

The Ontario Securities Commission

# OSC Bulletin

April 10, 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

**APRIL 10, 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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Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

### SCHEDULED OSC HEARINGS

April 13-17, 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 20-23 & 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: ST/CSP
April 20-23; April 27, 29 – 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: TBA
April 21, 2009	9:00 a.m.	<b>Lyndz Pharmaceuticals Inc., Lyndz Pharma Ltd., James Marketing Ltd., Michael Eatch and Rickey McKenzie</b>  s. 127(1) and (5)  J. Feasby in attendance for Staff  Panel: WSW/ST
April 28, 2009	2:30 p.m.	<b>Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael and G. Michael McKenney</b>  s. 127  J. Superina in attendance for Staff  Panel: PJL/ST/DLK
April 29-30, 2009	10:00 a.m.	s. 127  J. Superina in attendance for Staff  Panel: PJL/ST/DLK

<p>May 1, 2009 10:00 a.m.</p>	<p><b>Goldbridge Financial Inc., Wesley Wayne Weber and Shawn C. Lesperance</b></p> <p>s. 127</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: JEAT</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>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 15, 2009 2:00 p.m.</p>	<p>s. 127</p> <p>M. Britton in attendance for Staff</p> <p>Panel: JEAT/ST</p> <p><b>Rajeev Thakur</b></p> <p>s. 127</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>
<p>May 5, 2009 10:00 a.m.</p>	<p><b>Berkshire Capital Limited, GP Berkshire Capital Limited, Panama Opportunity Fund and Ernest Anderson</b></p> <p>s. 127</p> <p>E. Cole in attendance for Staff</p> <p>Panel: WSW/ST</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>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>May 25, 27 – 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>May 11, 2009 10:00 a.m.</p>	<p><b>Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans</b></p> <p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: WSW/DLK/KJK</p>	<p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>	<p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>

<p>May 26, 2009 2:30 p.m.</p>	<p><b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b></p> <p>s. 127</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>May 26, 2009 2:30 p.m.</p>	<p><b>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</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>
<p>May 26, 2009 2:30 p.m.</p>	<p><b>Paul Iannicca</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	<p>June 10, 2009 10:00 a.m.</p>	<p><b>Global Energy Group, Ltd. and New Gold Limited Partnerships</b></p> <p>s. 127</p> <p>H. Craig 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>June 15, 2009</p>	<p><b>Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson</b></p> <p>s. 127(1) and 127(5)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</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>June 16, 2009 10:00 a.m.</p>	<p><b>Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork</b></p> <p>s. 127</p> <p>S. Kushneryk in attendance for Staff</p> <p>Panel: TBA</p>

July 23, 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>	September 9, 2009 10:00 a.m.	<b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b>
	s. 127 H. Daley in attendance for Staff Panel: TBA		s. 127 and 127.1 M. Britton in attendance for Staff Panel: LER
August 10-17; 19-21, 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>	September 21-25, 2009 10:00 a.m.	<b>Swift Trade Inc. and Peter Beck</b>
	s. 127 S. Kushneryk in attendance for Staff Panel: TBA		s. 127 S. Horgan 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>	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 S. Horgan in attendance for Staff Panel: TBA		s. 127 and 127.1 M. Britton 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>	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 M. Britton in attendance for Staff Panel: TBA		s. 127 H. Craig in attendance for Staff Panel: TBA
		TBA	<b>Yama Abdullah Yaqeen</b>
			s. 8(2) J. Superina 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



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

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

s. 127

C. Price in attendance for Staff

Panel: PJJ/ST

1.2 Notices of Hearing

1.2.1 Matthew Scott Sinclair

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

**AND**

**IN THE MATTER OF  
MATTHEW SCOTT SINCLAIR**

**NOTICE OF HEARING  
(Section 127)**

**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**

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the *Securities Act* (the "Act") at the Commission's offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on Friday, April 3, 2009 at 10:00 a.m. or as soon thereafter as the hearing can be held.

**AND TAKE NOTICE THAT** the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission and the Respondent Matthew Scott Sinclair;

**BY REASON OF** the allegations set out in the Statement of Allegations dated June 16, 2008 in this matter and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 2nd day of April, 2009.

"John Stevenson"  
Secretary to the Commission

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

**1.4.1 Matthew Scott Sinclair**

**FOR IMMEDIATE RELEASE  
April 2, 2009**

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

**AND**

**IN THE MATTER OF  
MATTHEW SCOTT SINCLAIR**

**TORONTO** – The Commission will hold a hearing on Friday, April 3, 2009 at 10:00 a.m., in Hearing Room B at 20 Queen Street West, to consider whether to approve a settlement agreement entered into by Staff of the Commission and Matthew Scott Sinclair.

A copy of the Notice of Hearing dated April 2, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca)

OFFICE OF THE SECRETARY  
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SECRETARY

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1-877-785-1555 (Toll Free)

**1.4.2 Matthew Scott Sinclair**

**FOR IMMEDIATE RELEASE  
April 3, 2009**

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

**AND**

**IN THE MATTER OF  
MATTHEW SCOTT SINCLAIR**

**TORONTO** – Following a hearing held today, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Matthew Scott Sinclair.

The hearing on the merits scheduled to commence April 13, 2009 through to April 17, 2009 will no longer be held as the respondent in this matter has settled.

A copy of the Settlement Agreement and Order 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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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 RBC Dominion 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.

April 3, 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  
RBC DOMINION SECURITIES INC.  
(the Filer)

DECISION

##### Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **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 provide 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 Royal Bank of Canada (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 Canada, has its head office in Toronto, 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".
5. The Filer acts as a full-service investment dealer.
6. The Filer provides equity research report coverage on a very large number of 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 Rule 3400 – *Research Restrictions and Disclosure Requirements (Rule 3400)* of the IIROC Dealer Member Rules..
8. Guideline No. 3 of 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.

"David L. Knight"  
Commissioner  
Ontario Securities Commission

"Margot C. Howard"  
Commissioner  
Ontario Securities Commission

**2.1.2 Northern Precious Metals 2008 Limited Partnership – s. 1(10)(b)**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – section 1(10)(b) 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)(b).

**Translation**

March 27, 2009

**Northern Precious Metals 2008 Limited Partnership**

1, Place Ville-Marie  
Suite 4000  
Montréal, Québec  
H3B 4M4

Attention to: Carl M. Ravinsky

Dear Sir:

**Re: Northern Precious Metals 2008 Limited Partnership (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer**

The Applicant has applied to the local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions that the Applicant is not a reporting issuer.

As the Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;
- (b) no securities of the Applicant are traded on a marketplace as defined in *Regulation 21-101 respecting 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's status as a reporting issuer is revoked.

"Alexandra Lee"  
Manager, Continuous Information  
Autorité des marchés financiers



**2.1.3 Sentry Select MBS Adjustable Rate Income Fund II and Sentry Select Capital Inc.**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions –relief from National Instrument 81-102 granted to an investment fund upon its conversion from its existing closed-end structure to an open-end structure – fund delisting units from the Toronto Stock Exchange and offering monthly redemptions at net asset value – fund invests in securities and uses investment strategies not permitted by National Instrument 81-102 – fund never marketed as a publicly offered mutual fund and in the future will not be marketed to the public – current investors purchased securities of the fund when it operated as a closed-end fund – new units of the fund will only be distributed in exempt market and not to the public under a prospectus – securities held by the fund are not illiquid assets – at inception of the fund, manager did not intend to undertake a conversion into an open-end fund – manager will bear all the costs and expenses associated with converting the fund into an open-end mutual fund – National Instrument 81-102.

**Applicable Legislative Provisions**

National Instrument 81-102 Mutual Funds.

**March 23, 2009**

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

**AND**

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

**AND**

**IN THE MATTER OF  
SENTRY SELECT MBS ADJUSTABLE RATE  
INCOME FUND II  
(the Fund)**

**AND**

**IN THE MATTER OF  
SENTRY SELECT CAPITAL INC.  
(SSCI or the Manager)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Manager on behalf of the Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption

(the **Exemption Sought**) from National Instrument 81-102 *Mutual Funds* (the **Instrument**) upon the implementation of the Proposed Changes (as defined below).

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 Manager has provided notice that section 4.7(2) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Nunavut and the Northwest Territories.

**Interpretation**

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

**Representations**

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

1. The Fund is an investment trust established under the laws of Ontario under an amended and restated declaration of trust dated as of January 1, 2009 (the **Declaration of Trust**). SSCI is the trustee (the **Trustee**) and manager of the Fund. The head office of the Manager is located in Ontario.
2. The Fund is a non-redeemable investment fund that made an initial public offering by way of prospectus dated March 29, 2005 raising total gross proceeds of approximately \$323 million (the **Offering**).
3. The Fund's units (the **Units**) are listed on the Toronto Stock Exchange (the **TSX**).
4. The Fund's current net asset value as of March 19, 2009 was approximately \$65.2 million.
5. The Fund is a reporting issuer in each of the provinces and territories of Canada. The Fund is not in default of securities legislation in any jurisdiction.
6. The Fund has the following investment objectives:
  - (a) to provide holders of Units (**Unitholders**) with a tax efficient stream of monthly cash distributions; and
  - (b) to preserve the net asset value (the **NAV**) of the Fund.

- Cash distributions from the Fund are not fixed and may vary from month to month. However, distributions in any year are targeted to approximate the average 10-Year U.S. Treasury Note yield for that year plus 3%.
7. In order to meet its investment objectives, the Fund obtains exposure to the performance of Mortgage-Backed Securities Limited Partnership (the **Partnership**) by virtue of one or more forward purchase and sale agreements (collectively, the **Forward Agreement**) with Royal Bank of Canada (the **Counterparty**). The Fund does not invest directly in the Partnership. The Fund invested the net proceeds of the Offering in a portfolio of common shares of Canadian public companies (the **Common Share Portfolio**). The value of the Forward Agreement is related to the value of MBS Investment Trust II. MBS Investment Trust II invests in limited partnership interests of the Partnership. As a result, Unitholders' returns correlate with the net returns realized by the MBS Investment Trust II on its investment in the Partnership.
8. Under the Forward Agreement, the Fund is entitled to sell securities in the Common Share Portfolio from time to time to fund monthly distributions, redemptions and repurchases of Units and its operating expenses. In the case of securities sold to fund monthly distributions and expenses, the purchase price payable by the Counterparty is calculated by reference to the monthly yield of a notional investment (the **Notional Investment**) at the time of the closing of the Offering of an amount equal to the U.S. dollar equivalent of the net proceeds of the Offering in MBS Investment Trust II. In the case of securities sold to fund the redemption or repurchase of Units (including at the Termination Date (as defined below)), the purchase price payable by the Counterparty is calculated by reference to the value of the Notional Investment in MBS Investment Trust II. The Notional Investment is reduced proportionately to reflect the redemption and repurchase of Units.
9. The Forward Agreement includes a currency hedge which minimizes the effects of changes in the Canadian dollar NAV of the Fund which would otherwise occur because of any change in the value of the U.S. dollar relative to the Canadian dollar.
10. MBS Investment Trust II is an investment trust that is established under the laws of the Province of Ontario pursuant to a declaration of trust dated March 29, 2005. MBS Investment Trust II will terminate on or about April 30, 2015 (or such later date upon which the Fund terminates) if not terminated earlier in accordance with its terms.
11. The Manager acts as trustee of MBS Investment Trust II. Units of MBS Investment Trust II are redeemable at the demand of its unitholders. MBS Investment Trust II's distribution policy is to pay monthly distributions to its unitholders equal to the distributions received from its investment in the Partnership. In addition, MBS Investment Trust II distributes all of its net income and net realized capital gains earned in each fiscal year to ensure that it is not liable for income tax under the *Income Tax Act* (Canada).
12. MBS Investment Trust II is restricted to, among other things:
- (a) investing in limited partnership interests of the Partnership;
  - (b) investing in limited partnership units of a limited partnership subject to the same investment restrictions as the Partnership;
  - (c) investing directly in securities subject to the same investment restrictions as the Partnership; and
  - (d) holding cash in interest bearing accounts, short-term government debt or investment grade corporate debt.
13. The Partnership was established on March 28, 2003 under the laws of the State of Delaware. The general partner of the Partnership is MBS GP, Inc. (the **General Partner**), a Delaware corporation and a wholly-owned subsidiary of Sentry Select Capital Corp., the parent corporation of the Manager. The directors and officers of the General Partner are employees of Sentry Select Capital Corp. As at March 19, 2009, MBS Investment Trust II is the only limited partner of the Partnership. Pacific Income Advisers, Inc. (**PIA** or the **Investment Manager**) acts as investment manager of the Partnership.
14. In accordance with its investment strategies and investment restrictions, the Partnership borrows for the purpose of making investments and pledges its assets to secure such borrowings. The Partnership uses the proceeds from the sale of limited partnership interests and the proceeds from borrowings via repurchase agreements to invest in a portfolio of mortgage-backed securities issued by U.S. agencies having an implied AAA rating (the **Portfolio**). The Partnership's investment strategy, which includes the use of what the Investment Manager believes is an appropriate amount of leverage, is to generate net income for distribution from (i) earnings on the equity portion of the Portfolio used to purchase securities plus (ii) the spread between the interest income on the leveraged portion of the Portfolio and the cost of repurchase agreements used to

finance this portion of the Portfolio (as described in paragraphs 17 and 18 below). The Investment Manager seeks to enhance returns while limiting exposure to interest rate risk and credit risk.

15. The Portfolio consists of:
- (a) mortgage-backed securities, having an implied AAA rating, issued by U.S. agencies commonly known as Ginnie Mae, Fannie Mae and Freddie Mac, including mortgage pass-through certificates, collateralized mortgage obligations and other securities representing interests in or obligations backed by pools of U.S. residential mortgage loans; and
  - (b) to a limit of an aggregate of 10% of the Portfolio, (i) other mortgage-backed securities which are rated AAA by one or more U.S. Nationally Recognized Statistical Ratings Organizations, (ii) debentures issued by Fannie Mae, Freddie Mac and Federal Home Loan Bank System and (iii) U.S. Treasury securities,

(collectively, the **Securities**).

The Partnership invests primarily in mortgage-backed securities collateralized by adjustable rate mortgages in order to minimize potential fluctuations in price and interest spread on the borrowing costs due to changes in market interest rates. The Investment Manager does not intend to cause the Partnership to invest in collateralized debt obligations or similarly structured instruments.

16. The assets of the Fund are held by its custodian, State Street Trust Company Canada, in compliance with Part 14 of National Instrument 41-101 *General Prospectus Requirements*.
17. To effect its borrowings in a cost-efficient manner, the Partnership enters into master repurchase agreements with various major financial institutions (the **Repurchase Agreements**). The borrowing via Repurchase Agreements is collateralized by the Securities in the Portfolio.
18. The Partnership has established repurchase agreement credit lines with several financial institutions. The Partnership uses these repurchase agreement credit lines to purchase Securities for the Portfolio, with these Securities being used to secure such borrowing. It is anticipated that over the life of the Portfolio, all of the assets of the Partnership may be used as collateral for Repurchase Agreements. While the Investment Manager expects to operate the Partnership with a debt-to-equity ratio of between 7:1 and 12:1, it believes that this ratio will average between 8:1 and 10:1 over the life of the Fund. If at any time

the Partnership's debt-to-equity ratio exceeds 12:1, the Investment Manager will, in a timely manner, take all commercially reasonable steps as are necessary to reduce the Partnership's debt-to-equity ratio to 12:1 or less.

19. Under the Declaration of Trust, the Units may be redeemed at NAV annually in April. Units may be surrendered during the period from April 1 until 5:00 p.m. (Toronto time) on the tenth business day before the last business day in April (the **Notice Period**) for redemption by the registered Unitholder to Computershare Investor Services Inc., the registrar and transfer agent of the Fund, subject to the Fund's right to suspend redemptions as described in paragraph 20 below. Units surrendered for redemption by a Unitholder during the Notice Period will be redeemed on the last business day of April (the **Valuation Date**) and the Unitholder will receive payment on or before the 15th day following the applicable Valuation Date. Redeeming Unitholders are entitled to receive a redemption price per Unit equal to 100% of the NAV per Unit determined as of the Valuation Date.
20. The Declaration of Trust currently provides that the Manager may direct the Trustee to suspend the redemption of Units or payment of redemption proceeds (a) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund, (b) with the prior permission of the applicable securities regulatory authorities, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Fund or which impair the ability of the Trustee to determine the value of the assets of the Fund. Except as set out in paragraph 28 below, the Manager does not intend to change this provision.
21. The Declaration of Trust of the Fund prohibits the Fund from issuing additional Units except:
- (a) where the net proceeds per Unit is not less than the NAV per Unit calculated on the date immediately prior to the pricing of the offering; or
  - (b) by way of Unit distributions.
22. Except when redemptions have been suspended, the Fund is required to undertake a mandatory market purchase program (the **Mandatory Market Purchase Program**) pursuant to which the Fund will purchase any Units offered in the market at prices that are less than 95% of the latest

- published NAV per Unit, up to a maximum amount in any calendar quarter of 1.25% of the number of Units outstanding at the beginning of such calendar quarter if on any business day the closing price of a Unit is less than 95% of the latest determined NAV per Unit.
23. The Fund will terminate on April 30, 2015 (the **Termination Date**), whereupon the Forward Agreement will be settled, any non-cash assets of the Fund will be liquidated, and the net assets of the Fund will be distributed to Unitholders unless Unitholders determine to continue the Fund by a majority of the votes cast at a meeting of Unitholders called for such purpose. Immediately prior to the Termination Date, the Trustee will, to the extent possible, convert the assets of the Fund to cash and the Trustee shall, after paying or making adequate provision for all of the Fund's liabilities, distribute the net assets of the Fund to Unitholders as soon as practicable after the Termination Date. A meeting of Unitholders to extend the Fund shall be held at least 30 days prior to the then scheduled Termination Date.
24. If the term of the Fund is extended beyond the Termination Date, Unitholders may redeem their Units on the Termination Date for the NAV per Unit as of that date.
25. As the Fund is a non-redeemable investment fund, it was not established in compliance with the Instrument. The Fund currently invests and operates in a manner not permitted for conventional mutual funds under the Instrument.
26. Since its inception, the Fund has experienced a high level of redemptions annually in April. The Units trade thinly on the TSX and they generally trade at a discount to the NAV per Unit. The volume of redemptions is typically higher than the volume of trading. The Manager believes that much of the redemption activities comes from arbitrageurs and other short term investors taking advantage of the discount of the market price from the redemption price.
27. The Manager believes that it would be in the best interests of the Unitholders for the Fund to be continued and revitalized by raising more funds because:
- (a) this is an opportune time for the Fund's strategy because the spread between borrowing costs and return on the investments is improving;
  - (b) increasing the size of the Fund would enable the Partnership to obtain financing on more favourable terms to carry out its leveraged investments in accordance with its investment objectives and would also help spread the fixed operating costs over a larger base, thereby reducing the management expense ratio of the Fund;
- (c) the Fund has significant tax losses which can be used to make distributions to the Unitholders in a tax efficient manner for the benefit of the Unitholders;
  - (d) a number of registered representatives who have clients invested in the Fund have told the Manager so; and
  - (e) the actions taken by the U.S. government recently with respect to Fannie Mae and Freddie Mac, including the recapitalization of such entities, should not adversely affect, and in fact should positively affect, the Fund's ability to execute its investment strategy.
28. The Manager believes that it would be difficult to issue new Units in a public offering at the NAV per Unit because the Units trade at a discount to the NAV per Unit. The Manager is proposing to make the following changes to the Fund:
- (a) the Fund would delist its Units from the TSX;
  - (b) because after the delisting, there would be no market, the Mandatory Market Purchase Program would be eliminated;
  - (c) in order to provide some liquidity to Unitholders after the delisting of the Units from the TSX, the Units would become redeemable at NAV per Unit on a monthly basis on the last business day in each month with the same notice period and payment period that currently apply in respect of the annual redemption as described in paragraph 19 above;
  - (d) the existing Units will be redesignated as Class X Units. The Manager would be authorized to create new classes of Units. The classes of Units would differ based upon their fee structure and accordingly, the net asset value would differ from class to class. Other than the foregoing, the other classes of Units would be identical to the Class X Units;
  - (e) at the discretion of the Manager, the Fund could invest all or a portion of its assets directly in the Partnership and it could maintain the currency hedge or eliminate it in whole or in part; and
  - (f) the words "with the prior permission of the applicable securities regulatory authorities" would be deleted from the

- provision referred to in paragraph 20(b) above;
- (collectively, the **Proposed Changes**).
- Proposed Changes (b) – (f) would require amendments to the Declaration of Trust which require the approval of the Unitholders by a two-thirds majority. Proposed Change (f) is being made because the prior permission of the applicable securities regulatory authorities is not currently required.
29. The Fund will remain a reporting issuer in each of the provinces and territories of Canada after the implementation of the Proposed Changes.
30. The Manager intends to call a meeting of Unitholders to be held on or about May 29, 2009 to seek approval for the Proposed Changes (the **Unitholder Meeting**). In connection with the Unitholder Meeting, the Fund will send Unitholders an information circular containing details of the Proposed Changes.
31. The Fund does not intend to distribute any securities pursuant to a prospectus. The Manager is of the view that there would be a demand for the Fund's securities in the exempt market. Therefore, upon the implementation of the Proposed Changes, the Fund intends to distribute Units of different classes at the applicable NAV per Unit on a continuous basis to accredited investors pursuant to exemptions from the prospectus requirement set out in the Legislation. Units of the Fund would be sold in the exempt market by investment dealers who are members of the Investment Industry Regulatory Organization of Canada and by dealers registered in the category of "limited market dealer". The Manager is registered as a limited market dealer and expects to sell Units.
32. The Proposed Changes are in the best interests of the Fund because their combined effect should enable the Fund to distribute new Units at NAV per Unit and should eliminate the arbitrage opportunities that result in high levels of annual redemptions. In particular, the Manager wishes to provide Unitholders with a monthly redemption right to compensate them for the loss of liquidity on the TSX. The addition of this right is for the benefit of the Unitholders of the Fund.
33. The Proposed Changes have been referred to the Independent Review Committee of the Fund (the **IRC**) in accordance with Part 5 of National Instrument 81-107 *Independent Review Committee for Investment Funds*. The IRC provided a positive recommendation to the Manager with respect to the Proposed Changes on the basis that the Proposed Changes achieve a fair and reasonable result for the Fund.
34. If the monthly redemption right is added to the attributes of the Units of the Fund, the Fund would be considered to be a "mutual fund" under the Legislation and would be subject to the Instrument. Absent the Exemption Sought, the Fund would not be able to provide Unitholders with a monthly redemption right and continue to execute its current investment strategies to achieve its investment objectives.
35. The investment strategy and other attributes of the Fund were established without regard to the Instrument, as the Fund was not subject to that Instrument. Current investors in the Fund either purchased Units upon the initial public offering or on the TSX to gain exposure to the investment objectives and strategies of the Fund. Future investors will purchase Units pursuant to exemptions from the prospectus requirement. Therefore, unlike investors in publicly offered mutual funds, current investors do not have, and future investors should not have, any expectation that the Instrument will apply to the Fund.
36. The Securities in which the Partnership invests do not fall within the definition of "illiquid securities" contained in the Instrument. U.S. Agency mortgage-backed securities are very liquid securities. Accordingly, it is not difficult for the Investment Manager to sell assets when required, especially given the short term nature of the Partnership's borrowings and given that the Investment Manager would have effectively 20 or 21 business days between the time that the notice of redemption must be given and the date when the redemption price must be paid in order to raise the necessary cash. The Partnership has never had difficulty raising the cash necessary for the Fund and the similarly managed funds that have subsequently been merged with the Fund to redeem units on each fund's annual redemption date or to pay for purchases of units under the mandatory market purchase program of each fund.
37. The Manager and PIA intend to ensure that the Partnership is managed in a manner that would enable the Fund to satisfy any redemption obligations. PIA has assured the Manager that it can manage the proposed monthly redemptions. The fact that there is leverage used by the Partnership and a security interest granted to lenders over the Securities to secure the Partnership's obligations under the Repurchase Agreements will not affect the ability of the Partnership to liquidate assets to satisfy monthly redemption requests.
38. It was not the intention of the Manager to convert the Fund to a mutual fund when it was created. The Manager's proposal to add monthly redemptions was due to the Fund's loss of assets through the arbitrage opportunities arising from

the Units trading at a discount to NAV and the annual redemption feature and through investment losses.

#### Decision

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

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

1. The Fund does not distribute any securities pursuant to a prospectus.
2. The information circular of the Fund to be delivered to Unitholders in connection with the Unitholder Meeting discloses the terms of this Decision and prominently discloses the proposed delisting of the Units, the next redemption date and the Manager's ability to suspend redemptions.
3. The first redemption date after the delisting is no later than 45 days after the date of delisting.
4. The delisting occurs not earlier than five business days after the date of the Unitholder Meeting.
5. The Manager provides notice to Unitholders before the Units are delisted to inform them that, after the delisting, there will be no market for the Units and the only method of liquidating the Units is pursuant to the redemption right, stating the next redemption date.
6. The Manager bears the costs and expenses associated with implementing the Proposed Changes.
7. This Decision terminates upon: (i) the reorganization of the Fund with another investment fund or the transfer of the Fund's assets to another investment fund pursuant to which securityholders of the Fund would become securityholders of the other investment fund, or (ii) the reorganization of the Fund with another investment fund or the acquisition by the Fund of the assets of another investment fund pursuant to which the securityholders of the other investment fund would become securityholders of the Fund.

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

#### 2.1.4 Med-Emerg International Ltd. – 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).

April 3, 2009

##### Med-Emerg International Ltd.

(formerly Med-Emerg International Inc.)  
Suite 100, 19 Allstate Parkway  
Markham, ON M3K 1W4

Dear Sirs/Mesdames:

**Re: Med-Emerg International Ltd. (the Applicant) – application for a decision under the securities legislation of Alberta, Ontario and Québec (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

**2.2 Orders**

**2.2.1 Matthew Scott Sinclair – 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  
MATTHEW SCOTT SINCLAIR**

**ORDER  
(Sections 127 and 127.1)**

**WHEREAS** on June 16, 2008, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing and related Statement of Allegations (the “Notice of Hearing”) against Matthew Scott Sinclair (the “Respondent” or “Sinclair”);

**AND WHEREAS** the Respondent has entered into a settlement agreement with Staff of the Commission dated April 2, 2009 (the “Settlement Agreement”) in relation to the matters set out in the Notice of Hearing;

**UPON** reviewing the Notice of Hearing and Settlement Agreement, and upon hearing submissions from counsel for Sinclair and for Staff of the Commission;

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

**IT IS HEREBY ORDERED** that:

- (a) the Settlement Agreement is approved;
- (b) Sinclair is reprimanded by the Commission;
- (c) Sinclair is prohibited from becoming or acting as an officer or director of a reporting issuer until the later of (a) ten (10) years from the date of approval of the Settlement Agreement and (b) the date he completes a course acceptable to Staff regarding the duties of directors and officers of reporting issuers;
- (d) Sinclair cease trading in securities for a period of ten (10) years, with the exception that Sinclair be permitted to trade in securities within a single account for a registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership and interest, provided that:
  - (i) the securities are listed and posted for trading on the Toronto Stock Exchange, the

- New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;
- (ii) Sinclair does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question; and
  - (iii) Sinclair must carry out any permitted trading through a registered dealer and through one account opened in his name only and must close any other accounts;
- (e) any exemptions contained in Ontario securities law do not apply to Sinclair for a period of ten (10) years, except for any exemptions necessary to allow the trading in securities permitted in paragraph (d) above;
  - (f) any registration granted to Sinclair under Ontario securities law be terminated;
  - (g) Sinclair resign all positions he holds as a director or officer of a registrant;
  - (h) Sinclair be prohibited from becoming or acting as a director, officer or employee of a registrant permanently;
  - (i) Sinclair pay the sum of \$15,000 towards Staff's costs relating to the investigation and hearing of this matter;
  - (j) Sinclair not be reimbursed for, or receive a contribution toward, any payment ordered above from any other person or company

Dated at Toronto this 3rd day of April, 2009.

Wendell S. Wigle”

“Suresh Thakrar”

## 2.3 Rulings

### 2.3.1 BMO Harris Investment Management Inc. – s. 74(1)

#### Headnote

Relief from the dealer registration and prospectus requirements of the Act to permit the distribution of pooled fund securities to managed accounts held by non-accredited investors on an exempt basis - NI 45-106 containing carve-out for managed accounts in Ontario prohibiting BMO Harris from making exempt distributions of securities of its proprietary pooled funds to its managed account clients in Ontario unless managed account client qualifies as accredited investor or invests \$150,000 - BMO Harris providing portfolio management services to high net worth clients - Not all managed account clients are accredited investors - BMO Harris permitted to make exempt distributions of proprietary pooled funds to its managed accounts, including those held by non-accredited investors, provided written notice is sent to clients advising them of the relief granted - Securities Act (Ontario).

#### Statute Cited

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

#### Rules Cited

National Instrument 45-106 Prospectus and Registration Exemptions.

March 24, 2009

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

AND

**IN THE MATTER OF  
BMO HARRIS INVESTMENT MANAGEMENT INC.  
(the “Filer”)**

**RULING  
(Subsection 74(1) of the Act)**

#### Background

The Ontario Securities Commission (the “**Commission**”) has received an application from the Filer, on behalf of itself and any open-ended investment fund that is not a reporting issuer and that is currently, or will be after the date of this ruling, established and managed by the Filer (together, the “**Funds**”, individually, a “**Fund**”) for a ruling, pursuant to subsection 74(1) of the Act, that distributions of securities of the Funds to managed accounts of Clients (as hereinafter defined) to which the Filer provides discretionary investment management services will not be subject to the dealer registration and prospectus



requirements under sections 25 and 53 of the Act (the “**Dealer Registration and Prospectus Requirements**”).

### Interpretation

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

### Representations

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

1. The Filer is incorporated under the laws of Canada. Its head office is in Toronto.
2. The Filer is registered with the Commission as an Investment Counsel, Portfolio Manager, Commodity Futures Trading Manager, and Limited Market Dealer. The Filer has the equivalent of the Investment Counsel/Portfolio Manager registration in each of the other jurisdictions of Canada (the “**Other Jurisdictions**”).
3. The Filer offers discretionary portfolio management services to individuals, corporations and other entities (each, a “**Client**”) seeking wealth management or related services (“**Managed Services**”) through a managed account. Except in certain limited circumstances, the Filer will provide Managed Services only to high net worth Canadians, generally with greater than \$500,000 of investable assets. A small percentage of its “legacy accounts” (opened before 2000) are smaller than \$500,000. A significant majority of the Filer’s Managed Services Clients meet the “accredited investor” requirements of NI 45-106 *Prospectus and Registration Exemptions* (“**NI 45-106**”). Certain of the Managed Services Clients that hold the smaller accounts may not however qualify as accredited investors under NI 45-106.
4. The Managed Services are provided by investment counsellors of the Filer (“**Investment Counsellors**”) who meet the proficiency requirements of an advising officer or advising representative (or associate advising officer or associate advising representative) under Ontario securities law.
5. Managed Services Clients are referred to the Filer from within the Bank of Montreal (“**BMO**”) group of companies. The Filer employs personal wealth consultants who work with others within the BMO group of companies to assess clients for whom the services of the Filer would be appropriate and therefore obtain referrals from the retail and commercial banking unit of BMO. Referral fees are paid only to contacts within the BMO group of companies for the referral of a Client based on the value of the assets that the Client transfers to the

Filer. The Filer does not currently pursue external referrals to any extent.

6. The Filer’s Investment Counsellors ensure that an account application and a detailed managed account agreement (“**Managed Account Agreement**”) are duly completed by a new Managed Services Client. The Managed Account Agreement authorizes the Filer to make investment decisions for the managed account and gives the Filer full discretionary authority to trade in securities for the managed account without obtaining the specific consent of the Client to the trade. The Managed Account Agreement further sets out how the managed account operates and informs the Client of the Filer’s various rules, procedures and policies.
7. At the initial meeting between a new Managed Services Client and an Investment Counsellor, an Investment Policy Statement (“**IPS**”) is established for the Client. The IPS provides the general investment goals and objectives of a Client and describes the strategies that the Filer shall employ to meet these objectives. This includes specific information on matters such as asset allocation, risk tolerance and liquidity requirements.
8. After the initial meeting, the Filer’s Investment Counsellors offer to meet at least twice per year with their Managed Services Clients to review the performance of their account and their investment goals. In most cases, the larger the managed account, the more frequent the meetings.
9. Managed Services Clients are provided with a quarterly portfolio statement showing all transactions carried out in their account during the quarter. The Investment Counsellor is available to review and discuss with a new or existing Managed Services Client the first quarterly portfolio statement as well as any subsequent portfolio statement, as applicable, that is prepared for that Client.
10. The Filer has determined that to best fulfill its fiduciary duty to its Clients nation-wide, a portion of the asset mix in each Client’s portfolio should be invested in what are commonly referred to as alternative investments, including non-prospectus qualified investment funds such as the Funds. The Filer’s Clients have also expressed ever-increasing interest in having a portion of their accounts invested in such investment funds.
11. The Funds in which the Filer might invest on behalf of its Clients are, or will be, established and managed by the Filer. The Filer is, or will be, the adviser to the Funds with primary oversight over the management of their portfolios. The Filer may retain an arms-length sub-adviser for the Funds. The Funds may make direct investments in individual securities and/or in another investment

fund(s) managed either by the Filer (or its affiliates) or arms length fund managers.

12. The Funds are, or will be, established by the Filer with a view to achieving efficiencies in the delivery of portfolio management services to its Clients' managed accounts. The Filer will not be paid any compensation with respect to the distribution of the Funds' securities to the managed accounts.
13. Investments in individual securities may not be appropriate for the Managed Services Clients with smaller managed accounts since they may not receive the same asset diversification benefits and may, as a result of the minimum commission charges, incur disproportionately higher brokerage commissions relative to the Clients with larger managed accounts.
14. To give all of its Managed Services Clients the benefit of asset diversification, access to investment products with a very high minimum investment threshold and economies of scale on brokerage commission charges, the Filer proposes to cause all of its Managed Services Clients, including those that do not qualify as accredited investors, to invest in securities of the Funds, subject to each Managed Services Client's risk tolerance.
15. Each Fund will pay all administration fees and expenses relating to its operation, including any management or performance fees paid to the Filer. Where the Filer invests on behalf of a managed account in Funds that would otherwise pay a management fee and/or performance-based fee to the Filer, the necessary steps will be taken to ensure that there will be no duplication of fees between a managed account and the Funds. Any sub-advisor to a Fund retained by the Filer will earn a fee charged to the Fund or paid by the Filer directly. Terms of the fee arrangements with a Client are currently, and in the future will be, detailed in the Managed Account Agreement.
16. While a managed account qualifies as an "accredited investor" in the Other Jurisdictions, NI 45-106 contains a carve out for managed accounts in Ontario when the securities being purchased by the managed account are those of an investment fund. Absent the relief being requested, the Funds are prohibited in Ontario from distributing, and the Filer is effectively prohibited from investing in, securities of the Funds for managed accounts it manages, in reliance upon the accredited investor exemption in NI 45-106 in circumstances where the individual Client who is the beneficial owner of the managed account is not otherwise qualified as an "accredited investor". Reliance upon the \$150,000 minimum investment exemption available under NI 45-106 may not be appropriate for smaller managed accounts as this might

require a disproportionately high percentage of the account to be invested in an investment fund.

17. Under the exempt distribution rule applicable in the Other Jurisdictions, there is no restriction on the ability of managed accounts to purchase investment fund securities on an exempt basis. Under NI 45-106, a managed account in the Other Jurisdictions can acquire securities of the Funds as an accredited investor.

**Ruling**

The Commission being satisfied that the relevant test contained in subsection 74(1) of the Act has been met, the Commission rules pursuant to subsection 74(1) of the Act that relief from the Dealer Registration and Prospectus Requirements is granted in connection with the distribution of securities of the Funds to Managed Services Clients provided that,

- (a) this ruling will terminate upon the coming into force of any legislation or rule of the Commission exempting a trade by a fully managed account in Ontario in securities of investment funds from both the Dealer Registration and Prospectus Requirements;
- (b) before making trades in securities of the Funds on behalf of a Client, the Filer provides the Client with 60 days prior written notice advising the Client of:
  - (i) the filing of the Filer's application with the Commission,
  - (ii) the nature of the relief granted under this ruling,
  - (iii) the fact that the ruling permits the Client to invest in an investment fund product which the Client otherwise would not be allowed to invest in on an exempt basis through their managed account; and
- (c) before a Client is referred to the Filer, the terms of the referral arrangement are set out in a written agreement between the Filer and the person or company receiving the referral, the Filer records all referral fees on its records, and the Filer ensures that before the earlier of opening the Client's account or any services are provided to the Client under the referral arrangement, the Client receives written disclosure of the referral arrangement that includes:
  - (i) the name of each party to the referral arrangement;
  - (ii) the purpose and material terms of the referral arrangement, including the nature of the services to be provided by each party;

- (iii) any conflicts of interest resulting from the relationship between the parties to the referral arrangement and from any other element of the referral arrangement;
- (iv) the method of calculating the referral fee and, to the extent possible, the amount of the fee;
- (v) the category of registration of each registrant that is a party to the agreement with a description of the activities that the registrant is authorized to engage in under that category and, giving consideration to the nature of the referral, the activities that the registrant is not permitted to engage in; and
- (vi) a statement that all activity requiring registration resulting from the referral arrangement will be provided by the Filer, and

if there is a material change to the information set out in clauses (i) to (vi), the Filer must ensure that written disclosure of that change is provided to each Client affected by the change as soon as practicable and, in any event, no later than the 30th day before the date on which a referral fee is next paid or received.

“James E. A. Turner”  
Vice-Chair

“Wendell S. Wigle”  
Commissioner

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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 Matthew Scott Sinclair

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

**AND**

**IN THE MATTER OF  
MATTHEW SCOTT SINCLAIR**

**SETTLEMENT AGREEMENT**

**PART I – INTRODUCTION**

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Matthew Scott Sinclair (the “Respondent” or “Sinclair”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

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

**PART III – AGREED FACTS**

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

**A. The Respondent**

4. At all material times, Merchant Capital Group Inc. (“MCGI”) was a reporting issuer in Ontario with its head office in Toronto.
5. At all material times, Sinclair was the Chairman, President, Chief Executive Officer and directing mind of MCGI.
6. Sinclair was registered with the Commission in the category of Director on May 1, 2003 and Chief Executive Officer (Non-Trading) on April 29, 2004. Sinclair’s registration was held through Merchant Capital Wealth Management Corp. (“Merchant Capital Wealth Management”), a Mutual Fund Dealer and Limited Market Dealer.
7. MCGI controlled, either directly or indirectly, the following corporations: Merchant Capital Wealth Management, Merchant Capital Securities Corporation (“MCSC”), @rgentum Management & Research Corporation and Applied Carbon Technology (America), Inc.

**B. The Management Cease Trade Order**

8. On May 21, 2002, MCGI issued a press release which announced that it would be unable to file its audited financial statements for the year ended December 31, 2001, on or prior to May 21, 2002 as required under Ontario securities law. MCGI acknowledged that: “[i]t is anticipated that the Ontario Securities Commission (the “OSC”) will forthwith impose a management cease trade order with respect to the securities of [MCGI]. Should [MCGI] fail to SEDAR file its

financial statements on or before July 22, 2002[,] the OSC may impose a cease trade order that all trading in securities of [MCGI] cease for such period specified in the OSC order[.]”

9. On May 23, 2002, the Commission issued a Temporary Management Cease Trade Order against Sinclair and other directors, officers and insiders of MCGI prohibiting each from trading in securities of MCGI given MCGI’s failure to file audited financial statements (the “TMCTO”).
10. On June 5, 2002, the TMCTO was extended by the Commission until such time as the Commission received all filings by MCGI as required pursuant to Ontario securities law or until further order of the Commission (the “MCTO”). The MCTO remains in effect.

**C. The Cease Trade Order**

11. On July 23, 2002, the Commission issued a Temporary Cease Trade Order against MCGI for its continued failure to file audited financial statements (the “TCTO”).
12. On August 2, 2002, the TCTO was extended by the Commission until further order of the Commission revoking it (the “CTO”). The CTO remains in effect.

**D. Breach of the Cease Trade Order**

**(a) Private Placement of Convertible Debentures**

13. On July 15, 2002, MCGI issued a press release announcing that it intended to privately issue up to \$4 million worth of convertible debentures (the “Convertible Debentures”).
14. The Convertible Debentures offered by MCGI were for 3-year term with a 14% annual interest rate, payable semi-annually, and were convertible to MCGI common shares over the 3-year term at the option of the debenture holder and based on a prescribed timetable.
15. MCGI’s offering was intended to raise up to \$7 million, of which MCGI represented in its offering documents that \$3 million had already been raised as of December 27, 2001. The proceeds of MCGI’s offering were to be used for capital expenditures for MCGI’s subsidiaries and for working capital for MCGI.
16. No prospectus was filed by MCGI nor was a receipt issued by the Commission in respect of the Convertible Debentures.
17. Between August 1, 2002 and March 5, 2003, MCGI received at least \$500,000 through the sale of the Convertible Debentures. The Convertible Debentures were signed by Sinclair on behalf of MCGI.

**(b) Restructuring of Convertible Debentures**

18. In or around August 2004, Sinclair, on behalf of MCGI and MCSC, made a proposal to the Convertible Debenture holders for the “effective restructuring” of the securities.
19. Under the terms of the proposal, the Convertible Debenture holders would sell their Convertible Debentures to MCSC for the original principal amount of the Convertible Debenture. In exchange, MCSC would issue a matching convertible debenture with the exception that the maturity date would be extended and the conversion feature would be amended to provide for conversion into the common shares of MCSC or a related company, if and when MCSC, or a related company, completed a public listing of its securities (the “MCSC Convertible Debentures”).
20. Upon acceptance of the terms of the proposal and upon executing a convertible debenture agreement with MCSC, holders of the Convertible Debentures would become holders of MCSC Convertible Debentures.
21. The proposal of Convertible Debentures for MCSC Convertible Debentures was facilitated by MCGI at the direction of Sinclair. At the material period, Sinclair was also the directing mind of MCSC.

**PART IV – CONDUCT CONTRARY TO ONTARIO SECURITIES LAW  
AND THE PUBLIC INTEREST**

22. Sinclair admits and acknowledges that the sales of the Convertible Debentures between August 1, 2002 and March 5, 2003 constituted trades in securities by MCGI and Sinclair.

23. Sinclair admits and acknowledges that the restructuring of the Convertible Debentures in 2004, as proposed and facilitated by MCGI, MCSC and Sinclair, constituted acts in furtherance of trades by them within the meaning of the Act.
24. Sinclair admits and acknowledges that the sales of the Convertible Debentures and the MCSC Convertible Debentures were made by MCGI, MCSC and Sinclair in breach of section 53 of the Act.
25. Furthermore, by trading in securities while it was subject to the TCTO and CTO, MCGI breached the respective cease trade orders and therefore contravened Ontario securities law. Sinclair admits to having authorized, permitted or acquiesced in the trading by MCGI and is therefore deemed to also have contravened Ontario securities law.
26. The conduct of MCGI and Sinclair was contrary to Ontario securities law and contrary to the public interest.

#### **PART V – TERMS OF SETTLEMENT**

27. The Respondent agrees to the terms of settlement listed below.
28. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:
  - (a) the Settlement Agreement is approved;
  - (b) Sinclair be reprimanded;
  - (c) Sinclair be prohibited from becoming or acting as an officer or director of a reporting issuer until the later of (a) ten (10) years from the date of approval of the Settlement Agreement and (b) the date he completes a course acceptable to Staff regarding the duties of directors and officers of reporting issuers;
  - (d) Sinclair cease trading in securities for a period of ten (10) years, with the exception that Sinclair be permitted to trade in securities within a single account for a registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership and interest, provided that:
    - (i) the securities are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;
    - (ii) Sinclair does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question; and
    - (iii) Sinclair must carry out any permitted trading through a registered dealer and through one account opened in his name only and must close any other accounts;
  - (e) any exemptions contained in Ontario securities law do not apply to Sinclair for a period of ten (10) years, except for any exemptions necessary to allow the trading in securities permitted in paragraph (d) above;
  - (f) any registration granted to Sinclair under Ontario securities law be terminated;
  - (g) Sinclair resign all positions he holds as a director or officer of a registrant;
  - (h) Sinclair be prohibited from becoming or acting as a director, officer or employee of a registrant permanently;
  - (i) Sinclair pay the sum of \$15,000 towards Staff's costs relating to the investigation and hearing of this matter; and
  - (j) Sinclair not be reimbursed for, or receive a contribution toward, any payment ordered above from any other person or company.
29. Sinclair will attend, in person, at the hearing before the Commission to consider the proposed settlement.

#### **PART VI – STAFF COMMITMENT**

30. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 31 below.

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

**PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT**

32. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for Friday, April 3, 2009, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission’s Rules of Practice.
33. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent’s conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
34. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
35. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
36. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission’s jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

**PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT**

37. If the Commission does not approve this Settlement Agreement or does not make the order attached as Schedule “A” to this Settlement Agreement:
- i. this Settlement Agreement and all discussions and negotiations between Staff and the Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and
  - ii. Staff and the Respondent will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.
38. Both parties will keep the terms of the Settlement Agreement confidential until the Commission approves the Settlement Agreement. At that time, the parties will no longer have to maintain confidentiality. If the Commission does not approve the Settlement Agreement, both parties must continue to keep the terms of the Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

**PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

39. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.
40. A fax copy of any signature will be treated as an original signature.

Dated this 2nd day of April, 2009.

“Matthew Scott Sinclair”  
Respondent

“Michael Donsky”  
Witness

“Tom Atkinson”  
Director, Enforcement Branch



**SCHEDULE "A"**

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

**AND**

**IN THE MATTER OF  
MATTHEW SCOTT SINCLAIR**

**ORDER  
(Sections 127 and 127.1)**

**WHEREAS** on June 16, 2008, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and related Statement of Allegations (the "Notice of Hearing") against Matthew Scott Sinclair (the "Respondent" or "Sinclair");

**AND WHEREAS** the Respondent has entered into a settlement agreement with Staff of the Commission dated April 2, 2009 (the "Settlement Agreement") in relation to the matters set out in the Notice of Hearing;

**UPON** reviewing the Notice of Hearing and Settlement Agreement, and upon hearing submissions from counsel for Sinclair and for Staff of the Commission;

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

**IT IS HEREBY ORDERED** that:

- (a) the Settlement Agreement is approved;
- (b) Sinclair is reprimanded by the Commission;
- (c) Sinclair is prohibited from becoming or acting as an officer or director of a reporting issuer until the later of (a) ten (10) years from the date of approval of the Settlement Agreement and (b) the date he completes a course acceptable to Staff regarding the duties of directors and officers of reporting issuers;
- (d) Sinclair cease trading in securities for a period of ten (10) years, with the exception that Sinclair be permitted to trade in securities within a single account for a registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership and interest, provided that:
  - (i) the securities are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;
  - (ii) Sinclair does not own legally or beneficially more than one percent of the outstanding securities of the class or series of the class in question; and
  - (iii) Sinclair must carry out any permitted trading through a registered dealer and through one account opened in his name only and must close any other accounts;
- (e) any exemptions contained in Ontario securities law do not apply to Sinclair for a period of ten (10) years, except for any exemptions necessary to allow the trading in securities permitted in paragraph (d) above;
- (f) any registration granted to Sinclair under Ontario securities law be terminated;
- (g) Sinclair resign all positions he holds as a director or officer of a registrant;
- (h) Sinclair be prohibited from becoming or acting as a director, officer or employee of a registrant permanently;
- (i) Sinclair pay the sum of \$15,000 towards Staff's costs relating to the investigation and hearing of this matter;
- (j) Sinclair not be reimbursed for, or receive a contribution toward, any payment ordered above from any other person or company

**Reasons: Decisions, Orders and Rulings**

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Dated at Toronto this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Wendell S. Wigle, Q.C.

\_\_\_\_\_  
Suresh Thakrar

## Chapter 4

# Cease Trading Orders

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

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
Augustine Ventures Inc.	02 Apr 09	14 Apr 09		
Nearctic Nickel Mines Inc.	02 Apr 09	14 Apr 09		
Jumbo Petroleum Corporation	02 Apr 09	14 Apr 09		
Pine Valley Mining Corporation	03 Apr 09	15 Apr 09		
Condor Gold Corp.	06 Apr 09	17 Apr 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
Brainhunter Inc.	28 Jan 09	10 Feb 09	10 Feb 09	08 Apr 09	
Synergex Corporation	02 Apr 09	14 Apr 09			
Victhom Human Bionics Inc.	02 Apr 09	14 Apr 09			
High River Gold Mines Ltd.	03 Apr 09	15 Apr 09			
AbitibiBowater Inc.	06 Apr 09	17 Apr 09			

### 4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Brainhunter Inc.	28 Jan 09	10 Feb 09	10 Feb 09	08 Apr 09	
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09	03 Mar 09		
Outlook Resources Inc.	31 Mar 09	13 Apr 09			
TriNorth Capital Inc.	01 Apr 09	14 Apr 09			
Orsu Metals Corporation	01 Apr 09	14 Apr 09			
Synergex Corporation	02 Apr 09	14 Apr 09			
Victhom Human Bionics Inc.	02 Apr 09	14 Apr 09			
High River Gold Mines Ltd.	03 Apr 09	15 Apr 09			
AbitibiBowater Inc.	06 Apr 09	17 Apr 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	# of Purchasers	Issuer/Security	Total Purchase Price (\$)	# of Securities Distributed
03/27/2009	1	Aldrin Resource Corp. - Common Shares	34,000.00	200,000.00
03/24/2009	2	Alexandria Real Estate Equities, Inc. - Common Shares	12,897,500.00	7,000,000.00
03/26/2009	2	Ansell Capital Corp. - Units	22,200.00	185,000.00
03/18/2009	26	Arizona Acquisition Fund Inc. - Common Shares	425.50	4,255.00
03/18/2009	26	Arizona Capital Fund Inc. - Bonds	425,500.00	4,255.00
02/26/2009	13	Armistice Resources Corp. - Units	935,600.25	6,237,335.00
12/15/2008	150	ASG Hotels Real Estate Investment Trust - Trust Units	6,063,000.00	606,300.00
03/02/2009	2	BMG Bullion Fund - Units	430,300.65	40,122.78
03/20/2009	1	Brickstream Corporation - Common Shares	1,561,069.22	N/A
03/18/2009	1	Brighter Minds Media Inc. - Debentures	35,000.00	1.00
03/31/2009	10	BTI Systems Inc. - Debentures	3,131,597.00	N/A
03/02/2009	2	Bullion Management Group Inc. - Common Shares	27,466.00	18,310.00
03/02/2009	1	Bullion Management Group Inc. - Units	150,000.00	100,000.00
03/19/2009	82	Canadian Horizons First Mortgage Investment Corporation - Preferred Shares	1,729,302.00	1,729,302.00
03/19/2009	60	CareVest Blended Mortgage Investment Corporation - Preferred Shares	2,177,687.00	2,177,687.00
03/19/2009	47	CareVest First Mortgage Investment Corporation - Preferred Shares	1,837,710.00	1,837,710.00
03/19/2009	13	CareVest Second Mortgage Investment Corporation - Preferred Shares	148,284.00	148,284.00
03/20/2009	1	CIVC Partners Fund IV- A, L.P. - Limited Partnership Interest	28,696,737.78	1.00
03/20/2009 to 03/29/2009	14	CMC Markets UK plc - Contracts for Differences	72,200.00	36.00
03/20/2009	47	Coniagas Resources Limited - Units	1,800,000.00	12,800,000.00
03/31/2009	30	Dorato Resources Inc. - Units	5,985,000.00	11,970,000.00
03/24/2009	2	Engineered Drilling Solutions Inc. - Debentures	1,000,000.00	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
03/09/2009	28	Erin Ventures Inc. - Units	391,755.00	11,193,000.00
03/31/2009	1	Etruscan Resources Inc. - Common Shares	4,679,537.00	11,698,840.00
03/18/2009 to 03/19/2009	2	Excellon Resources Inc. - Common Shares	3,677,161.01	19,353,479.00
03/20/2009	2	Explor Resources inc. - Common Shares	16,500.00	60,000.00
03/20/2009 to 03/23/2009	5	First Leaside Fund - Trust Units	25,012.00	25,012.00
03/18/2009 to 03/19/2009	6	First Leaside Fund - Trust Units	172,000.00	172,000.00
03/26/2009 to 03/27/2009	4	First Leaside Fund - Trust Units	220,000.00	220,000.00
03/26/2009	1	First Leaside Fund - Trust Units	45,000.00	45,000.00
03/31/2009	1	First Leaside Progressive Limited Partnership - Units	25,000.00	25,000.00
03/01/2009	1	Flatiron Market Neutral LP - Limited Partnership Units	300,000.00	284.64
03/17/2009	70	Fyi Eye Care Services and Products Inc. - Common Shares	2,989,588.00	854,168.00
03/16/2009 to 03/20/2009	3	General Motors Acceptance Corporation of Canada, Limited - Notes	571,032.40	571,032.40
03/23/2009 to 03/27/2009	5	General Motors Acceptance Corporation of Canada, Limited - Notes	1,173,485.56	11,735.00
03/24/2009	14	Global Key Investment Limited - Common Shares	1,002,000.00	6,680,000.00
03/23/2009	1	Gold Summit Corporation - Common Shares	1,000.00	50,000.00
03/09/2009	17	Golden Chalice Resources Inc. - Flow-Through Shares	1,530,000.00	N/A
03/23/2009	13	Golden Sunset Trail Inc. - Common Shares	124,999.29	961,533.00
03/04/2009 to 03/13/2009	3	Hammerson plc - Rights	0.00	68,844.00
03/17/2009 to 03/18/2009	3	Hammerson plc - Rights	0.00	20,054,288.00
03/24/2009	4	Houstan Lake Mining Inc. - Common Shares	339,999.00	431,425.00
03/20/2009 to 03/24/2009	25	IGW Real Estate Investment Trust - Trust Units	899,673.18	862,065.11
03/25/2009 to 04/01/2009	3	Imperial Capital Equity Partners Ltd. - Capital Commitment	2,000,000.00	N/A
03/18/2009	17	InFraReDx, Inc. - Preferred Shares	5,570,159.38	N/A
02/09/2009	1	Investeco Private Equity Fund III, L.P - Limited Partnership Units	50,000.00	50.00
02/09/2009	2	Investeco Private Equity Fund III, L.P - Limited	500,000.00	500.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
		Partnership Units		
03/24/2009	7	Isee3d Inc. - Units	165,406.00	1,102,706.00
03/24/2009	2	Kansas City Southern de Mexico, S.A. de C.V. - Notes	20,845,400.00	0.00
03/18/2009	12	Kensington Global Private Equity Fund - Units	549,624.00	N/A
03/15/2009	1	Kingwest Canadian Equity Portfolio - Units	15,000.00	2,021.16
03/11/2009	2	Lihir Gold Limited - Common Shares	3,998,228.84	3,118,500.00
03/20/2009	5	Majescor Resources Inc. - Units	50,000.00	500,000.00
03/20/2009	15	Metanor Resources Inc. - Units	12,177,400.00	0.00
03/20/2009	17	MPH Ventures Corp. - Common Shares	302,500.00	6,110,000.00
03/24/2009	18	Nayarit Gold Inc. - Units	5,552,500.00	20,000,000.00
02/01/2009	1	Neilas (Shepherd Road) Limited Partnership - Limited Partnership Units	20,000.00	20.00
01/21/2009	2	Neilas (Shepherd Road) Limited Partnership - Limited Partnership Units	85,000.00	85.00
03/23/2009	1	New Solutions Financial (II) Corporation - Debentures	156,656.89	1.00
03/19/2009 to 03/20/2009	14	Newport Canadian Equity Fund - Units	265,480.73	2,617.91
03/12/2009 to 03/13/2009	7	Newport Canadian Equity Fund - Units	240,000.00	2,384.88
03/19/2009 to 03/25/2009	172	Newport Fixed Income Fund - Units	3,853,979.58	38,082.51
03/11/2009 to 03/18/2009	58	Newport Fixed Income Fund - Units	1,741,901.06	17,292.90
03/19/2009 to 03/20/2009	6	Newport Global Equity Fund - Units	38,000.00	739.57
03/13/2009	5	Newport Global Equity Fund - Units	225,000.00	4,380.01
03/19/2009 to 03/26/2009	159	Newport Yield Fund - Units	2,754,373.59	28,396.05
03/11/2009 to 03/18/2009	46	Newport Yield Fund - Units	1,330,932.04	13,830.81
03/01/2009	14	North American Financial Group Inc. - Debt	655,000.00	14.00
03/19/2009	9	Northern Abitibi Mining Corp. - Units	140,000.00	1,400,000.00
03/13/2009	1	Palm Inc. - Common Shares	8,162.55	1,067.00
03/06/2009	7	Parmasters Golf Training Centers, Inc. - Common Shares	233,915.52	365,493.00
03/27/2009	7	Plenary Health Niagara LP - Notes	134,000,000.00	N/A



**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
03/24/2009	10	Premier Foods plc - Common Shares	3,650,823.20	7,767,709.00
03/20/2009 to 03/27/2009	20	Redux Duncan City Centre Limited Partnership - Limited Partnership Units	1,087,000.00	1,087,000.00
03/13/2009	2	Rochester Resources Ltd. - Common Shares	8,000.00	40,000.00
03/23/2009 to 03/27/2009	5	Romios Gold Resources Inc. - Common Shares	69,000.00	200,000.00
03/13/2009	2	RPFL- Real Estate Opportunity Limited Partnership - Limited Partnership Units	764,940.00	12.00
03/24/2009	3	Samex Mining Corp. - Units	70,000.00	700,000.00
03/23/2009 to 03/26/2009	39	Silvermet Inc. - Units	719,300.00	14,386,000.00
03/25/2009	4	Simon Property Group, Inc. - Stock Option	38,938,249.35	1,001,000.00
03/25/2009	3	Simon Property Group, L.P. - Notes	1,807,486.08	1,463,670.00
03/15/2009	50	Skyline Apartment Real Estate Investment Trust - Trust Units	2,822,820.41	256,620.04
03/18/2009	1	Special Notes Limited Partnership - Units	36,000.00	36,000.00
03/31/2009	1	Special Notes Limited Partnership - Units	50,000.00	50,000.00
03/18/2009	1	Sturgeon 2 Limited Partnership - Loans	100,000.00	4.00
02/28/2009	4	Taurean Registered Investments 1 Inc. - Common Shares	60.90	609.00
06/30/2008 to 12/31/2008	17	Triasima Canadian long/Short Fund - Common Shares	2,038,512.82	201,609.18
06/30/2008 to 12/31/2008	10	Triasima Canadian Small Capitalization Fund - Common Shares	259,308.48	28,895.49
03/25/2009	2	Tumi Resources Ltd. - Units	120,000.00	800,000.00
03/27/2009	1	Verizon Communications Inc. - Notes	619,600.00	N/A
02/28/2009	15	Vertex Fund - Trust Units	1,840,962.37	N/A
03/17/2009	17	Walton AZ Sawtooth Investment Corporation - Common Shares	228,900.00	22,890.00
03/27/2009	21	Walton AZ Sawtooth Investment Corporation - Common Shares	124,030.00	12,403.00
03/27/2009	10	Walton AZ Vista Del Monte Limited Partnership 1 - Limited Partnership Units	411,984.43	33,246.00
03/20/2009	73	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	904,330.00	90,433.00
03/24/2009	92	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	1,231,650.00	123,165.00
03/27/2009	102	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	1,604,970.00	160,497.00
03/24/2009	4	Walton GA Arcade Meadows Limited	1,323,965.12	107,552.00

**Notice of Exempt Financings**

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<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b># of Securities Distributed</b>
		Partnership 2 - Limited Partnership Units		
03/20/2009	10	Walton Income 1 Investment Corporation - Common Shares	5,000.00	1,000.00
03/20/2009	10	Walton Income 1 Investment Corporation - Notes	284,500.00	N/A
03/24/2009	60	Walton TX Amble Way Investment Corporation - Common Shares	679,210.00	67,921.00
03/20/2009	134	Walton TX Amble Way Investment Corporation - Common Shares	1,759,540.00	175,954.00
03/27/2009	59	Walton TX Amble Way Investment Corporation - Common Shares	742,100.00	74,210.00
03/20/2009	6	Walton TX Amble Way Limited Partnership - Limited Partnership Units	2,078,927.24	169,156.00
03/24/2009	17	Walton TX Green Meadows Limited Partnership I - Limited Partnership Units	380,686.05	31,046.00
03/30/2009	1	X-CAL Resources Ltd. - Units	1,000,000.04	15,384,616.00

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## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

AGF American Growth Class  
AGF Canada Class  
AGF Canadian Large Cap Dividend Class  
AGF Canadian Stock Class  
AGF Elements Balanced Portfolio Class  
AGF Elements Global Portfolio Class  
AGF European Equity Class  
AGF Global Equity Class  
AGF Global Value Class  
AGF International Stock Class  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Simplified Prospectus dated April 1, 2009  
NP 11-202 Receipt dated April 2, 2009

**Offering Price and Description:**

-

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

AGF Funds Inc.

**Promoter(s):**

-

**Project #1389189**

---

**Issuer Name:**

AGF Global Real Estate Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated April 1, 2009  
NP 11-202 Receipt dated April 2, 2009

**Offering Price and Description:**

Series S Securities

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

AGF Funds Inc.

**Promoter(s):**

-

**Project #1400850**

---

**Issuer Name:**

Bank of Montreal  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated April 2, 2009  
NP 11-202 Receipt dated April 3, 2009

**Offering Price and Description:**

\$1,000,000,000.00 - Medium Term Notes (Principal At Risk Notes)

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

BMO Nesbitt Burns Inc.

**Promoter(s):**

-

**Project #1401253**

**Issuer Name:**

Cineplex Galaxy Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 3, 2009  
NP 11-202 Receipt dated April 3, 2009

**Offering Price and Description:**

\$184,635,611.00 - 12,956,885 Units Price: \$14.25 per Unit

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

RBC Dominion Securities Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
Thomas Weisel Partners Canada Inc.  
GMP Securities L.P.  
UBS Securities Canada Inc.

**Promoter(s):**

-

**Project #1401324**

---

**Issuer Name:**

Cominar Real Estate Investment Trust  
Principal Regulator - Quebec

**Type and Date:**

Preliminary Short Form Prospectus dated April 6, 2009  
NP 11-202 Receipt dated April 6, 2009

**Offering Price and Description:**

\$50,004,000.00 - 4,167,000 Units Price: \$12.00 per Unit

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

National Bank Financial Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
Desjardins Securities Inc.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
Canaccord Capital Corporation  
Blackmont Capital Inc.  
Genuity Capital Markets G.P.

**Promoter(s):**

-

**Project #1401777**

**Issuer Name:**

Equinox Minerals Limited  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 6, 2009  
NP 11-202 Receipt dated April 6, 2009

**Offering Price and Description:**

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

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

CIBC World Markets Inc.  
Goldman Sachs Canada Inc.

**Promoter(s):**

-

**Project #1401771**

---

**Issuer Name:**

Taseko Mines Limited  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated April 1, 2009  
NP 11-202 Receipt dated April 1, 2009

**Offering Price and Description:**

\$20,000,000.00 - 13,793,104 Common Shares Price: \$1.45  
per Common Share

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

Raymond James Ltd.  
Wellington West Capital Markets Inc.

Canaccord Capital Corporation

Jennings Capital Inc.

Paradigm Capital Inc.

**Promoter(s):**

-

**Project #1400451**

---

**Issuer Name:**

Yamana Gold Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 31, 2009  
NP 11-202 Receipt dated April 1, 2009

**Offering Price and Description:**

Cdn\$500,000,000.00:

Debt Securities

Common Shares

Warrants

Subscription Receipts

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

-

**Promoter(s):**

-

**Project #1399775**

---

**Issuer Name:**

Baytex Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 3, 2009  
NP 11-202 Receipt dated April 3, 2009

**Offering Price and Description:**

\$100,050,000.00 - 6,900,000 Trust Units Price: \$14.50 per  
Trust Unit

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

TD Securities Inc.  
CIBC World Markets Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.

Canaccord Capital Corporation

FirstEnergy Capital Corp.

Raymond James Ltd.

Peters & Co. Limited

Tristone Capital Inc.

UBS Securities Canada Inc.

Cormark Securities Inc.

Dundee Securities Corporation

**Promoter(s):**

-

**Project #1394443**

---

**Issuer Name:**

Breakwater Resources Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated April 3, 2009  
NP 11-202 Receipt dated April 3, 2009

**Offering Price and Description:**

\$20,000,000.00 - 200,000,000 Units Price: \$0.10 per Unit

**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:**

Brookfield Homes Corporation

**Type and Date:**

Final MJDS Prospectus dated April 1, 2009

Received on April 2, 2009

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

**Project #1361017**

---

**Issuer Name:**

Midnight Oil Exploration Ltd.

Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 1, 2009

NP 11-202 Receipt dated April 1, 2009

**Offering Price and Description:**

\$9,647,400.00 - 8,000,000 Common Shares 3,710,000

Flow-Through Shares Price: \$0.77 per Common Share

\$0.94 per Flow-Through Share

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

Cormark Securities Inc.

Dundee Securities Corporation

GMP Securities L.P.

**Promoter(s):**

-

**Project #1391757**

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**Issuer Name:**

Regal Resources Inc.

Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated Prospectus dated April 1, 2009

amending and restating the Prospectus dated October 14,

2008 as amended and restated on November 27, 2008

NP 11-202 Receipt dated April 3, 2009

**Offering Price and Description:**

MINIMUM OF \$300,000.00 (3,000,000 UNITS) AND

MAXIMUM OF \$400,000.00 (4,000,000 UNITS) PRICE:

\$0.10 PER UNIT

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

Union Securities Ltd.

**Promoter(s):**

Harvey D. Dick

**Project #1202895**

**Issuer Name:**

Sprott All Cap Fund

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 25, 2009 to the Simplified Prospectus and Annual Information Form dated June 19, 2008

NP 11-202 Receipt dated April 6, 2009

**Offering Price and Description:**

-

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

Sprott Asset Management Inc.

**Promoter(s):**

Sprott Asset Management Inc.

**Project #1264495**

---

**Issuer Name:**

Sun Life Financial Inc.

Principal Regulator - Ontario

**Type and Date:**

Final Base Shelf Prospectus dated April 1, 2009

NP 11-202 Receipt dated April 2, 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:**

Active Growth Capital Inc.

Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Non-Offering Prospectus dated December 30, 2008

Withdrawn on April 1, 2009

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

**Project #1362988**

**Issuer Name:**

HORIZONS MULTI-ASSET FUND

Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Simplified Prospectus and Annual Information

Form (NI 81-101) dated May 25, 2007

Withdrawn on April 1, 2009

**Offering Price and Description:**

Series A and F Units

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

-

**Promoter(s):**

Betapro Management Inc.

Project #1108085

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Suspension of Registration	Barclays Global Investors Services Canada Limited	Investment Dealer	March 31, 2009
Name Change	From: RBC Private Counsel Inc.  To: RBC Phillips, Hager & North Investment Counsel Inc./RBC Phillips, Hager & North Services-conseils en placements inc.	Investment Counsel & Portfolio Manager	March 31, 2009
New Registration	Novadan Capital Limited	Limited Market Dealer Investment Counsel and Portfolio Manager	April 1, 2009
Name Change	From: Friedman, Billings, Ramsey & Co. Inc.  To: FBR Capital Markets & Co.	International Dealer	April 1, 2009
Consent to Suspension (Rule 33-501 Surrender of Registration)	Caledon Capital Partners Ltd.	Limited Market Dealer	April 6, 2009
New Registration	Caledon Capital Management Inc.	Limited Market Dealer	April 6, 2009
New Registration	Global Wealth Builders Ltd.	Extra-Provincial Investment Counsel & Portfolio Manager	April 6, 2009
New Registration	Frontwater Capital Inc.	Investment Counsel & Portfolio Manager Limited Market Dealer, Commodity Trading Manager	April 6, 2009
New Registration	BlueCrest Capital Management LLP	Limited Market Dealer (Non-Resident)	April 6, 2009



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## Chapter 13

# SRO Notices and Disciplinary Proceedings

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### 13.1.1 TSX Notice of Approval – Housekeeping Amendments to the TSX Company Manual

#### TORONTO STOCK EXCHANGE

#### NOTICE OF APPROVAL

#### HOUSEKEEPING AMENDMENTS TO THE TORONTO STOCK EXCHANGE COMPANY MANUAL

##### Introduction

In accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals between the Ontario Securities Commission (the “OSC”) and Toronto Stock Exchange (“TSX”), TSX has adopted, and the OSC has approved, amendments (the “Amendments”) to the TSX Company Manual (the “Manual”). The Amendments are housekeeping in nature and therefore are considered non-public interest amendments.

##### Reasons for the Amendments

1. Section 910 (A) and Section 910 (B) currently list the telephone and fax numbers for Paid Distribution News Services and Financial News Services. The Amendments remove the telephone and fax information from the Manual since it is not regulatory information and requires frequent updating. This information is now provided on TSX’s web site under TSX Issuer Resources, enabling TSX to keep the information current on a timely basis.
2. The definition of “Market Surveillance” in Part I of the Manual requires updating to refer to the Investment Industry Regulatory Organization of Canada rather than Market Regulation Services Inc.
3. The text at Section 629.1 will be deleted. In 2007, when the Normal Course Issuer Bid (“NCIB”) provisions in the Manual were amended, this section was reserved for rules relating to the use of derivatives and accelerated buy backs in conjunction with NCIBs. However TSX has determined that such rules would have very limited applicability to its issuers and are particularly complex. TSX has therefore determined that it will not move ahead to propose a rule in section 629.1 and will remove the placeholder accordingly. Issuers who would like to pursue the use of derivatives or accelerated buybacks in the context of NCIBs are invited to make application to TSX for discretionary relief.

##### Text of Amendments

The Amendments are attached as **Appendix A**.

##### Effective Date

The Amendments become effective on April 9, 2009.

## Appendix A

## Non-Public Interest Amendments to the TSX Company Manual

## Sec. 910.

As a matter of routine procedure, all information of importance should be released as quickly as circumstances permit, and to as broad an audience as possible. After notification to Market Surveillance, a news release must be transmitted to the media by the quickest possible method, and by one that provides the widest dissemination possible. To ensure that the entire financial community is aware of the news at the same time, the Exchange's timely disclosure policy requires that a wire service (or combination of services) be used which provides national and simultaneous coverage of the full text of the release to the national financial press and daily newspapers that provide regular coverage of financial news, to all Participating Organizations and to all relevant regulatory bodies. If the officials of a listed company have any questions about the acceptability of a particular means of dissemination, they should contact Market Surveillance. A list of key segments of the news media is set out below.

	PHONE	FAX
<b>A) Paid Distribution News Services (providing full text coverage)</b>		
CNW Group	(416) 863-9350	(416) 863-9429
	(514) 878-2520	(514) 878-9985
	(877) 269-7890	(877) 269-5044
Marketwire, Incorporated	(416) 362-0885	(416) 362-9693
	(514) 861-7801	(514) 861-7738
	(403) 266-2443	(403) 266-2051
	(604) 683-1066	(604) 683-0885
Infolink	(416) 504-8805	(416) 504-8313
Filing Services Canada Inc.	(403) 717-3898	(403) 717-3896
Business Wire	(416) 593-0208	(416) 593-8434
<b>B) Financial News Services</b>		
Dow Jones (Toronto)	(416) 943-7500	(416) 365-1459
Dow Jones (Montréal)	(514) 875-2570	(514) 875-0650
Reuters (Toronto)	(416) 941-8100	(416) 869-3436
Reuters (Montréal)	(514) 985-2434	(514) 287-0815
Bloomberg News	(416) 364-7300	(416) 364-8331
Canadian Press (Toronto)	(416) 364-0321	(416) 364-0207
Canadian Press (Montréal)	(514) 849-6154	(514) 282-6915

## Part I – Interpretation

"Market Surveillance" means the Market Surveillance Division ~~Department~~ of Market Regulation Services Inc. the Investment Industry Regulatory Organization of Canada.

## Part VI – Changes in Capital Structure of Listed Issuers

## Sec. 629.1

~~Use of Derivatives and Accelerated Buy Backs in Conjunction with Normal Course Issuer Bids [Note: Section 629.1 is not yet in effect, and will be published separately at a later date.] [Deleted.]~~

**13.1.2 CDS Rule Amendment Notice – Technical Amendments to CDS Procedures Relating to Spanish Maple Bond Forms**

**CDS Clearing and Depository Services Inc. (CDS®)**

**TECHNICAL AMENDMENTS TO CDS PROCEDURES**

**SPANISH MAPLE BOND FORMS**

**NOTICE OF EFFECTIVE DATE**

**A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENT**

*Background*

Maple bonds are currently eligible for CDS if they meet eligibility requirements. CDS has been advised by a number of underwriters that one or more Spanish issuers are now considering issuing maple bonds.

Because Spanish tax law is unique in that it requires the participant holding a security to provide the issuer with a list of eligible beneficial owners if an exemption to the non-resident withholding tax on entitlement payments is claimed, the issuer of Spanish maple bonds will advise, in both the offering memorandum, and in individual issuer notices relating to interest payments, the procedures that are to be followed if claiming tax relief. Specifically, participants will need to provide their beneficial owner information to a third party as instructed by the issuer in the event they request tax relief at source. CDS participants are responsible for contacting and interacting directly with the third party as designated by the issuer.

On August 6, 2008, CDS submitted a Notice to its regulators entitled “Proposed Technical Amendments to CDS Procedures – Spanish Maple Bonds” with amendments to include in CDS’ external procedures a reference to the eligibility of Spanish maple bonds and the related third party contact information. CDS received OSC non-disapproval for such initiative on August 26, 2008 and the referenced Notice was published on August 29, 2008. AMF’s non-disapproval was received on September 9, 2008 and it published the said Notice on September 12, 2008. Bank of Canada non-disapproval was deemed to be received on September 6, 2008.

The Spanish maple bonds procedure amendments were to have come into effect on September 15, 2008, but CDS had to postpone this in order to first enter into a formal agreement with a third party for services related to participants’ beneficial owner information, as mentioned above. The new forms being put forward pursuant to this current Notice are complementary to the Spanish maple bonds procedure amendments and will come into effect on the same date.

The proposed new forms, CDSX831 (Letter of Authorization) and CDSX832 (Issuer Legal Opinion Cover Letter) may be accessed at the CDS website at:

<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-FormsOnline?Open>

*Description of Proposed Amendments*

The proposed new forms referenced in this Notice provide a standard template for issuers and their legal counsel to complete as part of the process to make Spanish maple bonds eligible in CDSX. They are referenced in:

- CDSX Procedures and User Guide, Chapter 3 Issue Activities, Section 3.2.6

CDS procedure amendments are reviewed and approved by CDS’s Strategic Development Review Committee (“SDRC”) as mandated by the CDS Participant Rules. The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC’s membership includes representatives from the CDS Participant community and it meets on a monthly basis. However, forms such as those being presented herein, are not considered to be ‘procedures’ under the CDS Participant Rules and therefore are not required to be reviewed and approved by the SDRC.

**B. REASONS FOR TECHNICAL CLASSIFICATION**

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

**C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENT**

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

**D. QUESTIONS**

Questions regarding this notice may be directed to:

Alvin Ropchan  
Senior Product Manager  
Product Development  
CDS Clearing and Depository Services Inc.  
85 Richmond Street West  
Toronto, Ontario M5H 2C9  
Phone: 416-365-8378  
Fax: 416-365-0842  
e-mail: [aropchan@cds.ca](mailto:aropchan@cds.ca)

Please cc: Kris Sanker  
Director  
Product Development  
CDS Clearing and Depository Services Inc.  
85 Richmond Street West  
Toronto, Ontario M5H 2C9  
Phone: 416-365-8395  
Fax: 416-365-0842  
e-mail: [ksanker@cds.ca](mailto:ksanker@cds.ca)

13.1.3 MFDA Issues Notice of Hearing Regarding William T. Gillick

**NEWS RELEASE**  
For immediate release

**MFDA ISSUES NOTICE OF HEARING  
REGARDING WILLIAM T. GILLICK**

**April 3, 2009** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has commenced disciplinary proceedings against William Todd Gillick (the “Respondent”).

MFDA staff alleges in its Notice of Hearing that Mr. Gillick engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA:

**Allegation #1:** On or about April 30, 2007, the Respondent falsified the signatures of clients JP and MP on seven estate documents without the knowledge of the clients, contrary to MFDA Rule 2.1.1.

**Allegation #2:** On or about April 30, 2007, the Respondent created and placed in the Member’s file a false record of a meeting with clients JP and MP on April 30, 2007 which never occurred, contrary to MFDA Rule 2.1.1.

**Allegation #3:** On or about October 2, 2007, the Respondent falsely swore affidavits of execution of the wills of clients JP and MP, contrary to MFDA Rule 2.1.1.

**Allegation #4:** In or about early June 2007 to June 15, 2007, the Respondent misled the Member by providing a false response in the Member’s 2007 Annual Consultant Certificate, contrary to MFDA Rules 1.1.2, 2.5.1 and 2.1.1.

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 June 11, 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 150 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)

**13.1.4 MFDA Issues Notice of Settlement Hearing Regarding Desjardins Financial Security Investments Inc. (formerly known as Optifund Investments Inc.)**

**NEWS RELEASE**  
For immediate release

**MFDA ISSUES NOTICE OF SETTLEMENT HEARING  
REGARDING DESJARDINS FINANCIAL SECURITY INVESTMENTS INC.  
(FORMERLY KNOWN AS OPTIFUND INVESTMENTS INC.)**

**April 6, 2009** (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and consideration of a proposed settlement agreement by a Hearing Panel of the MFDA’s Central Regional Council.

The settlement agreement will be between staff of the MFDA and Desjardins Financial Security Investments Inc. (the “Respondent”) and involves matters for which the Respondent may be disciplined by a Hearing Panel pursuant to MFDA By-laws.

The subject matter of the proposed settlement agreement concerns allegations that the Respondent failed to ensure that:

- (a) a qualified branch manager was supervising its London, Ontario branch;
- (b) adequate controls and supervision were in place to prevent an unregistered individual from engaging in securities related business with clients; and
- (c) reasonable supervisory investigations were conducted in response to information that an unregistered individual was engaging in securities related business with clients.

The settlement hearing is scheduled to commence at 10:00 a.m. (Eastern) on May 6, 2009 in the Hearing Room in the MFDA offices located at 121 King Street West, Suite 1000, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. A copy of the Notice of Settlement 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 150 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)

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