the known bank accounts of SCMI, Sextant GP and the Sextant Canadian Fund, as well as the Sextant Canadian Fund custodial securities trading account. The Direction was continued on December 15, 2008 by Order of the Ontario Superior Court of Justice, as varied or revoked by the Commission, until final resolution of this matter by the Commission or further order of the Court. That Direction remains in place and those funds will continue to be protected in the interim until the application hearing date on April 30, 2009.

In addition, on December 8, 2008, the OSC issued a Temporary Cease Trade Order (TCTO) against SCMI, Sextant GP and the Sextant Canadian Fund, as well as its principals Otto Spork, Robert Levack and Natalie Spork. The Commission extended the TCTO to March 17, 2009, following an appearance before the Commission on December 16, 2008. At a hearing before the Commission scheduled for March 16, 2009, Staff of the OSC will be seeking to have the TCTO continued until June 16, 2009.

Under section 129 of the Securities Act, the OSC may apply to the Court for an order appointing a receiver and manager where it is in the best interests of, among others, security holders or subscribers of the company over which the receiver and manager is appointed, or where it is appropriate for the due administration of Ontario securities law.

Copies of the Commission and Court Orders respecting SCMI, Sextant GP the Sextant Canadian Fund, Otto Spork, Robert Levack and Natalie Spork are available on the OSC's website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

**1.4 Notices from the Office of the Secretary**

**1.4.1 Rodney International et al.**

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

**FOR IMMEDIATE RELEASE  
March 13, 2009**

**For investor inquiries:**

OSC Contact Centre  
416-593-8314  
1-877-785-1555 (Toll Free)

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

**AND**

**IN THE MATTER OF  
RODNEY INTERNATIONAL, CHOEUN CHHEAN  
(ALSO KNOWN AS PAULETTE C. CHHEAN) AND  
MICHAEL A. GITTENS (ALSO KNOWN AS  
ALEXANDER M. GITTENS)**

**TORONTO** – The Commission issued its Reasons and Decision on Sanctions and Costs following a hearing held on February 11, 2009 in the above noted matter.

A copy of the Reasons and Decision on Sanctions and Costs is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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416-593-2361

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



1.4.2 **Imagin Diagnostic Centres Inc. et al.**

**FOR IMMEDIATE RELEASE  
March 13, 2009**

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

**AND**

**IN THE MATTER OF  
IMAGIN DIAGNOSTIC CENTRES INC.,  
PATRICK J. ROONEY, CYNTHIA JORDAN,  
ALLAN McCAFFREY, MICHAEL SHUMACHER,  
CHRISTOPHER SMITH, MELVYN HARRIS AND  
MICHAEL ZELYONY**

**TORONTO** – Following a hearing held on March 11, 2009, the Commission issued an Order adjourning the Hearing scheduled to commence on March 23, 2009 to May 19, 2009 at 10:00 a.m.

The Hearing on the merits shall commence on May 19, 2009 and continue until May 22, 2009 and then shall recommence on June 17, 2009 and continue until June 19, 2009 or on such other dates as directed by the Commission.

A copy of the Order dated March 11, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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Carolyn Shaw-Rimington  
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Public Affairs  
416-593-2361

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

1.4.3 **W.J.N. Holdings Inc. et al.**

**FOR IMMEDIATE RELEASE  
March 13, 2009**

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

**AND**

**IN THE MATTER OF  
W.J.N. HOLDINGS INC., MSI CANADA INC.,  
360 DEGREE FINANCIAL SERVICES INC.,  
DOMINION INVESTMENTS CLUB INC.,  
LEVERAGEPRO INC., PROSPOREX INVESTMENT  
CLUB INC., PROSPOREX INVESTMENTS INC.,  
PROSPOREX LTD., PROSPOREX INC.,  
NETWORTH FINANCIAL GROUP INC.,  
NETWORTH MARKETING SOLUTIONS,  
DOMINION ROYAL CREDIT UNION, DOMINION  
ROYAL FINANCIAL INC., WILTON JOHN NEALE,  
EZRA DOUSE, ALBERT JAMES,  
ELNONIETH "NONI" JAMES, DAVID WHITELY,  
CARLTON IVANHOE LEWIS, MARK ANTHONY  
SCOTT, SEDWICK HILL, TRUDY HUYNH,  
DORLAN FRANCIS, VINCENT ARTHUR,  
CHRISTIAN YEBOAH, AZUCENA GARCIA, AND  
ANGELA CURRY**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 11, 2009 setting the matter down to be heard on March 24, 2009 at 10:00 a.m. to consider whether it is in the public interest for the Commission:

- (1) pursuant to s. 127(7), to continue the Commission's order made March 11, 2009 until the final disposition of this matter or until the Commission considers appropriate; and
- (2) to make such other order as the Commission considers appropriate.

A copy of the Notice of Hearing dated March 11, 2009 and Temporary Order dated March 11, 2009 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

**1.4.4 Sextant Capital Management Inc. et al.**

**FOR IMMEDIATE RELEASE  
March 16, 2009**

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

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

**AND**

**IN THE MATTER OF  
SEXTANT CAPITAL MANAGEMENT INC.,  
SEXTANT CAPITAL GP INC., SEXTANT  
STRATEGIC OPPORTUNITIES HEDGE FUND L.P.,  
OTTO SPORK, ROBERT LEVACK AND  
NATALIE SPORK**

**TORONTO** – The Commission issued an Order today continuing the Temporary Order until June 17, 2009 and adjourning the hearing to June 16, 2009 at 10:00 a.m. in the above matter.

A copy of the Order dated March 16, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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& Public Affairs  
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Laurie Gillett  
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Carolyn Shaw-Rimington  
Assistant Manager,  
Public Affairs  
416-593-2361

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

**1.4.5 Gold-Quest International et al.**

**FOR IMMEDIATE RELEASE  
March 16, 2009**

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

**AND**

**IN THE MATTER OF  
GOLD-QUEST INTERNATIONAL,  
1725587 ONTARIO INC. carrying on business as  
HEALTH AND HARMONEY, HARMONEY CLUB INC.,  
DONALD IAIN BUCHANAN, LISA BUCHANAN  
AND SANDRA GALE**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 13, 2009 setting the matter down to be heard on March 20, 2009 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 13, 2009 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 12, 2009 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries: Wendy Dey  
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& Public Affairs  
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Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

**1.4.6 Paul Iannicca**

**FOR IMMEDIATE RELEASE  
March 16, 2009**

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

**AND**

**IN THE MATTER OF  
PAUL IANNICCA**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 13, 2009 setting the matter down to be heard on March 20, 2009 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 13, 2009 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 12, 2009 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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& Public Affairs  
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Assistant Manager,  
Public Affairs  
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1-877-785-1555 (Toll Free)

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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Canadian Mining Diversified Asset Strategy Fund – s. 1(10)

##### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

##### Applicable Legislative Provisions

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

March 5, 2009

##### Blakes, Cassels & Graydon LLP

Suite 2800, Commerce Court West  
Toronto, Ontario M5L 1A9

Attention: Tim Sunar

Dear Mr. Sunar:

**Re: Canadian Mining Diversified Asset Strategy Fund – Application for an order not to be a reporting issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland & Labrador (the “Jurisdictions”) dated January 30, 2009**

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 not to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- the Applicant is applying for relief not to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is not a reporting issuer.

“Vera Nunes”  
Assistant Manager, Investment Funds

## 2.1.2 Northern Dynasty Minerals Ltd.

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – A reporting issuer wants relief from the requirement to prepare its financial statements in accordance with Canadian GAAP in order to use International Financial Reporting Standards (IFRS) for financial periods beginning on or after January 1, 2009 – Issuer has assessed the readiness of its staff, board, audit committee, auditors and investors – Issuer will provide detailed disclosure regarding its early adoption of IFRS as set out in CSA Staff Notice 52-320 in a news release or in restated and re-filed MD&A for its most recent interim period to be disseminated or re-filed within seven days of the decision – Issuer will restate any financial statements prepared in accordance with Canadian GAAP for interim periods for the fiscal year in which they intend to adopt IFRS – Relief granted subject to conditions.

### Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, ss. 3.1, 9.1.

March 2, 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  
NORTHERN DYNASTY MINERALS LTD.  
(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) exempting the Filer from the requirement in section 3.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP (the Exemption Sought), in order that the Filer may prepare its financial statements for financial periods beginning on or after January 1, 2009 in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IFRS-IASB).

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 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 Alberta (the Passport Jurisdiction), 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:
1. the Filer is a corporation incorporated under the *Business Corporations Act* (British Columbia);
  2. the registered office of the Filer is located at Suite 1020 – 800 West Pender Street, Vancouver, British Columbia V6C 2V6;
  3. the Filer is a reporting issuer in the Jurisdictions and the Passport Jurisdiction. The Filer is also a foreign private issuer in the United States;
  4. the Filer is not in default of its reporting issuer obligations under the Legislation or the legislation of the Passport Jurisdiction;
  5. the Filer's securities are listed on the Toronto Stock Exchange and the American Stock Exchange;
  6. the Filer is a mineral exploration company whose major asset is a 50% share of the Pebble Copper-Gold-Molybdenum Project in Alaska;
  7. the Filer's Alaska mineral resource exploration business is operated through an Alaska registered limited partnership, the Pebble Partnership, in which the Filer owns a 50% interest through a 100% owned Alaskan affiliate, the Northern Dynasty Partnership;
  8. the Filer prepares its financial statements in accordance with Canadian GAAP; however, its partner in the Pebble Partnership, which is accounted for as a variable interest entity under Canadian GAAP, prepares its financial statements in accordance with IFRS; in addition, the Filer is required to reconcile its financial statements into generally accepted accounting principles in the United States ("US GAAP") to comply with its American filing obligations;
  9. the Filer has not previously prepared financial statements that contain an explicit and unreserved statement of compliance with IFRS;
  10. the Canadian Accounting Standards Board has confirmed that publicly accountable enterprises will be required to prepare their financial statements in accordance with IFRS-IASB for financial statements relating to fiscal years beginning on or after January 1, 2011;
  11. NI 52-107 sets out acceptable accounting principles for financial reporting under the Legislation by domestic issuers, foreign issuers, registrants and other market participants; under NI 52-107, a domestic issuer must use Canadian GAAP with the exception that an SEC registrant may use US GAAP; under NI 52-107, only foreign issuers may use IFRS-IASB;
  12. in CSA Staff Notice 52-321 *Early Adoption of International Financial Reporting Standards, Use of US GAAP and Reference to IFRS-IASB*, staff of the Canadian Securities Administrators recognized that some issuers may wish to prepare their financial statements in accordance with IFRS-IASB for periods beginning prior to January 1, 2011 and indicated that staff were prepared to recommend exemptive relief on a case by case basis to permit a domestic issuer to do so, despite section 3.1 of NI 52-107;
  13. subject to obtaining the Exemption Sought, the Filer intends to adopt IFRS-IASB for its financial statements for periods beginning on and after January 1, 2009;
  14. the Filer believes that the adoption of IFRS-IASB will avoid potential confusion for the users of its financial statements because the reporting requirements of its primary regulators would be satisfied using one accounting standard; additionally the use of a single accounting standard would eliminate complexity and cost from the Filer's financial statement preparation process;
  15. the Filer has implemented a comprehensive IFRS-IASB conversion plan;
  16. the board of directors of the Filer approved early adoption of IFRS-IASB on December 2, 2008;
  17. the Filer has carefully assessed the readiness of its staff, board of directors, audit committee, auditors, investors and other market participants for the adoption by the Filer of IFRS-IASB for financial periods

- beginning on and after January 1, 2009 and has concluded that they will be adequately prepared for the Filer's adoption of IFRS-IASB for periods beginning on January 1, 2009;
18. the Filer has considered the implications of adopting IFRS-IASB for financial periods beginning on or after January 1, 2009 on its obligations under securities legislation including, but not limited to, those relating to CEO and CFO certifications, business acquisition reports, offering documents, and previously released material forward looking information;
19. the Filer will restate and re-file its management's discussion and analysis for the interim period ended September 30, 2008 (Q3 MD&A) not more than seven days after the date of this decision to provide relevant information about its conversion to IFRS-IASB as contemplated by CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards*, including:
- (a) the key elements and timing of the Filer's changeover plan;
  - (b) the accounting policy and implementation decisions the Filer has made or will have to make;
  - (c) the exemptions available under IFRS 1 *First-time Adoption of International Financial Reporting Standards* (IFRS 1) that the Filer expects to apply in preparing financial statements in accordance with IFRS-IASB;
  - (d) major identified differences between the Filer's current accounting policies and those the Filer is required or expects to apply in preparing financial statements in accordance with IFRS-IASB;
  - (e) the impact of adopting IFRS-IASB on the key line items in the Filer's interim financial statements for the period ending September 30, 2008;
20. the Filer will disseminate a news release announcing that it has restated and re-filed its Q3 MD&A
21. the Filer will update the information set out in its Q3 MD&A in its annual management's discussion and analysis including, to the extent known, quantitative information regarding the impact of adopting IFRS-IASB on key line items in the Filer's annual financial statements for the year ending December 31, 2008.

#### 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 Filer prepares its annual financial statements for years beginning on or after January 1, 2009 in accordance with IFRS-IASB;
- (b) the Filer prepares its interim financial statements for interim periods beginning on or after January 1, 2009 in accordance with IFRS-IASB, except that if the Filer files interim financial statements prepared in accordance with Canadian GAAP for one or more interim periods for the financial year in which it adopts IFRS-IASB, the Filer will restate and re-file those interim financial statements in accordance with IFRS-IASB upon the Filer's adoption of IFRS-IASB; and
- (c) the Filer provides the communication set out in paragraphs 19, 20 and 21.

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



### 2.1.3 TD Securities Inc.

#### Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Coordinated Review – Registered investment dealer exempted from section 228 of the Regulations made under the Securities Act (Ontario) for recommendations in respect of securities of its parent bank, subject to conditions – Decision permits the registrant to make recommendations in the circumstances contemplated by subsection 228(2) of the Regulation, but without having to comply with the requirement for (comparative) information, similar to that set forth in respect of the bank, for a substantial number of other persons or companies that are in the industry or business of the bank.

#### Applicable Ontario Statutory Provision

Ontario Regulation 1015, R.R.O. 1990, as am., ss. 228, 233.

March 12, 2009

IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ONTARIO, NOVA SCOTIA AND  
NEWFOUNDLAND AND LABRADOR  
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF  
TD SECURITIES INC.  
(the Filer)

DECISION

#### Background

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**) that the provisions (the **Recommendation Prohibition**) in the Legislation which provides that no registrant shall, in any medium of communication, recommend, or cooperate with any person or company in the making of any recommendation, that the securities of the registrant, or a related issuer of the registrant, or, in the course of a distribution, the securities of a connected issuer of the registrant, be purchased, sold or held, shall not, in certain circumstances apply to the Filer, in respect of securities of its parent bank, The Toronto-Dominion Bank (the **Bank**);

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application)

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

#### Interpretation

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

#### Representations

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

1. The Filer, a corporation incorporated under the laws of Ontario, has its head office in Ontario.

2. The Bank is a Canadian chartered bank named in Schedule I of the *Bank Act* (Canada).
3. The Filer is a wholly-owned subsidiary of the Bank and, as such, is a “related issuer” of the Filer for the purposes of the Recommendation Prohibition.
4. The Filer is registered under the Legislation of each of the Jurisdictions as a dealer in the category of “Investment Dealer” and “Futures Commission Merchant”.
5. The Filer acts as a full-service investment dealer.
6. The Filer provides equity research report coverage on in excess of 273 issuers, including the Bank and all of the other banks currently named in Schedule I of the *Bank Act* (Canada).
7. As a member of the Investment Industry Regulatory Organization of Canada (**IIROC**), the Filer is obliged to comply with the Rule 3400 – *Research Restrictions and Disclosure Requirements* of the IIROC Dealer Member Rules.
8. Guideline No. 3 of IIROC Dealer Member Rule 3400 states:

Members should adopt standards of research coverage that include, at a minimum, the obligation to maintain and publish current financial estimates and recommendations on securities followed, and to revisit such estimates and recommendations within a reasonable time following the release of material information by an issuer or the occurrence of other relevant events.
9. In each of the Jurisdictions, the Legislation provides an exemption (the **Statutory Exemption**) from the Recommendation Prohibition for a recommendation (a **Recommendation**) to purchase, sell or hold securities of an issuer, that is contained in a circular, pamphlet or similar publication (a **Report**) that is published, issued or sent by a registrant and is of a type distributed with reasonable regularity in the ordinary course of its business, provided that the Report:
  - (a) includes in a conspicuous position, in type not less legible than that used in the body of the Report
    - (i) a full and complete statement (a **Relationship Statement**) of the relationship or connection between the registrant and the issuer of the securities; and
    - (ii) a full and complete statement of the obligations of the registrant under the Recommendation Prohibition and the Statutory Exemption;
  - (b) includes information (**Comparative Information**) similar to that set forth in respect of the issuer for a substantial number of other persons or companies (**Competitors**) that are in the industry or business of the issuer; and
  - (c) does not give materially greater space or prominence to the information set forth in respect of the issuer than to the information set forth in respect of any other person or company described therein.
10. So long as the Filer remains a related issuer of the Bank, the Filer cannot rely on the Statutory Exemption from the Recommendation Prohibition, to publish in a Report any Recommendation with respect to securities of the Bank, including a revision to a previous Recommendation, in response to:
  - (a) the release of interim financial statements of the Bank or information concerning such financial statements, or
  - (b) the release of information, or the occurrence of an event, that might reasonably be interpreted to have, or possibly have, a significant effect on the value of any securities issued by the Bank, or the continued validity of previously published financial estimates or recommendation issued by the Filer in respect of any securities issued by the Bank,unless, at the relevant time, the Filer has been able to ascertain, and is able to include in the Report, Comparative Information for a substantial number of Competitors of the Bank, and also satisfy the requirements of the Statutory Exemption relating to space and prominence of information, referred to in paragraph 9(c), above.
11. The Filer submits that meeting the requirement to include Comparative Information is disadvantageous to its clients because the time consuming tasks associated with compiling the Comparative Information delay the timely dissemination of its research.

**Decision**

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 Recommendation Prohibition shall not apply to Recommendations of the Filer in respect of securities of the Bank that are made by the Filer in a Report, in response to:

- (i) the release of interim financial statements of the Bank or information concerning such financial statements, or
- (ii) the release of information, or the occurrence of an event, that might reasonably be interpreted to have, or possibly have, a significant effect on the value of any securities issued by the Bank, or the continued validity of previously published financial estimates or recommendation issued by the Filer in respect of any securities issued by the Bank,

provided that:

- (a) the Recommendation is made by the Filer in a Report that:
  - (i) is published or distributed by the Filer regularly in the ordinary course of the Filer's business, and
  - (ii) includes in a conspicuous position and large type, a complete statement of the relationship or connections between the Filer and the Bank; and
- (b) this Decision, as it relates to the jurisdiction of a Decision Maker, will terminate:
  - (i) upon the coming into force of Proposed National Instrument 31-103 Registration Requirements (the Proposed Rule) containing a rule or provision that replaces the Statutory Exemption as contemplated in section 6.5 of the Proposed Rule published on February 29, 2008,
  - (ii) 90 days after the Decision Maker publishes in its Bulletin a notice or a statement to the effect that it does not propose to make the Proposed Rule, or
  - (iii) 90 days after the coming into force of the Proposed Rule if the Proposed Rule does not contain a rule or provision that replaces the Statutory Exemption which is substantially the same as contemplated in section 6.5 of the Proposed Rule.

"Paulette L. Kennedy"  
Commissioner  
Ontario Securities Commission

"Margot C. Howard"  
Commissioner  
Ontario Securities Commission

**2.1.4 JMP Securities LLC – s. 6.1(1) of NI 31-102 National Registration Database and s. 6.1 of OSC Rule 13-502 Fees**

Applicant seeking registration as an international dealer is exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of National Instrument 31-102 – National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 – Fees is waived in respect of this discretionary relief, subject to certain conditions.

**Rules Cited**

National Instrument 31-102 National Registration Database (2007) 30 OSCB 5430, s. 6.1.

Ontario Securities Commission Rule 13-502 Fees (2003) 26 OSCB 867, ss. 4.1, 6.1.

**March 12, 2009**

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

**AND**

**IN THE MATTER OF  
JMP SECURITIES LLC**

**DECISION**

**(Subsection 6.1(1) of National Instrument 31-102 – National Registration Database and Section 6.1 of Ontario Securities Commission Rule 13-502 – Fees)**

**UPON** the Director having received the application of JMP Securities LLC (the **Applicant**) for an order pursuant to subsection 6.1(1) of National Instrument 31-102 – *National Registration Database (NI 31-102)* granting the Applicant relief from the electronic funds transfer requirement contemplated under NI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 – *Fees (Rule 13-502)* in respect of this discretionary relief;

**AND UPON** considering the application and the recommendation of the staff of the Ontario Securities Commission (the **Commission**);

**AND UPON** the Applicant having represented to the Director as follows:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware in the United States of America. The head office of the Applicant is located in San Francisco, California, United States of America.
2. The Applicant is registered as a broker-dealer with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority in the United States.

3. The Applicant is not registered in any capacity under the Act and is not a reporting issuer in any province or territory of Canada. However, the Applicant is in the process of applying to the Commission for registration under the Act as a dealer in the category of international dealer.

4. NI 31-102 requires that all registrants in Canada enrol with CDS Inc. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (the **electronic funds transfer requirement** or **EFT Requirement**).

5. The Applicant anticipates encountering difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

6. The Applicant confirms that it is not registered in, and does not intend to register in, another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

7. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

8. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

**IT IS THE DECISION** of the Director, pursuant to subsection 6.1(1) of NI 31-102 that the Applicant is granted an exemption from the EFT Requirement for so long as the Applicant:

- A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;
- B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

- C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and
- D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies, or has received an exemption from the EFT Requirement in each jurisdiction to which the EFT Requirement applies;

**PROVIDED THAT** the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer, international adviser or in an equivalent registration category;

**AND IT IS THE FURTHER DECISION** of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

“Donna Leitch”  
Assistant Manager, Registrant Regulation  
Ontario Securities Commission

## 2.1.5 Schneider Electric S.A.

### Headnote

National Policy 11-203 – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of collective employee shareholding vehicles, each a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee exemption in section 2.24 of National Instrument 45-106 Prospectus and Registration Exemptions as the shares are not being offered to Canadian employees directly by the issuer but through the FCPEs – Canadian employees will receive disclosure documents – The FCPEs are subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, ss. 25, 53, 74.

National Instrument 45-102 Resale of Securities, s. 2.14.

National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.24.

March 13, 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  
SCHNEIDER ELECTRIC S.A. (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 (the “**Legislation**”) for:

1. an exemption from the prospectus requirements of the Legislation (the “**Prospectus Relief**”) so that such requirements do not apply to
  - (a) trades in units (“**Units**”) of
    - (i) a compartment named Schneider Classic International Compartment (the “**Principal Classic Compartment**”) of a permanent FCPE named Schneider Electric International, which is a *fonds communs de placement d'entreprise* or “FCPE,” a form of collective shareholding vehicle of a type commonly used in France for the conservation of shares held by employee-investors;
    - (ii) a temporary FCPE named Schneider International Relais 2009 (the “**Temporary Classic FCPE**”) which will merge with the Principal Classic Compartment following the Employee Share Offering (as defined below) as further described in paragraph 10 of the Representations; and
    - (iii) a compartment named Schneider International SAR 2009 (the “**SAR Compartment**”) of a permanent FCPE named Schneider Electric International,

made pursuant to the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) resident in the Jurisdiction who elect to participate in the Employee Share Offering (as defined below) (together with the Qualifying Employees resident in the Provinces of British Columbia, Alberta,

Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador who elect to participate in the Employee Share Offering (as defined below), the “**Canadian Participants**”;

(the Principal Classic Compartment, the Temporary Classic FCPE and the SAR Compartment, collectively, the “**Compartments**”)

- (b) trades of ordinary shares of the Filer (the “**Shares**”) by the Compartments to Canadian Participants (a) in the event that dividends in the form of Shares are paid out to Canadian Participants by the Compartments or (b) upon the redemption of Units by Canadian Participants;
  - (c) the issuance of Units of the Principal Classic Compartment to holders of SAR Compartment Units upon a transfer of the Canadian Participants’ assets in the SAR Compartment to the Principal Classic Compartment at the end of the Lock-Up Period (as defined below);
2. an exemption from the dealer registration requirements of the Legislation (the “**Registration Relief**”) so that such requirements do not apply to
- (a) trades in Units of the Compartments made pursuant to the Employee Share Offering to or with Canadian Participants;
  - (b) trades of Shares by the Compartments to Canadian Participants (a) in the event that dividends in the form of Shares are paid out to Canadian Participants by the Compartments or (b) upon the redemption of Units by Canadian Participants; and
  - (c) the issuance of Units of the Principal Classic Compartment to holders of SAR Compartment Units upon a transfer of Canadian Participants’ assets in the SAR Compartment to the Principal Classic Compartment at the end of the Lock-Up Period (as defined below);
3. an exemption from the adviser registration requirements and dealer registration requirements of the Legislation so that such requirements do not apply to the manager of the Compartments, AXA Investment Managers Paris (the “**Management Company**”), to the extent that its activities described in paragraphs 24 to 26 of the Representations require compliance with the adviser registration requirements and dealer registration requirements (collectively with the Prospectus Relief and the Registration Relief, the “**Initial Requested Relief**”); and
4. an exemption from the dealer registration requirements of the Legislation so that such requirements do not apply to the first trade in any Units or Shares acquired by Canadian Participants under the Employee Share Offering (the “**First Trade Relief**”).

Under the Process for Exemptive Relief Application 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, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador.

### Interpretation

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

### Representations

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

- 1. The Filer is a corporation formed under the laws of France. It is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation. The Shares are listed on Euronext Paris.
- 2. The Filer carries on business in Canada through the following affiliated companies: Schneider Canada Inc., INDE Electronics Inc., Power Measurement Ltd., Juno Lighting Ltd., APC-MGE Critical Power & Cooling Services, Electrical South Inc. and Xantrex Technologies Inc. (collectively, the “**Local Affiliates**,” together with the Filer and other affiliates of the Filer, the “**Schneider Electric Group**”). Each of the Local Affiliates is a direct or indirect-controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation.

The head office of Schneider Electric Group in Canada is located in Toronto, Ontario, and the greatest number of employees of Local Affiliates are employed in Ontario.

3. As of the date hereof and after giving effect to the Employee Share Offering (as defined below), Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Compartments on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.
4. The Filer has established a global employee share offering for employees of the Schneider Electric Group (the "**Employee Share Offering**"). The Employee Share Offering is comprised of two subscription options:
  - (a) an offering of Shares to be subscribed through the Temporary Classic FCPE, which Temporary Classic FCPE will be merged with the Principal Classic Compartment after completion of the Employee Share Offering (the "**Classic Plan**"); and
  - (b) an offering of Shares to be subscribed through the SAR Compartment (the "**SAR Plan**").
5. Only persons who are employees of a member of the Schneider Electric Group during the reservation period and the revocation period for the Employee Share Offering and who meet other employment criteria (the "**Qualifying Employees**") will be allowed to participate in the Employee Share Offering. Canadian Participants may indicate the amount they wish to invest in the Employee Share Offering by completing and returning a subscription/reservation form during a "reservation period." The subscription price will be set following the end of the reservation period, after which there will be a revocation period during which subscribers may cancel all or part of their reservations in the SAR Plan, the Classic Plan, or both, as applicable. If reservations are not revoked at the end of the revocation period, the initial reservation will become a binding subscription.
6. The Compartments have been established for the purpose of implementing the Employee Share Offering. There is no current intention for the Compartments to become reporting issuers under the Legislation.
7. As set forth above, the Temporary Classic FCPE is, and the Principal Classic Compartment and the SAR Compartment are compartments of, an FCPE (a *fonds communs de placement d'entreprise*) which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors. The Compartments have been registered with the French Autorité des marchés financiers (the "**French AMF**"). Only Qualifying Employees will be allowed to hold Units of the Compartments in an amount corresponding to their respective investments in each of the Compartments.
8. All Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the "**Lock-Up Period**"), subject to certain exceptions provided for in the Schneider Electric International Employee Shareholding Plan (such as a release on death or termination of employment, or the exception that the Canadian Participant's employer ceases to be an affiliate of the Filer).
9. Under the Classic Plan, Canadian Participants will subscribe for Units in the Temporary Classic FCPE, and the Temporary Classic FCPE will then subscribe for Shares using the Canadian Participants' contributions at a subscription price that is equal to the average of the opening price of the Shares (expressed in euros) on the 20 trading days preceding the date of fixing of the subscription price by the Management Board of the Filer (the "**Reference Price**"), less a 17% discount. The subscription price will be the Canadian-dollar equivalent of the Reference Price less the 17% discount.
10. Initially, the Shares will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. Following the completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic Compartment (subject to the approval of the FCPE's supervisory board and the French AMF). Units of the Temporary Classic Compartment held by Canadian Participants will be replaced with Units of the Principal Classic Compartment on a *pro rata* basis and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic Compartment (the "**Merger**").
11. The term "**Classic Compartment**" used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic Compartment.
12. Under the Classic Plan, at the end of the Lock-Up Period a Canadian Participant may
  - (a) redeem Units in the Classic Compartment in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares, or



- (b) continue to hold Units in the Classic Compartment and redeem those Units at a later date.
13. Dividends paid on the Shares held in the Classic Compartment will be contributed to the Classic Compartment and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued. However, dividends may be paid out directly to Canadian Participants at their specific request. The form of such dividends is decided by the shareholders of the Filer at a shareholders meeting of the Filer and, therefore, may take the form of property other than cash, such as Shares.
  14. The Reference Price and Classic Plan subscription price will not be known to Canadian Participants until after the end of the subscription period. However, this information will be provided to Canadian Participants prior to the start of the revocation period, during which Canadian Participants may choose to revoke all of their subscription and thereby not participate in the Employee Share Offering or reduce their investment in the Employee Share Offering.
  15. Under the SAR Plan, Canadian Participants will subscribe for Units in the SAR Compartment using the Canadian-dollar equivalent of the Reference Price (the “**Employee Contribution**”), and the SAR Compartment will then subscribe for Shares using the Employee Contribution. The Local Affiliate that employs a Canadian Participant in the SAR Plan will have an obligation (the “**SAR Obligation**”) to pay to such Canadian Participant a stock appreciation right bonus at the end of the Lock-Up Period (a “**SAR**”) equal to the “**Stock Appreciation Amount**” (if any) plus the “**Personal Contribution Protection Amount**” (if any), as described below. At the request of the Filer, the Local Affiliate will hedge its financial obligations resulting from the SARs by entering into a hedge agreement with a bank.
  16. The closing price of the Shares will be taken (in euros) on each of the 120 trading days prior to the end of the Lock-Up Period and an average of the Share price will be determined based on all such readings (the “**Average Share Price**”). If the Average Share Price (expressed in euros) is greater than the Reference Price (expressed in euros), then the “**Stock Appreciation Amount**” for each SAR Plan Unit at the end of the Lock-Up Period (excluding additional Units issued as a result of dividend reinvestment) will be an amount equal to approximately three (3) times the difference in euros between the Average Share Price and the Reference Price. The payment of the “**Stock Appreciation Amount**” will be made in Canadian dollars at an exchange rate fixed on or about the payment date. If the Average Share Price (expressed in euros) is less than the Reference Price (expressed in euros), then the “**Stock Appreciation Amount**” will be zero.
  17. If there is a diminution in value of a Canadian Participant’s Employee Contribution in Canadian dollars as at the subscription date as compared to the market value of the Shares in Canadian dollars at the end of the Lock-Up Period, then the “**Personal Contribution Protection Amount**” will be an amount equal to any such diminution in value (excluding the impact of applicable taxes). The payment of this amount will be made in Canadian dollars. If the market value of the Shares in Canadian dollars at the end of the Lock-Up Period is greater than a Canadian Participant’s Employee Contribution in Canadian dollars as at the subscription date, then the “**Personal Contribution Protection Amount**” will be zero.
  18. Pursuant to the SAR Obligation, subject to local tax considerations, a Canadian Participant will be entitled to receive 100% of his or her Employee Contribution in local currency at the end of the Lock-Up Period or in the event of an early unwind. Under no circumstances will a Canadian Participant under the SAR Plan be responsible to contribute an amount greater than his or her Employee Contribution or be liable for any other amount.
  19. Dividends paid on the Shares held in the SAR Compartment will be contributed to the SAR Compartment and used to purchase additional Shares. To reflect this reinvestment, new Units (or fractions thereof) will be issued. However, dividends may be paid out directly to Canadian Participants at their specific request. The form of such dividends is decided by the shareholders of the Filer at a shareholders meeting of the Filer and, therefore, may take the form of property other than cash, such as Shares.
  20. At the end of the Lock-Up Period, a Canadian Participant may elect to redeem his or her SAR Compartment Units in consideration for (a) cash in Canadian dollars equivalent to the market value of the underlying Shares or (b) the underlying Shares. Payment by the Canadian Participant’s employer of an amount equal to the Canadian Participant’s SAR (if any) will also be made at the end of the Lock-Up Period.
  21. If a Canadian Participant does not redeem his or her Units in the SAR Compartment, his or her investment in the SAR Compartment will be transferred to the Principal Classic Compartment. New Units of the Principal Classic Compartment will be issued to the Canadian Participant in recognition of the assets transferred to the Principal Classic Compartment. Canadian Participants may redeem the new Units whenever they wish. However, following a transfer to the Principal Classic Compartment, the Employee Contribution will not be covered by the SAR Obligation.
  22. In the event of an early unwind resulting from the Canadian Participant satisfying one of the exceptions to the Lock-Up Period referenced above and meeting the applicable criteria, a Canadian Participant may redeem Units from the SAR

Compartment for cash consideration in accordance with a formula similar to redemptions after the end of the Lock-Up Period. However, in the event of an early unwind, the "Average Share Price" used in the formula will be determined as follows: (a) if the unwind occurs prior to January 1, 2014, the "Average Share Price" shall be the closing Share price on the last trading date of the month in which the early unwind event occurred; or (b) if the unwind occurs on or after January 1, 2014, the "Average Share Price" will be the average of the 120 closing prices of the Shares between January 2, 2014, and the date of the early unwind event. If this period has available less than 120 closing prices to calculate the average, the last actual closing price of the Shares shall be used for all remaining closing prices required to reach 120 closing prices so as to be able to calculate the average of 120 closing prices.

23. Under French law, the Temporary Classic FCPE is, and the Principal classic Compartment and the SAR Compartment are compartments of, an FCPE which is a limited liability entity. Each Compartment's portfolio will consist almost entirely of Shares of the Filer. The Classic Compartment's portfolio, may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares. From time to time, either portfolio may include cash or cash equivalents that the Compartments may hold pending investments in Shares and for the purposes of Unit redemptions.
24. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. The Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation.
25. The Management Company's portfolio management activities in connection with the Employee Share Offering and the Compartments are limited to subscribing for Shares from the Filer and selling such Shares as necessary in order to fund redemption requests.
26. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of each Compartment. The Management Company's activities in no way affect the underlying value of the Shares and the Management Company will not be involved in providing advice to any Canadian Participants with respect to an investment in the Units.
27. Shares issued in the Employee Share Offering will be deposited in the relevant Compartment through BNP Paribas Securities Services (the "Depositary"), a large French commercial bank subject to French banking legislation.
28. Under French law, the Depositary must be selected by the Management Company from among a limited number of companies identified on a list by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depositary carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each Compartment to exercise the rights relating to the securities held in its respective portfolio.
29. The Unit value of each Compartment will be calculated and reported to the French AMF on a regular basis, based on the net assets of the relevant Compartment divided by the number of Units outstanding. The number of Units in the Classic Plan and in the SAR Plan will be adjusted on the basis of the market price of the Shares and other assets (cash, in exceptional circumstances) held by the relevant Compartment, effective from the first date on which the net asset value is calculated and whenever Shares or other assets are contributed to the Compartment, as applicable. Upon such adjustments being made, under the Classic Plan or the SAR Plan, a holder may be credited with additional Units, tenths, hundredths, thousandths or tens of thousandths of Units or fractions thereof.
30. All management charges relating to a Compartment will be paid from the Compartment's assets or by the Filer, as provided by the FCPE's regulations.
31. Participation in the Employee Share Offering is voluntary, and the Canadian resident Qualifying Employees will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.
32. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 25% of his or her gross annual compensation for the 2008 calendar year. In addition, the total amount invested by a Canadian Participant in the SAR Plan cannot exceed the lesser of (i) 5% of his or her gross annual compensation for 2008 or (ii) C\$4,800.
33. None of the Filer, the Management Company, the Local Affiliates or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares or the Units.
34. The Canadian Participants will receive an information package in the French or English language, as applicable, which will include a summary of the terms of the Employee Share Offering, a tax notice relating to the relevant Compartment

containing a description of Canadian income tax consequences of subscribing to and holding the Units in the Compartments and redeeming Units for cash or Shares at the end of the Lock-Up Period, an information notice approved by the French AMF for the Compartments describing their main characteristics, a reservation form and a revocation form. These documents will be available in both English and French.

35. Upon request, Canadian Participants may receive copies of the Filer's French Document de Référence filed with the French AMF in respect of the Filer and a copy of the relevant Compartment's rules (which are analogous to company by-laws). The Canadian Participants will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.
36. Canadian Participants will receive an initial statement of their holdings under the Classic Plan and/or SAR Plan, together with an updated statement at least once per year.
37. There are approximately 1,662 Qualifying Employees resident in Canada, in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, and Newfoundland and Labrador (with the greatest number, approximately 508, resident in Ontario), who represent, in the aggregate, less than 2% of the number of employees in the Filer Group worldwide.
38. The Units will not be listed on any exchange.

**Decision**

The principal regulator is satisfied that the test contained in the Legislation that provides the principal regulator with the jurisdiction to make the decision has been met.

The decision of the principal regulator under the Legislation is that the Initial Requested Relief is granted provided that

1. the first trade in any Units or Shares acquired by Canadian Participants pursuant to this Decision in the Jurisdiction is deemed a distribution or a primary distribution to the public under the Legislation unless the following conditions are met:
  - (a) the issuer of the security
    - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
    - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
  - (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada
    - (i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
    - (ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and
  - (c) the first trade is made
    - (i) through the facilities of an exchange, or a market, outside of Canada, or
    - (ii) to a person or company outside of Canada.

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

"Paulette L. Kennedy"  
Commissioner  
Ontario Securities Commission

"Suresh Thakrar"  
Commissioner  
Ontario Securities Commission

## 2.1.6 Compagnie de Saint-Gobain

### Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – Application for relief from the prospectus and registration requirements for certain trades made in connection with an employee share offering by a French issuer – The offering involves the use of a collective employee shareholding vehicle, a fonds communs de placement d'entreprise (FCPE) – The Filer cannot rely on the employee exemption in section 2.26 of National Instrument 45-106 Prospectus and Registration Exemptions as the share are not being offering to Canadian employees directly by the issuer but through the FCPE – Canadian employees will receive disclosure documents – The FCPE and its manager is subject to the supervision of the French Autorité des marchés financiers – Relief granted, subject to conditions.

### Applicable Legislative Provisions

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

National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.26.

National Instrument 45-102 Resale of Securities, s. 2.14.

March 17, 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  
COMPAGNIE DE SAINT-GOBAIN  
(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 (the "**Legislation**") for

1. an exemption from the prospectus requirements of the Legislation (the "**Prospectus Relief**") so that such requirements do not apply to
  - (a) trades in units ("**Units**") of
    - (i) a compartment named Saint-Gobain Avenir Monde (the "**Principal Classic Compartment**") of a permanent FCPE named Saint-Gobain PEG Monde, which is a *fonds communs de placement d'entreprise* or "**FCPE**," a form of collective shareholding vehicle of a type commonly used in France for the conservation of shares held by employee-investors; and
    - (ii) a temporary FCPE named Saint-Gobain Relais Adhésion 2009 Monde (the "**Temporary Classic FCPE**") which will merge with the Principal Classic Compartment following the Employee Share Offering (as defined below) as further described as the "Merger" in paragraph 10 of the Representations. (The term "**Classic Compartment**" used herein means, prior to the Merger, the Temporary Classic FCPE, and following the Merger, the Principal Classic Compartment.);

made pursuant to the Employee Share Offering (as defined below) to or with Qualifying Employees (as defined below) of Canadian Affiliates (defined below) resident in the Jurisdiction and in the Provinces of British

Columbia, Alberta, Manitoba, Québec and New Brunswick who elect to participate in the Employee Share Offering (as defined below) (the “**Canadian Participants**”);

- (b) trades of ordinary shares of the Filer (the “**Shares**”) by the Classic Compartment to Canadian Participants upon the redemption of Units by Canadian Participants;
2. an exemption from the dealer registration requirements of the Legislation (the “**Registration Relief**”) so that such requirements do not apply to
  - (a) trades in Units of the Temporary Classic FCPE or the Principal Classic Compartment made pursuant to the Employee Share Offering to or with Canadian Participants; and
  - (b) trades of Shares by the Classic Compartment to Canadian Participants upon the redemption of Units by Canadian Participants;
3. an exemption from the adviser registration requirements and dealer registration requirements of the Legislation so that such requirements do not apply to the manager of the Classic Compartment, AXA Investment Managers Paris (the “**Management Company**”), to the extent that its activities described in paragraphs 16 and 17 of the Representations require compliance with the adviser registration requirements and dealer registration requirements (collectively with the Prospectus Relief and the Registration Relief, the “**Initial Requested Relief**”); and
4. an exemption from the dealer registration requirements of the Legislation so that such requirements do not apply to the first trade in any Units or Shares acquired by Canadian Participants under the Employee Share Offering (the “**First Trade Relief**”).

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, Manitoba, Québec and New Brunswick.

### Interpretation

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

### Representations

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

1. The Filer is a corporation formed under the laws of France. It is not and has no current intention of becoming a reporting issuer (or equivalent) under the Legislation. The Shares are listed on Euronext Paris.
2. The Filer has established a global employee share offering for employees of the Saint-Gobain Group (the “**Employee Share Offering**”). The Filer carries on business in Canada through certain affiliated companies and the following affiliated companies will be participating in the Employee Share Offering: CertainTeed Gypsum Canada, Inc., CertainTeed Gypsum North American Services, Inc., Ceramics Hamilton Ltd., Saint-Gobain Ceramic Materials Canada Inc. and Saint-Gobain Technical Fabrics Canada, Ltd. (such participating affiliates, collectively, the “**Canadian Affiliates**,” and together with the Filer and other affiliates of the Filer, the “**Saint-Gobain Group**”). Each of the Canadian Affiliates is a direct or indirect-controlled subsidiary of the Filer and is not, and has no current intention of becoming, a reporting issuer (or equivalent) under the Legislation. The principal office of the Saint-Gobain Group in Canada is located in Mississauga, Ontario, and the greatest number of employees of Canadian Affiliates are employed in Ontario.
3. As of the date hereof and after giving effect to the Employee Share Offering, Canadian residents do not and will not beneficially own (which term, for the purposes of this paragraph, is deemed to include all Shares held by the Classic Compartment on behalf of Canadian Participants) more than 10% of the Shares and do not and will not represent in number more than 10% of the total number of holders of the Shares as shown on the books of the Filer.
4. The Employee Share Offering is comprised of one subscription option which is an offering of Shares to be subscribed through the Temporary Classic FCPE, which Compartment will be merged with the Principal Classic Compartment after completion of the Employee Share Offering (the “**Classic Plan**”).

5. Only persons who are employees of a member of the Saint-Gobain Group during the subscription period for the Employee Share Offering and who meet other employment criteria (the “**Qualifying Employees**”) will be allowed to participate in the Employee Share Offering.
6. The Classic Compartment has been established for the purpose of implementing the Employee Share Offering. There is no current intention for the Classic Compartment to become a reporting issuer under the Legislation.
7. As set forth above, the Temporary Classic FCPE is, and the Principal Classic Compartment are compartments of, an FCPE (a *fonds communs de placement d'entreprise*) which is a shareholding vehicle of a type commonly used in France for the conservation or custodianship of shares held by employee investors. The Temporary Principal Classic Compartment has been registered with the French Autorité des marchés financiers (the “**French AMF**”) and the Temporary Classic FCPE will be registered with the French AMF prior to the issuance of any Units thereof. Only Qualifying Employees will be allowed to hold Units of the Classic Compartment in an amount corresponding to their respective investments in the Classic Compartment.
8. All Units acquired in the Employee Share Offering by Canadian Participants will be subject to a hold period of approximately five years (the “**Lock-Up Period**”), subject to certain exceptions prescribed by French law (such as a release on death or termination of employment).
9. Under the Classic Plan, Canadian Participants will subscribe for Units in the Temporary Classic FCPE, and the Temporary Classic FCPE will then subscribe for Shares using the Canadian Participants’ contributions at a subscription price that is equal to the average of the opening price of the Shares on the 20 trading days preceding the date of fixing of the subscription price by the Chief Executive Officer of the Filer (the “**Reference Price**”), less a 20% discount.
10. Initially, the Shares will be held in the Temporary Classic FCPE and the Canadian Participant will receive Units in the Temporary Classic FCPE. After completion of the Employee Share Offering, the Temporary Classic FCPE will be merged with the Principal Classic Compartment (subject to the French AMF’s approval). Units of the Temporary Classic Compartment held by Canadian Participants will be replaced with Units of the Principal Classic Compartment on a *pro rata* basis, and the Shares subscribed for under the Employee Share Offering will be held in the Principal Classic Compartment (the “**Merger**”).
11. Under the Classic Plan, at the end of the Lock-Up Period, a Canadian Participant may redeem Units in the Classic Compartment in consideration for the underlying Shares or a cash payment equal to the then market value of the Shares.
12. Under the Classic Plan, in the event of an early redemption resulting from the Canadian Participant exercising one of the exceptions to the Lock-up Period prescribed by French Law, a Canadian Participant may redeem Units in the Classic Compartment in consideration for a cash payment equal to the then market value of the Shares.
13. Dividends paid on the Shares held in the Classic Compartment will be contributed to the Classic Compartment and used to purchase additional Shares. To reflect this reinvestment, new Units of the Classic Compartment will be issued. The declaration of dividends on the Shares is determined by the board of directors of the Filer.
14. Under French law, the Temporary Classic FCPE is, and the Principal Classic Compartment is a compartment of, an FCPE which is a limited liability entity. The Classic Compartment’s portfolio will consist almost entirely of Shares of the Filer. The Classic Compartment’s portfolio, may, from time to time, include cash in respect of dividends paid on the Shares which will be reinvested in Shares, and, from time to time, the Classic Compartment’s portfolio may include cash or cash equivalents that the Classic Compartment may hold pending investments in Shares and for the purposes of Unit redemptions.
15. The Management Company is a portfolio management company governed by the laws of France. The Management Company is registered with the French AMF to manage French investment funds and complies with the rules of the French AMF. The Management Company is not, and has no current intention of becoming, a reporting issuer under the Legislation.
16. The Management Company’s portfolio management activities in connection with the Employee Share Offering and the Classic Compartment are limited to subscribing for Shares from the Filer and selling such Shares as necessary in order to fund redemption requests.
17. The Management Company is also responsible for preparing accounting documents and publishing periodic informational documents as provided by the rules of the Classic Compartment. The Management Company’s activities in no way affect the underlying value of the Shares, and the Management Company will not be involved in providing advice to any Canadian Participants.

## Decisions, Orders and Rulings

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18. Shares issued in the Employee Share Offering will be deposited in the relevant Compartment through BNP Paribas Securities Services (the "**Depository**"), a large French commercial bank subject to French banking legislation.
19. Under French law, the Depository must be selected by the Management Company from among a limited number of companies identified on a list by the French Minister of the Economy, Finance and Industry and its appointment must be approved by the French AMF. The Depository carries out orders to purchase, trade and sell securities in the portfolio and takes all necessary action to allow each Classic Compartment to exercise the rights relating to the securities held in its portfolio.
20. Participation in the Employee Share Offering is voluntary, and Qualifying Employees of Canadian Affiliates will not be induced to participate in the Employee Share Offering by expectation of employment or continued employment.
21. The total amount invested by a Canadian Participant in the Employee Share Offering cannot exceed 25% of his or her base compensation for the 2009 calendar year.
22. None of the Filer, the Management Company, the Canadian Affiliates or any of their employees, agents or representatives will provide investment advice to the Canadian Participants with respect to an investment in the Shares or the Units.
23. The Shares are not currently listed for trading on any stock exchange in Canada and there is no intention to have the Shares so listed. As there is no market for the Shares in Canada, and as none is expected to develop, first trades of Shares by Canadian Participants will be effected through the facilities of, and in accordance with the rules and regulations of, Euronext Paris.
24. Canadian Participants who participate in the Employee Share Offering will receive a statement at least once per year indicating the number of Units they hold and the value of each Unit.
25. The Canadian Participants will receive an information package in the French or English language, as applicable, which will include a summary of the terms of the Employee Share Offering, a tax notice containing a description of Canadian income tax consequences of subscribing to and holding the Units in the Classic Compartment and redeeming Units for cash or Shares at the end of the Lock-Up Period.
26. Upon request, Canadian Participants may receive copies of the Filer's French Document de Référence filed with the French AMF in respect of the Shares and a copy of the Classic Compartment's rules (which are analogous to company by-laws). The Canadian Participants will also have access to copies of the continuous disclosure materials relating to the Filer that are furnished to holders of the Shares.

### Decision

The principal regulator is satisfied that the test contained in the Legislation that provides the principal regulator with the jurisdiction to make the decision has been met.

The decision of the principal regulator under the Legislation is that the Initial Requested Relief is granted provided that

1. the prospectus requirements of the Legislation will apply to the first trade in any Units or Shares acquired by Canadian Participants pursuant to this Decision unless the following conditions are met:
  - (a) the issuer of the security
    - (i) was not a reporting issuer in any jurisdiction of Canada at the distribution date, or
    - (ii) is not a reporting issuer in any jurisdiction of Canada at the date of the trade;
  - (b) at the distribution date, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada
    - (i) did not own, directly or indirectly, more than 10% of the outstanding securities of the class or series, and
    - (ii) did not represent in number more than 10% of the total number of owners, directly or indirectly, of securities of the class or series; and

- (c) the first trade is made
  - (i) through the facilities of an exchange, or a market, outside of Canada, or
  - (ii) to a person or company outside of Canada.

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

“Paulette Kennedy”  
Commissioner

“David L. Knight”  
Commissioner



## 2.1.7 KPMG Audit PLC

### Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – exemption granted from the requirement in section 2.1 of National Instrument 52-108 Auditor Oversight for a public accounting firm that prepares an auditor's report with respect to the financial statements of a designated foreign issuer to be, as of the date of the auditor's report, (a) a participating audit firm, and (b) in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board – the auditor is subject to substantially similar oversight in the United Kingdom.

### Applicable Legislative Provisions

National Instrument 52-108 Auditor Oversight.

**Citation:** KPMG Audit plc, Re, 2009 ABASC 115

March 17, 2009

**IN THE MATTER OF  
THE SECURITIES LEGISLATION OF  
ALBERTA AND ONTARIO  
(THE JURISDICTIONS)**

**AND**

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

**AND**

**IN THE MATTER OF  
KPMG AUDIT PLC  
(THE FILER)**

**DECISION**

### Background

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**) exempting the Filer from the requirement in section 2.1 of the National Instrument 52-108 *Auditor Oversight* (**NI 52-108**) for a public accounting firm that prepares an auditor's report with respect to the financial statements of a reporting issuer to be, as of the date of the auditor's report, (a) a participating audit firm, and (b) in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board (**CPAB**) (the **Exemption Sought**).

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

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

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 an accounting firm formed under the laws of the United Kingdom.
2. The Filer is not in default of securities legislation in any jurisdiction.
3. The Filer proposes to conduct audits of the annual financial statements of Heritage Oil Limited (**Heritage**), a Jersey, Channel Islands company.
4. Heritage is a reporting issuer in the provinces of Alberta, British Columbia and Ontario.
5. Heritage is a “designated foreign issuer” pursuant to National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers* (**NI 71-102**).
6. Section 2.1 of NI 52-108 provides that a public accounting firm that prepares an auditor’s report with respect to the financial statements of a reporting issuer must be, as of the date of the auditor’s report, (a) a participating audit firm, and (b) in compliance with any restrictions or sanctions imposed by the CPAB.
7. A “participating audit firm” is defined in NI 52-108 as a public accounting firm that has entered into a written agreement with CPAB in connection with the CPAB’s program of practice inspections and the establishment of practice requirements and has not had its participant status terminated.
8. The Filer is not a participating audit firm, but the Filer is subject to the oversight of the Audit Inspection Unit of the Financial Reporting Council in the United Kingdom (the **AIU**) which involves annual inspections and monitoring for compliance with the United Kingdom regulatory framework for auditing, including International Auditing Standards, Ethical Standards and Quality Control Standards for auditors issued by the Financial Reporting Council’s Auditing Practices Board.
9. The oversight of the AIU is substantially similar to the oversight of CPAB.
10. On December 8, 2008, the AIU issued a public report on the 2007/8 inspection of the Filer. In the AIU’s view, the Filer has appropriate policies and procedures in place for its size and the nature of its client base in the relevant areas which are subject to the AIU’s review and has generally performed its audit work to a good or acceptable standard.

## Decision

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 Filer has obtained confirmation from each reporting issuer in respect of which the Filer is providing audit services that the issuer is a “designated foreign issuer”;
- (b) the Filer continues to be subject to the oversight of the Financial Reporting Council in the United Kingdom; and
- (c) the Filer does not receive a report from the AIU that states that the Filer:
  - (i) does not have appropriate policies and procedures in place for the size and the nature of its client base in the relevant areas which are subject to the AIU review; or
  - (ii) has not generally performed its audit work to a good or acceptable standard.

The decision will terminate on the earlier of:

- (a) six months after the effective date of:
  - (i) any amendment, unless the amendment is clerical or minor in nature, to a provision in NI 71-102 (or the companion policy thereto) or section 2.1 of NI 52-108 which relates to the requirement for a public accounting firm to be a participating audit firm; or

(ii) the addition of any provision to NI 52-108 which relates to the requirement for a public accounting firm to be a participating audit firm; and

(b) June 30, 2011.

“Glenda A. Campbell, QC”  
Alberta Securities Commission

“Stephen R. Murison”  
Alberta Securities Commission

2.1.8 BG Group plc

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application by reporting issuer for a decision that it is not a reporting issuer – Canadian resident shareholders beneficially own less than 2% of the issuer’s outstanding securities and represent less than 2% of total number of beneficial shareholders – Issuer has no present intention of seeking public financing by way of an offering of its securities in any jurisdiction of Canada – No securities of the issuer trade on any market or exchange in Canada – Issuer’s securities listed on the London Stock Exchange – Issuer is subject to the laws of England and Wales and the listing rules of the United Kingdom Listing Authority – issuer has undertaken to deliver to its security holders resident in Canada all disclosure documents it is required by U.K. law to deliver to U.K. resident security holders – issuer has issued a press release announcing that it has submitted an application to cease to be a reporting issuer in the Jurisdictions – requested relief granted.

Applicable Legislative Provisions

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

March 13, 2009

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

AND

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

AND

IN THE MATTER OF  
BG GROUP PLC  
(the Filer)

DECISION

Background

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**) that the Filer is not a reporting issuer (the **Exemption Sought**).

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

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

(c) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* 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 a public company incorporated under the laws of England and Wales.
2. The authorised share capital of the Filer is £500,000,001 made up of 5,000,000,010 ordinary shares of 10 pence each (the **Ordinary Shares**).
3. The Filer is a public company and the Ordinary Shares are listed on the London Stock Exchange (the **LSE**). As of October 31, 2008 the Filer’s market capitalization was 3,579,153,788 Ordinary Shares outstanding.
4. The Filer is a reporting issuer in the Jurisdictions.
5. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer.
6. The Filer is a successor company to BG plc as a result of a corporate and capital restructuring of BG plc which took place in 1999. BG plc was known as British Gas plc prior to a demerger transaction which occurred in 1997. British Gas plc became a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Québec (the **Jurisdictions**) as a result of a secondary public offering of its shares by Her Majesty’s Government of the United Kingdom in 1986.
7. British Gas plc was granted a series of exemptive relief decisions from relevant Canadian securities regulators in the Jurisdictions in 1996 exempting it from the continuous disclosure filing requirements in the Jurisdictions. Following a corporate and capital restructuring in 1999, all of the Jurisdictions granted the Filer the necessary approval to allow the Filer to enjoy the same exemptive relief as that previously enjoyed by British Gas plc. In 2004, the Filer was also granted exemptive relief from the certification requirements of Multilateral Instrument 52-109 and disclosure requirements relating to oil and gas activities. In 2005, the Autorité des marchés financiers also granted the necessary exemptive relief (collectively, the **Previous Decisions**).
8. The Previous Decisions require the Filer to comply with SEC Securities and Exchange Commission

- (SEC) and New York Stock Exchange (NYSE) requirements and file all SEC and NYSE required disclosure documents in Canada.
9. On September 21, 2007 the Filer terminated the listing of its securities, including the Ordinary Shares, from the NYSE and on December 20, 2007 terminated its registration with the SEC (the **Deregistration**). As a result, the Filer is no longer required to prepare and file documents prepared in accordance with SEC and NYSE requirements and can no longer comply with all of the conditions of the Previous Decisions.
10. As a result of the Deregistration, the Filer became a “designated foreign issuer” as that term is defined in National Instrument 71-102 *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers (NI 71-102)*. Since the Deregistration, the Filer has complied with the requirements of the Legislation applicable to designated foreign issuers.
11. As of December 31, 2007 there were:
- (a) 46,756,282 Ordinary Shares and 162,414 American Depository Securities (ADS) (representing 812,070 Ordinary Shares) held beneficially by Canadians, directly and indirectly, representing 1.33% of the outstanding capital; and
- (b) 1,907 securityholders (1,306 Ordinary shareholders and 601 ADS holders) identified as Canadian representing 0.26% of securityholders worldwide.
12. Securityholders resident in Canada do not:
- (a) directly or indirectly beneficially own more than 2% of each class or series of outstanding securities of the Filer worldwide; and
- (b) directly or indirectly comprise more than 2% of the total number of securityholders of the Filer worldwide.
13. In the last 12 months, the Filer has not conducted an offering of its securities in Canada or taken any other steps that indicate there is a market for its securities in Canada. The Filer has no plans to raise financing by way of a public offering of its securities in Canada or an offering under an exemption from the registration requirement and prospectus requirement of the Legislation.
14. None of the Filer’s securities are traded on a marketplace in Canada. The Filer does not currently intend to have its securities listed for trading on a marketplace in Canada.
15. The Filer is subject to the laws of England and Wales and the listing rules of the United Kingdom Listing Authority (the **UK Rules**).
16. The Filer is subject to, and will continue to comply with, all applicable requirements of applicable UK Rules.
17. On December 1, 2008 the Filer issued and filed a news release announcing that the Filer has submitted an application to the securities regulatory authorities of the Jurisdictions to cease to be a reporting issuer in the Jurisdictions.
18. The Filer has undertaken in favour of each of the Jurisdictions that it will continue to concurrently deliver to its securityholders resident in Canada all disclosure documents it is required by the UK Rules to deliver to U.K. resident securityholders.

**Decision**

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 the Filer continues to concurrently deliver to its securityholders resident in Canada all disclosure documents it is required by the UK Rules to deliver to U.K. resident securityholders.

“Blaine Young”  
Associate Director, Corporate Finance  
Alberta Securities Commission

**2.1.9 Leader Capital Corp. – 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 17, 2009

**Leader Capital Corp.**

777 Bay Street, Suite 1910  
Toronto, Ontario M5G 2C8

Dear Sirs/Mesdames:

**Re: Leader Capital Corp. (the “Applicant”) – application for a decision under the securities legislation of Ontario and Alberta (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.

“Michael Brown”  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**2.1.10 Northbridge Financial Corporation**

**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 under applicable securities laws – Requested relief granted.

**Applicable Legislative Provisions**

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

March 18, 2009

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

**AND**

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

**AND**

**IN THE MATTER OF  
NORTHBRIDGE FINANCIAL CORPORATION  
(the Filer)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer is not a reporting issuer in the Jurisdictions in accordance with the Legislation (the **Exemptive Relief Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) this decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

**Interpretation**

Terms defined in National Instrument 14-101 *Definitions* 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 a corporation subsisting under the *Canada Business Corporations Act* (the **CBCA**). The Filer was formed on February 20, 2009 as a result of the amalgamation of a predecessor entity of the same name, Northbridge Financial Corporation (**NFC**), and FFHL Financial Corp. (**Fairfax Acquisition Subsidiary**), as further described herein.
2. The registered and head office of the Filer is 105 Adelaide Street West, Toronto, Ontario.
3. On February 19, 2009, the shareholders of NFC approved an amalgamation (the **Amalgamation**) of NFC with Fairfax Acquisition Subsidiary, an indirect wholly-owned subsidiary of Fairfax Financial Holdings Limited (**Fairfax**), pursuant to which holders of common shares of NFC (the **NFC Shares**), other than Fairfax and its affiliates, would have their NFC Shares converted into redeemable preferred shares of the Filer (**Filer Preferred Shares**) which would then immediately be redeemed for \$39.00 in cash per Filer Preferred Share. Also in connection with the Amalgamation, the NFC Shares owned by Fairfax and its affiliates would be converted into common shares of the Filer (**Filer Common Shares**).
4. The Amalgamation became effective on February 20, 2009. As a result of the Amalgamation, all outstanding NFC Shares were either converted into Filer Preferred Shares and thereafter redeemed or converted into Filer Common Shares that are beneficially owned, directly or indirectly, by Fairfax.
5. Prior to the Amalgamation, NFC was a reporting issuer in the Jurisdictions and British Columbia. As a result of the Amalgamation, the Filer, as the successor entity to NFC, became a reporting issuer in each of the Jurisdictions and British Columbia.
6. On February 25, 2009, the Filer filed a Voluntary Surrender of Reporting Issuer Status notice with the British Columbia Securities Commission (**BCSC**) pursuant to British Columbia Instrument 11- 502 *Voluntary Surrender of Reporting Issuer Status*. On March 9, 2009, the Filer received an acceptance letter from the BCSC confirming that the Filer has ceased to be a reporting issuer in British Columbia.
7. The only securities of the Filer which are outstanding are the Filer Common Shares, all of which are beneficially owned, directly or indirectly, by Fairfax, and options to acquire Filer Common Shares held by current and former officers and

employees of NFC, the Filer and their subsidiaries pursuant to the Filer's share option plan (the **Option Plan**).

8. The Filer has amended the Option Plan and the Options to allow the Options to be exercisable for Filer Common Shares and to provide for the right of FFHL Group Ltd. (Group Ltd.) or another affiliate of Fairfax to purchase any Filer Common Shares issued on exercise of the Options for a purchase price based on a multiple of the Filer's book value. Similarly, holders of Options have the right to require Group Ltd. to purchase such Filer Common Shares at that price. The amended Option Plan and the Options do not require that the Filer be a reporting issuer or its equivalent in the Jurisdictions.
9. The outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 51 security holders in Canada and fewer than 15 security holders in each of the jurisdictions in Canada other than in Ontario. In Ontario, there are approximately 25 security holders consisting of Fairfax and its wholly-owned subsidiaries holding Filer Common Shares and current and former officers and employees of NFC and the Filer and their subsidiaries holding Options.
10. The NFC Shares were delisted from the Toronto Stock Exchange on February 24, 2009. No securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
11. The Filer is not in default of any of its obligations under the Legislation as a reporting issuer in any of the Jurisdictions.
12. The Filer has no current intention to seek public financing by way of an offering of securities.
13. The Filer, upon the grant of the Exemptive Relief Sought, will no longer be a reporting issuer in any jurisdiction in Canada.

## Decision

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 Exemptive Relief Sought is granted.

"Suresh Thakrar"  
Commissioner  
Ontario Securities Commission

"Paul K. Bates"  
Commissioner  
Ontario Securities Commission

**2.2 Orders**

**2.2.1 Rogers Communications Inc. – s. 104(2)(c)**

**Headnote**

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, approximately 3,900,000 of its Class B Non-Voting Shares from one shareholder – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

**March 6, 2009**

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

**AND**

**IN THE MATTER OF  
ROGERS COMMUNICATIONS INC.**

**ORDER  
(Clause 104(2)(c))**

**UPON** the application (the “**Application**”) of Rogers Communications Inc. (the “**Issuer**”) to the Ontario Securities Commission (the “**Commission**”) for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the “formal bid requirements” of the Act (as defined in the Act) (the “**Issuer Bid Requirements**”) in connection with the proposed purchases (“**Proposed Purchases**”) by the Issuer of up to 3,900,000 (the “**Subject Shares**”) of its Class B Non-Voting shares (the “**Shares**”) from The Royal Bank of Canada and/or such shareholder’s affiliates (collectively, the “**Selling Shareholders**”);

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

**AND UPON** the Issuer having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (British Columbia).

2. The head office of the Issuer is located at 333 Bloor Street East, 10th Floor, Toronto, Ontario, M4W 1G9.
3. The Issuer is a reporting issuer in each of the provinces of Canada and the Shares are listed for trading on the Toronto Stock Exchange (the “**TSX**”) and the New York Stock Exchange. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. As of February 15, 2009, the authorized common share capital of the Issuer consists of 112,462,014 Class A Voting shares and 1,400,000,000 Shares, of which 523,429,539 Shares were issued and outstanding as at that date.
5. The Selling Shareholders have advised the Issuer that they do not directly or indirectly own more than 5% of the issued and outstanding Shares.
6. To the knowledge of the Issuer after reasonable inquiry, the Selling Shareholders own the Subject Shares and the Subject Shares were not acquired in anticipation of resale pursuant to the Proposed Purchases.
7. Pursuant to a “Notice of Intention to Make a Normal Course Issuer Bid” filed with the TSX and dated February 18, 2009 (the “**Notice**”), the Issuer is permitted to make normal course issuer bid (the “**Bid**”) purchases (each a “**Bid Purchase**”) to a maximum of the lesser of 15,000,000 Shares and that number of Shares that can be purchased under the Bid for an aggregate purchase price of C\$300,000,000 in accordance with sections 628 to 629.3 of Part VI of the TSX Company Manual (the “**TSX Rules**”).
8. In addition to making Bid Purchases by means of open market transactions, the Notice contemplates that the Issuer may purchase Shares by way of exempt offer.
9. The Issuer and the Selling Shareholders intend to enter into one or more agreements of purchase and sale (the “**Agreement**”) pursuant to which the Issuer will agree to acquire, by one or more trades occurring prior to May 31, 2009, the Subject Shares from the Selling Shareholders for a purchase price (the “**Purchase Price**”) that will be negotiated at arm’s length between the Issuer and the Selling Shareholders. The Purchase Price will be at a discount to the prevailing market price and below the prevailing bid-ask price for the Shares.
10. The purchase of the Subject Shares by the Issuer pursuant to the Agreement will constitute an “issuer bid” for purposes of the Act to which the Issuer Bid Requirements would apply.



11. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Shares at the time of each trade, the Proposed Purchases cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholders in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to Section 101.2(1) of the Act.
12. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Shares at the time of the trade, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a "**Block Purchase**") in accordance with Section 629(1)7 of the TSX Rules and Section 101.2(1) of the Act.
13. Each of the Selling Shareholders is at arm's length to the Issuer and is not an "insider" of the Issuer, an "associate" of an "insider" of the Issuer or an "associate" or "affiliate" of the Issuer, as such terms are defined in the Act. In addition, each Selling Shareholder is an "accredited investor" within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**").
14. The Issuer will be able to acquire the Subject Shares from the Selling Shareholders in reliance upon the exemption from the dealer registration requirements of the Act that is available as a result of the combined effect of section 2.16 of NI 45-106 and Section 4.1(a) of Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions*.
15. Management is of the view that the Issuer will be able to purchase the Subject Shares at a lower price than the price at which the Issuer will be able to purchase the Shares under the Bid and management is of the view that this is an appropriate use of the Issuer's funds.
16. The purchase of Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders. As the Subject Shares are non-voting shares, the Proposed Purchases will not affect control of the Issuer. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.
17. To the best of the Issuer's knowledge, as of February 15, 2009 the public float for the Shares consisted of approximately 91.8% for purposes of the TSX Rules.
18. The market for the Shares is a "liquid market" within the meaning of Section 1.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.
19. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.
20. At the time that the Agreement is entered into by the Issuer and the Selling Shareholders and at the time of each Proposed Purchase, neither the Issuer nor the Selling Shareholders will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.

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

**IT IS ORDERED** pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with the Proposed Purchases, provided that:

  - (a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit for the Bid Purchases in accordance with the TSX Rules;
  - (b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX Rules during the calendar week it completes each Proposed Purchase and may not make any further Bid Purchases for the remainder of that calendar day;
  - (c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(1)1 of the TSX Rules) of a board lot of Shares immediately prior to the execution of each Proposed Purchase;
  - (d) the Issuer will otherwise acquire any additional Shares pursuant to the Bid and in accordance with the TSX Rules;
  - (e) immediately following its purchase of the Subject Shares from the Selling Shareholders, the Issuer will report the purchase of the Subject Shares to the TSX and issue and file a news release disclosing the purchase of the Subject Shares; and
  - (f) at the time that the Agreement is entered into by the Issuer and the Selling Shareholders and at the time of each Proposed Purchase, neither the Issuer nor the Selling Shareholders will be aware of any undisclosed "material change" or any undisclosed "material fact" (each as defined in the Act) in respect of the Issuer.

“Paulette Kennedy”  
Commissioner  
Ontario Securities Commission

“David L. Knight”  
Commissioner  
Ontario Securities Commission

**2.2.2 Imagin Diagnostic Centres Inc. et al.**

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

**AND**

**IN THE MATTER OF  
IMAGIN DIAGNOSTIC CENTRES INC.,  
PATRICK J. ROONEY, CYNTHIA JORDAN,  
ALLAN McCAFFREY, MICHAEL SHUMACHER,  
CHRISTOPHER SMITH, MELVYN HARRIS AND  
MICHAEL ZELYONY**

**ORDER**

**WHEREAS** on September 28, 2007 the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to s. 127 of the *Securities Act*, R.S.O. 1990, c. S.5, to consider whether it is in the public interest to make certain orders against Imagin Diagnostic Centres Inc. (“Imagin”), Patrick J. Rooney (“Rooney”), Cynthia Jordan (“Jordan”), Allan McCaffrey (“McCaffrey”), Michael Shumacher (“Shumacher”), Christopher Smith (“Smith”), Melvyn Harris (“Harris”) and Michael Zelyony (“Zelyony”), collectively, the “Respondents”;

**AND WHEREAS** on October 5, 2007, Staff of the Commission and counsel for Imagin, Rooney, Jordan, McCaffrey, Shumacher, Smith and Zelyony attended and requested that the matter be adjourned to December 5, 2007 in order to review disclosure and have a pre-hearing conference on or before that date;

**AND WHEREAS** on October 5, 2007, Tom Anderson, Senior Investigator on this matter spoke with Harris and Harris stated that he was content that this matter be adjourned to December 5, 2007;

**AND WHEREAS** on November 30, 2007, Harris sent a fax indicating that he would not be able to attend on December 5, 2007 and previously indicated that he was content that this matter be adjourned;

**AND WHEREAS** on December 5, 2007, Staff of the Commission and counsel for Imagin, Rooney, Jordan, McCaffrey, Shumacher, Smith and Zelyony attended and requested that the matter be adjourned to February 22, 2008 in order to have a pre-hearing conference on that date;

**AND WHEREAS** on February 22, 2008, Staff of the Commission and counsel for Imagin, Rooney, Jordan, McCaffrey, Shumacher, Smith and Zelyony attended for the pre-hearing conference and requested that the matter be adjourned to April 15, 2008, in order to continue the pre-hearing conference on that date;

**AND WHEREAS** on April 15, 2008, Staff of the Commission and counsel for Imagin and Rooney advised the Commission that they had received information that Melvyn Harris had passed away;

**AND WHEREAS** on April 15, 2008, the Commission ordered that the Hearing on the merits shall commence on March 23, 2009 at 10:00 a.m. for ten days;

**AND WHEREAS** on January 16, 2009 Jordan, McCaffrey, Shumacher, Smith and Zelyony entered into Settlements Agreements with the Commission;

**AND WHEREAS** on March 11, 2009, Imagin and Rooney brought a motion before the Commission requesting an adjournment of the Hearing on the merits;

**AND WHEREAS** Staff of the Commission opposed the adjournment request;

**AND WHEREAS** the Commission heard submissions from Staff of the Commission and from Rooney on behalf of himself and Imagin;

**AND WHEREAS** the Commission is satisfied that Imagin and Rooney require a brief adjournment to prepare for the Hearing on the merits as they recently ceased to be represented by counsel;

**AND WHEREAS** the Commission is satisfied that it is not contrary to the public interest to make this Order;

**IT IS HEREBY ORDERED:**

- 1) that the Hearing scheduled to commence on March 23, 2009 is adjourned to May 19, 2009 at 10:00am;
- 2) that the Hearing on the merits shall commence on May 19, 2009 and continue until May 22, 2009 and then shall recommence on June 17, 2009 and continue until June 19, 2009 or on such other dates as directed by the Commission; and
- 3) that on consent of Rooney, Imagin and Rooney shall furnish statements to Staff of the Commission containing the anticipated evidence of all witnesses that Imagin and Rooney propose to call in the Hearing on the merits by no later than May 8, 2009.

**DATED** at Toronto this 11th day of March, 2009

Lawrence E. Ritchie

**2.2.3 W.J.N. Holdings Inc. et al. – ss. 127(1), 127(5)**

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

**AND**

**IN THE MATTER OF  
W.J.N. HOLDINGS INC., MSI CANADA INC.,  
360 DEGREE FINANCIAL SERVICES INC.,  
DOMINION INVESTMENTS CLUB INC.,  
LEVERAGEPRO INC., PROSPOREX INVESTMENT  
CLUB INC., PROSPOREX INVESTMENTS INC.,  
PROSPOREX LTD., PROSPOREX INC.,  
NETWORTH FINANCIAL GROUP INC.,  
NETWORTH MARKETING SOLUTIONS,  
DOMINION ROYAL CREDIT UNION, DOMINION  
ROYAL FINANCIAL INC., WILTON JOHN NEALE,  
EZRA DOUSE, ALBERT JAMES,  
ELNONIETH “NONI” JAMES, DAVID WHITELY,  
CARLTON IVANHOE LEWIS, MARK ANTHONY  
SCOTT, SEDWICK HILL, TRUDY HUYNH,  
DORLAN FRANCIS, VINCENT ARTHUR,  
CHRISTIAN YEBOAH, AZUCENA GARCIA, AND  
ANGELA CURRY**

**TEMPORARY ORDER  
(Sections 127(1) and (5))**

**WHEREAS** it appears to the Ontario Securities Commission (the “Commission”) that:

1. The individual respondents are residents of Ontario;
2. None of the individual respondents are registered with the Commission to advise or to trade in securities;
3. The non-individual respondents are neither reporting issuers nor registrants in Ontario. None of the non-individual respondents have filed a preliminary prospectus or prospectus and the Director has not issued a receipt in respect of any of them.
4. MSI Canada Inc. has issued securities to investors in Ontario;
5. Prosporex Investment Club Inc. and Dominion Investments Club Inc. have entered into profit sharing agreements and/or investment contracts with Ontario investors which appear to be “securities” as defined in section 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”);
6. The respondents have traded securities without registration, contrary to section 25 of the Act; and
7. The respondents traded in securities not previously issued of MSI Canada Inc., Prosporex

Investment Club Inc. and Dominion Investment Club Inc. without a prospectus having been filed in respect of each, or a receipt issued contrary to s. 53 of the Act.

**AND WHEREAS** the Commission is of the opinion that it is in the public interest to make this order and that the time required to conclude a hearing could be prejudicial to the public interest.

**AND WHEREAS** by Commission Order made By Authorization Order made April 1, 2008, pursuant to subsection 3.5(3) of the Act, each of W. David Wilson, James E.A. Turner, Lawrence E. Ritchie, Paul K. Bates and David L. Knight, acting alone, is authorized to make orders under section 127(5) of the Act;

**IT IS ORDERED** pursuant to section 127(5) of the Act that:

- (a) pursuant to clause 2 of section 127(1), all trading in securities of the respondents MSI Canada Inc., Prosporex Investment Club Inc. and Dominion Investment Club Inc. shall cease;
- (b) pursuant to clause 2 of section 127(1), trading in any securities by all of the respondents shall cease; and
- (c) pursuant to clause 3 of section 127(1), any exemptions contained in Ontario securities law do not apply to the respondents.

**IT IS FURTHER ORDERED** that pursuant to section 127(6) of the Act this order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission.

**DATED** at Toronto this 11th day of March, 2009.

“W. David Wilson”

**2.2.4 BlueCrest Capital Management LLP – s. 218 of the Regulation**

**Headnote**

Application for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, for the Applicant to be registered under the Act as a dealer in the category of limited market dealer.

**Regulation Cited**

R.R.O. 1990, Regulation 1015, am. to O. Reg. 500/06, ss. 213, 218.

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

**AND**

**IN THE MATTER OF  
R.R.O. 1990, REGULATION 1015, AS AMENDED  
(the Regulation)**

**AND**

**IN THE MATTER OF  
BLUECREST CAPITAL MANAGEMENT LLP**

**ORDER  
(Section 218 of the Regulation)**

**UPON** the application (the **Application**) of BlueCrest Capital Management LLP (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer (**LMD**);

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is a private limited liability partnership formed under the laws of England and Wales. The head office of the Applicant is located in London, United Kingdom.
2. The Applicant is authorized and registered by the Financial Services Authority in the United Kingdom. The Applicant is also registered as an

investment adviser with the United States Securities and Exchange Commission.

3. The Applicant provides stock and share dealing services, portfolio management, intermediary and custodian services to individuals and institutions.
4. The Applicant is not presently registered in any capacity under the Act. The Applicant has applied to the Commission for registration under the Act as an LMD, primarily for the purpose of, among other things, marketing and selling privately placed securities to accredited investors on an exempt basis pursuant to the registration and prospectus exemptions contained in National Instrument 45-106 – *Prospectus and Registration Exemptions*.
5. Section 213 of the Regulation provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.
6. The Applicant is not resident in Canada, will not maintain an office in Canada and will only participate in limited market dealer activities in Ontario. The Applicant does not require a separate Canadian company in order to carry out its proposed limited market dealer activities in Ontario. It is more efficient and cost-effective for the Applicant to carry out those activities through the existing company.
7. Without the relief requested, the Applicant would not meet the requirements of the Regulation for registration as an LMD because it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

**AND UPON** being satisfied that to make this order would not be prejudicial to the public interest;

**IT IS ORDERED**, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer under the Act in the category of limited market dealer, that section 213 of the Regulation shall not apply to the Applicant for a period of three years, provided that:

1. The Applicant appoints an agent for service of process in Ontario.
2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the Applicant's agent for service of process in Ontario, and the nature of risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Commission 30 days prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

4. The Applicant and each of its registered directors or officers irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

5. The Applicant will not have custody of, or maintain customer accounts in relation to, securities, funds, and other assets of clients resident in Ontario.

6. The Applicant will inform the Director immediately upon the Applicant becoming aware:

- (a) that it has ceased to be authorized and registered by the Financial Services Authority in the United Kingdom; or
- (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked; or
- (c) that it is the subject of a regulatory proceeding, investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority; or
- (d) that the registration of its salespersons, officers, directors or partners who are registered in Ontario have not been renewed or have been suspended or revoked in any Canadian or foreign jurisdiction; or
- (e) that any of its salespersons, officers, directors or partners who are registered in Ontario are the subject of a regulatory proceeding, investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.

7. The Applicant will pay the increased compliance and case assessment costs of the Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Commission.

8. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.

9. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario without the consent of the relevant client the Applicant shall, upon a request by the Commission:
- (a) so advise the Commission; and
  - (b) use its best efforts to obtain the client's consent to the production of the books and records.
10. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.
11. The Applicant and each of its registered directors, officers or partners will comply, at the Applicant's expense, with requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario.
12. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:
- (a) so advise the Commission; and
  - (b) use its best efforts to obtain the client's consent to the giving of the evidence.
13. The Applicant will maintain appropriate registration and regulatory organization membership in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

March 13, 2009.

"Suresh Thakrar"  
Commissioner  
Ontario Securities Commission

"Paulette L. Kennedy"  
Commissioner  
Ontario Securities Commission

**2.2.5 Sextant Capital Management Inc. et al. – s. 127**

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

**AND**

**IN THE MATTER OF  
SEXTANT CAPITAL MANAGEMENT INC.,  
SEXTANT CAPITAL GP INC., SEXTANT  
STRATEGIC OPPORTUNITIES HEDGE FUND L.P.,  
OTTO SPORK, ROBERT LEVACK AND  
NATALIE SPORK**

**ORDER  
(Section 127)**

**WHEREAS** the Ontario Securities Commission (the "Commission") issued a temporary order on December 8, 2008 (the "Temporary Order") against Sextant Capital Management Inc. ("SCMI"), Sextant Capital GP Inc. ("Sextant GP"), the Sextant Strategic Opportunities Hedge Fund L.P. (the "Sextant Canadian Fund"), Otto Spork, Robert Levack and Natalie Spork (together, the "Respondents");

**AND WHEREAS** the Temporary Order ordered that: (1) pursuant to clause 1 of section 127(1) and section 127(5) of the Act, SCMI's registration as investment counsel, portfolio manager and limited market dealer is subject to the terms and conditions that its advising and dealing activities may be applied exclusively to and in respect of the Sextant Canadian Fund and not to or in respect of any other entities; (2) pursuant to clause 2 of section 127(1) and section 127(5) of the Act, trading in securities of and by the Respondents shall cease with the sole exception that SCMI may place sell orders in respect of the securities and futures contracts held on deposit on behalf of the Sextant Canadian Fund in accounts at Newedge Canada Inc.; and (3) pursuant to clause 3 of section 127(1) and section 127(5) of the Act, any exemptions contained in Ontario securities law do not apply to any of the Respondents.

**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** on December 16, 2008, Staff and counsel for Otto Spork, Robert Levack and Natalie Spork (the "Individual Respondents") appeared before the Commission, counsel for SCMI, Sextant GP and the Sextant Canadian Fund having advised of those Respondents' position in writing;

**AND WHEREAS** on December 16, 2008 the Commission ordered that the Temporary Order is continued until March 17, 2009 or further order of the Commission and the hearing is adjourned to March 16, 2009 at 10:00 a.m., or such other date as is agreed by Staff and the Respondents and as determined by the Office of the Secretary;

**AND WHEREAS** the Individual Respondents continue to be represented by counsel in this matter, SCMI and Sextant GP have served a notice of change of solicitors to appoint new counsel in this matter and the Sextant Canadian Fund is no longer represented by counsel;

**AND WHEREAS** on March 16, 2009 Staff, counsel for the Individual Respondents and counsel for SCMI and Sextant GP appeared before the Commission, and no one appeared on behalf of the Sextant Canadian Fund;

**AND WHEREAS** Staff have requested an adjournment of the Temporary Order until June 17, 2009 to permit Staff to continue their investigation;

**AND WHEREAS** counsel for the Individual Respondents and counsel for SCMI and Sextant GP do not oppose an extension of the Temporary Order until June 17, 2009, subject to their right to attend before the Commission prior to that date, on ten days' notice, to seek the revocation or variance of the Temporary Order;

**IT IS ORDERED** that the Temporary Order is continued until June 17, 2009 or further order of the Commission and the hearing is adjourned to June 16, 2009 at 10:00 a.m., or such other date as is agreed by Staff and the Respondents and as determined by the Office of the Secretary.

DATED at Toronto this 16th day of March, 2009.

"Suresh Thakrar"

"Carol S. Perry"

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## Chapter 3

# Reasons: Decisions, Orders and Rulings

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### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 Rodney International et al.

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

**AND**

**IN THE MATTER OF  
RODNEY INTERNATIONAL, CHOEUN CHHEAN  
(ALSO KNOWN AS PAULETTE C. CHHEAN) AND  
MICHAEL A. GITTENS (ALSO KNOWN AS  
ALEXANDER M. GITTENS)**

**REASONS AND DECISION ON SANCTIONS AND COSTS**

**Hearing:** February 11, 2009

**Decision:** March 6, 2009

**Panel:** Wendell S. Wigle, Q.C. – Commissioner and Chair of the Panel  
Suresh Thakrar – Commissioner

**Counsel:** Matthew Britton – For the Ontario Securities Commission  
Michele Brady (Student)

No one appeared for Rodney International or Michael A. Gittens

#### **REASONS AND DECISION ON SANCTIONS AND COSTS**

##### **I. Background**

[1] This was a bifurcated hearing before the Ontario Securities Commission (the “Commission”) pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”). The hearing on the merits was held on September 18, 2008 and a decision was rendered on November 19, 2008, whereby the Commission found that Rodney International (“Rodney”) and Michael A. Gittens (also known as Alexander M. Gittens) (“Gittens”) (collectively the “Respondents”) violated registration and prospectus requirements under the Act with respect to the sale of Rodney securities.

[2] Following the release of the decision for the hearing on the merits (*Re Rodney International* (2008), 31 O.S.C.B. 11393 (the “Rodney Merits Decision”)), we held a separate hearing (the “Sanctions and Costs Hearing”), on February 11, 2009, to consider additional evidence and submissions from Staff and the Respondents regarding sanctions and costs.

[3] The Sanctions and Costs Hearing, held on February 11, 2009, was attended by Staff of the Commission (“Staff”); the Respondents did not attend.

[4] At the conclusion of the Sanctions and Costs Hearing, based on the uncontested submissions of Staff, the Panel gave an oral ruling approving Staff’s recommended order, and an Order was issued on February 11, 2009.

[5] These are our reasons for the Order issued in this matter on February 11, 2009.

##### **II. Reasons and Decision Dated November 19, 2008**

[6] At the hearing on the merits, counsel for Staff advised that Staff would not be proceeding against Choeun Chhean (also known as Paulette C. Chhean) (“Chhean”). Staff subsequently filed a Notice of Withdrawal with respect to Chhean on October 6,

2008, effective September 18, 2008. Accordingly, at the hearing on the merits no findings or orders were made with respect to Chhean.

- [7] Upon considering the evidence, the following findings were made with respect to the Respondents:
- (a) by advertising an investment product, soliciting investors and accepting and depositing into the Rodney account at least one cheque from an investor, Gittens and Rodney engaged in an “act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of” a “trade” as that term is defined in subsection 1(1) of the Act;
  - (b) as neither Gittens nor Rodney is registered with the Commission, they breached subsection 25(1) of the Act in that they traded in securities without being registered, no exemption being available; and
  - (c) Gittens and Rodney breached subsection 53(1) of the Act by distributing securities without a preliminary prospectus and a prospectus having been filed and receipts having been issued by the Commission.

[8] It is this conduct that we must consider when determining the appropriate sanctions to apply in this matter.

### **III. The Respondent’s Failure to Appear at the Sanction and Costs Hearing**

[9] At the hearing on the merits, on September 18, 2008, no one attended on behalf of the Respondents. In the Rodney Merits Decision the Commission made the following finding:

In light of the circumstances, we accept that Gittens was served with the Statement of Allegations and the Notice of Hearing, as well as the August 5, 2008 Temporary Order, and that he received sufficient notice that a hearing on the merits would take place on September 18, 2008, but advised Staff that he would not attend. In the circumstances, considering Staff’s inability to find Gittens’ current mailing address, we are satisfied this was sufficient. (Rodney Merits Decision, *supra* at para. 14)

[10] At the Sanctions and Costs Hearing, Staff submitted that they contacted Gittens by phone and obtained from him an address, to which they could send notification of the date of the Sanctions and Costs Hearing. Staff further submitted that they sent a letter dated February 4, 2009 to Gittens, at the address that Gittens provided, notifying him of the date of the Sanctions and Costs Hearing, however that letter was returned with a note that there was no one residing at the address.

[11] We are satisfied that Staff has made sufficient efforts to notify the Respondents about the Sanctions and Costs Hearing hearing.

[12] Accordingly, having satisfied ourselves that Staff took sufficient efforts to notify the Respondents about the Sanctions and Costs Hearing we continued the hearing in the absence of the Respondents, as permitted pursuant to section 7 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (“SPPA”).

### **IV. Sanctions Requested by Staff**

- [13] Staff requested that the following sanctions be ordered in this matter:
- (a) that the Respondents cease trading for 10 years;
  - (b) that the Respondents cease the acquisition of securities for 10 years;
  - (c) that the exemptions contained in Ontario securities law not apply to them for 10 years;
  - (d) that the Respondent, Gittens, resign any position he holds as an officer or director of any issuer;
  - (e) that the Respondent, Gittens, be prohibited from becoming or acting as a director of any issuer for 10 years; and
  - (f) that the Respondent be reprimanded

[14] Staff also requested a costs award of \$2,000 for the costs of the investigation and hearing in this matter.

[15] Staff submitted that these sanctions were appropriate in light of the fact that the allegations and findings in the Rodney Merits Decision are serious ones.

[16] Staff submitted that although the evidence did not establish that the Respondents were successful in obtaining large amounts from investors, they appear to have been prevented from continuing their scheme due to the quick response of regulators in the U.S.A. and Canada.

[17] Staff submitted, and we agree, that when respondents engage in serious misconduct involving a scheme to deprive investors of their money, there is a strong likelihood that they will not be deterred by protective orders and will engage in similar conduct in the future. As a result the Commission must craft an order which will protect investors from the potential future misconduct of the Respondents and, at the same time, send a deterrent message to persons who may contemplate committing similar abusive acts upon investors. The Commission must also send a message to like-minded persons that Ontario will not be allowed to be a base from which to engage in securities schemes against foreign residents.

## V. Analysis and Conclusion

[18] In considering Staff's submissions, we were guided by the mandate of the Commission as outlined in section 1.1 of the Act:

- (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.

[19] Further, as stated in *Re Momentas et. al.* (2007), 30 O.S.C.B. 6475 ("*Momentas*") at para. 40, the Commission has "... a duty to take steps to make sure that manipulative or other improper practices in the financial marketplace are not tolerated ... and this can be accomplished by ensuring that the appropriate sanctions are imposed to deter similar conduct from occurring in the future."

[20] Staff submitted, and we agree, that our role is not to punish the Respondents but rather to make an order that will protect investors and prevent their exposure to similar conduct in the future. The *Momentas* case, cited by Staff, refers to the following quote by the Commission in *Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 ("*Mithras*") at 1610 and 1611:

[...] the role of this Commission is to protect the public interest by removing from the capital markets — wholly or partially, permanently or temporarily, as the circumstances may warrant — those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be ... (*Momentas, supra* at para. 39)

[21] In evaluating the sanctions proposed by Staff we were guided by the sanctioning factors listed in *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743, which Staff referred us to in their submissions. These factors are:

- (a) the seriousness of the allegations;
- (b) the respondent's experience in the marketplace;
- (c) the level of a respondent's activity in the marketplace;
- (d) whether or not there has been a recognition of the seriousness of the improprieties;
- (e) whether or not the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people from engaging in similar abuses of the capital markets;
- (f) any mitigating factors; and
- (g) the remorse of the respondent.

[22] In addition, the *Momentas* case, cited by Staff, also refers to additional sanctioning factors set out in *Re M.C.J.C. Holdings Inc.* (2002), 25 O.S.C.B. 1133 at para. 26. These additional factors are:

- (a) the size of any profit or loss avoided from the illegal conduct;
- (b) the size of any financial sanctions or voluntary payment when considering other factors;

- (c) the effect any sanction might have on the ability of a respondent to participate without check in the capital markets;
- (d) the reputation and prestige of the respondent; and
- (e) the shame or financial pain that any sanction would reasonably cause to the respondent and the remorse of that respondent.

(*Momentas*, supra at para. 42)

[23] Applying the above sanctioning factors to the specific facts of this case, we find that by acting in a manner that is contrary to the public interest through the unauthorized trading in and distribution of securities, the Respondents have committed a serious breach of Ontario securities law.

[24] We note that the Respondents did not participate in the hearing and we have no evidence of remorse on the part of the Respondents, nor do we have any evidence of mitigating factors.

[25] We are of the view that sanctions are needed to protect investors by deterring the Respondents from engaging in similar conduct in the future and at the same time send a deterrent message to persons who may contemplate committing similar abusive acts upon investors. In our view, the combination of the sanctions imposed achieve this goal.

[26] We have reviewed Staff's proposed sanctions against the sanctions ordered in *Momentas*, a case which also involved illegal distribution of securities. In *Momentas*, investors lost almost \$8,000,000 and as a result, in addition to a disgorgement order, the principal participants in the illegal distribution were permanently cease traded and permanently banned from being or acting as directors or officers of any issuer.

[27] In the present matter before us, while the Respondents engaged in a scheme to deprive investors of their money and acted in a manner contrary to the public interest, the evidence is that only one unidentified investor lost money. We therefore find that the 10 year cease trade ban for both Respondents and the 10 year director and officer ban for Gittens is appropriate.

[28] Staff sought an order requiring that Gittens and Rodney be jointly and severally responsible for a portion of the costs of the investigation and hearing in this matter in the amount of \$2,000. Given the nature, timing and length of the proceeding and the relative narrowness of the issues, we find that \$2,000 in costs is appropriate.

[29] Accordingly, by Order dated February 11, 2009, we ordered that:

1. Pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by each of the Respondents, Gittens and Rodney, cease for a period of 10 years from the date of this Order;
2. Pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of any securities by each of the Respondents, Gittens and Rodney, cease for a period of 10 years from the date of this Order;
3. Pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to each of the Respondents, Gittens and Rodney, for a period of 10 years from the date of this Order;
4. Pursuant to clause 7 of subsection 127(1) of the Act, the Respondent, Gittens, resign all positions as a director or officer of any issuer;
5. Pursuant to clause 8 of subsection 127(1) of the Act, the Respondent, Gittens, is prohibited from becoming or acting as director or officer of any issuer for a period of 10 years from the date of this Order;
6. Pursuant to clause 6 of subsection 127(1) of the Act, the Respondent, Gittens, is reprimanded; and
7. Pursuant to section 127.1 of the Act, the Respondents, Gittens and Rodney shall jointly and severally pay the costs of Staff's investigation and the hearing in this matter in the amount of \$2,000 to the Ontario Securities Commission.

**DATED** at Toronto this 6th day of March, 2009

"Wendell S. Wigle"  
Wendell S. Wigle, Q.C.

"Suresh Thakrar"  
Suresh Thakrar

3.1.2 David Cathcart – 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  
DAVID CATHCART

HEARING HELD PURSUANT TO SECTIONS 127 AND 127.1 OF THE ACT

SETTLEMENT HEARING RE: DAVID CATHCART

**HEARING:** Friday February 27, 2009

**PANEL:** Wendell S. Wigle – Commissioner and Chair of the Panel  
Margot C. Howard – Commissioner

**APPEARANCES:** Ian Smith – for Staff of the Ontario Securities Commission  
David Cathcart – for himself

**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 David Cathcart (“Cathcart” or the “Respondent”).

[2] We have considered the submissions of Staff and Cathcart and we have decided to approve the Settlement Agreement as being in the public interest. These are our oral reasons in this matter.

[3] The facts and circumstances agreed to by Staff and Cathcart 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 Cathcart for purposes of this settlement. In approving the Settlement Agreement, we relied on the facts in the agreement and those facts represented to us at the hearing today (see: *Re Rankin* (2008), 31 O.S.C.B. 3303 at para. 5).

[4] The conduct at issue relates to Cathcart’s execution of trades in securities of Hucamp Mines Ltd. (“Hucamp”). Specifically:

- (1) Cathcart’s failure to act in a manner that was duly diligent by placing shares of Hucamp into the account of Almasa Distribution FZCO (“Almasa”), a private investment company, without the authorization of Almasa or Almasa’s principals; and
- (2) Cathcart’s trading in Hucamp shares, at the instruction of John Illidge (“Illidge”), who was the President and CEO of Hucamp from March 1996 until May, 2001.

[5] Cathcart was a registered representative with Rampart Securities Inc. (“Rampart”), a Toronto brokerage house, from December 1999 to August 2001.

[6] Cathcart was also a registered representative with St. James from May 1996 to November, 1999, and with Northern Securities Inc. from November to December, 1999.

[7] 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.

[8] Hucamp's public file reflects a non-brokered private placement dated November 4, 2000 which was 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.

[9] As at December 31, 2000, 500,000 shares had been issued to one placee: Almasa. These shares were deposited in the Almasa account at Rampart by Cathcart at the direction of Illidge. Cathcart was the registered representative on the Almasa account at Rampart. Neither Almasa nor Almasa's principals authorized the purchase of these shares.

[10] By participating in the conduct described above, Cathcart failed to act in a manner that was duly diligent.

[11] In 2000 and 2001, the market in Hucamp was subjected to abusive trading practices in the accounts of Illidge, Patricia McLean ("McLean"), Stafford Kelley ("Kelley") and Devendranauth Misir ("Misir") (collectively, the "Other Respondents"). Cathcart 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, Cathcart 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, Cathcart allowed himself to be used in engaging in the following conduct:

- (1) he controlled the market for Hucamp shares and manipulated or attempted to manipulate the market price for Hucamp shares;
- (2) he engaged in trading for the purpose of creating a false appearance of trading volume in and demand for Hucamp shares;
- (3) he engaged in trades in Hucamp shares between the Other Respondents;
- (4) he dominated trading in Hucamp shares;
- (5) he engaged in trading of Hucamp shares by using nominee accounts at Rampart and elsewhere; and,
- (6) he both bought and sold Hucamp shares through jitney trades.

[12] By entering into the Settlement Agreement, Cathcart has recognized that he acted contrary to the public interest. Cathcart has accepted sanctions, including a cease trade order, a prohibition from acting as a director or officer and a prohibition from acting as a registrant.

[13] Before we go to our order, we would like to briefly refer to the law as it applies to the consideration of the Settlement Agreement before the Panel.

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

- (1) to provide protection to investors from unfair, improper or fraudulent practices; and
- (2) to foster fair and efficient capital markets and confidence in the capital markets.

[15] The role of the Commission is set out in *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at 1610-1611:

... the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 [now 122] of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing, we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be. ...

[16] 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 Staff referred to in their submissions.

[17] In addition, appropriate sanctions need to take into account the specific circumstances of each case (*Re M.C.J.C. Holdings and Michael Cowpland, supra* at 1134-1135).

[18] 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. Instead, the Commission should ensure that the agreed sanctions in the settlement agreement are within acceptable parameters.

[19] This is what we as a Panel have done in approving this Settlement Agreement. In 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.

[20] Therefore, we order 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.

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

[22] Deterrence is achieved through: (1) the imposition of a permanent ban from becoming or acting as an officer or director of any registrant or reporting issuer; and (2) the imposition of a permanent ban from becoming or acting as a registrant.

[23] In addition, as Cathcart's misconduct relates to trading, in our view imposing a cease trade order also deters Cathcart and like minded individuals from engaging in similar conduct in the future.

[24] We also note that both sides worked together to negotiate and narrow the issues in dispute.

[25] Though 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 this was not a hearing on the merits, this is a negotiated Settlement Agreement. We also recognize that Cathcart should be given credit for cooperation with Staff and that by settling, Commission resources have been conserved. Therefore, we find that the sanctions are acceptable and fall within acceptable parameters.

[26] Accordingly, we approve the Settlement Agreement as being in the public interest.

Approved by the Chair of the Panel on March 12, 2009.

"Wendell S. Wigle"

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
International Road Dynamics Inc.	06 Mar 09	18 Mar 09	18 Mar 09	
Dinnerex Limited Partnership VIII	02 Mar 09	13 Mar 09	13 Mar 09	
MedcomSoft Inc.	02 Mar 09	13 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

THERE IS NOTHING TO REPORT THIS WEEK.

### 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
Brainhunter Inc.	28 Jan 09	10 Feb 09	10 Feb 09		
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09	03 Mar 09		

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## Chapter 7

# Insider Reporting

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://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](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

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### 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
02/23/2009	15	Adventure Gold Inc. - Units	187,500.00	17,045,463.00
03/05/2009	9	Affinity Gold Corp. - Common Shares	324,123.80	623,315.00
01/01/2009	3	Alchemy Group of Companies Inc. - Common Shares	300,000.00	51,000.00
03/03/2009	3	AmeraCan Energy Holdings (2008) Limited Partnership - Limited Partnership Units	266,250.00	213.00
01/01/2008 to 12/31/2008	2	AMI Balanced Pooled Fund - Units	630,643.66	N/A
01/01/2008	1	AMI Canadian Equity Pooled Fund - Units	357,290.40	N/A
01/01/2008 to 12/31/2008	2	AMI Capped Canadian Equity Pooled Fund - Units	11,663,856.36	N/A
01/01/2008	1	AMI Corporate Bond Pooled Fund - Units	104,533.58	N/A
01/01/2008	4	AMI Fixed Income Pooled Fund - Units	2,580,087.05	N/A
01/01/2008 to 12/31/2008	2	AMI Growing Income Pooled Fund - Units	2,801,635.35	N/A
01/01/2008 to 12/31/2008	2	AMI Money Market Pooled Fund - Units	14,753,415.44	N/A
01/01/2008 to 12/31/2008	14	AMI Small Cap Pooled Fund - Units	2,843,831.96	N/A
09/02/2008 to 11/28/2008	6	Archer Education Group Inc. - Units	643,527.00	N/A
02/26/2009	13	Armistice Resources Corp. - Units	935,600.25	6,237,335.00
03/10/2009	48	Bandera Gold Ltd. - Units	819,600.00	8,196,000.00
01/01/2008 to 12/31/2008	36	Bissett Core Equity Trust - Trust Units	29,990,838.14	N/A
03/06/2009	8	Brand Marvel Worldwide Consumer Products Corporation - Units	80,536.92	1,864,856.00
03/06/2009	1	Brett Resources Inc. - Common Shares	24,000.00	50,000.00
01/02/2008 to 12/01/2008	4	Bridgewater Pure Alpha Fund II, Ltd. - Units	223,029,646.00	170,277.00
01/01/2008 to 12/31/2008	2	Bridgewater Short Term Investment Fund II, LLC - Units	2,239,351,738.31	155,432,005.25
03/03/2009	10	BTI Systems Inc. - Debentures	2,691,470.15	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
03/05/2009	47	CareVest Blended Mortgage Investment Corporation - Preferred Shares	989,596.00	989,996.00
03/05/2009	48	CareVest First Mortgage Investment Corporation - Preferred Shares	1,112,498.00	1,112,498.00
01/01/2008 to 12/31/2008	15	CIBC Balanced Fund - Units	10,466,538.22	N/A
01/01/2008 to 12/31/2008	25	CIBC Canadian Equity Fund - Units	6,127,755.92	N/A
01/01/2008 to 12/31/2008	41	CIBC Canadian Money Market Fund - Units	12,595,870.58	N/A
01/01/2008 to 12/31/2008	15	CIBC CDN Equity Value Fund - Units	1,093,340.44	N/A
01/01/2008 to 12/31/2008	20	CIBC EAFE Equity Fund - Units	6,042,405.99	N/A
01/01/2008 to 12/31/2008	25	CIBC Fixed Income Fund - Units	4,457,928.47	N/A
01/01/2008 to 12/31/2008	20	CIBC Global Canadian Bond Index Fund - Units	219,585,455.20	N/A
01/01/2008 to 12/31/2008	13	CIBC Global Long Term Bond Index Fund - Units	121,270,719.85	N/A
01/01/2008 to 12/31/2008	12	CIBC Small Cap Fund - Units	1,068,329.93	N/A
01/01/2008 to 12/31/2008	29	CIBC U.S. Equity S&P 500 Synthetic Index Fund - Units	53,411,136.17	N/A
03/03/2009	16	Consolidated Dencam Development Corporation - Units	119,000.00	5,950,000.00
03/06/2009	5	Diablo Technologies Inc. - Preferred Shares	6,616,722.39	22,458,494.00
01/01/2008 to 12/31/2008	3	DIM Private Alternative Strategies Fund - Units	5,773,005.00	N/A
01/01/2008 to 12/31/2008	2	DIM Private Balanced Fund - Units	5,160,478.00	N/A
01/01/2008 to 12/31/2008	2	DIM Private Bond Fund - Units	10,948,444.00	N/A
01/01/2008 to 12/31/2008	4	DIM Private Canadian Large Cap Equity Fund - Units	61,273,880.00	N/A
01/01/2008 to 12/31/2008	3	DIM Private Canadian Small Cap Equity Fund - Units	13,692,272.00	N/A
01/01/2008 to 12/31/2008	3	DIM Private Corporate Bond Fund - Units	56,071,879.00	N/A
01/01/2008 to 12/31/2008	4	DIM Private EAFE Equity Fund - Units	58,815,435.00	N/A
01/01/2008 to 12/31/2008	3	DIM Private Government Bond Fund - Units	71,554,067.00	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2008 to 12/31/2008	4	DIM Private U.S. Equity Fund (for non taxable accounts) - Units	15,235,440.00	N/A
01/01/2008 to 12/31/2008	4	DIM Private U.S. Equity Fund (for taxable accounts) - Units	35,226,173.00	N/A
01/17/2008	1	Dragon IPO Fund Series III - Units	25,000.00	14,200.00
07/01/2008	2	Epicurus Capital LP - Units	1,806,128.55	N/A
01/01/2008 to 12/31/2008	7	Fiera Active Fixed Income Fund - Units	66,976,030.00	6,566,672.00
01/01/2008 to 12/31/2008	38	Fiera Balanced Fund - Units	43,078,716.00	4,282,360.00
01/01/2008 to 12/31/2008	4	Fiera Canadian Bond Fund - Ethical - Units	74,996,050.00	1,871,013.00
01/01/2008 to 12/31/2008	2	Fiera Canadian Equity Diversified Fund - Units	16,193,764.00	1,976,542.00
01/01/2008 to 12/31/2008	4	Fiera Canadian Equity Ethical Fund - Units	50,500,000.00	4,722,332.32
01/01/2008 to 12/31/2008	11	Fiera Canadian Equity Fund - Units	26,889,266.00	2,548,452.55
01/01/2008 to 12/31/2008	8	Fiera Canadian Equity Value Fund - Units	37,615,675.00	3,000,257.00
01/01/2008 to 12/31/2008	4	Fiera Diversified Lending Fund - Units	24,184,896.00	2,425,630.00
01/01/2008 to 12/31/2008	7	Fiera Global Marco Fund - Units	63,045,923.00	5,962,901.00
01/01/2008 to 12/31/2008	2	Fiera Income Trust Fund - Units	1,303,347.00	171,628.00
01/01/2008 to 12/31/2008	34	Fiera International Equity Diversified Fund - Units	44,705,946.00	3,285,979.00
01/01/2008 to 12/31/2008	66	Fiera International Equity Fund - Units	35,005,928.00	3,539,665.00
01/01/2008 to 12/31/2008	142	Fiera Market Neurtal Equity Fund - Units	3,351,936.00	344,929.00
01/01/2008 to 12/31/2008	14	Fiera Money Market Fund - Units	382,854,914.00	33,518,294.87
01/01/2008 to 12/31/2008	24	Fiera North American Market Neutral Fund - Units	26,087,761.00	2,603,000.00
01/01/2008 to 12/31/2008	100	Fiera North American Market Neutral Fund II - Units	77,060,945.00	7,858,928.00
01/01/2008 to 12/31/2008	92	Fiera Private Wealth Canadian Equity Fund - Units	19,963,737.00	2,017,656.00
01/01/2008 to 12/31/2008	75	Fiera Private Wealth Income Fund - Units	3,473,867.00	358,369.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2008 to 12/31/2008	20	Fiera Short Term Investment Fund - Units	255,109,273.00	25,510,927.00
01/01/2008 to 12/31/2008	6	Fiera Tactical Fixed Income Fund - Units	72,165,847.00	7,160,677.00
01/01/2008 to 12/31/2008	3	Fiera U.S. Equity Ethical Q Fund - Units	22,439,260.00	3,055,785.00
01/01/2008 to 12/31/2008	81	Fiera U.S. Equity Fund - Units	25,283,104.00	7,164,908.38
01/01/2008 to 12/31/2008	6	Fiera U.S. Equity Q Fund - Units	5,600,136.00	91,606.00
03/05/2009 to 03/06/2009	3	First Leaside Fund - Trust Units	259,500.00	259,500.00
03/05/2009	1	First Leaside Fund - Trust Units	6,939.42	5,389.00
03/05/2009 to 03/06/2009	5	First Leaside Fund - Trust Units	25,000.00	5,389.00
02/12/2009 to 02/21/2009	218	Fisgard Capital Corporation - Common Shares	1,076,788.54	N/A
03/02/2009 to 03/06/2009	3	General Motors Acceptance Corporation of Canada, Limited - Notes	701,063.20	7,010.63
03/05/2009	28	Gold Hawk Resources Inc. - Units	1,000,000.00	50,000,000.00
01/01/2008 to 12/31/2008	69	Greystone Balanced Fund - Units	334,278,758.54	20,072,062.72
01/01/2008 to 12/31/2008	69	Greystone Canadian Equity Fund - Units	654,687,300.53	272,450,454.31
01/01/2008 to 12/31/2008	3	Greystone EAFE Growth Fund - Units	166,159,255.79	20,648,760.38
01/01/2008 to 12/31/2008	58	Greystone EAFE Plus Fund - Units	206,379,893.37	31,506,110.82
01/01/2008 to 12/31/2008	3	Greystone EAFE Quantitative Fund - Units	137,170,036.04	18,077,837.08
01/01/2008 to 12/31/2008	33	Greystone Fixed Income Fund - Units	92,254,967.45	8,974,911.44
01/01/2008 to 12/31/2008	44	Greystone Money Market Fund - Units	736,486,066.16	73,648,606.62
01/01/2008 to 12/31/2008	12	Greystone Real Estate Fund Inc. - Units	160,802,000.00	2,494,038.15
01/01/2008 to 12/31/2008	42	Greystone US Equity Fund - Units	45,896,586.80	4,188,852.94
12/19/2008	5	Harte Gold Corp. - Units	44,500.00	890,000.00
03/06/2009	20	Innovative Properties Inc. - Units	227,245.00	3,246,355.00
02/02/2009 to 02/16/2009	2	KmX Corp. - Debentures	617,800.00	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
02/20/2009	1	Lawrence Asset Management Inc. - Common Shares	500,250.00	667.00
03/02/2009	2	Magenta II Mortgage Investment Corporation - Common Shares	25,000.00	25,000.00
03/02/2009	2	Magenta Mortgage Investment Corporation - Common Shares	120,000.00	120,000.00
02/26/2009	28	Marum Resources Inc. - Units	420,000.00	6,000,000.00
02/25/2009 to 03/02/2009	24	Nelson Financial Group Ltd. - Notes	1,083,559.87	N/A
03/06/2009 to 03/10/2009	2	New Solutions Financial (II) Corporation - Debentures	105,000.00	2.00
01/09/2009	6	Nulogy Corporation - Debentures	555,000.00	N/A
03/12/2009	2	Onsite Media Network Inc. - Debentures	175,000.00	N/A
12/23/2008 to 02/13/2009	27	Oremex Resources Inc. - Units	660,437.00	13,208,740.00
03/28/2008 to 06/30/2008	2	Pangaea Global Equity Fund L.P. - Units	160,000.00	N/A
03/04/2009	1	Petrohawk Energy Corporation - Common Shares	11,200,000.00	500,000.00
07/01/2008 to 12/31/2008	100	Polar Investment Funds Limited - Common Shares	7,685,025.88	N/A
01/01/2008 to 12/31/2008	92	Primevestfund - Trust Units	3,500,736.05	226,069.78
01/26/2009	6	Richmond Minerals Inc. - Units	140,000.00	2,800,000.00
03/09/2009	9	Solace Systems, Inc. - Preferred Shares	4,000,000.00	7,407,407.00
01/01/2008 to 12/31/2008	4	Sprucegrove Global Pooled Fund - Units	191,620,512.46	14,124,972.75
01/01/2008 to 12/31/2008	23	Sprucegrove Global Pooled Fund (Pension) - Units	101,692,474.25	4,848,854.90
01/01/2008 to 12/31/2008	20	Sprucegrove International Pooled Fund - Units	427,173,615.63	4,780,840.45
01/01/2008 to 12/31/2008	16	Sprucegrove Special International Pooled Fund - Units	227,807,597.10	2,073,752.98
02/18/2009	31	Tumi Resources Limited - Units	315,000.00	2,100,000.00
02/27/2009	5	UBS AG, Jersey Branch - Notes	2,575,157.25	2,662.00
02/27/2009	13	UBS AG, Jersey Branch - Notes	1,495,128.00	1,200,000.00
03/03/2009	15	UBS AG, Jersey Branch - Notes	3,060,000.00	3,060.00
03/06/2009	1	Vennsa Technologies Inc. - Common Shares	10.00	46,003.00
03/06/2009	1	Vennsa Technologies Inc. - Debenture	249,990.00	1.00
03/06/2009	1	VitaSound Audio Inc. - Common Shares	0.00	10,000.00



**Notice of Exempt Financings**

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<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
03/06/2009	1	VitaSound Audio Inc. - Debenture	500,000.00	1.00
02/18/2009	29	Walton GA Arcade Meadows 1 Investment Corporation - Common Shares	496,940.00	49,694.00
02/20/2009	45	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	670,090.00	67,009.00
02/18/2009	2	Walton GA Arcade Meadows Limited Partnership 1 - Limited Partnership Units	515,935.07	40,721.00
02/20/2009	37	Walton TX Amble Way Investment Corporaton - Limited Partnership Units	462,050.00	46,205.00
02/27/2009	25	Walton TX Amble Way Investment Corporaton - Units	322,400.00	32,240.00
02/27/2009	4	Walton TX Amble Way Limited Partnership - Limited Partnership Units	600,807.68	48,080.00
03/06/2009	6	Wildcat Exploration Ltd. - Flow-Through Shares	100,000.00	8,000,000.00

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Breakwater Resources Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 17, 2009  
NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

\$ \* - \* Common Shares  
Price: \$ \* per Common Share

**Underwriter(s) or Distributor(s):**

Cormark Securities Inc.  
Dundee Securities Corporation  
GMP Securities L.P.  
Scotia Capital Inc.  
TD Securities Inc.  
Canaccord Capital Corporation  
Octagon Capital Corporation  
Toll Cross Securities Inc.

**Promoter(s):**

-

**Project #1387789**

**Issuer Name:**

Churchill VII Real Estate Limited Partnership  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated March 11, 2009  
NP 11-202 Receipt dated March 13, 2009

**Offering Price and Description:**

Minimum: \$500,000.00 (2,000 Limited Partnership Units)  
Maximum: \$6,000,000.00 (24,000 Limited Partnership Units)

Price: \$250.00 per Limited Partnership Unit

Minimum Subscription: \$1,000.00

**Underwriter(s) or Distributor(s):**

Dundee Securities Corporation  
RBC Dominion Securities Inc.  
Raymond James Ltd.

Scotia Capital Inc.

**Promoter(s):**

Churchill International Securities Corporation

**Project #1386633**

---

**Issuer Name:**

Churchill VII Debenture Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated March 11, 2009  
NP 11-202 Receipt dated March 13, 2009

**Offering Price and Description:**

Minimum: \$2,000,000.00 (2,000 Debentures)  
Maximum: \$24,000,000.00 (24,000 Debentures)  
\$1000.00 per Debenture  
Minimum Subscription: \$4,000.00

**Underwriter(s) or Distributor(s):**

Dundee Securities Corporation  
RBC Dominion Securities Inc.  
Raymond James Ltd.

Scotia Capital Inc.

**Promoter(s):**

Churchill International Securities Corporation

**Project #1386639**

---

**Issuer Name:**

Exchange Industrial Income Fund  
Principal Regulator - Manitoba

**Type and Date:**

Preliminary Short Form Prospectus dated March 10, 2009  
NP 11-202 Receipt dated March 11, 2009

**Offering Price and Description:**

\$25,000,000.00 - 5 YEAR \* % SERIES F SUBORDINATE  
SECURED CONVERTIBLE REDEEMABLE  
DEBENTURES

in the Minimum Aggregate Principal Amount of  
\$5,000,000.00 (the "Minimum Debenture Offering")  
and the Maximum Aggregate Principal Amount of  
\$15,000,000.00 (the "Maximum Debenture Offering")  
\$1,000.00 per Debenture

Minimum Subscription of One Debenture (\$1,000)

- and -

UNITS, EACH COMPRISED OF ONE CLASS A TRUST  
UNIT AND ONE WARRANT

a Minimum of 1,052,632 Units (\$10,000,000.00) (the  
"Minimum Unit Offering")

and a Maximum of 2,105,263 Units (\$20,000,000.00) (the  
"Maximum Unit Offering")

\$9.50 per Unit

Minimum Subscription of 100 Units (\$950)

**Underwriter(s) or Distributor(s):**

Wellington West Capital Inc.  
Raymond James Ltd.  
Canaccord Capital Corporation  
CIBC World Markets Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.

**Promoter(s):**

-

**Project #1385294**

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**Issuer Name:**

Manulife Canadian Equity Index Fund  
Manulife International Equity Index Fund  
Manulife U.S. Equity Index Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 17, 2009  
NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

Class O Units

**Underwriter(s) or Distributor(s):**

Elliott & Page Limited  
Elliott & Page Limited

**Promoter(s):**

Elliott & Page Limited

**Project #1387678**

---

**Issuer Name:**

MBB Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 9, 2009  
NP 11-202 Receipt dated March 11, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Brompton Funds Management Limited

**Project #1385363**

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**Issuer Name:**

Sandstorm Resources Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 12, 2009  
NP 11-202 Receipt dated March 12, 2009

**Offering Price and Description:**

Up to \$60,000,000.00

Up to 150,000,000 Subscription Receipts, each  
representing the right to receive

One Common Share and One-Half of One Common Share  
Purchase Warrant

Price: \$0.40 per Subscription Receipt

**Underwriter(s) or Distributor(s):**

Paradigm Capital Inc.  
GMP Securities L.P.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.

**Promoter(s):**

Marcel de Groot  
David E. De Witt  
**Project #1386230**

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**Issuer Name:**

Sun Life Financial Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 13, 2009  
NP 11-202 Receipt dated March 16, 2009

**Offering Price and Description:**

\$5,000,000,000.00

Debt Securities

Class A Shares

Class B Shares

Common Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1386898**

---

**Issuer Name:**

US Gold Corporation

**Type and Date:**

Preliminary MJDS Prospectus dated March 16, 2009

Received on March 17, 2009

**Offering Price and Description:**

US\$200,000,000.00

Debt Securities (which may be guaranteed by one or more of our Co-Registrants)

Common Stock

Warrants

Subscription Rights

Subscription Receipts

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

Project #1387653

---

**Issuer Name:**

AIC Global Premium Dividend Income Fund

AIC Value Fund

Principal Regulator - Ontario

**Type and Date:**

Amendment #6 dated March 12, 2009 to Simplified

Prospectuses and Annual Information Forms dated April 21, 2008

NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

AIC Limited

Project #1227478

---

**Issuer Name:**

AIC Global Premium Dividend Income Corporate Class

AIC Value Corporate Class

Principal Regulator - Ontario

**Type and Date:**

Amendment #5 dated March 12, 2009 to Simplified

Prospectuses and Annual Information Forms dated April 1, 2008

NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

AIC Limited

Project #1218448

---

**Issuer Name:**

Ark NorthRoad Global Fund

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 11, 2009 to Simplified

Prospectus and Annual Information Form dated December 10, 2008

NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

Series A, F and I Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Ark Fund Management Ltd.

Project #1337431

---

**Issuer Name:**

Canadian Equity Diversified Corporate Class

Canadian Equity Diversified Pool

Canadian Equity Growth Corporate Class

Canadian Equity Growth Pool

International Equity Diversified Corporate Class

International Equity Diversified Pool

International Equity Value Corporate Class

International Equity Value Currency Hedged Corporate Class

International Equity Value Pool

US Equity Value Corporate Class

US Equity Value Currency Hedged Corporate Class

US Equity Value Pool

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 4, 2009 to Final Simplified

Prospectuses and Annual Information Forms dated July 25, 2008

NP 11-202 Receipt dated March 11, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

United Financial Corporation

Assante Capital Management Ltd.

Assante Financial Management Ltd.

Assante Capital Management Ltd.

Assante Capital Management Ltd.

Assante Capital Management Ltd.

**Promoter(s):**

United Financial Corporation

Project #1286786

---

**Issuer Name:**

CC&L Aggressive Equity Portfolio  
CC&L Balanced Growth Portfolio  
CC&L Balanced Income Portfolio  
CC&L Balanced Portfolio  
CC&L Money Market Fund  
CC&L Growth Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 5, 2009 to Simplified Prospectuses and Annual Information Forms (NI 81-101) dated January 8, 2009  
NP 11-202 Receipt dated March 16, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1356432**

---

**Issuer Name:**

Claymore 1-5 Yr Laddered Corporate Bond ETF  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated March 9, 2009 to Long Form Prospectus dated November 24, 2008  
NP 11-202 Receipt dated March 13, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

Claymore Investments, Inc.

**Promoter(s):**

Claymore Investments, Inc.

**Project #1337768**

---

**Issuer Name:**

Copernican International Dividend Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 12, 2009 to Simplified Prospectus and Annual Information Form dated April 2, 2008

NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Copernican Capital Corp.

**Project #1222285**

**Issuer Name:**

Groupe Aeroplan Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Shelf Prospectus dated March 13, 2009  
NP 11-202 Receipt dated March 16, 2009

**Offering Price and Description:**

Debt Securities

Convertible Securities

Common Shares and Preferred Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1380077**

---

**Issuer Name:**

Institutional Managed US Equity Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 4, 2009 to Simplified Prospectus and Annual Information Form dated July 25, 2008

NP 11-202 Receipt dated March 11, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

ASSANTE CAPITAL MANAGEMENT LTD.

ASSANTE FINANCIAL MANAGEMENT LTD.

Assante Capital Management Ltd.

Assante Capital Management Ltd.

**Promoter(s):**

United Financial Corporation

**Project #1286041**

---

**Issuer Name:**

Mavrix Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated March 6, 2009 to Simplified Prospectus and Annual Information Form dated July 7, 2008

NP 11-202 Receipt dated March 13, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Mavrix Fund Management Inc.

**Project #1275502**

**Issuer Name:**

MDPIM Canadian Equity Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 6, 2009 to Simplified  
Prospectus and Annual Information Form dated June 25,  
2008

NP 11-202 Receipt dated March 12, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

MD Management Limited

**Promoter(s):**

MD Private Trust Company

Project #1271460

---

**Issuer Name:**

MDPIM Canadian Equity Pool  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 6, 2009 to Final Simplified  
Prospectus and Annual Information Form dated June 25,  
2008

NP 11-202 Receipt dated March 12, 2009

**Offering Price and Description:**

-

**Underwriter(s) or Distributor(s):**

MD Management Limited,

MD Management Limited

**Promoter(s):**

MD Private Trust Company

Project #1270745

---

**Issuer Name:**

Mirabela Nickel Limited  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated March 13, 2009

NP 11-202 Receipt dated March 13, 2009

**Offering Price and Description:**

C\$120,000,000.00 - 120,000,000 Subscription Receipts  
each representing the right to receive one ordinary share  
Price: C\$1.00 per Subscription Receipt

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.

Cormark Securities Inc.

Dundee Securities Corporation

Macquarie Capital Markets Canada Limited

Haywood Securities Inc.

**Promoter(s):**

-

Project #1383195

---

**Issuer Name:**

Morneau Sobeco Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 17, 2009

NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

\$55,000,275.00

6,666,700 Units - Price: \$8.25 per Unit

**Underwriter(s) or Distributor(s):**

National Bank Financial Inc.

BMO Nesbitt Burns Inc.

TD Securities Inc.

CIBC World Markets Inc.

GMP Securities L.P.

Scotia Capital Inc.

**Promoter(s):**

-

Project #1385117

---

**Issuer Name:**

Pathway Mining 2009 Flow-Through Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated March 16, 2009

NP 11-202 Receipt dated March 17, 2009

**Offering Price and Description:**

\$25,000,000.00 (Maximum Offering)

\$3,000,000.00 (Minimum Offering)

A Maximum of 2,500,000 and a Minimum of 300,000  
Limited Partnership Units @ \$10.00 per Unit

**Underwriter(s) or Distributor(s):**

Wellington West Capital Inc.

HSBC Securities (Canada) Inc.

Burgeonvest Securities Limited

Canaccord Capital Corporation

Raymond James Ltd.

GMP Securities L.P.

Research Capital Corporation

Integral Wealth Securities Limited

Argosy Securities Inc.

**Promoter(s):**

Pathway Mining 2009 Inc.

Project #1360608

---

**Issuer Name:**

Preferred Share Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated March 11, 2009  
NP 11-202 Receipt dated March 12, 2009

**Offering Price and Description:**

Maximum Offering: \$100,000,000.00 (10,000,000 Units)  
Minimum Offering: \$20,000,000.00 (2,000,000 Units)  
Price per Unit: \$10.00  
Minimum Purchase: \$2,000.00 (200 Units)

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
Wellington West Capital Markets Inc.  
Canaccord Capital Corporation  
Dundee Securities Corporation  
HSBC Securities (Canada) Inc.  
Manulife Securities Incorporated  
Raymond James Ltd.  
Richardson Partners Financial Limited  
Blackmont Capital Inc.  
GMP Securities L.P.

**Promoter(s):**

First Asset Investment Management Inc.  
**Project #1372322**

---

**Issuer Name:**

Ridgewood Canadian Bond Fund  
Ridgewood Canadian Money Market Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 16, 2009  
NP 11-202 Receipt dated March 16, 2009

**Offering Price and Description:**

Mutual Fund Securities @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Ridgewood Capital Asset Management Inc.

**Promoter(s):**

Ridgewood Capital Asset Management Inc.  
**Project #1372159**

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**Issuer Name:**

Royal Gold, Inc.

**Type and Date:**

Final MJDS Prospectus dated March 10, 2009  
Received on March 12, 2009

**Offering Price and Description:**

Debt Securities  
Preferred Stock  
Common Stock  
Warrants  
Depositary Shares

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #1367612**

---

**Issuer Name:**

Rusoro Mining Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated March 10, 2009  
NP 11-202 Receipt dated March 11, 2009

**Offering Price and Description:**

\$100,200,000.00 - 167,000,000 Common Shares at \$0.60 per Share

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation

**Promoter(s):**

-

**Project #1377551**

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**Issuer Name:**

SHAW COMMUNICATIONS INC.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Base Shelf Prospectus dated March 11, 2009  
NP 11-202 Receipt dated March 11, 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**

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**Issuer Name:**

Sprott Gold Bullion Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated March 10, 2009  
NP 11-202 Receipt dated March 11, 2009

**Offering Price and Description:**

Series A, F and I Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

Sprott Asset Management Inc.

**Promoter(s):**

Sprott Asset Management Inc.

**Project #1369472**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Name Change	From: Five Continents Bank Corporation  To: Soutterham Bank Corporation	Non-Canadian Adviser (Investment Counsel & Portfolio Manager)	March 6, 2009
Name Change	From: E*Trade Canada Securities Corporation/Societe de Valeurs Mobilieres E*Trade Canada  To: Scotia iTrade Corp./Societe Scotia iTrade	Broker & Investment Dealer	March 9, 2009
New Registration	Pollitt Investment Counsel Inc.	Investment Counsel & Portfolio Manager	March 11, 2009
New Registration	H. Redlick Consulting Inc.	Limited Market Dealer	March 12, 2009
Consent to suspension (Rule 33-501 Surrender of Registration)	Initial Capital Partners Ltd.	Limited Market Dealer	March 12, 2009
Consent to suspension (Rule 33-501 Surrender of Registration)	Pente Investment Management Ltd.	Investment Counsel & Portfolio Manager	March 16, 2009
Consent to suspension (Rule 33-501 Surrender of Registration)	Assurance Capital Management Corporation	Investment Counsel & Portfolio Manager	March 16, 2009
New Registration	Maplehill Capital Management Corporation	Limited Market Dealer & Investment Counsel & Portfolio Manager	March 17, 2009

**Registrations**

<b>Type</b>	<b>Company</b>	<b>Category of Registration</b>	<b>Effective Date</b>
Consent to suspension (Rule 33-501 Surrender of Registration)	Exceder Investment Management Inc.	Investment Counsel & Portfolio Manager	March 17, 2009
Change of Category	Acorn Global Investments Inc.	From: Commodity Trading Manager  To: Commodity Trading Manager, Investment Counsel & Portfolio Manager and Limited Market Dealer	March 17, 2009
Voluntary Surrender of Registration	Savoy Capital Management Ltd.	Extra-Provincial Investment Counsel & Portfolio Manager	March 17, 2009

## Chapter 13

# SRO Notices and Disciplinary Proceedings

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### 13.1.1 MFDA Hearing Panel Adjourns Wayne Larson Hearing on the Merits

**NEWS RELEASE**  
For immediate release

#### **MFDA HEARING PANEL ADJOURNS WAYNE LARSON HEARING ON THE MERITS**

**March 13, 2009** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of Wayne Larson by Notice of Hearing dated July 2, 2008.

The hearing of this matter on its merits, originally scheduled for Tuesday, March 24, 2009, has been adjourned to a date to be determined. A teleconference is now scheduled to take place on Thursday, April 30, 2009 at 10:00 a.m. (Mountain) before a Hearing Panel of the MFDA’s Prairie Regional Council at the offices of the MFDA located at 800 - 6th Avenue SW, Suite 850, Calgary, Alberta. The purpose of this appearance is to schedule the date for the commencement of the hearing on the merits and to address any other procedural matters.

This appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website at [www.mfda.ca](http://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:*

Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

### 13.1.2 MFDA Issues Notice of Hearing Regarding IOCT Financial Inc. and Michelle Anne Bolhuis

**NEWS RELEASE**  
For immediate release

#### **MFDA ISSUES NOTICE OF HEARING REGARDING IOCT FINANCIAL INC. AND MICHELLE ANNE BOLHUIS**

**March 13, 2009** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against IOCT Financial Inc. (“IOCT”) and Michelle Anne Bolhuis (“Bolhuis”).

MFDA staff alleges in its Notice of Hearing that IOCT and Bolhuis engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

**Allegation #1:** In or about April 2007, IOCT made a dividend payment in the amount of \$102,000 to Bolhuis, who was the controlling shareholder, president, designated compliance officer and a director of IOCT, while IOCT was designated in early warning without the prior written consent of the MFDA, contrary to MFDA Rule 3.4.2(b)(iv)(C).

**Allegation #2:** In or about April 2007, Bolhuis, the controlling shareholder, president, designated compliance officer and a director of IOCT authorized or permitted the payment of a dividend in the amount of \$102,000 to herself while IOCT was designated in early warning without the prior written consent of the MFDA, contrary to MFDA Rules 3.4.2(b)(iv)(C) and 1.1.2, and MFDA Rule 2.1.1.

**Allegation #3:** In or about July 2007, IOCT increased its non-allowable assets by \$9,923 while designated in early warning without the prior written consent of the MFDA, contrary to MFDA Rule 3.4.2(b)(iv)(D).

**Allegation #4:** In or about July 2007, Bolhuis, the controlling shareholder, president, designated compliance officer and a director of IOCT authorized or permitted IOCT to increase its non-allowable assets by \$9,923 while IOCT was designated in early warning without the prior written consent of the MFDA, contrary to MFDA Rules 3.4.2(b)(iv)(D), and 1.1.2, and MFDA Rule 2.1.1.

**Allegation #5:** Commencing on or about January 23, 2008, Bolhuis has failed to attend an interview

to provide a statement as requested by MFDA staff during the course of its investigation, contrary to section 22.1 of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA's Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Thursday, May 7, 2009 at 10:00 a.m. (Eastern) or as soon thereafter as the appearance can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing of this matter on its merits and to address any other procedural matters.

The first appearance is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating 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:*

Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

### 13.1.3 MFDA Reschedules First Appearance in the Matter of Donald James Cunningham

**NEWS RELEASE**  
For immediate release

#### **MFDA RESCHEDULES FIRST APPEARANCE IN THE MATTER OF DONALD JAMES CUNNINGHAM**

**March 13, 2009** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada ("MFDA") today announced that the first appearance in the matter of Donald James Cunningham, originally scheduled for April 7, 2009, has been rescheduled for Friday, May 29, 2009 at 1:00 p.m. (Eastern) or as soon thereafter as the appearance can be held.

The first appearance will take place by teleconference before a Hearing Panel of the MFDA Central Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to address any other procedural matters. The first appearance will be open to the public, except as may be required for the protection of confidential matters. Members of the public attending the first appearance will be able to listen to the proceeding by teleconference.

A copy of the Notice of Hearing is available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating 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:*

Shaun Devlin  
Vice-President, Enforcement  
416-943-4672 or [sdevlin@mfda.ca](mailto:sdevlin@mfda.ca)

## Chapter 25

# Other Information

### 25.1 Consents

#### 25.1.1 Titanium Corporation Inc. – s. 4(b) of the Regulation

##### Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Canada Business Corporations Act.

##### Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181.  
Securities Act, R.S.O. 1990, c. S.5, as am.

##### Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, as am., s. 4(b).

**IN THE MATTER OF  
R.R.O. 1990, REGULATION 289/00,  
AS AMENDED (THE REGULATION)  
MADE UNDER THE  
BUSINESS CORPORATIONS ACT (ONTARIO)  
R.S.O. 1990, c. B.16, AS AMENDED (THE OBCA)**

**AND**

**IN THE MATTER OF  
TITANIUM CORPORATION INC.**

**CONSENT  
(Subsection 4(b) of the Regulation)**

**UPON** the application of Titanium Corporation Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting the consent of the Commission for the Applicant to continue into another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant was formed by articles of amalgamation under the OBCA on July 24, 2001 pursuant to the amalgamation of Titanium Corporation of Canada Limited and NAR Resources Ltd.

2. The registered office of the Applicant is located at 360 Bay Street, Suite 1001, Toronto, Ontario M5H 2V6.

3. The Applicant is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. There were 56,309,317 common shares issued and outstanding as of March 12, 2009.

4. The Applicant is a Tier 2 issuer in accordance with the policies of the TSX Venture Exchange (the **Exchange**). The Applicant's issued and outstanding common shares are listed and posted for trading on the Exchange under the symbol "TIC".

5. The Applicant intends to apply (the **Application for Continuance**) to the Director under the OBCA for authorization to continue under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the **CBCA**) pursuant to section 181 of the OBCA (the **Continuance**).

6. Pursuant to subsection 4(b) of the Regulation, where an applicant corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission.

7. The Applicant is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**) and the securities legislation of each of British Columbia, Alberta and Quebec (collectively, the **Legislation**).

8. The Applicant intends to remain a reporting issuer under the Act and the Legislation after the Continuance.

9. The Applicant is not in default of any of the provisions of the Act or the rules or regulations made thereunder and is not in default under the Legislation.

10. The Applicant is not in default of any of the rules, regulations or policies of the Exchange.

11. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the OBCA or under the Act.

12. The Applicant's shareholders authorized the Continuance of the Applicant as a corporation

**Other Information**

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under the CBCA by special resolution at an annual and special meeting of shareholders held on January 26, 2009 (the **Meeting**). Shareholders holding 11,332,741 common shares voted at the Meeting with 11,330,751 votes cast in favour and 1,990 votes cast against either in person or by proxy representing approval of 99.98% of votes cast.

13. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date for the Meeting are entitled to dissent rights in connection with the Application for Continuance. The management information circular of the Applicant dated December 12, 2008, which was provided to all shareholders of the Applicant in connection with the Meeting, advised the shareholders of their dissent rights and included a summary comparison of the differences between the OBCA and the CBCA.
14. The Applicant's material rights, duties and obligations under the CBCA will be substantially similar to those under the OBCA.
15. The Continuance is proposed to be made because the Applicant has over the years expanded its operations from Ontario and Eastern Canada and in particular focused its operations in Alberta and Saskatchewan. As a result, it would be generally preferable for the federal corporate statute to apply to the Applicant.

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

**THE COMMISSION HEREBY CONSENTS** to the continuance of the Applicant as a corporation under the CBCA.

**DATED** at Toronto, Ontario this 17th day of March, 2009.

"Paulette L. Kennedy"  
Commissioner  
Ontario Securities Commission

"David L. Knight"  
Commissioner  
Ontario Securities Commission

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