

The Ontario Securities Commission

# OSC Bulletin

May 8, 2009

Volume 32, Issue 19

(2009), 32 OSCB

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

**The Ontario Securities Commission**

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

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

Published under the authority of the Commission by:

**Carswell, a Thomson Reuters business**

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

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

Contact Centre - Inquiries, Complaints:

Fax: 416-593-8122

Market Regulation Branch:

Fax: 416-595-8940

Compliance and Registrant Regulation Branch

- Compliance:

Fax: 416-593-8240

- Registrant Regulation:

Fax: 416-593-8283

Corporate Finance Branch

- Team 1:

Fax: 416-593-8244

- Team 2:

Fax: 416-593-3683

- Team 3:

Fax: 416-593-8252

- Insider Reporting:

Fax: 416-593-3666

- Mergers and Acquisitions:

Fax: 416-593-8177

Enforcement Branch:

Fax: 416-593-8321

Executive Offices:

Fax: 416-593-8241

General Counsel's Office:

Fax: 416-593-3681

Office of the Secretary:

Fax: 416-593-2318



THOMSON REUTERS

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

Subscriptions are available from Carswell at the price of \$649 per year.

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

U.S.	\$175
Outside North America	\$400

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

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

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

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

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

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

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

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

© Copyright 2009 Ontario Securities Commission  
ISSN 0226-9325  
Except Chapter 7 ©CDS INC.



THOMSON REUTERS

---

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

Customer Relations  
Toronto 1-416-609-3800  
Elsewhere in Canada/U.S. 1-800-387-5164  
Fax 1-416-298-5082  
[www.carswell.com](http://www.carswell.com)  
Email [www.carswell.com/email](mailto:www.carswell.com/email)

# Table of Contents

<b>Chapter 1 Notices / News Releases</b> .....	<b>3867</b>	2.2.8	Liard Resources Ltd. – s. 144 .....	3906
<b>1.1 Notices</b> .....	<b>3867</b>	2.2.9	Maple Leaf Investment Fund Corp. and Joe Henry Chau – s. 127(1), 127(5).....	3908
1.1.1 Current Proceedings Before The Ontario Securities Commission .....	3867	<b>2.3</b>	<b>Rulings</b> .....	<b>(nil)</b>
1.1.2 Second Publication for Comment of Proposed Amendments to Implement Core Principles of the Client Relationship Model – correction .....	3873	<b>Chapter 3</b>	<b>Reasons: Decisions, Orders and Rulings</b> .....	<b>(nil)</b>
<b>1.2 Notices of Hearing</b> .....	<b>3873</b>	<b>3.1</b>	<b>OSC Decisions, Orders and Rulings</b> .....	<b>(nil)</b>
1.2.1 Maple Leaf Investment Fund Corp. and Joe Henry Chau – ss. 127(7), 127(8) .....	3873	<b>3.2</b>	<b>Court Decisions, Order and Rulings</b> .....	<b>(nil)</b>
1.2.2 Shallow Oil & Gas Inc. et al. – ss. 37, 127, 127.1 .....	3874	<b>Chapter 4</b>	<b>Cease Trading Orders</b> .....	<b>3909</b>
<b>1.3 News Releases</b> .....	<b>(nil)</b>	4.1.1	Temporary, Permanent & Rescinding Issuer Cease Trading Orders.....	3909
<b>1.4 Notices from the Office of the Secretary</b> .....	<b>3874</b>	4.2.1	Temporary, Permanent & Rescinding Management Cease Trading Orders .....	3909
1.4.1 M P Global Financial Ltd. and Joe Feng Deng .....	3874	4.2.2	Outstanding Management & Insider Cease Trading Orders .....	3909
1.4.2 Access Automation LLC et al. ....	3875	<b>Chapter 5</b>	<b>Rules and Policies</b> .....	<b>(nil)</b>
1.4.3 Goldbridge Financial Inc. et al. ....	3875	<b>Chapter 6</b>	<b>Request for Comments</b> .....	<b>(nil)</b>
1.4.4 Norshield Asset Management (Canada) Ltd. et al. ....	3876	<b>Chapter 7</b>	<b>Insider Reporting</b> .....	<b>3911</b>
1.4.5 Berkshire Capital Limited et al. ....	3876	<b>Chapter 8</b>	<b>Notice of Exempt Financings</b> .....	<b>3967</b>
1.4.6 Maple Leaf Investment Fund Corp. and Joe Henry Chau .....	3877		Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 .....	3967
1.4.7 Shallow Oil & Gas Inc. et al. ....	3877	<b>Chapter 9</b>	<b>Legislation</b> .....	<b>(nil)</b>
<b>Chapter 2 Decisions, Orders and Rulings</b> .....	<b>3879</b>	<b>Chapter 11</b>	<b>IPOs, New Issues and Secondary Financings</b> .....	<b>3973</b>
<b>2.1 Decisions</b> .....	<b>3879</b>	<b>Chapter 12</b>	<b>Registrations</b> .....	<b>3981</b>
2.1.1 HMI Nickel Inc. – s. 1(10) .....	3879	12.1.1	Registrants.....	3981
2.1.2 TEAL Exploration & Mining Incorporated – s. 1(10) .....	3880	<b>Chapter 13</b>	<b>SRO Notices and Disciplinary Proceedings</b> .....	<b>3983</b>
2.1.3 Barrick Energy Inc. and Barrick Gold Corporation .....	3881	13.1.1	Proposed Amendments to MFDA Rule 2.2 (Client Accounts), Policy No. 2 <i>Minimum Standards for Account Supervision</i> , Rule 2.8 (Client Communications) and Rule 5.3 (Client Reporting) .....	3983
2.1.4 TD Asset Management Inc. ....	3883	13.1.2	MFDA Hearing Panel Approves Settlement Agreement with Desjardins Financial Security Investments Inc. ....	4003
2.1.5 Mellon Capital Management Corporation – s. 7.1(1) of NI 33-109 Registration Information and s. 7.1(1) of OSC Rule 33-506 Registration Information .....	3885	<b>Chapter 25</b>	<b>Other Information</b> .....	<b>4005</b>
2.1.6 Merge Cedara ExchangeCo Limited – s. 1(10) .....	3887	<b>25.1</b>	<b>Exemptions</b> .....	<b>4005</b>
2.1.7 Dimensional Fund Advisors Canada ULC .....	3887	25.1.1	Canada Dominion Resources 2009 Limited Partnership – s. 19.1 of NI 41-101 General Prospectus Requirements.....	4005
2.1.8 Waratah Coal Inc. ....	3890	<b>Index</b> .....		<b>4007</b>
<b>2.2 Orders</b> .....	<b>3892</b>			
2.2.1 M P Global Financial Ltd. and Joe Feng Deng .....	3892			
2.2.2 GROWMARK, Inc. – s. 74(1).....	3892			
2.2.3 Access Automation LLC et al. – s. 127(8) .....	3896			
2.2.4 Goldbridge Financial Inc. et al. – ss. 127(1), 127(2) .....	3897			
2.2.5 BakBone Software Incorporated – s. 144.....	3898			
2.2.6 Richmond Energy Corp. – s. 1(10)(b).....	3903			
2.2.7 Berkshire Capital Limited et al. – ss. 127(7), 127(8) .....	3905			



## Chapter 1

# Notices / News Releases

### 1.1 Notices

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

**MAY 8, 2009**

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

-----

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

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

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

**CDS**

**TDX 76**

Late Mail depository on the 19<sup>th</sup> Floor until 6:00 p.m.

-----

#### THE COMMISSIONERS

W. David Wilson, Chair	—	WDW
James E. A. Turner, Vice Chair	—	JEAT
Lawrence E. Ritchie, Vice Chair	—	LER
Paul K. Bates	—	PKB
Mary G. Condon	—	MGC
Margot C. Howard	—	MCH
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

### SCHEDULED OSC HEARINGS

May 7-13, 2009  
10:00 a.m. **MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric**

s. 127 and 127(1)

D. Ferris in attendance for Staff

Panel: PJL/CSP

May 11, 2009

10:00 a.m.

**Rex Diamond Mining Corporation, Serge Muller and Benoit Holemans**

s. 127

J. Waechter in attendance for Staff

Panel: WSW/DLK/KJK

May 12, 2009

2:30 p.m.

**LandBankers International MX, S.A. De C.V.; Sierra Madre Holdings MX, S.A. De C.V.; L&B LandBanking Trust S.A. De C.V.; Brian J. Wolf Zacarias; Roger Fernando Ayuso Loyo, Alan Hemingway, Kelly Friesen, Sonja A. McAdam, Ed Moore, Kim Moore, Jason Rogers and Dave Urrutia**

s. 127

M. Britton in attendance for Staff

Panel: JEAT/ST

May 12, 2009

2:30 p.m.

**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun**

s. 127

A. Sonnen in attendance for Staff

Panel: LER

May 15, 2009

11:00 a.m.

**In the matter of Maple Leaf Investment Fund Corp. and Joe Henry Chau**

s. 127

A. Sonnen in attendance for Staff

Panel: LER

May 15, 2009 2:00 p.m.	<b>Rajeev Thakur</b> s. 127 M. Britton in attendance for Staff Panel: JEAT/ST	May 26, 2009 2:30 p.m.	<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> s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: LER/CSP/KJK
May 19-22; June 17-19, 2009 10:00 a.m.	<b>Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony</b> s. 127 and 127.1 J. Feasby in attendance for Staff Panel: MGC/MCH	May 26, 2009 2:30 p.m.	<b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b> s. 127 H. Craig in attendance for Staff Panel: JEAT
May 21, 2009 2:00 p.m.	<b>Nest Acquisitions and Mergers and Caroline Frayssignes</b> s. 127(1) and 127(8) C. Price in attendance for Staff Panel: TBA	May 26, 2009 2:30 p.m.	<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> s. 127 H. Craig in attendance for Staff Panel: JEAT
May 25, 2009 2:00 p.m.	<b>M P Global Financial Ltd., and Joe Feng Deng</b> s. 127(1) M. Britton in attendance for Staff Panel: JEAT	May 26, 2009 2:30 p.m.	<b>Paul Iannicca</b> s. 127 H. Craig in attendance for Staff Panel: JEAT
May 25, 27 – June 2, 2009 10:00 a.m.	<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> s. 127 M. Boswell in attendance for Staff Panel: TBA	May 26, 2009 2:30 p.m.	<b>Robert Kasner</b> s. 127 H. Craig in attendance for Staff Panel: PJJ/MCH/PLK
		June 1-3, 2009 10:00 a.m.	

<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: LER/MCH</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>
<p>June 4, 2009 10:00 a.m.</p>	<p><b>Shallow Oil &amp; Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</b></p> <p>s. 127(7) and 127(8)</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: DLK/CSP/PLK</p>	<p>June 22-26, 2009 10:00 a.m.</p>	<p><b>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</b></p> <p>s. 127(1) and 127.1</p> <p>J. Superina, A. Clark in attendance for Staff</p> <p>Panel: JEAT/DLK/PLK</p>
<p>June 4, 2009 11:00 a.m.</p>	<p><b>Abel Da Silva</b></p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: LER</p>	<p>June 29, 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>June 5, 2009 10:00 a.m.</p>	<p><b>Andrew Keith Lech</b></p> <p>s. 127(10)</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>	<p>July 6, 2009 10:00 a.m.</p>	<p><b>Lyndz Pharmaceuticals Inc., Lyndz Pharma Ltd., James Marketing Ltd., Michael Eatch and Rickey McKenzie</b></p> <p>s. 127(1) and (5)</p> <p>J. Feasby 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>July 9, 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: 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>		

July 10, 2009 10:00 a.m.	<b>Uranium308 Resources Inc., Uranium308 Resources PLC., Michael Friedman, George Schwartz, Peter Robinson, Alan Marsh Shuman and Innovative Gifting Inc.</b>	September 3, 2009 10:00 a.m.	<b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b>
	s. 127		s. 127
	M. Boswell in attendance for Staff		S. Horgan in attendance for Staff
	Panel: TBA		Panel: TBA
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		s. 127 and 127.1
	H. Daley in attendance for Staff		M. Britton in attendance for Staff
	Panel: TBA		Panel: LER
		September 21-25, 2009 10:00 a.m.	<b>Swift Trade Inc. and Peter Beck</b>
			s. 127
			S. Horgan in attendance for Staff
			Panel: TBA
July 27-31; August 5-14, 2009 10:00 a.m.	<b>Shane Suman and Monie Rahman</b>	September 30 – October 23, 2009 10:00a.m.	<b>Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b>
	s. 127 and 127(1)		s. 127
	C. Price in attendance for Staff		M. Britton in attendance for Staff
	Panel: TBA		Panel: TBA
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>		
	s. 127		
	S. Kushneryk in attendance for Staff		
	Panel: TBA		



<p>October 19 – November 10; November 12-13, 2009</p>	<p><b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjiaints 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>TBA</p>	<p><b>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</b></p>
<p>10:00 a.m.</p>	<p>s. 127 and 127.1</p>	<p>TBA</p>	<p>s. 127  J. Waechter in attendance for Staff  Panel: TBA</p>
<p>November 16 – December 11, 2009</p>	<p><b>Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries</b></p>	<p>TBA</p>	<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> <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>10:00 a.m.</p>	<p>s. 127 and 127.1</p>	<p>TBA</p>	<p>s. 127 and 127.1  Y. Chisholm in attendance for Staff  Panel: JEAT/DLK/CSP</p>
<p>January 11, 2010</p>	<p><b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b></p>	<p>TBA</p>	<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>10:00 a.m.</p>	<p>s. 127</p>	<p>TBA</p>	<p>s. 127 and 127.1  D. Ferris in attendance for Staff  Panel: TBA</p>
<p>TBA</p>	<p><b>Yama Abdullah Yaqeen</b></p> <p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<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>Irwin Boock, Stanton De Freitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjants, Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</b></p> <p>s. 127(1) and (5)</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>	<p><b><u>ADJOURNED SINE DIE</u></b></p> <p><b>Global Privacy Management Trust and Robert Cranston</b></p> <p><b>S. B. McLaughlin</b></p> <p><b>Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol</b></p> <p><b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b></p> <p><b>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</b></p> <p><b>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 Hennessy</b></p> <p><b>Global Partners Capital, WS Net Solution, Inc., Hau Wai Cheung, Christine Pan, Gurdip Singh Gahunia</b></p> <p><b>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</b></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>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</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: PJL/ST</p>	
TBA	<p><b>Nest Acquisitions and Mergers and Caroline Frayssignes</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	

**1.1.2 Second Publication for Comment of Proposed Amendments to Implement Core Principles of the Client Relationship Model – correction**

The Commission is re-publishing proposed amendments to MFDA Rule 2.2 (Client Accounts), Policy No. 2 – Minimum Standards for Account Supervision, Rule 2.8 (Client Communications) and Rule 5.3 (Client Reporting) to implement core principles of the Client Relationship Model, which were published for comment on April 24, 2009 at (2009) 32 OSCB 3577, to correct a drafting error in MFDA Policy No. 2. The corrections clarify the review thresholds for branch and head office supervision under sections IV and V of the Policy. The comment period end will remain at July 23, 2009.

**1.2 Notices of Hearing**

**1.2.1 Maple Leaf Investment Fund Corp. and Joe Henry Chau – ss. 127(7), 127(8)**

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

**AND**

**IN THE MATTER OF  
MAPLE LEAF INVESTMENT FUND CORP.,  
JOE HENRY CHAU**

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

**WHEREAS** on May 5, 2009, the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order pursuant to sections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) that the Respondents cease all trading;

**TAKE NOTICE THAT** the Commission will hold a hearing pursuant to subsections 127(7) and (8) of the Act at the offices of the Commission, 20 Queen Street West, 17th Floor, commencing on May 15, 2009 at 11:00 a.m., or as soon thereafter as the hearing can be held;

**TO CONSIDER** whether it is in the public interest for the Commission:

- 1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission;
- 2) to make such further orders as the Commission considers appropriate;

**BY REASON OF** the allegations as set out in the Temporary Order and such further additional allegations and evidence as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 5th day of May, 2009

“John Stevenson”

1.2.2 Shallow Oil & Gas Inc. et al. – ss. 37, 127, 127.1

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

**AND**

**IN THE MATTER OF  
SHALLOW OIL & GAS INC., ERIC O'BRIEN,  
ABEL DA SILVA, GURDIP SINGH GAHUNIA,  
also known as MICHAEL GAHUNIA,  
ABRAHAM HERBERT GROSSMAN also known as  
ALLEN GROSSMAN, MARCO DIADAMO,  
GORD McQUARRIE, KEVIN WASH, AND  
WILLIAM MANKOFSKY**

**NOTICE OF HEARING  
(Sections 37, 127 and 127.1)**

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 37, 127, and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the Commission's offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on May 12th, 2009, at 4:00 p.m. or as soon thereafter as the hearing can be held.

**AND TAKE NOTICE THAT** the purpose of the Hearing is for the Commission to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission ("Staff") and the respondent Gord McQuarrie.

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff dated June 10th, 2008 and such additional allegations as counsel may advise and the Commission may permit.

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

**AND TAKE FURTHER NOTICE THAT**, upon 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 21st day of April, 2009

"John Stevenson"  
Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 M P Global Financial Ltd. and Joe Feng Deng

**FOR IMMEDIATE RELEASE  
April 29, 2009**

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

**AND**

**IN THE MATTER OF  
M P GLOBAL FINANCIAL LTD. AND  
JOE FENG DENG**

**TORONTO** – The Commission issued an Order which provides that the Temporary Order be extended to May 26, 2009 and this matter is adjourned to May 25, 2009 at 2:00 p.m.

A copy of the Order dated April 27, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

1.4.2 Access Automation LLC et al.

FOR IMMEDIATE RELEASE  
April 30, 2009

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

AND

IN THE MATTER OF  
ACCESS AUTOMATION LLC,  
ACCESS FUND MANAGEMENT, LLC,  
ACCESS FUND, L.P., GORDON ALAN DRIVER  
AND DAVID RUTLEDGE

**TORONTO** – The Commission issued an Order which provides that (1) in respect of the Respondents, the Temporary Order is continued until October 15, 2009 or until further order of the Commission; and (2) this matter shall return before the Commission on October 14, 2009 at 10:00 a.m. or such other time as notified by the Secretary's Office.

A copy of the Order dated April 29, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

1.4.3 Goldbridge Financial Inc. et al.

FOR IMMEDIATE RELEASE  
May 1, 2009

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

AND

IN THE MATTER OF  
GOLDBRIDGE FINANCIAL INC.,  
WESLEY WAYNE WEBER AND  
SHAWN C. LESPERANCE

**TORONTO** – The Commission issued an Order today which provides that the October Order is continued and shall expire at the close of business on June 30, 2009 unless it is extended by the Commission and that this matter is adjourned to June 29, 2009 at 10:00 a.m.

A copy of the Order dated May 1, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

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

FOR IMMEDIATE RELEASE  
May 1, 2009

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

AND

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

**TORONTO** – The hearing scheduled to commence on May 4, 2009 at 10:00 a.m. in the above matter has been adjourned to commence on May 5, 2009 at 2:00 p.m. in the Large Hearing Room at 20 Queen Street West.

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

1.4.5 Berkshire Capital Limited et al.

FOR IMMEDIATE RELEASE  
May 5, 2009

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

AND

IN THE MATTER OF  
BERKSHIRE CAPITAL LIMITED,  
GP BERKSHIRE CAPITAL LIMITED,  
PANAMA OPPORTUNITY FUND AND  
ERNEST ANDERSON

**TORONTO** – Following a hearing held today, the Commission issued an Order which provides that the hearing is adjourned to July 9, 2009 at 10:00 a.m. and the Temporary Order is continued until July 10, 2009 or such other date as is agreed by Staff and the Respondents and determined by the Office of the Secretary.

A copy of the Order dated May 5, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

**1.4.6 Maple Leaf Investment Fund Corp. and Joe Henry Chau**

**FOR IMMEDIATE RELEASE  
May 6, 2009**

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

**AND**

**IN THE MATTER OF  
MAPLE LEAF INVESTMENT FUND CORP.,  
JOE HENRY CHAU**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on May 15, 2009 at 11:00 a.m. to consider whether it is in the public interest for the Commission:

- (1) to extend the Temporary Order pursuant to subsections 127(7) and (8) of the Act until the conclusion of the hearing, or until such further time as considered necessary by the Commission; and
- (2) to make such further orders as the Commission considers appropriate.

A copy of the Notice of Hearing dated May 5, 2009 and Temporary Order dated May 5, 2009 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

**1.4.7 Shallow Oil & Gas Inc. et al.**

**FOR IMMEDIATE RELEASE  
May 6, 2009**

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

**AND**

**IN THE MATTER OF  
SHALLOW OIL & GAS INC., ERIC O'BRIEN,  
ABEL DA SILVA, GURDIP SINGH GAHUNIA  
also known as MICHAEL GAHUNIA,  
ABRAHAM HERBERT GROSSMAN also known as  
ALLEN GROSSMAN, MARCO DIADAMO,  
GORD McQUARRIE, KEVIN WASH, AND  
WILLIAM MANKOFSKY**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Gord McQuarrie. The hearing will be held on May 12, 2009 at 4:00 p.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated April 21, 2009 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Laurie Gillett  
Manager, Public Affairs  
416-595-8913

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

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

This page intentionally left blank



## Chapter 2

# Decisions, Orders and Rulings

---

---

## 2.1 Decisions

### 2.1.1 HMI Nickel Inc. – s. 1(10)

#### Headnote

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

#### Applicable Legislative Provisions

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

April 30, 2009

#### HMI Nickel Inc.

1 Adelaide Street East  
Suite 2501  
Toronto, Ontario  
M5C 2V9

Dear Sir or Madam:

**Re: HMI Nickel Inc. (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Newfoundland, New Brunswick, Nova Scotia and Prince Edward Island (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

**2.1.2 TEAL Exploration & Mining Incorporated – s. 1(10)**

**Headnote**

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

**Applicable Legislative Provisions**

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

April 30, 2009

**TEAL Exploration & Mining Incorporated**

c/o Jonah Mann  
Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario  
Canada M5L 1B9

Dear Sirs/Mesdames:

**Re: TEAL Exploration & Mining Incorporated (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;
- (b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

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

**2.1.3 Barrick Energy Inc. and Barrick Gold Corporation**

**Headnote**

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities – Exemption for all the requirements of NI 51-101 granted to a reporting issuer that has obtained relief from certain continuous disclosure requirements (similar to credit support issuer – as defined in subsection 13.4(1) of National Instrument 51-102 Continuous Disclosure Obligations) and meets the requirements and conditions set out in the prior relief – Relief from NI 51-101 is on condition that the issuer is in compliance with the requirements and conditions set out in the prior relief as modified by this decision document.

**Applicable Legislative Provisions**

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities, s. 8.1(1).

**May 1, 2009**

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

**AND**

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

**AND**

**IN THE MATTER OF  
BARRICK ENERGY INC. (Barrick Energy) AND  
BARRICK GOLD CORPORATION  
(Barrick and, together with Barrick Energy,  
the Filers)**

**DECISION**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions (**Decision Maker**) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that Barrick Energy, formerly known as Cadence Energy Inc. (**Cadence**), be exempt (the **Exemption Sought**) from the requirements of National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (**NI 51-101**).

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

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

(b) the Filers have provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, and

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

**Interpretation**

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

**Representations**

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

1. Barrick is a corporation existing under the *Business Corporations Act* (Ontario). Barrick's common shares are listed on the Toronto Stock Exchange (the TSX) and on the New York Stock Exchange under the symbol "ABX".
2. Barrick is a reporting issuer in each of the provinces and territories of Canada and is not on the lists of defaulting reporting issuers maintained pursuant to the legislation of any such jurisdiction.
3. Barrick Energy is a corporation existing under the *Business Corporations Act* (Alberta). Barrick Energy's head office is located in Calgary, Alberta.
4. Barrick Energy's 4.75% convertible unsecured subordinated debentures due June 30, 2012 (the **Convertible Debentures**) are listed on the TSX.
5. Barrick Energy is a reporting issuer in each of the provinces of Canada and is not on the lists of defaulting reporting issuers maintained pursuant to the legislation of any such jurisdiction.
6. On July 30, 2008, Barrick, through its wholly-owned subsidiary, Cadence Acquisition Inc. (**Cadence Acquisition**), made an offer to acquire all of the issued and outstanding common shares in the capital of Cadence (the **Cadence Shares**). On September 4, 2008, Barrick took up and paid for Cadence Shares representing approximately 96.6% of the issued and outstanding Cadence Shares.
7. On November 10, 2008, Cadence and 1426384 Alberta Ltd., a wholly-owned subsidiary of Cadence Acquisition, were amalgamated (the **First Amalgamation**) under the *Business Corporations Act* (Alberta) to continue as a single

corporation named "Cadence Energy Inc." As a result of the First Amalgamation, the common shares in the capital of Cadence (other than those held by Cadence Acquisition) were converted into preferred shares of the post-amalgamation company (**Amalco**) that were redeemed in accordance with their terms on November 12, 2008 for a redemption price of \$6.75 cash per share. Amalco changed its name on November 12, 2008 to Barrick Energy Inc.

8. After the First Amalgamation, Amalco was a party to two additional amalgamations with wholly-owned direct or indirect subsidiaries of Barrick, with the resulting corporation being named "Barrick Energy Inc."
9. Barrick Energy's outstanding capital is currently comprised of:
  - (a) common shares (**Barrick Energy Shares**), all of which are held by Barrick;
  - (b) the Convertible Debentures, which are now convertible into common shares of Barrick; and
  - (c) two classes of warrants comprised of warrants expiring on May 26, 2009 (the **2009 Warrants**) and warrants expiring on June 21, 2010 (the **2010 Warrants** and, together with the 2009 Warrants, the **Warrants**), each of which now entitles the holders to acquire \$6.75 cash in lieu of each Cadence Share to which the holders of such Warrants were previously entitled upon exercise.
10. Neither the Convertible Debentures nor the Warrants are convertible into or exercisable for Barrick Energy Shares.
11. Barrick has fully and unconditionally guaranteed (the **Barrick Guarantees**) all of Barrick Energy's payment obligations in connection with the Convertible Debentures and the Warrants. The Barrick Guarantees entitle the holders of the Convertible Debentures or the Warrants, as the case may be, to receive payment from Barrick within 15 days of any failure by Barrick Energy to make a payment in accordance with the terms of the Convertible Debentures or the applicable Warrants, as the case may be.
12. The Convertible Debentures are "designated credit support securities", as defined in Section 13.4(1) of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**).
13. On October 29, 2008, the Principal Regulator and the OSC granted an order (the **Prior Order**) that exempted Cadence or its insiders, as the case may be, from NI 51-102, Multilateral Instrument

52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, Multilateral Instrument 52-110 *Audit Committees*, National Instrument 55-102 *System for Electronic Disclosure by Insiders* and National Instrument 58-101 *Disclosure of Corporate Governance Practices*, provided that, among other things, the Filers continue to satisfy all the conditions set forth in subsection 13.4(2) of NI 51-102, other than paragraph 13.4(2)(c) of NI 51-102.

14. Notwithstanding the Prior Order, absent the Exemption Sought, NI 51-101 would apply to Barrick Energy.
15. Any oil and gas information publicly disclosed by Barrick Energy that is not material in respect of Barrick would not be likely to influence the decision of a reasonable security holder to buy, sell or hold the Warrants or designated credit support securities of Barrick Energy.

#### Decision

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

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

- (a) Barrick Energy complies with the requirements and conditions set out in the Prior Order; and
- (b) for the purposes of determining the Filers' compliance with Section 13.4(2) of NI 51-102, the reference to "continuous disclosure documents" in Section 13.4(2)(d)(ii)(A) of NI 51-102 and the reference to "documents" in Section 13.4(2)(d)(ii)(B) of NI 51-102 includes any documents filed by Barrick in accordance with NI 51-101.

"Blaine Young"  
Associate Director, Corporate Finance

2.1.4 TD Asset Management Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from self-dealing provisions in s. 4.2 of National Instrument 81-102 – Mutual Funds to permit interfund trades between mutual funds and pooled funds managed by the same manager or an affiliate of the same manager – inter-fund transfers will comply with conditions in s. 6.1(2) of National Instrument 81-107 - Independent Review Committee for Investment Funds (NI 81-107) including the requirement of independent review committee approval.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 4.2(1), 4.3(1), 4.3(2), 19.1.  
National Instrument 81-107 Independent Review Committee for Investment Funds, s. 6.1(2).

April 27, 2009

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

AND

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

AND

IN THE MATTER OF  
TD ASSET MANAGEMENT INC.  
(the Filer)

AND

THE NI 81-102 FUNDS (as defined below)

DECISION

Background

The principal regulator in the Jurisdiction received an application (the **Application**) from the Filer on behalf of existing mutual funds and future mutual funds to which National Instrument 81-102 – *Mutual Funds (NI 81-102)* applies (each, an **NI 81-102 Fund** and, collectively, the **NI 81-102 Funds**) managed by the Filer, or any affiliate of the Filer, (each, **TDAM**) for a decision (the **Exemption Sought**) under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the NI 81-102 Funds from the prohibition in Section 4.2(1) of NI 81-102 to permit the NI 81-102 Funds to purchase debt securities from or sell debt securities to existing mutual funds or future mutual funds managed by TDAM to which NI 81-102 does not apply (each, a **Pooled Fund** and,

collectively, the **Pooled Funds**) (each purchase or sale of debt securities, an **Inter-Fund Trade**).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for the Application; and
- (b) the Filer has provided notice that Section 4.7 of Multilateral Instrument 11-102 – *Passport System* is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador, Northwest Territories, Yukon and Nunavut (the **Passport Jurisdictions**).

Interpretation

Terms defined in National Instrument 14-101 – *Definitions*, NI 81-102 or National Instrument 81-107 – *Independent Review Committee for Investment Funds (NI 81-107)* have the same meanings in this Decision. Certain other defined terms have the meanings given to them above or below under “Representations”.

Representations

- 1. The Filer’s head office is located in Toronto, Ontario.
- 2. TDAM is, or will be, registered as an investment counsel and portfolio manager or the equivalent in Ontario and each of the Passport Jurisdictions.
- 3. TDAM is, or will be, the manager and/or portfolio manager of each of the NI 81-102 Funds and the Pooled Funds (each, a **Fund**, and, collectively, the **Funds**).
- 4. Each of the Funds is, or will be, an open-end mutual fund trust or mutual fund corporation. Each NI 81-102 Fund is, or will be, a reporting issuer in one or more of Ontario and the Passport Jurisdictions.
- 5. The Filer and the Funds are not in default of securities legislation in any jurisdiction of Canada.
- 6. The securities of the Pooled Funds are or will be qualified for distribution on a private placement basis pursuant to the Legislation and will not be reporting issuers.
- 7. A Fund may be an associate of TDAM.
- 8. TDAM may wish to cause an NI 81-102 Fund to engage in Inter-Fund Trades with an NI 81-102 Fund or a Pooled Fund.
- 9. Sections 4.3(1) and 4.3(2) of NI 81-102 permit an NI 81-102 Fund to purchase exchange traded

securities from or sell exchange traded securities to an NI 81-102 Fund or a Pooled Fund and to purchase debt securities from or sell debt securities to an NI 81-102 Fund, provided the terms of Sections 4.3(1) and 4.3(2) are complied with.

10. There is a limited supply of debt securities available to the NI 81-102 Funds and the Pooled Funds.
11. TDAM has established, or will establish, an independent review committee (IRC) in respect of each NI 81-102 Fund in accordance with the requirements of NI 81-107.
12. TDAM will establish an IRC (the members of which may also be members of the IRC of the NI 81-102 Funds) in respect of the Pooled Funds.
13. The IRC of the Pooled Funds will be composed by TDAM in accordance with Section 3.7 of NI 81-107 and will be expected to comply with the standard of care set out in Section 3.9 of NI 81-107.
14. The mandate of the IRC of a Pooled Fund will include approving Inter-Fund Trades between the Pooled Fund and an NI 81-102 Fund on behalf of the Pooled Fund.
15. The IRC of a Pooled Fund will not provide the approval referred to in paragraph 14 unless it has made the determination set out in Section 5.2(2) of NI 81-107.
16. At the time of an Inter-Fund Trade, TDAM will have in place policies and procedures to enable the NI 81-102 Funds to engage in Inter-Fund Trades with NI 81-102 Funds and Pooled Funds.
17. Inter-Fund Trades involving an NI 81-102 Fund will be referred to the IRC of the NI 81-102 Fund under Section 5.2(1) of NI 81-107 for approval on behalf of the NI 81-102 Fund.
18. TDAM will refer the Inter-Fund Trade to the IRC in the manner contemplated by section 5.1 of NI 81-107 and TDAM and the IRC will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in respect of an NI 81-102 Fund concerning Inter-Fund Trades.
19. Each Inter-Fund Trade will be consistent with the investment objective of the NI 81-102 Fund or the Pooled Fund, as the case may be.
20. TDAM cannot rely on the exemption from Section 4.2(1) of NI 81-102 in Section 4.3(2) of NI 81-102 because section 4.3(2)(a) of NI 81-102 requires that the Inter-Fund Trade be conducted between mutual funds subject to NI 81-107. The Pooled Funds are not subject to NI 81-107.

### 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 is that the Exemption Sought is granted provided that the following conditions are satisfied for Inter-Fund Trades:

- (a) the IRC of the NI 81-102 Fund has approved the Inter-Fund Trade in respect of the NI 81-102 Fund in accordance with the terms of section 5.2(2) of NI 81-107;
- (b) the IRC of the Pooled Fund has approved the Inter-Fund Trade in respect of the Pooled Fund in accordance with the terms of section 5.2(2) of NI 81-107; and
- (c) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107.

“Vera Nunes”  
Assistant Manager, Investment Funds Branch  
Ontario Securities Commission

**2.1.5 Mellon Capital Management Corporation – s. 7.1(1) of NI 33-109 Registration Information and s. 7.1(1) of OSC Rule 33-506 Registration Information**

**Headnote**

Application pursuant to section 7.1 of NI 33-109 and section 7.1 of OSC Rule 33-506 that the Applicant be relieved from the Form 33-109F4 requirements in respect of certain of its Nominal Officers. The exempted officers are without significant authority over any part of the Applicant's operations and have no connection with its Ontario operation. The Applicant is still required to submit a Form 33-109F4 on behalf of each of its directing minds, who are certain Executive Officers, and its Registered Individuals who are those officers involved in the Ontario business activities.

**Statutes Cited**

Commodity Futures Act (Ontario), R.S.O. 1990, c. C.20, as am., s. 80.

Securities Act (Ontario), R.S.O. 1990, c. S.5, as am., s. 147.

**Rules Cited**

National Instrument 33-109 Registration Information.  
OSC Rule 33-506 Registration Information.

**May 5, 2009**

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

**AND**

**IN THE MATTER OF  
THE COMMODITY FUTURES ACT,  
R.S.O. 1990, CHAPTER C.20, AS AMENDED**

**IN THE MATTER OF  
MELLON CAPITAL MANAGEMENT CORPORATION**

**DECISION**

**(Subsection 7.1(1) of National Instrument 33-109  
and Subsection 7.1(1) of  
Ontario Securities Commission Rule 33-506)**

**UPON** the application (the **Application**) of Mellon Capital Management Corporation (the **Applicant**) to the Ontario Securities Commission (the **Commission** or **OSC**) pursuant to section 7.1 of National Instrument 33-109 *Registration Information* (**NI 33-109**) and section 7.1 of OSC Rule 33-506 *Registration Information* (**Rule 33-506**) for an exemption from the requirement in subsection 2.1(c) and section 3.3 of NI 33-109, and in subsection 2.1(c) and section 3.3 of Rule 33-506, that the Applicant submit a completed Form 33-109F4 for all Permitted Individuals (as defined below) of the Applicant in connection with the Applicant's registration as an adviser in the category of

Non-Canadian adviser (investment counsel and portfolio manager) (**NCA**) and as a commodity trading manager (non-resident) (**CTM**);

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

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

1. The Applicant is a corporation formed under the laws of the State of Delaware in the United States of America and is an indirect, wholly-owned subsidiary of The Bank of New York Mellon Corporation, which is a publicly-traded company listed on the New York Stock Exchange. The head office of the Applicant is located in San Francisco, California, United States of America.
2. The Applicant is registered under the *Securities Act* (Ontario) (the **OSA**) as an NCA and under the *Commodity Futures Act* (Ontario) (the **CFA**) as a CTM and intends to maintain such registrations. The Applicant is currently registered as an investment adviser with the United States Securities and Exchange Commission.
3. The Applicant provides investment management services to institutional clients on a global basis.
4. Less than 1% of the aggregate consolidated gross revenues from advisory activities of the Applicant in any one financial year would be expected to arise from the Applicant acting as an adviser for clients in Ontario.
5. Pursuant to NI 33-109 and Rule 33-506, an NCA and CTM respectively are required to submit, in accordance with National Instrument 31-102 *National Registration Database* (**NI 31-102**), a completed Form 33-109F4 for each permitted individual or non-registered individual (within the meaning of section 3.3 of each of NI 33-109 and Rule 33-506) of the Applicant, including all directors and officers who have not applied to become registered individuals of the Applicant under subsection 2.2(1) of each of NI 33-109 and Rule 33-506. The definitions of "permitted individual" in NI 33-109 and of "non-registered individual" in Rule 33-506 include, among others, a director or officer of a firm.
6. All individuals who intend to act as an adviser in respect of securities in Ontario on behalf of the Applicant and who are officers of the Applicant, are, or will seek to become, registered as advising officers (the **Registered Individuals**) in accordance with the registration requirements under section 25(1) of the OSA and section 22(1) of the CFA, and with the requirements of NI 31-102, by submitting a Form 33-109F4 completed with all the information required for a Registered Individual.

7. Other than the Executive Officers (as defined below), the Applicant's remaining officers would not reasonably be considered to be senior officers of the Applicant from a functional point of view. These officers (the **Nominal Officers**) have the title "vice-president" or a similar title but are not in charge of a principal business unit, division or function of the Applicant and, in any event, are not, or will not be, involved or have oversight of, or direction over, the Applicant's advisory activities in Ontario. The Applicant considers its permitted individuals and non-registered individuals (collectively, the **Permitted Individuals**) who have obtained, or will be seeking, non-advising officer status (the **Executive Officers**) as the holders of its most senior executive positions and/or are the individuals that are in direct contact with its Canadian clients from a marketing or direct client relationship perspective.
8. There are currently no individuals who would be included in the definition of "permitted individual" or "non-registered individual" by reason of an ownership interest in the Applicant or other criteria set out in NI 33-109 or Rule 33-506.
9. The Applicant seeks relief from the requirement to submit Form 33-109F4s for the Nominal Officers. The Applicant proposes to submit Form 33-109F4s on behalf of each of its Executive Officers completed with all the information required for a Permitted Individual. The Applicant also proposes to submit a Form 33-109F4 for the individual at any point in time who is its Chief Compliance Officer under its NCA registration.
10. In the absence of the requested relief, NI 33-109 and Rule 33-506 would require that in conjunction with the Applicant's NCA and CMT registration, the Applicant submit a completed Form 33-109F4 for each of its Nominal Officers, rather than limiting this filing requirement to the much smaller number of Executive Officers. In addition, the Applicant would be required to submit a completed Form 33-109F4 for any additional new Nominal Officer, if the requested exemption is not granted. The information contained in the filed Form 33-109F4s would also need to be monitored on a constant basis to ensure that notices of change were submitted in accordance with the requirements of section 5.1 of each of NI 33-109 and Rule 33-506 and that all information was kept current.
11. Given the relatively limited scope of the Applicant's activities in Ontario and given that the Nominal Officers will not have any involvement in the Applicant's Ontario activities, the preparation and filing of Form 33-109F4s on behalf of each Nominal Officer would achieve no regulatory purpose, while imposing an unwarranted administrative and compliance burden on the Applicant.

**AND WHEREAS** the Director is satisfied that it would not be prejudicial to the public interest to make the requested Order on the basis of the terms and conditions proposed;

**IT IS ORDERED** pursuant to section 7.1 of NI 33-109 and section 7.1 of Rule 33-506 that the Applicant is exempt from the requirement in subsection 2.1(c) of NI 33-109 and section 3.3 of NI 33-109, and in subsection 2.1(c) of Rule 33-506 and section 3.3 of Rule 33-506, to submit a completed Form 33-109F4 for each of its Permitted Individuals who are Nominal Officers not involved in its Ontario business, provided that at no time will the Nominal Officers include any Executive Officer or Chief Compliance Officer, or other officer who will be involved in, or have oversight of, the Applicant's activities in Ontario in any capacity.

May 5, 2009

"Erez Blumberger"  
Manager, Registrant Regulation



**2.1.6 Merge Cedara ExchangeCo Limited – s. 1(10)**

**Headnote**

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

**Applicable Legislative Provisions**

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

May 5, 2009

**Merge Cedara ExchangeCo Limited**

6509 Airport Road  
Mississauga, ON L4V 1S7

6737 West Washington Street  
Suite 2250  
Milwaukee, Wisconsin  
53214

**Re: Merge Cedara ExchangeCo Limited (the Applicant) – application for a decision under the securities legislation of Alberta, Manitoba and Ontario (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

- (a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;
- (b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

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

**2.1.7 Dimensional Fund Advisors Canada ULC**

**Headnote**

MRRS exemption from subsection 2.1(1)(a) of National Instrument 81-105 Mutual Fund Sales Practices (NI 81-105) granted to the extent necessary to permit a member of the organization of certain mutual funds to provide dealer with a list of specific sales representatives that it wishes to directly invite to its educational conferences – filer unable to rely upon exemption provided in s. 5.2 of NI 81-105 for educational conferences – filer exempted from s. 5.2(b) – exemption also granted from subsection 2.2(1) to the extent necessary to permit sales representatives of participating dealers to accept direct invites to educational conferences.

Exemption subject to conditions including that member of organization of mutual funds must obtain the written consent of a representative’s participating dealer each time prior to directly inviting representative to a conference and that exemption provided will terminate in two years.

**Rules Cited**

National Instrument 81-105 Mutual Fund Sales Practices, ss. 2.1(1)(a), 2.2(1), 5.2(b), 9.1.

**Policies**

Companion Policy 81-105CP to National Instrument 81-105 Mutual Fund Sales Practices, s. 7.3(2).

May 5, 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  
DIMENSIONAL FUND ADVISORS CANADA ULC  
(the Filer)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities legislation of the Jurisdiction of the principal regulator (the Legislation) for exemptions from:

- (a) the restrictions on providing non-monetary benefits to participating dealers and their repre-

sentatives in sections 2.1(1)(b) and 2.2(1) of NI 81-105 *Mutual Fund Sales Practices* (NI 81-105) to the extent necessary to permit the Filer to directly invite the sales representatives of participating dealers that may distribute mutual funds managed by the Filer and that are members of the Investment Industry Regulatory Organization of Canada (IIROC), the Mutual Fund Dealers Association of Canada (MFDA), or are dealers that are duly registered in Quebec (collectively, the Participating Dealers) to the Filer's education conferences; and

- (b) the requirement contained in section 5.2(b) of NI 81-105 that the selection of the representatives of a dealer to attend a conference or seminar be made exclusively by the dealer, uninfluenced by any member of the organization of the mutual fund to the extent necessary to permit the Filer to directly invite a Participating Dealer's sales representatives to the Filer's education conferences.

(collectively, the Exemption Sought)

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

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

### Interpretation

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

### Representations

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

1. The Filer is a registered portfolio manager under the *Securities Act* (British Columbia). Its head office is in British Columbia.
2. The Filer changed its name from Dimensional Fund Advisors Canada Inc. to Dimensional Fund Advisers Canada ULC, effective February 9, 2009. In addition, on February 9, 2009, the Filer, which was incorporated under the laws of Canada, continued under the laws of the Province of Nova Scotia.

3. The Filer is an indirect Canadian subsidiary of Dimensional Fund Advisors LP, formerly Dimensional Fund Advisors Inc. (DFA U.S.). DFA U.S. was founded in 1981. Effective January 30, 2009, DFA U.S. transferred its ownership interest in the Filer to DFA Canada LLC, a Delaware limited liability company which is a wholly owned subsidiary of DFA U.S. DFA U.S. first offered investment management services only to institutional clients. It started offering funds to retail investors in the U.S. in 1990 and, through the Filer, in 2003 in Canada.
4. The Filer is or will be the manager, portfolio manager, and promoter of the Dimensional Funds (existing and future) (the Funds). The securities of the Funds are offered or may be offered by simplified prospectus in all the Jurisdictions. The Filer has retained (or will retain) DFA U.S. or other affiliates to act as sub-adviser(s) for the Funds.
5. Each of the Filer, DFA U.S., and other affiliates of the Filer (collectively, the Dimensional Group), is and will be a member of the organization of each of the Funds as defined in section 1.1 of NI 81-105.
6. The Funds are only available to retail investors through sales representatives authorized by the Filer (Approved Representatives).
7. Approved Representatives and the Filer conduct due diligence on each other that includes the following steps:
  - (a) The Filer will give the representative applying for approval materials about the Dimensional Group and the research behind its investment philosophy.
  - (b) The Filer's Regional Directors and the representative will meet (in person or by phone) to review and discuss the materials provided by the Filer.
  - (c) If the Filer and the representative want to take the next step in the due diligence process, the Filer will invite the representative to attend an introductory conference (Introductory Conference) to learn about the Dimensional Group's approach to investing. The Filer will only invite representatives to an Introductory Conference who have completed the preliminary stages of the due diligence process.
  - (d) The Filer will obtain the Participating Dealer's written consent prior to directly inviting the representative to attend the Introductory Conference.

- (e) The Filer will enter into a distribution agreement with the Approved Representative's Participating Dealer.
  - (f) The Filer will authorize the representative as an Approved Representative.
  - (g) The Filer will request that an Approved Representative provide its clients with written disclosure explaining the Approved Representative's relationship with the Filer.
8. The Filer and other members of the Dimensional Group will also organize and present regular seminars and educational conferences (Educational Seminars) for Approved Representatives. Only Approved Representatives will be invited to attend Educational Seminars. The Filer will obtain the Participating Dealer's written consent prior to directly inviting an Approved Representative to an Educational Seminar.
9. The Filer's Introductory Conferences and Educational Seminars will be held exclusively for educational purposes. Except as exempted in this Decision, the Filer's Introductory Conferences and Educational Seminars will comply in all respects with NI 81-105 including the requirements that: (1) restrict the location of an Introductory Conference or Educational Seminar to Canada; the continental United States of America, or a location where a portfolio adviser of the Funds carries on business, if the primary purposes of the Introductory Conference or Educational Seminar is the provision of educational information about the investments or activities of the Funds carried on by that portfolio adviser; and (2) prohibit a member of the organization of the Funds from paying any travel, accommodation or personal incidental expenses associated with the attendance of a representative at an Introductory Conference or an Educational Seminar.
10. The Filer does not provide incentives, agree to provide incentives, or imply that it will provide incentives to Approved Representatives or to potential Approved Representatives going through the mutual due diligence process with the Filer.
11. The Exemption Sought was previously requested by the Filer and granted by an MRRS decision document dated May 24, 2006 (the Original Decision) for a period of one year, which expired on May 24, 2007. Further relief was requested by the Filer and granted by an MRRS decision document dated May 18, 2007 for a period of two years (the Second Decision). This Decision will replace the Second Decision.
12. The Filer obtained an exemption from NI 81-105 in British Columbia on March 20, 2006.

**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 Filer explains to a representative that they must attend an Introductory Conference in order to become an Approved Representative and may attend Educational Seminars after they become Approved Representatives.
2. The Filer explains to the representative that the Filer must obtain the written consent of the representative's Participating Dealer prior to directly inviting the representative to an Introductory Conference or Educational Seminar.
3. The Filer explains that the representative's Participating Dealer will decide whether the representative can attend an Introductory Conference or Educational Seminar.
4. The Filer obtains the written consent from the person in charge of compliance for the representative at the Participating Dealer prior to directly inviting the representative to each Introductory Conference or Educational Seminar.
5. The Filer requests that an Approved Representative provide its clients with written disclosure explaining the Approved Representative's relationship with the Filer.

It is the further decision of the principal regulator under the Legislation that the Exemption Sought terminates five years from the date of this Decision.

"Suresh Thakrar"

"Wendell S. Wigle"

2.1.8 Waratah Coal Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Application for an order than the issuer is not a reporting issuer under applicable securities laws – Requested relief granted.

Applicable Legislative Provisions

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

May 5, 2009

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

AND

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

AND

IN THE MATTER OF  
WARATAH COAL INC.  
(the Filer)

DECISION

Background

1 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 Filer be deemed to have ceased to be a reporting issuer in the Jurisdictions (the Exemptive Relief Sought).

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

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

Interpretation

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

Representations

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

- 1. the Filer is a corporation governed by the *Business Corporations Act* (British Columbia) (the BCBCA) with its registered address located at 2080 – 777 Hornby Street, Vancouver British Columbia, V6Z 1S4;
- 2. the Filer is a reporting issuer in the provinces of Alberta, British Columbia and Ontario;
- 3. the Filer's authorized share capital consists of an unlimited number of common shares (Shares);
- 4. the Filer also has outstanding common share purchase warrants previously exercisable to acquire up to 761,904 Shares at a price of \$3.15 per Share and common share purchase warrants previously exercisable to acquire up to 6,333,207 Shares at a price of \$4.50 per Share, all of which expire on March 28, 2010 (collectively, the Warrants);
- 5. pursuant to a take-over bid (the Offer) commenced by Mineralogy Pty Ltd. (Mineralogy) on October 3, 2008, and which expired on January 5, 2009, Mineralogy Canada Acquisition Corp. (the Acquiror) acquired, in the aggregate, 46,168,517 Shares at a price of \$1.60 per Share, representing approximately 91.3% of the issued and outstanding Shares, excluding those Shares already owned by the Acquiror and Mineralogy prior to the Offer; taking into account the Shares owned by Mineralogy and the Acquiror prior to the Offer, as at January 5, 2009, the Acquiror owned 56,923,017 Shares, being approximately 92.8% of the outstanding Shares;
- 6. on January 12, 2009, the Acquiror commenced a compulsory acquisition of the remaining outstanding Shares not already owned by it at a price of \$1.60 per Share pursuant to section 300 of the *Business Corporation Act* (British Columbia) (the Compulsory Acquisition);
- 7. on March 30, 2009, the Acquiror completed the Compulsory Acquisition and became the owner of all of the issued and outstanding Shares;
- 8. although the Offer included an offer to acquire all Shares issued upon the

- exercise of options, warrants and other rights to acquire Shares, the Warrants remained outstanding and unexercised following the Compulsory Acquisition as their respective exercise prices, being \$3.15 and \$4.50, were significantly greater than the price at which the Shares were acquired under the Offer and the Compulsory Acquisition, being \$1.60;
9. the Warrants are held by 39 registered holders, of which 35 are located in Canada; the terms of the Warrants do not include any requirement that the Filer remain a reporting issuer in any jurisdiction; on February 23, 2009, the Filer provided at least 21 days' written notice, in accordance with the terms of the Warrants, to the holders of the Warrants that following the completion of the Compulsory Acquisition, the Filer intended to effect a capital reorganization that would result in the Warrants no longer being exercisable to acquire Shares;
  10. as at April 7, 2009, or 43 days following the date on which the above described notices were sent to the registered holders of the Warrants, the Filer had not received any communications from holders of the Warrants objecting to or otherwise questioning the proposed capital reorganization; on April 7, 2009, as permitted by the terms of the Warrants, the Filer completed the proposed capital reorganization, and as a result, the Warrants are no longer exercisable to acquire Shares;
  11. prior to consummation of the transactions described above, the Shares were listed for trading on the TSX Venture Exchange under the symbol "WCI", and the Filer's CHES Depository Interests (representing the Shares) (CDIs) were listed on the Australian Securities Exchange under the symbol "WCI";
  12. on March 30, 2009, an application was made to de-list the Shares from the TSX Venture Exchange; such Shares were de-listed at the close of business on April 3, 2009; trading of the Filer's CDIs on the Australian Securities Exchange was halted at the close of business on January 15, 2009; on March 30, 2009, an application was made to de-list the CDIs from the Australian Securities Exchange; such CDIs were de-listed at the close of business on April 1, 2009;
  13. no securities of the Filer are traded on any marketplace as defined in NI 21-101 *Marketplace Operation*;
  14. other than the Shares and the Warrants, the Filer has no other securities, including debt securities, outstanding;
  15. the Filer has no current intention to seek public financing by way of an offering of securities;
  16. the Filer is applying for relief to cease to be a reporting issuer in all jurisdictions of Canada in which it is currently a reporting issuer;
  17. the Filer is not in default of any of its obligations under the Legislation as a reporting issuer, except for the obligation to file its annual information form and annual financial statements for the period ended December 31, 2008 and its management discussion and analysis in respect of such financial statements, as required under National Instrument 51-102 *Continuous Disclosure Obligations* and the related certification of such financial statements, as required under Multilateral Instrument 52-109 *Certification of Disclosure in Filers' Annual and Interim Filings*, all of which became due on March 31, 2009;
  18. all of the Shares are owned by the Acquiror; there are 39 registered holders of the Warrants, of which 35 are located in Canada; although the Warrants will remain outstanding until their expiry on March 28, 2010, they are no longer exercisable to acquire Shares or any other securities of the Filer; and
  19. upon the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

**Decision**

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

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

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

2.2 Orders

2.2.1 M P Global Financial Ltd. and Joe Feng Deng

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

**AND**

**IN THE MATTER OF  
M P GLOBAL FINANCIAL LTD. AND  
JOE FENG DENG**

**ORDER**

**WHEREAS** on the 13th day of April, 2009, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") made the following temporary order against M P Global Financial Ltd. ("MP Global") and Joe Feng Deng also known as Feng Deng, Yue Wen Deng and Deng Yue Wen ("Deng") (collectively the "Respondents");

**AND WHEREAS** on April 13, 2009, pursuant to subsection 127(6) of the Act the Commission ordered that the following temporary order shall expire on the 15th day after its making unless extended by order of the Commission;

**AND WHEREAS** by Commission order dated April 13, 2009, the Commission made the following temporary order (the "Temporary Order"):

1. pursuant to clause 2 of subsection 127(1) of the Act, that all trading of securities of MP Global shall cease;
2. pursuant to clause 2 of subsection 127(1) of the Act, that trading by Deng and MP Global shall cease; and
3. that pursuant to clause 3 of subsection 127(1) of the Act, that the exemptions contained in Ontario securities law do not apply to Deng and MP Global;

**AND WHEREAS** the Commission held a hearing on April 27, 2009;

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

**IT IS ORDERED** on consent that the Temporary Order be extended to May 26, 2009 and this matter is adjourned to May 25, 2009 at 2:00 p.m.

**DATED** at Toronto this 27th day of April, 2009

"James E. A. Turner"

2.2.2 GROWMARK, Inc. – s. 74(1)

**Headnote**

Application for relief from the registration and prospectus requirements – Applicant operates as a federated agricultural co-operative, primarily in Illinois, Wisconsin, Iowa and Ontario – Applicant's business includes operations in agronomy, seed, energy, grain, retail supplies and facility planning and supply – Applicant proposes to make qualifying Farmers members of the Applicant in order to build stronger commercial relationships and related goodwill between the Applicant and the Farmers, and to make Farmers eligible for patronage distributions – In order to qualify as a member of the Applicant under its constating documents, eligible Farmers must be an agricultural producer, sign a membership agreement and hold a common share for a nominal amount upon entering into a membership agreement – The Applicant will also issue one or more shares of Class D Preferred Stock to eligible Farmers for purposes of the patronage provisions of the Income Tax Act – Farmers not investors in a conventional sense and share issuance not a financing – Relief granted.

**Statutes Cited**

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

**April 28, 2009**

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

**AND**

**IN THE MATTER OF  
GROWMARK, INC.**

**ORDER  
(Subsection 74(1))**

**WHEREAS** GROWMARK, Inc. (the "Applicant") has filed an application (the "Application") with the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 74(1) of the *Securities Act* (Ontario) (the "Act") that the following transactions shall not be subject to the registration and prospectus requirements arising pursuant to sections 25 and 53 of the Act:

- (a) the issuance by the Applicant to qualifying individual farmers resident in Ontario ("Farmers") of GROWMARK Membership Interests (as defined below) and shares of Class D Stock (as defined below); and
- (b) subsequent patronage distributions by the Applicant to Farmers of shares of Class D Stock issued in satisfaction of

patronage distributions which may be made from time to time by the Applicant.

**AND WHEREAS** the Commission may, pursuant to subsection 74(1) of the Act, rule that any trade, intended trade, security, person or company is not subject to section 25 or 53 of the Act (the "**Registration and Prospectus Requirements**") where it is satisfied that to do so would not be prejudicial to the public interest;

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

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

1. The Applicant was incorporated in 1962 under the laws of Delaware under the name FS Services Inc. In 1980, its name was changed to GROWMARK, Inc. The Applicant operates on a co-operative basis, carrying on business as a federated agricultural co-operative, primarily in Illinois, Wisconsin, Iowa and Ontario. The Applicant's business includes operations in agronomy, seed, energy, grain, retail supplies and facility planning and supply.
2. The Applicant is not a reporting issuer in the Province of Ontario or in any other province or territory of Canada, and has no present intention of becoming a reporting issuer in Ontario. The Applicant files federal and provincial tax returns in Canada and is subject to income tax under the *Income Tax Act* (Canada) (the "ITA") on its taxable income earned in Canada (and under the corresponding provisions of applicable provincial income tax statutes).
3. Currently, all of the Applicant's Ontario members are corporations governed by the *Co-operative Corporations Act* (Ontario) ("**Corporate Members**"). Such Corporate Members are eligible to receive annual distributions ("**Patronage Distributions**") on the basis of the business they conduct with the Applicant during the year (i.e., purchasing or selling products or services). The amount of any such Patronage Distributions is equal to the net earnings of the Applicant for the year, after setting aside sufficient funds to pay any preferred share dividends and such reasonable reserves and surplus funds as the board of directors of the Applicant determines to be necessary for its business. As described in further detail below, under the ITA, subject to certain limitations, the Applicant is entitled to deduct in computing its taxable income earned in Canada for a taxation year the total of all payments made by it pursuant to allocations in proportion to patronage to its customers for the year.
4. During the period between January 1, 1995 and December 31, 2008, the Applicant made Patronage Distributions to the Corporate Members (including their respective predecessor corporations) totalling approximately US\$35.4 million.
5. The Corporate Members also have members (holders of membership shares of the Corporate Members) who are also generally eligible to receive patronage distributions from the Corporate Members on the basis of the business they conduct with the Corporate Members (if and when declared by the board of directors of the Corporate Members).
6. On May 27, 2008, Simcoe District Co-operative Services ("**Simcoe**"), then a Corporate Member of the Applicant, filed an assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada). Simcoe was subsequently liquidated and is no longer a Corporate Member or entitled to receive Patronage Distributions.
7. On January 23, 2009, RSM Richter Inc. was appointed interim receiver and receiver of the undertakings, properties and assets of Norfolk Co-operative Company, Limited ("**Norfolk**"). Norfolk is in the process of being liquidated and is no longer a Corporate Member or entitled to receive Patronage Distributions.
8. On March 26, 2009, the Applicant completed transactions with two other financial distressed Corporate Members, Inland Co-operative Inc. ("**Inland**") and Waterloo-Oxford Co-operative Inc. ("**Waterloo-Oxford**"), resulting in the sale by such corporations of substantially all of their respective assets to the Applicant for a purchase price that allows each of Inland and Waterloo-Oxford to repay all of their respective debt and distribute a certain amount of equity to their respective members. As of March 26, 2009, each of Inland and Waterloo-Oxford also ceased to be Corporate Members entitled to receive Patronage Distributions. Inland and Waterloo-Oxford is each in the process of being wound-down and dissolved.
9. During the period between January 1, 1995 and December 31, 2008, the Applicant made Patronage Distributions to Inland, Waterloo-Oxford, Simcoe and Norfolk (and their respective predecessor corporations) totalling approximately US\$5.1 million.
10. In Ontario, the Applicant is currently engaged in the grain business through:
  - (a) Great Lakes Grain Inc. ("**GLG Inc.**"), a corporation governed by the Ontario *Business Corporations Act*, in respect of which the Applicant holds (directly and indirectly) an 80% interest and AGRIS Co-operative Ltd., a corporation governed by the *Co-operatives Act* (Ontario) ("**AGRIS**"), holds a 20% interest; and

- (b) FS Partners, a general partnership registered under laws of Ontario, in respect of which the Applicant indirectly through two wholly-owned subsidiaries holds a 100% interest in the profits or losses of the partnership.
11. In transactions scheduled to be completed on May 1, 2009, the businesses currently conducted by GLG Inc. and FS Partners will be reorganized (the “**Reorganization**”) as follows:
- (a) a new general partnership (the “**GLG Partnership**”) will be registered under the laws of Ontario to conduct the grain procurement and marketing business currently conducted by GLG Inc.; the Applicant and AGRIS will be the two initial general partners of the GLG Partnership; GLG Inc. and FS Partners will each transfer and assign to the GLG Partnership all of its grain-related inventory and accounts, along with certain other grain-related business assets (including certain grain and other contracts); following this transfer by GLG Inc., and the subsequent winding-up of its affairs (e.g., filing of a final tax return), GLG Inc. will be dissolved; and
- (b) the Applicant will acquire substantially all of the non-grain related assets and liabilities of FS Partners, and offer employment to the majority of the current employees of FS Partners; following the completion of these transactions, the Applicant will conduct directly the non-grain businesses currently conducted by FS Partners (these activities will be conducted through a division of the Applicant to be called FS Partners).
12. In order to build stronger commercial relationships and related goodwill between the Applicant and the Farmers, and to make Farmers eligible for Patronage Distributions, it is proposed that the Applicant would make qualifying Farmers (who conduct business with GROWMARK) members of the Applicant. In order to qualify as a member of the Applicant under its constating documents, it would be necessary that the Farmer be an agricultural producer, sign a membership agreement and hold a share of, or a fractional interest in a share of, Common Stock of the Applicant. It is proposed that the Applicant would issue a 1/10,000 fractional interest in a share of Common Stock of GROWMARK (a “**GROWMARK Membership Interest**”) to a Farmer for a nominal amount at the time the Farmer signs a membership agreement.
13. Holders of Common Stock of GROWMARK, or of a fractional interest therein, have no rights to vote, no rights to dividends (other than Patronage Distributions) and no preferences on liquidation, dissolution or winding up, but would be eligible under the Applicant's constating documents to Patronage Distributions. Pursuant to the Applicant's constating documents, shares of Common Stock can only be transferred with the prior written consent of the Applicant. This restriction will also be contained in the membership agreement signed by a Farmer and will apply in respect of a GROWMARK Membership Interest.
14. Under the ITA, subject to certain limitations, GROWMARK is entitled to deduct in computing its taxable income earned in Canada for a taxation year the total of all payments made by it pursuant to allocations in proportion to patronage to its customers for the year. The policy of the Applicant in Canada is to pay patronage only to customers who are members of the Applicant. The holding by a Farmer of a GROWMARK Membership Interest, although sufficient to qualify the Farmer as a member of the Applicant under its constating documents, would not qualify such Farmer as a member of the Applicant for purposes of the patronage provisions of the ITA. For this reason, it is proposed that the Applicant also issue one or more shares of Class D Preferred Stock of GROWMARK (“**Class D Stock**”) to the Farmer. Such Class D Stock would be issued to Farmers prior to the declaration by the board of directors of the Applicant of any Patronage Distributions (such issuance would occur at the time the Membership Interest is issued to the Farmer or later). The shares of Class D Stock have a par value of US\$100 per share. Holders of Class D Stock are entitled to one vote per share at any meeting of the stockholders of the Applicant.
15. Holders of Class D Stock are also entitled to receive payment of the par value of such shares upon liquidation, dissolution or winding up of the Applicant, subject to the rights of holders of Class B Preferred Stock and Class C Preferred Stock of the Applicant. No dividends or distributions of earnings, including patronage distributions, are payable to holders of shares of Class D Stock (except that a holder of Class D Stock who is also a holder of a share of Common Stock, or a fractional interest therein, is entitled to patronage distributions if and when declared by the board of directors of the Applicant in respect of such share of Common Stock or fractional interest therein). Shares of Class D Stock held by a member located in Ontario can only be transferred with the prior written consent of the Applicant. This restriction will also be contained in the membership agreement signed by a Farmer and will apply in respect of such Class D Stock.
16. The holding by a Farmer of a GROWMARK Membership Interest and one or more shares of Class D Stock will qualify the Farmer as a member



of the Applicant under its constating documents and a member of Applicant for purposes of the patronage provisions of the ITA.

17. On December 6, 1994, an order (the “**1994 Order**”) was issued by the Commission pursuant to subsection 74(1) of the Act that the following transactions should not be subject to sections 25 and 53 of the Act:

- (a) the issuance by the Applicant to the members of United Co-operatives of Ontario (“**UCO**”) of Common Stock, Series O and Class D Stock, Series O to such members in connection with the sale of substantially all of UCO’s assets to the Applicant; and
- (b) future issuances of shares in Class D Stock, Series O as part of any Patronage Distributions to members of UCO.

18. On July 28, 2000, an order (the “**2000 Order**”) was issued by the Commission pursuant to subsection 74(1) of the Act (replacing the 1994 Order) that the following transactions should not be subject to sections 25 and 53 of the Act:

- (a) the issuance to member co-operatives of the Applicant resident in Ontario (“**Corporate Members**”) of one share of Common Stock and Class D Stock, Series A to such Corporate Members as part of a reorganization of the share capital of the Applicant; and
- (b) subsequent patronage distributions by the Applicant to such Corporate Members of shares of Class D Stock, Series A as part of any Patronage Distributions to such Corporate Members.

19. On May 28, 2002, an order (the “**2002 Order**”) was issued by the Commission pursuant to subsection 74(1) of the Act that the following transactions should not be subject to sections 25 and 53 of the Act:

- (a) the issuance to Corporate Members of one share of Class D Stock to such Corporate Members as part of a reorganization of the share capital of the Applicant; and
- (b) subsequent patronage distributions by the Applicant to such Corporate Members of shares of Class D Stock or other securities, similar in all material respects to the Class D Stock, issued in satisfaction of such patronage distributions.

The 1994 Order, the 2000 Order and the 2002 Order, collectively, the “**Prior Orders**”.

20. None of the Prior Orders, which deal with trades of securities to Corporate Members, would apply in respect of a trade of a GROWMARK Membership Interest or share of Class D Stock to a Farmer (an individual).

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

**IT IS RULED** pursuant to subsection 74(1) of the Act that the following transactions shall not be subject to the Registration and Prospectus Requirements:

- (a) the issuance by the Applicant to Farmers of GROWMARK Membership Interests and shares of Class D Stock; and
- (b) subsequent patronage distributions by the Applicant to Farmers of shares of Class D Stock or other securities, similar in all material respects to the Class D Stock, issued in satisfaction of patronage distributions which may be made from time to time by GROWMARK,

provided that:

- (a) before the issuance of a GROWMARK Membership Interest and shares of Class D Stock under paragraph (a), each Farmer is provided with a copy of a written statement to the effect that certain protections, rights and remedies provided by the Act, including statutory rights of rescission and damages, will be unavailable to that Farmer or transferee and that there are restrictions imposed on the disposition or transfer of the GROWMARK Membership Interests and shares of Class D Stock;
- (b) the Applicant will provide to the Farmer the following materials:
  - (i) this decision;
  - (ii) the articles and by-laws of the Applicant, and all amendments thereto; and
  - (iii) the most recent annual audited financial statements of the Applicant;
- (c) the Applicant will prepare and make available to each Farmer on its website a copy of its annual report containing audited financial statements and quarterly unaudited financial statements;

- (d) the transfer restrictions applicable to the GROWMARK Membership Interests and shares of Class D Stock held by Farmers will continue to apply – it being understood that the exemptions contained in any order issued by the Commission would cease to be effective if such transfer restrictions are amended in any material respect without written notice to, and the consent of, the Commission; and
- (e) the first trade of a GROWMARK Membership Interest or share of Class D Stock issued in reliance upon the order will be deemed to be a distribution of such securities within the meaning of the Act.

DATED at Toronto this 28th day of April, 2009.

“Paul Bates”  
Commissioner  
Ontario Securities Commission

“Suresh Thakkar”  
Commissioner  
Ontario Securities Commission

**2.2.3 Access Automation LLC et al. – s. 127(8)**

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

**AND**

**IN THE MATTER OF  
ACCESS AUTOMATION LLC,  
ACCESS FUND MANAGEMENT, LLC,  
ACCESS FUND, L.P., GORDON ALAN DRIVER  
AND DAVID RUTLEDGE**

**ORDER  
(Section 127(8))**

**WHEREAS** on April 15, 2009, the Ontario Securities Commission (the “Commission”) made an order pursuant to sections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended, in respect of Access Automation LLC, Access Fund Management, LLC, Access Fund, L.P., Gordon Alan Driver and David Rutledge that all trading in securities by the Respondents cease, and that any exemptions contained in Ontario securities law do not apply to the Respondents (the “Temporary Order”);

**AND WHEREAS** Access Automation LLC, Access Fund Management, LLC, Access Fund, L.P., Gordon Alan Driver and David Rutledge consent to a continuation of the Temporary Order until October 15, 2009;

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

**IT IS ORDERED THAT:**

1. in respect of the Respondents, the Temporary Order is continued until October 15, 2009 or until further order of the Commission; and
2. this matter shall return before the Commission on October 14, 2009 at 10:00 a.m. or such other time as notified by the Secretary’s Office.

DATED at Toronto this 29th day of April, 2009.

“Lawrence E. Ritchie”

**2.2.4 Goldbridge Financial Inc. et al. – ss. 127(1), 127(2)**

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

**AND**

**IN THE MATTER OF  
GOLDBRIDGE FINANCIAL INC.,  
WESLEY WAYNE WEBER AND  
SHAWN C. LESPERANCE**

**TEMPORARY ORDER  
Sections 127(1) & 127(2)**

**WHEREAS** on October 10, 2008, the Commission issued a temporary order pursuant to section 127(5) of the Act that all trading in securities by Goldbridge Financial Inc. (“Goldbridge”), Wesley Wayne Weber (“Weber”) and Shawn C. Lesperance (“Lesperance”) shall cease, and that the exemptions contained in Ontario securities law do not apply to Goldbridge, Weber and Lesperance (the “Temporary Order”);

**AND WHEREAS** the Temporary Order expired on the fifteenth day after its making unless extended by the Commission;

**AND WHEREAS** on October 28, 2008, the Commission granted a further order pursuant to clause 2 of subsection 127(1) of the Act (the “October Order”) that all trading in securities by Goldbridge, Weber and Lesperance shall cease, subject to the exception below;

**AND WHEREAS** it was further ordered on October 28, 2008, that notwithstanding the foregoing order, Goldbridge may trade solely as principal in one account (“the account”) in accordance with the following conditions:

- (a) the account shall be at E\*TRADE Canada (“E\*Trade”);
- (b) the account shall be in the name of Goldbridge Financial Inc.;
- (c) the account shall contain only funds belonging to Goldbridge contributed by Weber or Lesperance, and shall not be used directly or indirectly to trade on behalf of any other person or company;
- (d) Goldbridge shall provide Staff with particulars of the account, including the account number, within 7 days of the date of this Order;
- (e) Goldbridge shall instruct E\*Trade to provide copies of all trade confirmation notices with respect to the account directly to Staff at the same time that such notices are provided to Goldbridge;

(f) securities traded in the account shall consist solely of securities listed or quoted on the New York Stock Exchange (“NYSE”) or the National Association of Securities Dealers Automated Quotations (“NASDAQ”); and

(g) the Respondents shall immediately take steps to remove from the internet all advertising and postings on behalf of the Respondents offering to provide investment services and lessons in day trading.

**AND WHEREAS** the October Order was to expire at the close of business on January 20, 2009, unless extended by the Commission;

**AND WHEREAS** on January 19, 2009, the October Order was extended by the Commission until the close of business on March 21, 2009;

**AND WHEREAS** on March 20, 2009, the October Order was extended by the Commission until the close of business on May 4, 2009;

**AND WHEREAS** the Commission held a hearing on May 1, 2009, at which Staff sought an Order extending the October Order pursuant to subsection 127(1) of the Act to permit further discussion between counsel;

**AND WHEREAS** Staff of the Commission made submissions at the hearing;

**AND WHEREAS** Weber, Lesperance and Goldbridge have consented to the extension of the October Order;

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

**IT IS ORDERED** that the October Order is continued and shall expire at the close of business on June 30, 2009, unless it is extended by the Commission;

**IT IS FURTHER ORDERED** that Staff may apply to the Commission to vary this Order at any time if Staff concludes that it is in the public interest to do so;

**IT IS FURTHER ORDERED** that this matter shall be adjourned to June 29, 2009, at 10:00 a.m.

**DATED** at Toronto this 1st day of May, 2009.

“James E. A. Turner”

**2.2.5 BakBone Software Incorporated – s. 144**

**Headnote**

Section 144 – Revocation of a cease trade order – Issuer subject to a cease trade order as a result of its failure to file certain financial statements and related filings – Issuer has brought its filings up-to-date.

**Applicable Legislative Provisions**

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

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

**AND**

**IN THE MATTER OF  
BAKBONE SOFTWARE INCORPORATED**

**ORDER  
(Section 144)**

**WHEREAS** a Director of the Ontario Securities Commission (the “**Commission**”) issued a temporary cease trade order dated December 8, 2004 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by an order dated December 20, 2004 pursuant to paragraph 2 of subsection 127(1) of the Act (collectively, the “**Cease Trade Order**”) which provided that all trading in the securities of BakBone Software Incorporated (the “**Company**” or “**BakBone**”) shall cease until further order by the Director;

**AND WHEREAS** the Company has applied to the Commission pursuant to Section 144 of the Act for an order revoking the Cease Trade Order;

**AND WHEREAS** the Company has represented to the Commission that:

**About BakBone**

1. The Company was incorporated on May 30, 1979 under the *Company Act* (British Columbia) under the name “Ican Resources Ltd.”. On September 12, 1984, the Company amalgamated with Kimberley Gold Resources Inc. under the *Company Act* (British Columbia) and continued as “Ican Resources Ltd.”. On December 18, 1986, the Company amalgamated with Canu Resources Limited under the *Company Act* (British Columbia) and continued as “Ican Resources Ltd.”. On November 20, 1992, Ican Minerals Ltd. continued from the laws of British Columbia to the laws of Alberta. On December 17, 1998, the Company changed its name to “Net Resources Inc.”. Effective December 17, 1998, the Company consolidated its issued and outstanding share capital on the basis of one new common share for

each six common shares issued and outstanding. On March 13, 2000, the Company changed its name to “BakBone Software Incorporated”. On April 1, 2002, the Company amalgamated with NVS Holdings Inc. under the *Business Corporations Act* (Alberta) and continued as “BakBone Software Incorporated”. On August 11, 2003, the Company continued from the laws of Alberta to the federal laws of Canada. The Company extra-provincially registered in Alberta on September 30, 2003.

2. The Company's head office is located at 9540 Towne Centre Drive, Suite 100, San Diego, California, 92121. The Company's registered office is located at 1400, 350 7th Avenue SW, Calgary, Alberta T2P 3N9.
3. The Company provides software-based, data protection solutions that enable the backup, recovery and overall availability of business data and information.
4. The Company has operations in three primary geographic regions: North America; Asia-Pacific; and Europe, Middle East and Africa (or EMEA), through three of its respective wholly-owned subsidiaries: BakBone Software, Inc., BakBone Software KK, and BakBone Software Ltd. All of the Company's operations are located outside of Canada.
5. The Company's fiscal year end is March 31.
6. The authorized share capital of the Company consists of an unlimited number of common shares (the “**Common Shares**”) and 22,000,000 Series A preferred shares (the “**Preferred Shares**”). As of December 31, 2008, there were approximately 64,632,793 Common Shares and 18,000,000 Preferred Shares outstanding. The Company has no securities, including debt securities, outstanding other than (i) the Common Shares, (ii) the Preferred Shares, (iii) 5,518,000 options granted to directors, officers and employees to acquire Common Shares, (iv) 150,000 restricted stock units granted to a former executive officer (and now a director) of the Company, and (v) 4,505,126 warrants to acquire Common Shares.
7. The Company is a reporting issuer in Alberta, Ontario and British Columbia. The securities regulatory authorities of Alberta, Ontario and British Columbia are referred to in this Order as the “**Securities Commissions**”.
8. The Common Shares are registered under Section 12 of *The Securities Exchange Act of 1934* of the United States, as amended from time to time (the “**1934 Act**”). The Company is not registered or required to be registered as an investment company under the *Investment*

*Company Act of 1940* of the United States, as amended from time to time. The Company is a "SEC issuer" (as defined under National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102")).

9. The Common Shares were listed on the Toronto Stock Exchange (the "TSX") under the symbol "BKB". The Common Shares were delisted from the TSX on June 2, 2006 due to the Company's failure to meet the continued listing requirements of the TSX. The Company is a "venture issuer" (as defined under NI 51-102) and is not required to file an annual information form for the years ended after March 31, 2006.
10. The Common Shares were traded on the Over-the-Counter Bulletin Board (the "OTCBB") in the United States under the symbol "BKBOF". The Common Shares were delisted from the OTCBB on February 17, 2005 due to the Company's failure to keep current in the filing of its periodic reports with the Securities and Exchange Commission of the United States (the "SEC").
11. The Common Shares currently trade through Pink OTC Markets Inc. in the United States under the symbol "BKBO.PK". No securities of the Company are traded on a marketplace in Canada.

#### Cease Trade Orders

12. In March 2004, the Company ceased to be a "foreign private issuer" under the 1934 Act. As a consequence, the Company was required to prepare and file its audited financial statements in accordance with generally accepted accounting principles in the United States in an annual report on Form 10-K for the year ended March 31, 2004. On June 30, 2004, the Company filed with the SEC and Securities Commissions its annual report on Form 10-K for the year ended March 31, 2004.
13. On October 12, 2004, KPMG LLP resigned as the Company's independent auditor. On October 25, 2004, the Company engaged Deloitte & Touche LLP ("Deloitte") as the Company's independent registered public accounting firm.
14. The Cease Trade Order (and similar orders of the other Securities Commissions) was issued because the Company failed to file quarterly financial statements and related management's discussion and analysis for the interim period ended September 30, 2004 (collectively, the "**Q2 2005 Financials**") with the Securities Commissions as required by the securities laws of Alberta, Ontario and British Columbia.
15. The Q2 2005 Financials were not filed when required as a result of delays due to the recent change in the Company's auditors and the Company learning that its financial statements for

the year ended March 31, 2004 and for the interim period ended June 30, 2004 required restatement due to various financial statement errors.

16. On December 23, 2004, the Company issued a press release advising investors that they should no longer rely upon the Company's financial statements for the years ended March 31, 2003 and 2004, and the interim period ended June 30, 2004.
17. From January 2005 through May 2006, the Company performed an extensive review of their revenue related business processes in connection with the restatement for the year ended March 31, 2004 and on April 6, 2006, the Company's board of directors determined that an independent investigation should be directed by a special committee of the board of directors with respect to historical business practices surrounding revenue recognition. The special committee engaged independent accounting and legal advisers to assist with this review. In September 2006, the independent advisers reported to the special committee that certain of the Company's business practices had permitted improper recognition of revenue in prior periods, however, no instances of fraud were detected. The board of directors and management of the Company instituted a variety of remedial activities, including, but not limited to, terminating various executives and non-executives, implementing organizational changes and changing accounting policies and procedures of the Company.
18. After the Cease Trade Orders were issued, the Company failed to file with the Securities Commissions when required (i) its audited financial statements for the years ended March 31, 2005, 2006, 2007 and 2008, (ii) its unaudited financial statements for the first, second and third interim periods of fiscal 2005, 2006, 2007 and 2008 and the interim periods ended June 30 and September 30, 2008, (iii) the related management's discussion and analysis and certifications required under then Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* for the foregoing periods, and (iv) its annual information forms for the years ended March 31, 2005 and 2006.
19. From January 4, 2007 through August 5, 2008, the Company continued to work with its former independent registered public accounting firm, KPMG LLP (with respect to the Company's restated financial statements for the year ended March 31, 2004), and its then-current independent registered public accounting firm, Deloitte (with respect to the years ended March 31, 2005 and 2006), to complete the restatement process, the audits of the Company's financial statements for the years ended March 31, 2005 and 2006, and the preparation of its annual report on Form 10-K

for the year ended March 31, 2006 (the “**2006 10-K**”).

**Current Filings**

20. The Company filed the 2006 10-K with the SEC on August 6, 2008. On August 28, 2008, the Company filed the 2006 10-K with the Securities Commissions. The 2006 10-K includes the following:

- (a) audited consolidated financial statements of the Company for the years ended March 31, 2004 (restated), 2005 and 2006 together with the reports of the Company's independent registered public accounting firms;
- (b) management's discussion and analysis for the years ended March 31, 2004, 2005 and 2006 except that the results for the year ended March 31, 2004 are not compared to the results for the year ended March 31, 2003;
- (c) certification of principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002; and
- (d) certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for James R. Johnson.

21. Subsequent to filing the 2006 10-K with the SEC, the Company dismissed Deloitte on August 12, 2008 and engaged Mayer Hoffman McCann P.C. on August 13, 2008 as its independent registered public accounting firm for the years ended March 31, 2007 and March 31, 2008. Mayer Hoffman McCann P.C. is registered with the Canadian Public Accountability Board.

22. On February 3, 2009, the Company filed its annual report on Form 10-K for the year ended March 31, 2008 (the “**2008 10-K**”) with the SEC and Securities Commissions. The 2008 10-K includes the following:

- (a) audited consolidated financial statements of the Company for the years ended March 31, 2007 and 2008 together with the reports of the Company's independent registered public accounting firm;
- (b) management's discussion and analysis for the fiscal years 2007 and 2008 except that the results for such years are compared to each other but not to prior periods;

(c) certifications of principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002; and

(d) certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for James R. Johnson and Steven R. Martin.

23. In addition to filing the 2008 10-K with the SEC and Securities Commissions, the Company also filed on February 3, 2009 its quarterly reports on Form 10-Q for the interim periods ended June 30 (the “**Q1 Report**”) and September 30, 2008 (the “**Q2 Report**”). These reports include (as applicable) the following:

- (a) unaudited consolidated financial statements of the Company for the interim periods ended June 30 and September 30, 2008;
- (b) management's discussion and analysis for the interim periods ended June 30 and September 30, 2008;
- (c) certifications of principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002; and
- (d) certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

24. On February 9, 2009, the Company filed its quarterly report on Form 10-Q for the interim period ended December 31, 2008 (the “**Q3 Report**”). The Company included the following in the Q3 Report:

- (a) unaudited consolidated financial statements of the Company for the periods ended December 31, 2008;
- (b) management's discussion and analysis for the three and nine months ended December 31, 2008;
- (c) certifications of principal executive officer and principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002; and
- (d) certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

**Continuing defaults**

**Outstanding interim filings**

25. The Company is in default of certain interim filing requirements under the securities laws of Alberta, Ontario and British Columbia. Specifically:

- (a) the Company has not filed with the Securities Commissions restated financial statements and related management's discussion and analysis for the interim period ended June 30, 2004;
- (b) the Company has not filed with the Securities Commissions interim financial statements for the interim periods ended September 30 and December 31, 2004 and, June 30, September 30 and December 31, 2005, 2006 and 2007; and
- (c) the Company has not filed with the Securities Commissions management's discussion and analysis for the interim periods ended September 30 and December 31, 2004 and, June 30, September 30 and December 31, 2005, 2006 and 2007.

**Outstanding annual filings**

- 26. The Company is in default of certain annual filing requirements under the securities laws of Alberta, Ontario and British Columbia. Specifically:
  - (a) the Company has not filed with the Securities Commissions restated financial statements and the related management's discussion and analysis for the years ended March 31, 2000, 2001, 2002 and 2003 in accordance with the requirements of Parts 4 and 5 of NI 51-102;
  - (b) the Company's audited consolidated financial statements and the related management's discussion and analysis included in the 2006 10-K for the year ended March 31, 2004 (restated) does not contain the required comparative financial information for the year ended March 31, 2003 in accordance with the requirements of Parts 4 and 5 of NI 51-102;
  - (c) the Company's audited consolidated financial statements included in the 2006 10-K for the years ended March 31, 2004 (restated) and 2005, and related management's discussion and analysis, do not comply with the reconciliation and other disclosure requirements set out under NI 51-102 and National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* in respect of such years;
  - (d) the management's discussion and analysis for the years ended March 31, 2004, 2005, and 2006 (as contained in

the 2006 10-K) fails to include the disclosure required under Form 52-110F1 of National Instrument 52-110 *Audit Committees* ("NI 52-110") and Form 58-101F1 of National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"); and

- (e) the management's discussion and analysis for the years ended March 31, 2007 and 2008 (as contained in the 2008 10-K) fails to include the disclosure required under Form 52-110F2 of NI 52-110 and Form 58-101F2 of NI 58-101.

27. Except as described above, the Company is not in default of any of its obligations as a reporting issuer under the Act or the rules and regulations made pursuant thereto.

**Annual meeting requirements**

- 28. The Company has not held annual general meetings of shareholders of the Company for the years ended March 31, 2005 through 2008 contrary to the requirements of the CBCA.
- 29. On February 5, 2008, the board of directors of the Company called a meeting of shareholders which was held on March 31, 2009 (the "**2009 Meeting**") for the purpose of electing directors, appointing auditors and approving an equity incentive plan for the Company (the "**Plan**").
- 30. The proxy-related materials for the 2009 Meeting (the "**2009 Proxy Materials**") were filed with the Securities Commissions on February 26, 2009 and sent to the shareholders of the Company on February 27, 2009. The information circular included in the 2009 Proxy Materials (the "**Information Circular**") includes the disclosure required under NI 51-102, NI 52-110 and NI 58-101.
- 31. In connection with the mailing of the 2009 Proxy Materials, the Company sent copies of the 2008 10-K, Q1 Report, Q2 Report and Q3 Report to the registered holders and beneficial holders of its shares.
- 32. The Information Circular states that directors, officers and employees of the Company (and other eligible participants) who are residents of or otherwise located in Alberta, Ontario and British Columbia shall not be entitled to receive grants under the Plan to the extent the Cease Trade Orders are still in effect and prohibit the issuance of securities of the Company to such persons.

**Trades in securities of BakBone**

33. On April 27, 2006, the Company issued 300,000 restricted stock units ("**RSUs**") to an executive

officer of the Company (the “Grantee”) under a restricted stock unit award agreement in connection with the commencement of employment of the executive officer with the Company. Each RSU entitles the Grantee to receive one Common Share upon the satisfaction of certain conditions. The RSUs vest over a four year period, with 50% vesting on the second anniversary of the grant date and 25% vesting on each of the third and fourth anniversaries of the grant date. Among other things, the restricted stock unit award agreement provided that in the event (i) the Company does not have an effective registration statement on Form S-8 on file registering the issuance of the Common Shares under such agreement or (ii) the Common Shares are not listed and eligible for trading on any specified stock exchanges or national market systems, then the vested RSUs would be settled in cash equal to the fair market value of the Common Shares as of the date such shares would otherwise be transferred to the Grantee. As none of these conditions had been satisfied by the first vesting date, the first tranche of the RSUs were required to be settled in cash.

34. In April 2008, the Company entered into an amendment to the restricted stock unit award agreement with the Grantee for the purposes of minimizing the cash costs of settling the first tranche of vested RSUs. The amendment provided for the settlement of these RSUs in a cash amount sufficient to satisfy the expected tax obligation of the Grantee, and the issuance of 90,345 Common Shares to the Grantee representing the residual value of the vested RSUs. Further, under the amendment, if the contingent cash-settlement conditions contained in the RSU award are not met on the vest dates of the second and third tranches of the award, these tranches will be settled in an amount of cash sufficient to satisfy the expected tax obligation of the Grantee, with the residual value of the award to be settled in Common Shares. Otherwise, the second and third tranches will be settled entirely in Common Shares.

35. At the time of the distribution of the RSUs and the Common Shares underlying the RSUs:

- (a) the mind and management of the Company was located in the United States and all of the Company's operations were located outside of Canada;
- (b) the Grantee was an executive officer of the Company domiciled in the United States with no connection to Canada;
- (c) the only connection between the distribution of these securities and Canada was that (i) the Company was a

corporation governed by the *Canada Business Corporations Act* (“CBCA”), (ii) the Company was a reporting issuer in Alberta, Ontario and British Columbia, (iii) the Company had three directors resident in Alberta, and (iv) the Company's registered office was located in Alberta; and

- (d) the transfer of the RSUs was (and remains) restricted by the terms of the restricted stock unit award agreement.

36. In April 2007, the Company entered into a warrant agreement with Sun Microsystems, Inc. (“Sun”) pursuant to which the Company granted to Sun the right to purchase 4,425,126 Common Shares at a price of USD\$1.78 per share (the “Warrants”). The Warrants were issued in connection with a technology development and license agreement dated as of December 18, 2006 by and between the Company and Sun. Approximately 885,025 Warrants have vested, none of which have been exercised. The Company does not expect that any of the Warrants will be exercised in the near future.

37. At the time of the distribution of the Warrants:

- (a) the mind and management of the Company was located in the United States and all of the Company's operations were located outside of Canada;
- (b) the mind and management of Sun was located in the United States;
- (c) the only connection between the distribution of the Warrants and Canada was that (i) the Company was a corporation governed by the CBCA, (ii) the Company was a reporting issuer in Alberta, Ontario and British Columbia, (iii) the Company had three directors resident in Alberta, and (iv) the Company's registered office was located in Alberta; and
- (d) the transfer of the Warrants was restricted by applicable United States federal and state securities laws.

38. None of the trades referred to above were made in or to residents of any jurisdiction in which the Company is a reporting issuer.

39. Other than the distribution of the RSUs, Common Shares underlying the RSUs and Warrants described above, the Company has not traded in any securities of the Company after the Cease Trade Orders were issued.



**Other representations**

40. The Company has not previously been subject to a cease trade order of the Securities Commissions or in any other jurisdiction.
41. The Company is applying to have each of the Cease Trade Orders concurrently revoked.
42. Upon the revocation of the Cease Trade Orders (or one or more of them), the Company will issue and file a news release and material change report with the Securities Commissions.
43. The Company's SEDAR and SEDI profiles are up-to-date.
44. The Company has paid all outstanding filing fees, participation fees and late filing fees in the jurisdictions where it is a reporting issuer.

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

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

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

**DATED** at Toronto this 27th day of April, 2009.

"Michael Brown"  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**2.2.6 Richmond Energy Corp. – s. 1(10)(b)**

**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).

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

**AND**

**IN THE MATTER OF  
RICHMOND ENERGY CORP.  
(the Applicant)**

**ORDER  
(Clause 1(10)(b))**

**UPON** the application of the Applicant to The Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 1(10)(b) of the Act that the Applicant is not a reporting issuer for the purposes of Ontario securities law (the "**Requested Relief**");

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

**AND UPON** the Applicant representing to the Commission that:

1. The Applicant is a junior natural resources and mineral exploration company incorporated in the Province of Ontario on July 11, 2005.
2. The Applicant is governed by the laws of the Province of Ontario.
3. The Applicant's head office is located at 67 Yonge Street, Suite 1402, Toronto, Ontario, M5E 1J8.
4. The Applicant filed a prospectus in relation to a proposed initial public offering of common shares ("**IPO**") with the Commission on June 19, 2008. The Commission issued a receipt in relation to the Prospectus on June 20, 2008, at which point the Applicant became a reporting issuer in Ontario.
5. The Applicant subsequently filed a prospectus in British Columbia with the British Columbia Securities Commission ("**BCSC**") and an amended and restated prospectus in Ontario with the Commission dated August 21, 2008 amending and restating the prospectus dated June 19, 2008 (collectively, the "**Prospectus**"). The Applicant

thereafter obtained a receipt from the Commission and the BCSC, respectively, on August 22, 2008.

6. All of the securities issued and distributed by the Applicant are fully disclosed in the Prospectus. No further securities have been issued or distributed by the Applicant since August 21, 2008 to the date hereof.
7. The Applicant became a reporting issuer in British Columbia on August 22, 2008. However, on April 9, 2009, having satisfied all of the requirements of BC Instrument 11-502, the Applicant has filed a Notice of its Voluntary Surrender of Reporting Issuer Status in British Columbia with the BCSC.
8. Due to the unprecedented deterioration of the capital markets since becoming a reporting issuer in Ontario, the Applicant has been unsuccessful in completing its IPO.
9. The Applicant has no current intention to seek public financing by way of an offering of securities.
10. The outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly by 24 security holders in Ontario as of the date hereof, and fewer than 51 security holders in Canada.
11. No securities of the Applicant are traded on a market place as defined in National Instrument 21-101 *Marketplace Operation*.
12. The Applicant is unable to rely on CSA Staff Notice 12-703 *Applications for a Decision that an Issuer is not a Reporting Issuer* ("**CSA Staff Notice 12-703**") since the 24 security holders of the Applicant in Ontario exceed by nine the maximum number of security holders permitted under the simplified procedure contemplated by CSA Staff Notice 12-703.
13. The Applicant is applying for a decision that the Applicant is not a reporting issuer in Ontario.
14. Upon the grant of the Requested Relief, the Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada.
15. The Applicant is not in default of any of its obligations under the Legislation as a reporting issuer.

**AND UPON** the Commission being satisfied that granting this Order would not be prejudicial to the public interest.

**IT IS HEREBY ORDERED** pursuant to clause 1(10)(b) of the Act that, for the purposes of Ontario securities law, the Applicant is not a reporting issuer.

**DATED** at Toronto, Ontario on this 28th day of April, 2009

"Suresh Thakrar"  
Commissioner  
Ontario Securities Commission

"Carol S. Perry"  
Commissioner  
Ontario Securities Commission

**2.2.7 Berkshire Capital Limited et al. – ss. 127(7), 127(8)**

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

**AND**

**IN THE MATTER OF  
BERKSHIRE CAPITAL LIMITED,  
GP BERKSHIRE CAPITAL LIMITED,  
PANAMA OPPORTUNITY FUND AND  
ERNEST ANDERSON**

**ORDER  
(Subsection 127(7) and (8))**

**WHEREAS** the Ontario Securities Commission (“the Commission”) issued a temporary order on January 27, 2009 (“the Temporary Order”) with respect to Berkshire Capital Limited, GP Berkshire Capital Limited, and Panama Opportunity Fund (“the Berkshire Entities”); and with respect to Ernest Anderson (“Anderson”) (“collectively “the Respondents”);

**AND WHEREAS** the Temporary Order ordered that: (i) trading in securities of and by the Respondents cease pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (“the Act”); and (ii) any exemptions contained in Ontario securities law not do not apply to the Respondents pursuant to paragraph 3 of subsection 127(1) and subsection 127(5) of the Act;

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

**AND WHEREAS** Staff of the Commission (“Staff”) served Anderson with the Temporary Order on January 27, 2009 and the Notice of Hearing and the Statement of Allegations on February 6, 2009;

**AND WHEREAS** Staff served the Berkshire Entities by sending the Temporary Order to Anderson who, although he accepted service on his own behalf, refused service on behalf of the Berkshire Entities;

**AND WHEREAS** Staff also served the Berkshire Entities by emailing the Temporary Order, the Notice of Hearing and the Statement of Allegations to the Berkshire Entities’ Panamanian contacts, Georgia Lainiotis (“Lainiotis”) and Mohamed Al-Harazi (“Al-Harazi”), who have been identified to Staff as being involved with the Berkshire Entities;

**AND WHEREAS** on February 10, 2009, Staff appeared before the Commission, Anderson having provided his consent to extend the Temporary Order and adjourn the hearing to March 19, 2009 in writing;

**AND WHEREAS** Staff filed the Affidavit of Stephanie Collins in support of Staff’s request to extend the Temporary Order against the Berkshire Entities;

**AND WHEREAS** Staff and Anderson consented to an extension of the Temporary Order until March 19, 2009 and the Berkshire Entities did not appear;

**AND WHEREAS** on February 10, 2009, the Commission granted the request for an adjournment and rescheduled the hearing to March 19, 2009 and extended the Temporary Order until March 20, 2009;

**AND WHEREAS** Staff served the extension of the Temporary Order on Anderson and the Berkshire Entities by emailing it to Anderson, Lainiotis and Al-Harazi;

**AND WHEREAS** Staff served the Record of Staff (February 10, 2009) on Anderson on March 12, 2009;

**AND WHEREAS** Anderson on March 18, 2009 requested an adjournment to retain counsel;

**AND WHEREAS** on March 19, 2009, Staff appeared before the Commission and no one appearing on behalf of the respondents;

**AND WHEREAS** Staff and Anderson consented to adjourn the hearing to May 5, 2009 and to extend the Temporary Order until May 6, 2009;

**AND WHEREAS** on March 19, 2009, the Commission granted the request for an adjournment and rescheduled the hearing to May 5, 2009 and extended the Temporary Order until May 6, 2009;

**AND WHEREAS** Staff served the extension of the Temporary Order on Anderson and the Berkshire Entities by emailing it to Anderson and Lainiotis, and Staff attempted to serve it on Al-Harazi by emailing it to him at the address which had previously been successfully used, but the email was returned;

**AND WHEREAS** on May 5, 2009 a hearing was held in this matter to consider whether or not it is in the public interest to continue the Temporary Order;

**AND WHEREAS** on May 5, 2009, Staff appeared before the Commission, Anderson appeared and opposed the continuation of the Temporary Order, and no one appeared on behalf of the Berkshire Entities;

**AND UPON** hearing submissions from Staff and Anderson;

**IT IS ORDERED** that the hearing is adjourned to July 9, 2009 at 10:00 a.m., and the Temporary Order is continued until July 10, 2009 or such other date as is agreed by Staff and the Respondents and determined by the Office of the Secretary.

**DATED** at Toronto, this 5th day of May 2009.

“Wendell S. Wigle”

“Suresh Thakrar”

2.2.8 Liard Resources Ltd. – s. 144

Headnote

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

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(3), 144.

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

**AND**

**IN THE MATTER OF  
LIARD RESOURCES LTD.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of Liard Resources Ltd. (the "Issuer") are currently subject to a cease trade order made by the Director dated June 3, 2004 pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, as extended by an order made by the Director on June 3, 2004 pursuant to paragraph 2 of subsection 127(1) of the Act (collectively, the "Cease Trade Order") directing that trading in the securities of the Issuer cease until the Cease Trade Order is revoked;

**AND WHEREAS** the Issuer has applied to the Ontario Securities Commission (the "Commission") pursuant to section 144(1) of the Act for a revocation of the Cease Trade Order;

**AND WHEREAS** the Issuer has represented to the Commission that:

1. The Issuer is a corporation existing under the *Business Corporations Act* (Alberta) (the "Alberta Act") with its head office and registered office in Alberta.
2. The Issuer is a reporting issuer in Alberta, British Columbia and Ontario. The Issuer is not a reporting issuer or its equivalent in any other jurisdiction in Canada.
3. The Issuer is authorized to issue an unlimited number of common shares.
4. The Cease Trade Order was issued as a result of the Issuer's failure to file its annual audited financial statements for the year ended December

31, 2003 and the interim unaudited financial statements for the three-month period ended March 31, 2004 (the "Financial Statements").

5. Until making the filings referred to in paragraph 8 below, the Issuer failed to file financial statements, management's discussion and analysis (MD&A) and certificates for all periods subsequent to March 31, 2004.
6. The Issuer is also subject to a cease trade order of the British Columbia Securities Commission issued on June 2, 2004 (the "BC CTO") and a cease trade order of the Alberta Securities Commission (the "ASC") issued on June 10, 2004 (the "Alberta CTO").
7. The Issuer did not file the Financial Statements within the required time frame because the Issuer was in the process of winding up its business.
8. The Issuer has filed, via SEDAR, audited financial statements for the years ended December 31, 2006, December 31, 2007 and December 31, 2008 along with interim unaudited financial statements for all 2008 interim periods up to and including the interim period ended September 30, 2008, together with the relevant MD&A and certificates. Such financial statements were delivered to the Issuer's shareholders in connection with its annual and special meeting held on April 23, 2009 (the "Meeting").
9. Subject to the terms of the Arrangement (as that term is defined below) no changes in the Issuer's directors, officers, insiders, controlling shareholders, business or operations have occurred since the Cease Trade Order was issued.
10. On or about March 27, 2008, a notice of meeting, a management proxy circular and other proxy material in compliance with National Instrument 51-102 *Continuous Disclosure Obligations* and Form 51-102F5 *Information Circular* (collectively, the "Information Circular") were mailed to the Issuer's shareholders in connection with the Meeting.
11. On April 17, 2009, the Issuer filed an amended and restated management proxy circular (the "Amended Circular") in response to comments from the ASC made as part of the ASC's review of the Issuer's application for the revocation of the Alberta CTO.
12. The Information Circular and the Amended Circular contained the disclosure required by Form 52-110F2 under Multilateral Instrument 52-110 *Audit Committees* and by Form 58-101F2 under National Instrument 58-101 *Disclosure of Corporate Governance Practices*.

13. In addition to ordinary business, at the Meeting, shareholders approved an arrangement (the "Arrangement") under the provisions of section 193 of the Alberta Act involving the Issuer, its shareholders, Silver Royal Apex, Inc. ("Silver Royal"), its shareholders and Liard USA Inc. ("Liard USA"). An interim order containing declarations and directions with respect to the Arrangement and the holding of the Meeting was granted on March 20, 2009 by the Court of Queen's Bench of Alberta (the "Court").
14. At the Meeting, shareholders elected Brandon Rice, Gary Rice, Justin Rice, Mark Russell, Jan Alston and Bruce Murray to the board of directors of the Issuer.
15. Pursuant to the Arrangement and following the issuance of a final order by the Court, among other things:
  - (a) Liard USA shall issue to the Issuer 1,000 common shares of Liard USA valued at \$1,150,000;
  - (b) each shareholder of Silver Royal shall receive 2.00455 common shares of the Issuer for each issued and outstanding Silver Royal common share held by such Silver Royal shareholders (for a total of 23,000,000 common shares of the Issuer);
  - (c) the interest of Silver Royal in the Two Mile JV Interest, a mining asset located in Shoshone County, Idaho, as more fully described in the Information Circular and the Amended Circular will be transferred to Liard USA; and
  - (d) the articles of the Issuer will be amended to change its name from "Liard Resources Ltd." to "Royal Apex Ventures Inc."
16. On April 8, 2009 the Alberta CTO was partially revoked pursuant to an order made by the ASC to permit certain trades under a private placement in order to raise proceeds needed for ongoing business operations.
17. The Issuer is up-to-date on all of its continuous disclosure obligations, has paid all outstanding fees and has complied with National Instrument 51-102 – *Continuous Disclosure Obligations* regarding delivery of financial statements.
18. Except for the Cease Trade Order, the Issuer is not otherwise in default of any requirement of Ontario securities law.
19. The Issuer's profiles on SEDAR and SEDI are up-to-date.

20. Upon the issuance of this revocation order, the Filer will issue a news release and file a material change report on SEDAR.
21. The BC CTO and Alberta CTO were revoked on April 27, 2009 and April 28, 2009, respectively.

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

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

**NOW THEREFORE**, pursuant to the authorization contained in the Cease Trade Order it is hereby ordered under subsection 144(1) of the Act that the Cease Trade Order is revoked.

**DATED** at Toronto this 4th day of May, 2009

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

**2.2.9 Maple Leaf Investment Fund Corp. and Joe Henry Chau – s. 127(1), 127(5)**

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

**AND**

**IN THE MATTER OF  
MAPLE LEAF INVESTMENT FUND CORP.,  
JOE HENRY CHAU**

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

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

1. Maple Leaf Investment Fund Corp. ("Maple Leaf") is an Ontario corporation located in Woodbridge, Ontario and has never been a reporting issuer in Ontario or registered to trade in securities in Ontario;
2. Joe Henry Chau ("Chau") is a Canadian citizen who resides in Ontario and has never been registered to trade in securities in Ontario;
3. Maple Leaf and Chau may have solicited investments from Ontario residents totalling about \$4.3 million;
4. Maple Leaf and Chau may have traded in securities without being registered to do so and without exemptive relief, contrary to sections 25 and 53 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5 (the "Act");

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

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

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

**IT IS ORDERED** pursuant to clause 2 of subsection 127(1) of the Act that all trading by Maple Leaf and Chau shall cease.

**IT IS FURTHER ORDERED** pursuant to clause 2 of subsection 127(1) of the Act that all trading in securities of Maple Leaf shall cease.

**IT IS FURTHER ORDERED** that pursuant to clause 3 of subsection 127(1) of the Act that the exemptions contained in Ontario securities law do not apply to Maple Leaf and Chau.

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

**DATED** at Toronto this 5th day of May, 2009.

"David L. Knight"

## 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
Liard Resources Ltd.	03 June 04	15 June 04	15 June 04	04 May 09
Delano Technology Corporation	27 Apr 09	08 May 09		
HMZ Metals Inc.	01 May 09	13 May 09		
Southeast Asia Mining Corp.	04 May 09	15 May 09		
Dynasty Gaming Inc.	06 May 09	19 May 09		
Brazilian Resources, Inc.	06 May 09	19 May 09		
Zoloto Resources Ltd.	06 May 09	19 May 09		
Terminal City Capital Inc.	06 May 09	19 May 09		
Alpha Group Industries Inc.	06 May 09	19 May 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
High River Gold Mines Ltd.	03 Apr 09	15 Apr 09	15 Apr 09	01 May 09	
Victhom Human Bionics Inc.	02 Apr 09	14 Apr 09	14 Apr 09	06 May 09	
In-Touch Surveys Systems Ltd.	04 May 09	15 May 09			
Viking Gold Exploration Inc.	04 May 09	15 May 09			
Wedge Energy International Inc.	04 May 09	15 May 09			
Dia Bras Exploration Inc.	04 May 09	15 May 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
Coalcorp Mining Inc.	18 Feb 09	03 Mar 09	03 Mar 09		
Outlook Resources Inc.	31 Mar 09	13 Apr 09	13 Apr 09		
Synergex Corporation	02 Apr 09	14 Apr 09	14 Apr 09		
Victhom Human Bionics Inc.	02 Apr 09	14 Apr 09	14 Apr 09	06 May 09	

**Cease Trading Orders**

<b>Company Name</b>	<b>Date of Order or Temporary Order</b>	<b>Date of Hearing</b>	<b>Date of Permanent Order</b>	<b>Date of Lapse/ Expire</b>	<b>Date of Issuer Temporary Order</b>
High River Gold Mines Ltd.	03 Apr 09	15 Apr 09	15 Apr 09	01 May 09	
Goldstake Explorations Inc.	08 Apr 09	20 Apr 09	20 Apr 09		
In-Touch Surveys Systems Ltd.	04 May 09	15 May 09			
Viking Gold Exploration Inc.	04 May 09	15 May 09			
Wedge Energy International Inc.	04 May 09	15 May 09			
Dia Bras Exploration Inc.	04 May 09	15 May 09			



## Chapter 7

# Insider Reporting

---

---

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service 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

---



---

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
03/31/2009	1	473 Albert Street Office Limited Partnership - Limited Partnership Units	100,000.00	100,000.00
04/21/2009	1	Adams Street 2009 Direct Fund L.P. - Limited Partnership Interest	1,235,800.00	1.00
04/21/2009	1	Adams Street Partnership Fund - 2009 Non-U.S. Developed Markets Fund, L.P. - Limited Partnership Interest	3,707,400.00	1.00
04/21/2009	1	Adams Street Partnership Fund - 2009 Non-U.S. Emerging Markets Fund, L.P. - Limited Partnership Interest	1,235,800.00	1.00
04/21/2009	1	Adams Street Partnership Fund - 2009 U.S. Fund L.P. - Limited Partnership Interest	6,179,000.00	1.00
04/16/2009	3	Adroit Resources Inc. - Common Shares	185,000.00	1,937,500.00
04/20/2009	13	African Queen Mines Ltd. - Units	836,220.00	2,787,400.00
04/01/2008 to 03/25/2009	1	AIM Canadian Balanced Fund - Units	1,964,954.88	136,561.46
04/01/2008 to 03/27/2009	1	AIM Canadian Premier Class - Units	704,953.01	40,868.60
06/13/2008 to 07/23/2008	1	AIM Canadian Premier Fund - Units	146,124.00	7,075.56
04/02/2008 to 03/31/2009	1	AIM International Growth Class - Units	412,355.36	34,507.32
04/16/2009	13	Amerix Precious Metals Corporation - Units	177,750.00	10,920,000.00
01/31/2008 to 10/31/2008	5	Amethyst Arbitrage Fund - Units	1,215,000.00	167,123.19
04/17/2009	14	Amex Exploration Inc. - Units	250,000.00	1,000,000.00
04/21/2009	12	Arris Resources Inc. - Units	301,204.82	2,500,000.00
04/20/2009	6	ASG Clairtrell North Limited Partnership - Units	206,000.00	20,600.00
03/31/2009 to 04/14/2009	14	BacTech Mining Corporation - Units	750,000.00	N/A
04/16/2009	1	Blue Fin Ltd. - Notes	4,273,500.00	3,500,000.00
04/08/2009	5	BridgePoint Financial Services Limited Partnership III - Limited Partnership Units	100,000.00	100,000.00
02/24/2009	3	Canada Lithium Corp. - Common Shares	48,796.55	391,977.00
04/14/2009	1	Canadian Auto Receivables Enterprise Network	804,180,371.79	N/A

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
		Trust II - Notes		
04/21/2009	3	Chimera Investment Corporation - Common Shares	2,411,500.00	235,000,000.00
04/09/2009	3	CIT Canada Equipment Receivables Trust II - Notes	345,400,000.00	345,400,000.00
01/01/2008 to 12/31/2008	24	CTI Palos Bond RRSP Fund - Units	2,206,718.25	221,886.36
01/01/2008 to 12/31/2008	19	CTI Palos Equity Fund L.P. - Units	3,377,227.60	272,170.06
01/01/2008 to 12/31/2008	39	CTI Palos Equity RRSP Fund - Units	426,528.69	40,872.03
04/20/2009	1	Darnley Bay Resources Limited - Flow-Through Shares	24,996.00	208,300.00
04/20/2009	3	Darnley Bay Resources Limited - Units	117,000.00	1,170,000.00
04/28/2009	1	Delphi Financial Group Inc. - Common Shares	5,354,125.00	250,000.00
04/17/2009	1	DiamondRock Hospitality Company - Common Shares	1,178,000.00	200,000.00
02/20/2009	1	Distil Interactive Ltd. - Debentures	300,000.00	1.00
03/23/2009 to 03/31/2009	14	Donner Metals Ltd. - Units	901,595.00	N/A
04/21/2009	3	Duke Realty Corporation - Common Shares	6,615,000.00	700,000.00
04/14/2009	6	Dumont Nickel Inc. - Units	11,500.00	1,150,000.00
04/17/2009	1	Epocal Inc. - Debentures	5,704,512.50	N/A
04/08/2009	10	Excellon Resources Inc. - Common Shares	1,736,847.00	9,141,300.00
04/14/2009	2	Fidelity National Financial Inc. - Common Shares	1,722,750.00	15,800,000.00
04/08/2009	16	First Gold Exploration Inc. - Flow-Through Shares	200,000.00	N/A
04/17/2009	1	First Leaside Fund - Trust Units	23,421.00	23,421.00
04/17/2009 to 04/21/2009	4	First Leaside Fund - Trust Units	77,517.00	77,517.00
04/16/2009	1	First Leaside Progressive Limited Partnership - Limited Partnership Units	25,000.00	25,000.00
04/20/2009	2	First Niagara Financial Group Inc. - Common Shares	378,035.00	25,000.00
04/06/2009 to 04/15/2009	170	Fisgard Capital Corporation - Common Shares	835,444.27	N/A
04/17/2009	2	Fuel Transfer Technologies Inc. - Preferred Shares	20,150.00	6,200.00
04/13/2009 to 04/17/2009	4	General Motors Acceptance Corporation of Canada, Limited - Notes	912,604.57	912,604.57

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
04/17/2009	101	Golden Arrow Resources Corporation - Units	2,263,500.00	9,054,000.00
04/09/2009	7	Greenwich Registered Capital Ltd. - Bonds	162,500.00	N/A
04/09/2009	8	Greenwich Registered Investments Ltd. - Common Shares	162.50	1,625.00
04/09/2009	5	Greenwich Registered Investments Ltd. - Notes	175,000.00	175,000.00
04/20/2009	1	Hallstone Developments Inc. - Units	50,050.00	50.00
04/09/2009	2	Halo Resources Ltd. - Common Shares	80,000.00	1,970,440.00
04/21/2009	3	Harte Gold Corp. - Units	350,000.00	2,916,666.00
04/02/2009 to 04/09/2009	22	IGW Real Estate Investment Trust - Trust Units	571,209.23	527,708.26
04/15/2009	1	Imperial Capital Equity Partners Ltd. - N/A	1,000,000.00	1,000,000.00
04/22/2009	1	Jarden Corporation - Common Shares	8,652,000.00	400,000.00
04/16/2009	1	JPMorgan U.S. Large Cap 130/30 Fund, LLC - Units	15,680,600.00	13,000,000.00
04/18/2009	1	Lounor Exploration inc. - Common Shares	46,500.00	300,000.00
04/24/2009	4	Lund Gold Ltd. - Common Shares	4,500.00	100,000.00
04/07/2009	1	Maestro Ventures Ltd. - Common Shares	3,000.00	75,000.00
04/09/2009 to 04/17/2009	12	Marum Resources Inc. - Flow-Through Shares	212,500.00	2,500,000.00
04/14/2008 to 03/16/2009	21	MGI Canadian Equity Fund - Units	95,284,261.42	10,011,666.65
04/04/2008 to 01/27/2009	12	MGI Fixed Income Fund - Units	76,477,274.00	7,860,117.35
04/01/2008 to 03/17/2009	26	MGI International Equity Fund - Units	178,411,162.12	20,672,430.03
04/04/2008 to 03/23/2009	13	MGI Long Bond Fund - Units	110,512,489.77	11,126,003.05
04/18/2008 to 01/30/2009	9	MGI Money Market Fund - Units	4,846,310.00	484,631.00
04/04/2008 to 03/23/2009	20	MGI US Equity Fund - Units	67,470,698.00	8,145,062.18
04/14/2008 to 01/30/2009	3	MGI US Equity Trust - Units	4,996,569.00	574,053.60
04/09/2009	1	Newport Canadian Equity Fund - Units	1,000.35	9,468.00
04/07/2009 to 04/09/2009	45	Newport Fixed Income Fund - Units	2,226,738.96	21,944.40
04/17/2009 to 04/23/2009	27	Newport Fixed Income Fund - Units	5,726,904.10	56,316.51
04/07/2009 to 04/13/2009	21	Newport Yield Fund - Units	286,233.76	2,940.26

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
04/17/2009 to 04/23/2009	14	Newport Yield Fund - Units	620,000.00	6,321.29
04/01/2009	9	North American Financial Group Inc. - Debt	499,000.00	9.00
04/17/2009	9	Oro Gold Resources Ltd. - Common Shares	157,500.00	1,050,000.00
01/01/2008 to 12/31/2008	131	Palos Equity Income RRSP Fund - Units	4,810,135.57	498,174.95
01/01/2008 to 12/31/2008	96	Palos Income Fund L.P. - Units	20,785,075.00	2,012,605.81
04/20/2009	62	Pearl Exploration and Production Ltd. - Warrants	46,053,920.00	N/A
04/22/2009	2	Plains Exploration & Production Company - Common Shares	18,721,692.00	810,000.00
04/14/2009	1	Premier Gold Mines Limited - Common Shares	78,400.00	40,000.00
04/14/2009	3	ProLogis - Common Shares	25,139,268.00	3,150,000.00
04/16/2009	16	Quetzal Energy Inc - Receipts	1,410,000.00	N/A
04/16/2009	1	RBC Capital Trust - Special Trust Securities	400,000,000.00	400,000.00
12/18/2008	1	Satlogix Inc. - Common Shares	1,182,004.73	N/A
04/21/2009	3	St Andrew Goldfields Ltd - Common Share Purchase Warrant	0.00	3,930,000.00
04/21/2009	14	St Andrew Goldfields Ltd - Notes	20,019,960.00	162.00
04/15/2009	1	Sturgeon 2 Limited Partnership - Units	25,000.00	1.00
04/17/2009	38	The Goldman Sachs Group Inc. - Common Shares	252,825,072.10	1,701,000.00
04/15/2009	27	Timbercreek Real Estate Investment Trust - Units	3,553,520.00	282,025.38
04/21/2009	46	Timmins Gold Corp. - Units	2,395,800.00	5,989,500.00
03/31/2009	4	Total Fitness Holdings (UK) Limited - Notes	2,584,174.00	1,451,784.00
04/14/2009	3	Trelawney Mining and Exploration Inc. - Common Shares	21,812.10	1,244,140.00
04/02/2008 to 03/17/2009	2	Trident Canadian First Class - Units	677,806.86	47,268.61
04/02/2008 to 03/26/2009	4	Trident Global Equity Pool - Units	2,579,337.02	308,587.70
07/21/2008 to 03/13/2009	1	Trident Global Technology Fund - Units	1,581.36	827.05
05/23/2008	1	Trident International Equity Pool - Units	443,726.24	42,760.55
03/23/2008	1	Trimark U.S. Equity Pool - Units	443,726.23	49,933.20
04/15/2009	48	UEX Corporation - Flow-Through Shares	8,700,000.00	8,700,000.00

**Notice of Exempt Financings**

---

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
04/03/2009	2	VVC Exploration Corp. - Units	68,000.00	N/A
04/08/2009	20	Walton AZ Vista Del Monte 2 Investment Corporation - Common Shares	426,970.00	42,697.00
04/17/2009	54	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	1,033,220.00	103,322.00
04/17/2009	72	Walton TX Amble Way Investment Corporation - Common Shares	1,034,260.00	103,426.00
04/08/2009	19	Walton TX South Grayson Investment Corporation - Common Shares	165,980.00	16,898.00
04/21/2009	81	Western Financial Group Inc. - Debentures	16,710,000.00	N/A

This page intentionally left blank

## Chapter 11

# IPOs, New Issues and Secondary Financings

---

---

**Issuer Name:**

Response Biomedical Corp  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated May 5, 2009  
NP 11-202 Receipt dated May 5, 2009

**Offering Price and Description:**

\$ \* - \* Units Price: \$ \* per Unit

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

Haywood Securities Inc.

**Promoter(s):**

-

**Project #1415924**

---

**Issuer Name:**

Cathedral Energy Services Income Trust  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 4, 2009  
NP 11-202 Receipt dated May 4, 2009

**Offering Price and Description:**

\$13,047,600.00 - 3,144,000 Trust Units Price: \$4.15 per Trust Unit

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

Wellington West Financial Markets Inc.  
CIBC World Markets Inc.  
FirstEnergy Capital Corp.  
Peters & Co. Limited  
Thomas Weisel Partners Canada Inc.  
Acumen Capital Finance Partners Limited  
Cormark Securities Inc.

**Promoter(s):**

-

**Project #1415612**

---

**Issuer Name:**

Dynamic Strategic Yield Class  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated April 30, 2009  
NP 11-202 Receipt dated May 4, 2009

**Offering Price and Description:**

Series A, F, I and T Shares

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

Goodman & Company, Investment Counsel Ltd.

**Promoter(s):**

Goodman & Company, Investment Counsel Ltd.

**Project #1414704**

---

**Issuer Name:**

Hawk Exploration Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Long Form Prospectus dated April 29, 2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

Minimum: 8,000 Units (\$8,000,000)  
Maximum: 12,000 Units (\$12,000,000)

Price: \$1,000 per Unit

Minimum Subscription: 5 Units (\$5,000)

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

Tristone Capital Inc.  
Haywood Securities Inc.  
National Bank Financial Inc.

**Promoter(s):**

Stephen J. Fitzmaurice  
Dave N. Bonnar  
Randolph D. Deobald

**Project #1411493**

---

**Issuer Name:**

H&R Finance Trust  
H&R Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Base Shelf Prospectus dated May 1, 2009  
NP 11-202 Receipt dated May 1, 2009

**Offering Price and Description:**

\$500,000,000.00:

Stapled Units

Debt Securities (subordinated indebtedness)

Subscription Receipts

Warrants

Units

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

-

**Promoter(s):**

The REIT

**Project #1414724/1414716**

---



**Issuer Name:**

Mackenzie Sentinel North American Corporate Bond Class  
Mackenzie Sentinel Registered North American Corporate  
Bond Fund

Mackenzie Sentinel Short-Term Government Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated April 28, 2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

Series A, F, I, F6, J, J6, O and T6 securities

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

-

**Promoter(s):**

Mackenzie Financial Corporation

**Project #1410094**

---

**Issuer Name:**

Middlefield Canadian Growth Class

Middlefield Global Agriculture Class

Middlefield Precious Metals Class

Middlefield Resource Class

Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated April 24, 2009

NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

Mutual Fund Shares

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

Middlefield Capital Corporation

**Promoter(s):**

Middlefield Fund Management Limited

**Project #1409112**

---

**Issuer Name:**

Petrominerales Ltd.

Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated May 1, 2009

NP 11-202 Receipt dated May 1, 2009

**Offering Price and Description:**

\$101,475,000.00 - 9,900,000 Common Shares Price:

\$10.25 per Share

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

TD Securities Inc.

Haywood Securities Inc.

RBC Capital Markets Inc.

CIBC World Markets Inc.

FirstEnergy Capital Corp.

GMP Securities L.P.

Scotia Capital Inc.

UBS Securities Canada Inc.

Fraser Mackenzie Limited

**Promoter(s):**

Petrobank

**Project #1415068**

---

**Issuer Name:**

Royal Bank of Canada

Principal Regulator - Quebec

**Type and Date:**

Amendment dated April 30, 2009 to Final Shelf Prospectus  
(NI 44-102) dated September 14, 2007

NP 11-202 Receipt dated

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

**Project #1154475**

---

**Issuer Name:**

Saxon Balanced Fund

Saxon High Income Fund

Saxon International Equity Fund

Saxon Microcap Fund

Saxon Small

Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated April 28, 2009

NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

Series I, O, A, F, F8, T6 and T8 Securities

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

-

**Promoter(s):**

Mackenzie Financial Corporation

**Project #1409977**

---

**Issuer Name:**

Whiterock Real Estate Investment Trust

Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 28, 2009

NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

\$10,064,000.00 - 680,000 Units Price: \$14.80 per Unit

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

TD Securities Inc.

CIBC World Markets Inc.

Canaccord Capital Corporation

National Bank Financial Inc.

Scotia Capital Inc.

Dundee Securities Corporation

**Promoter(s):**

-

**Project #1409820**

---

**Issuer Name:**

AHL Investment Strategies SPC  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 29, 2009  
NP 11-202 Receipt dated April 30, 2009

**Offering Price and Description:**

Class C AHL Alpha CAD Notes

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

-

**Promoter(s):**

-

**Project #1404289**

---

**Issuer Name:**

Bank of Nova Scotia, The  
Scotiabank Tier 1 Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated April 30, 2009  
NP 11-202 Receipt dated May 1, 2009

**Offering Price and Description:**

\$650,000,000.00 - 7.802% Scotiabank Tier 1 Securities -  
Series 2009-1 Due June 30, 2108 (Scotia BaTS III Series  
2009-1)

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

Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
TD Securities Inc.  
CIBC World Markets Inc.  
HSBC Securities (Canada) Inc.  
National Bank Financial Inc.  
Desjardins Securities Inc.  
Laurentian Bank Securities Inc.  
Manulife Securities Incorporated

**Promoter(s):**

-

**Project #1356336/1356327**

---

**Issuer Name:**

Bankers Petroleum Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 29, 2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

\$40,001,500.00 - 22,858,000 Common Shares \$1.75 per  
Common Share

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

Canaccord Capital Corporation  
Thomas Weisel Partners Canada Inc.  
Macquarie Capital Markets Canada Ltd.  
BMO Nesbitt Burns Inc.  
Genuity Capital Markets  
Tristone Capital Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #1407110**

---

**Issuer Name:**

Bell Aliant Regional Communications, Limited Partnership  
Principal Regulator - Nova Scotia

**Type and Date:**

Final Short Form Base Shelf Prospectus dated April 28,  
2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

\$1,500,000,000.00 - Medium Term Notes (unsecured)

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

BMO Nesbitt Burns Inc.  
Beacon Securities Limited  
CIBC World Markets Inc.  
Casgrain & Company Limited  
Desjardins Securities Inc.  
National Bank Financial Inc.  
RBC Dominion Securities Inc.  
Scotia Capital Inc.  
TD Securities Inc.

**Promoter(s):**

-

**Project #1405925**

---

**Issuer Name:**

Brandes Sionna Canadian Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated April 22, 2009 to the Simplified  
Prospectus and Annual Information Form dated June 20,  
2008

NP 11-202 Receipt dated April 30, 2009

**Offering Price and Description:**

-

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

-

**Promoter(s):**

Bandes Investment Partners & Co.

**Project #1267604**

---

**Issuer Name:**

Canadian Equity Diversified Pool  
US Equity Diversified Pool  
International Equity Diversified Pool  
Canadian Equity Diversified Corporate Class  
US Equity Diversified Corporate Class  
International Equity Diversified Corporate Class  
International Equity Growth Pool  
International Equity Growth Corporate Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment No. 1 dated April 22, 2009 to the Amended and Restated Simplified Prospectuses dated April 1, 2009 (SP amendment no. 3) and Amendment No. 3 dated April 22, 2009 (together with SP amendment no. 3, "Amendment no. 3") to the Annual Information Form dated July 25, 2008 NP 11-202 Receipt dated April 30, 2009

**Offering Price and Description:**

-

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

United Financial Corporation  
Assante Capital Management Ltd.  
Assante Financial Management Ltd..

**Promoter(s):**

United Financial Corporation

**Project #1286786**

---

**Issuer Name:**

Capstone Mining Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Short Form Prospectus dated April 29, 2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

\$50,135,000.00 -27,100,000 Common Shares Price: \$1.85 per Common Share

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

Canaccord Capital Corporation  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
Haywood Securities Inc.  
PI Financial Corp.

**Promoter(s):**

-

**Project #1407497**

---

**Issuer Name:**

Common Units and Advisor Class Units of:  
Claymore Canadian Fundamental Index ETF  
Claymore US Fundamental Index ETF  
(formerly Claymore US Fundamental Index ETF C\$ hedged) -  
(also offering Non-hedged Common Units and Non-hedged Advisor Class Units)  
Claymore International Fundamental Index ETF  
Claymore Japan Fundamental Index ETF C\$ hedged  
Claymore CDN Dividend & Income Achievers ETF  
Claymore Global Monthly Advantaged Dividend ETF (formerly Claymore Global Monthly Yield Hog ETF)  
Claymore S&P/TSX CDN Preferred Share ETF  
Claymore Oil Sands Sector ETF  
Claymore S&P/TSX Global Mining ETF  
Claymore S&P Global Water ETF  
Claymore BRIC ETF  
Claymore Balanced Income CorePortfolio ETF (formerly Claymore Balanced Income ETF)  
Claymore Balanced Growth CorePortfolio ETF (formerly Claymore Balanced Growth ETF)  
Claymore Canadian Balanced CorePortfolio ETF (formerly Claymore Global All Equity ETF)  
Claymore Advantaged Canadian Bond ETF  
Claymore Advantaged High Yield Bond ETF  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 28, 2009  
NP 11-202 Receipt dated May 1, 2009

**Offering Price and Description:**

Common Units, Advisor Class Units, Non-hedged Common Units and Non-hedged Advisor Class Units @ Net Asset Value

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

Claymore Investments, Inc.

**Promoter(s):**

Claymore Investments Inc.

**Project #1403730**

---

**Issuer Name:**

Daylight Resources Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 29, 2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

\$150,010,000.00 - 21,430,000 Trust Units Price: \$7.00 per Trust Unit

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

GMP Securities L.P.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
TD Securities Inc.  
Canaccord Capital Corporation  
Cormark Securities Inc.  
Dundee Securities Corporation  
HSBC Securities (Canada) Inc.  
FirstEnergy Capital Corp.  
Thomas Weisel Partners Canada Inc.

**Promoter(s):**

-

**Project #1406906**

---

**Issuer Name:**

Dynamic Money Market Fund  
Dynamic Money Market Class  
Principal Regulator - Ontario

**Type and Date:**

Amendment #3 dated April 16, 2009 to the Simplified Prospectuses and Annual Information Forms dated December 19, 2008

NP 11-202 Receipt dated May 1, 2009

**Offering Price and Description:**

-

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

Goodman & Company, Investment Counsel Ltd..

**Promoter(s):**

Goodman & Company, Investment Counsel Ltd.

**Project #1336671**

---

**Issuer Name:**

Enablence Technologies Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated May 1, 2009  
NP 11-202 Receipt dated May 1, 2009

**Offering Price and Description:**

Up to \$12,000,000.00 - Up to 40,000,000 Common Shares

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

Paradigm Capital Inc.  
Haywood Securities Inc.  
Raymond James Ltd.

**Promoter(s):**

-

**Project #1404737**

---

**Issuer Name:**

Industrial Alliance Insurance and Financial Services Inc.  
Principal Regulator - Quebec

**Type and Date:**

Final Short Form Base Shelf Prospectus dated April 30, 2009

NP 11-202 Receipt dated May 1, 2009

**Offering Price and Description:**

\$1,000,000,000.00:

Debt Securities  
Class A Preferred Shares  
Common Shares  
Subscription Receipts  
Warrants  
Share Purchase Contracts  
Units

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

-

**Promoter(s):**

-

**Project #1404937**

---

**Issuer Name:**

Iteration Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 29, 2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

\$50,048,000.00 - 39,100,000 Common Shares Price: \$1.28 per Common Share

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

Cormark Securities Inc.  
FirstEnergy Capital Corp.  
Peters & Co. Limited  
CIBC World Markets Inc.  
Scotia Capital Inc.  
Wellington West Capital Markets Inc.

**Promoter(s):**

-

**Project #1406641**

---

**Issuer Name:**

Man Canada AHL Alpha Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 29, 2009  
NP 11-202 Receipt dated April 30, 2009

**Offering Price and Description:**

\$125,000,000 Maximum (12,500,000 Class A and Class F Units)

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

Scotia Capital Inc.  
CIBC World Markets Inc.  
BMO Nesbitt Burns Inc.  
Blackmont Capital Inc.  
Canaccord Capital Corporation  
Richardson Partners Financial Limited  
Desjardins Securities Inc.  
Industrial Alliance Securities Inc.  
Laurentian Bank Securities Inc.  
Rothenberg Capital Management Inc.  
Wellington West Capital Markets Inc.

**Promoter(s):**

Man Investments Canada Corp.

**Project #1387943**

---

**Issuer Name:**

Nitinat Minerals Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated April 28, 2009  
NP 11-202 Receipt dated April 29, 2009

**Offering Price and Description:**

Up to 5,000,000 Units (maximum offering) Price: \$0.40 per Unit

- and -

Up to 3,333,334 Flow Through Common Shares (maximum offering) Price: \$0.60 per Flow Through Common Share;

- and -

3,101,427 Common Shares and 3,101,427 Series B Common Share Purchase Warrants Issuable, for No Additional Consideration, Upon Exercise of 3,101,427 Special Warrants Price: Series B Warrant exercisable at \$0.50 per Common Share;

- and -

13,367,904 Common Shares Issuable, for No Additional Consideration, Upon Exercise of 13,367,904 Special Warrants

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

First Canada Capital Partners Inc.

**Promoter(s):**

Vernon Briggs

**Project #1328230**

---

**Issuer Name:**

Pearl Exploration and Production Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated April 30, 2009  
NP 11-202 Receipt dated April 30, 2009

**Offering Price and Description:**

52,334,000 Common Shares issuable on exercise of outstanding Special Warrants

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

GMP Securities L.P.  
Canaccord Capital Corporation  
RBC Dominion Securities Inc.  
Tristone Capital Inc.

**Promoter(s):**

-

**Project #1407129**

---

**Issuer Name:**

Pengrowth Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Shelf Prospectus dated May 5, 2009  
NP 11-202 Receipt dated May 5, 2009

**Offering Price and Description:**

\$1,000,000,000.00:

Trust Units  
Subscription Receipts  
Warrants  
Rights  
Options

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

-

**Promoter(s):**

-

**Project #1404603**

---

**Issuer Name:**

Royal Bank of Canada  
Principal Regulator - Quebec

**Type and Date:**

Amended and Restated Short Form Prospectus dated April 30, 2009

NP 11-202 Receipt dated May 5, 2009

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

**Project #1154475**

---

**Issuer Name:**

Sprott All Cap Fund  
Sprott Canadian Equity Fund  
Sprott Energy Fund  
Sprott Global Equity Fund  
Sprott Gold and Precious Minerals Fund  
Sprott Growth Fund  
Sprott Small Cap Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus and Annual Information  
Forms dated April 28, 2009  
NP 11-202 Receipt dated April 30, 2009

**Offering Price and Description:**

-

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

Sprott Asset Management Inc.

**Promoter(s):**

Sprott Asset Management Inc.

**Project #1392611**

---

**Issuer Name:**

Whiterock Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated May 5, 2009  
NP 11-202 Receipt dated May 5, 2009

**Offering Price and Description:**

\$10,064,000.00 - 680,000 Units Price: \$14.80 per Unit

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

TD Securities Inc.  
CIBC World Markets Inc.  
Canaccord Capital Corporation  
National Bank Financial Inc.  
Scotia Capital Inc.  
Dundee Securities Corporation

**Promoter(s):**

-

**Project #1409820**

---

**Issuer Name:**

CMP 2009 II Resource Limited Partnership  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated January 26, 2009  
Withdrawn on April 29, 2009

**Offering Price and Description:**

\$100,000,000.00 (maximum); 100,000 Limited Partnership  
Units Price per Unit - \$1,000  
Minimum Subscription - \$5,000 (Five Units)

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

Dundee Securities Corporation

**Promoter(s):**

CMP 2009 II Corporation  
Goodman & Company, Investment Counsel Ltd.

**Project #1368316**

This page intentionally left blank

## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: ING Investment Management Inc./ING Gestion De Placements Inc.  To: Intact Investment Management Inc./Intact Gestion De Placements Inc.	Investment Counsel & Portfolio Manager & Commodity Trading Counsel & Commodity Trading Manager	April 29, 2009
Change of Name	To: Loewen & Partners Corporate Services Inc.  To: Loewen & Partners Inc.	Limited Market Dealer	April 29, 2009
New Registration	JonesTrading Canada Inc.	Investment Dealer	May 01, 2009
Consent to Suspension (Rule 33-501 Surrender of Registration)	J.L. Kaplan Associates, LLC	International Adviser (Investment Counsel & Portfolio Manager)	May 01, 2009
New Registration	Winslow Capital Management, Inc.	International Adviser (Investment Counsel & Portfolio Manager)	May 4, 2009



This page intentionally left blank

## Chapter 13

# SRO Notices and Disciplinary Proceedings

---

---

### 13.1.1 Proposed Amendments to MFDA Rule 2.2 (Client Accounts), Policy No. 2 *Minimum Standards for Account Supervision*, Rule 2.8 (Client Communications) and Rule 5.3 (Client Reporting)

#### MUTUAL FUND DEALERS ASSOCIATION OF CANADA

#### PROPOSED AMENDMENTS TO

#### MFDA RULE 2.2 (CLIENT ACCOUNTS), POLICY NO. 2 *MINIMUM STANDARDS FOR ACCOUNT SUPERVISION*, RULE 2.8 (CLIENT COMMUNICATIONS) AND RULE 5.3 (CLIENT REPORTING)

### I. OVERVIEW

On May 22, 2008, the MFDA Board of Directors approved a number of amendments to MFDA Rule 2.2, Policy No. 2, Rule 2.8 and Rule 5.3.

The amendments to Rule 2 and Policy No. 2 were proposed to clarify the nature of the client/advisor relationship and expand the disclosure to be provided to clients on account opening. In addition, these amendments are intended to help ensure that client accounts are reviewed at relevant times and remain consistent with the client's needs and objectives. The Rule 2 and Policy No. 2 amendments also clarify procedures that Members and Approved Persons must follow in order to satisfy their obligations in respect of the collection and maintenance of know-your client ("KYC") information, investment suitability and account supervision.

The amendments to Rule 2.8 and 5.3 were proposed to clarify the supervisory obligations of Members in relation to performance reporting provided directly to clients by Approved Persons and to ensure that all clients are provided with a minimum level of information with respect to the performance of investments in their accounts.

On June 13, 2008, the British Columbia Securities Commission and the Ontario Securities Commission published the proposed amendments to MFDA Rule 2.2, Policy No. 2, Rule 2.8 and Rule 5.3 for a 90-day public comment period that expired on September 11, 2008. Sixteen submissions were received in respect of the proposed amendments to Rule 2.2 and Policy No. 2 and eleven commenters also made submissions in respect of the proposed amendments to Rule 2.8 and Rule 5.3.

The proposed amendments are now being republished for comment as a result of additional changes made in response to comments received and in an effort to ensure that the Client Relationship Model ("CRM") proposals of the MFDA and the Investment Industry Regulatory Organization of Canada ("IIROC") minimize differences to the extent possible and achieve the same regulatory objectives. The amendments, as originally proposed, are being republished with the proposed revisions.

The Canadian Securities Regulators ("CSA") is now finalizing the requirements in National Instrument 31-103 ("NI 31-103") and reminds the self-regulatory organizations ("SROs") and their Members that, once it is in effect, all registrants will be required to comply with the principle for relationship disclosure in that instrument. The principle in the CSA's most current version of NI 31-103 is that all registrants must provide their clients with information a reasonable client would consider important on account opening. The CSA has confirmed to the SROs that their CRM requirements must remain consistent with the finalized principle in NI 31-103.

The CSA is also developing a principle for performance reporting for the first round of amendments to NI 31-103. The CSA expects the SROs to ensure that their requirements for performance reporting are consistent with that principle.

### A. Current Rule

MFDA Rule 2.2 addresses the basic business conduct and client record requirements that Members must satisfy with respect to client accounts maintained by the Member. The current Rule prescribes:

- the requirement to collect KYC information when an account is opened;
- the requirement to ensure that recommendations made for the client's account are suitable;

- the requirement to complete a new account application form for each account;
- the requirement that each account be approved by a designated individual; and
- the requirement to document material updates to KYC information.

MFDA Policy No. 2 establishes minimum industry standards for supervision of client accounts and expands upon the basic requirements contained in Rule 2. Policy No. 2 provides guidance with respect to account opening documentation to be maintained and supervisory procedures to be completed at the branch and head office levels.

MFDA Rule 2.8.3 requires that where a client communication refers to a rate of return, the client must be advised as to the methodology employed in calculating the rate of return noted in the communication.

MFDA Rule 5.3 prescribes the minimum reporting requirements that Members must provide on client accounts and standards with respect to frequency for delivery and content of client statements.

## **B. The Issues**

Since September 2004, staff of the MFDA, the Investment Dealers Association of Canada ("IDA" – now IIROC) and the CSA have been involved in working groups focused on the implementation of various aspects of the CRM. One of the core principles addressed in the CRM focuses on the need for a clear definition of the relationship between the client and the financial services provider and the roles and responsibilities that each party will assume when an investment account is opened. Clients must be provided with adequate information regarding the client/dealer relationship at the time the relationship is established in order to understand the basic obligations of their dealer and what to expect as far as service levels.

The working groups involved in the CRM project also examined the issue of dealer responsibilities in ensuring that a client's investments remain consistent with the client's needs and objectives. In light of the investor protection issues involved, the MFDA supported the position that a regulatory response to this issue was necessary.

Another core principle the CRM seeks to address is the gap in current regulatory requirements with respect to mandatory periodic reporting of account performance to clients. While some Members do provide performance reporting to clients, such reports are not currently required under MFDA Rules and Policies.

While current MFDA Rules and Policies address some aspects of the regulatory objectives of the CRM project, amendments were required to more fully respond to the concerns raised. The amendments, as originally proposed and revised, are aimed at addressing these concerns.

In addition, the MFDA also became aware of a number of other issues with respect to procedures employed by some Members in discharging their supervisory duties in connection with their clients' accounts. As some of the changes to be implemented under CRM relate to issues of supervision and involve the same Rules and Policies, these changes were brought forward with the CRM proposal.

In the course of completing compliance reviews, the MFDA has noted inconsistencies and potentially misleading information in performance reports provided to clients directly by some Approved Persons. Some Members have adopted policies and procedures whereby the Member does not properly supervise performance reports generated by Approved Persons, but simply disclaims responsibility for the content of these reports. The MFDA is of the view that such policies are inconsistent with business conduct requirements under MFDA By-laws, Rules and Policies. The amendments, as originally proposed and revised, are aimed at addressing this concern.

## **C. Objectives**

The amendments to Rule 2 and Policy No. 2 were proposed to clarify the nature of the client/advisor relationship and expand the disclosure to be provided to clients on account opening. In addition, these amendments are intended to help ensure that client accounts are reviewed at relevant times and remain consistent with the client's needs and objectives. The Rule 2 and Policy No. 2 amendments also clarify procedures that Members and Approved Persons must follow in order to satisfy their obligations in respect of the collection and maintenance of KYC information, investment suitability and account supervision.

The amendments to Rule 2.8 and 5.3 were proposed to clarify the supervisory obligations of Members in relation to performance reporting provided directly to clients by Approved Persons and to ensure that all clients are provided with a minimum level of information with respect to the performance of investments in their accounts.

## D. Effect of Proposed Amendments

The amendments to Rule 2.2 were proposed to require that investors be provided with certain fundamental information at the time that an account is opened. This will help to ensure that clients are aware of the role and responsibilities of the Member and what to expect as far as services and costs. While some Members may already provide such information to clients as part of their business processes, the proposed amendments would effectively set a new minimum standard of relationship disclosure for clients of all Members. Amendments to Rule 2.2 were also proposed to clarify the duty of Members and Approved Persons to assess the suitability of investments in each client account when various triggering events occur.

The amendments to Policy No. 2 were proposed to clarify the responsibilities of Members and Approved Persons in discharging their suitability obligations. These changes address issues regarding the KYC information that must be collected for each client, the maintenance of information on file and minimum standards that must be observed with respect to account supervision procedures. Some Members may be required to amend their current procedures to meet the new requirements.

The proposed amendment to Rule 5.3 now includes a requirement to provide the gain or loss in the account as at the end of the period covered by the report. This amendment will allow for the provision of meaningful information and convenience to investors as it totals the amounts already required under the Rule.

Rule 2.8.3 was amended to clarify the Member's supervisory requirements regarding client communications that disclose a rate of return. Members that allow Approved Persons to provide such information to clients may be required to make changes to existing supervisory procedures.

## II. DETAILED ANALYSIS

### A. Relevant History

#### Summary of Public Comments Received on Amendments to Rule 2.2, Policy No. 2, Rule 2.8 and Rule 5.3

As noted above, proposed amendments to Rule 2.2, Policy No. 2, Rule 2.8 and Rule 5.3 were initially published for comment on June 13, 2008. Sixteen submissions were received with respect to the proposed amendments to Rule 2.2 and Policy No. 2. Eleven commenters also made submissions in respect of the proposed amendments to Rules 2.8 and 5.3.

The proposed amendments are being republished for comment as a result of additional changes made in response to comments received and in an effort to ensure that the CRM proposals of the MFDA and IROC achieve the same regulatory objectives and minimize differences as much as possible. The proposed amendments, as revised, are consistent in purpose with those originally published for comment on June 13, 2008.

### B. Proposed Amendments

The following is a summary of key amendments made to Rule 2.2, Policy No. 2, Rule 5.3 and Rule 2.8 in response to comments received. Other minor amendments have also been made in response to comments and for the purpose of clarifying existing requirements.

#### Rule 2.2

- **Rule 2.2.1(a) ("Know-Your-Client"):** Several commenters expressed concern with the inclusion of the reference "as prescribed by the Corporation from time to time" in relation to essential facts that must be obtained by the Member from the client. It was suggested that arbitrary changes to the essential facts may require modification of forms, back-office systems, salesperson behaviour and unnecessary and expensive recollection of client information. The reference to "as may be prescribed by the Corporation from time to time" has been removed from Rule 2.2.1(a). The minimum information that must be collected on account opening is set out in Policy No. 2. Any amendments to these requirements would be subject to the SRO Rule review and approval process that would involve approval by the Board of Directors, CSA review and approval and the publication of any proposed amendments for public comment;
- **Rule 2.2.3 and Policy No. 2 (Timeline for Approval of New Account/KYC Information):** The proposed amendments to Policy No. 2 required that new account or KYC information be approved by the individual designated as responsible for the opening of new accounts under Rule 2.2.3 *no later than one business day after the date that the account is opened*. In response to comments, the proposed amendments, as revised, now require such approval *no later than one business day after the initial transaction date*;
- **Rule 2.2.4(a) (Updating Client Information):** Several commenters noted that a "material change in client information", defined in Rule 2.2.4(a) to include information that could "reasonably result" in changes to the

stated risk tolerance, time horizon or investment objectives of the client, cannot itself trigger a suitability review. It was suggested that a material change in client information must result in an actual change to risk tolerance, time horizon and investment objectives before a suitability review can be triggered. In response to such comments, the definition of "material change in client information" has been amended by removal of the words "could reasonably" so that it captures only information that actually results in changes to the stated risk tolerance, time horizon or investment objectives of the client;

- **Rule 2.2.4(d) and Policy No. 2 (Changes to Know-Your-Client Information):** Proposed Rule 2.2.4(d) required that a client signature be obtained to evidence any change to client name, address and banking information. Commenters noted that there were other sufficiently stringent internal controls, mainly employed by related financial institutions, which would satisfy the objective of ensuring the client authorized changes to name, address, or banking information. In response to these comments, the proposed amendments now require either a client signature or other internal controls sufficient to authenticate the client's identity and verify the client's authorization;
- **Rule 2.2.5 (Relationship Disclosure):** Proposed Rule 2.2.5 requires that, on account opening, all clients be provided with certain core information about the nature of their relationship with the Member and its Approved Persons. In response to comments requesting clarification regarding certain content requirements for the relationship disclosure, MFDA staff will be issuing a Member Regulation Notice to provide additional guidance as to the level of detail to be set out in the relationship disclosure document.

### Policy No. 2

#### **II. Opening New Accounts – Documentation of Client Account Information**

- **Requirement for Registered Salesperson to Maintain a Copy of the NAAF (section 2):** This section has been amended to require all Approved Persons that service the client's account to have access to information and documentation relating to the client's account as required;
- **Information Required for Joint Accounts (section 3):** Clarification with respect to which information must be collected for each owner and which information can be collected on a combined basis for the joint account has been added;
- **Change of Registered Salesperson/Requirement to Review KYC (section 11):** In response to comments noting that a review of KYC information is already addressed by the Rule 2.2.1 requirement to review suitability, the requirement for a suitability review under this section has been deleted.

#### **II. Opening New Accounts – Changes to Know-Your-Client Information**

- **Requirement to Provide Client with All the Updated KYC Information (section 8):** This section has been amended to more specifically require that the client be provided with a document or documents specifying current risk tolerance, investment objectives, time horizon and net worth that applies to the client's account.

#### **IV. Branch Office Supervision – Daily Activity**

- **\$1000 Threshold for Investment in Moderate-High or High-Risk Investments (section 2):** Commenters expressed the view that the prescribed trade thresholds for branch reviews were too low, in particular the \$1000 threshold for branch manager review of moderate-high to high risk investments and \$5000 threshold for trades and redemptions in low risk investments. In response to such comments, the trade review threshold for moderate-high or high risk investments has been increased from \$1000 to \$2500. In addition, the \$5000 trade review threshold for trades and redemptions in all other investments has been increased to \$10,000. These limits will be reviewed from time to time to ensure that they remain relevant.
- **Branch Manager Suitability Review where Material Change in Client Information (section 5):** Commenters indicated that the requirement for the branch manager to review the suitability of investments in each client account upon a material change to client's KYC information is onerous and suggested that, in light of the fact that the Approved Person is responsible for assessing the suitability of investments upon a material change, such review should only be performed on a sample basis at the branch level. In response to comments, Policy No. 2 has been amended to require the branch manager to perform a suitability review on a sample basis where a material change results in a significant decrease in the client's risk tolerance, time horizon, income or net worth or more conservative investment objectives.

**V. Head Office Supervision – Daily Reviews**

- **Trade Review Thresholds (section 1):** In response to comments that the proposed trade review threshold for low risk investments is too low, it has been increased to \$50,000 from \$10,000. In addition, the Policy has been clarified to note that the reference to exempt securities was not intended to include GICs;
- **Suitability Review where Material Change in Client Information (section 5):** In response to comments, the requirement for head office to review, on a sample basis, the suitability of investments in accounts where there has been a material change in client information has been removed.

**VI. Identification of Trends in Trading Activity**

- **Timeline for Completion of Head Office Supervisory Reviews (section 3):** In response to comments expressing concern with the proposed 21-day deadline, the amendments, as revised, adopt a requirement that reviews be completed within 30 days of the last day of the period being reviewed.

**Rule 5.3**

- **“Total Assets Deposited/Withdrawn” (Rule 5.3.5(a)(ii)/(iii)):** The proposed amendments, as revised, now include a requirement, in new subsection 5.3.5(a)(v), to provide the gain or loss in the account as at the end of the period covered by the report. This figure offers meaningful information and convenience to investors as it totals the amounts already required under subsections 5.3.5(a)(i)-(iv) and, in providing this total, is consistent with the approach adopted by IIROC in its CRM proposal.

**Rule 2.8.3**

- **Clarification of Standard Acceptable Industry Practice (Rule 2.8.3):** No revisions have been made to the proposed amendments published for comment in June 2008. A number of commenters requested clarification on what are considered to be standard acceptable industry practices in Rule 2.8.3. Members are currently given flexibility with respect to reporting rates of return, provided a consistently applied standard industry method is used and a clear explanation of the method used is included on the performance statement. Standard industry practices include time weighted returns such as Global Investment Performance Standards, Modified Dietz or a dollar weighted return method (Internal Rate of Return). MFDA staff will be issuing a Member Regulation Notice to provide additional guidance with respect to standard industry practices in calculating rates of return.

**C. Issues and Alternatives Considered**

As noted, the proposed amendments, as revised, have been made after consideration of issues raised by commenters. With respect to CRM, the MFDA, in reviewing its proposal, has considered the IIROC CRM proposal and met with IIROC staff on a number of occasions to engage in a detailed review of both SRO proposals with a view to minimizing differences and ensuring that they achieve the same regulatory objectives.

As discussed below, there are certain areas in which the MFDA and IIROC have adopted different approaches to achieve the objectives under CRM. Some of these result from differences in the business of MFDA and IIROC Members or the different ways in which our existing rules are structured. In certain instances, matters addressed in the proposed IIROC Rules will be addressed or expanded upon by the MFDA in Member Regulation Notices.

**Format of Relationship Disclosure**

The IIROC proposal specifies the content of relationship disclosure, requires that it be included in a document entitled “Relationship Disclosure” and allows for other disclosure already provided in other sources to be incorporated by reference. Proposed MFDA Rule 2.2.5 prescribes the core elements of disclosure that must be provided to clients on account opening, which may be provided in one document or several. This approach has been adopted to allow Members flexibility in how they incorporate the required disclosure on their existing forms.

**Content of Relationship Disclosure**

The IIROC proposal requires that the relationship disclosure document contain a statement indicating whether or not the provision of account percentage return information will be an option available to the client as part of the account service offering. The MFDA is of the view that requiring that clients be provided with a description of the content and frequency of reporting that they will receive by default addresses the issue of services that will not be offered and so achieves the same regulatory objective.

The IIROC proposal would also require specific disclosure as to whether or not client accounts will be reviewed at times other than the regulatory minimum (such as in the event of a market disruption). MFDA Rule 2.2.5 generally requires a description of the Member's suitability obligation to clients. As part of such disclosure, clients should be advised that the overall risk of their account may change over time as a result of fluctuations in the market, which may or may not (depending on the Member's procedures) result in an assessment of the suitability of investments in the client's account. Further details with respect to this disclosure requirement in Rule 2.2.5 will be provided in a MFDA Member Regulation Notice.

The IIROC proposal would require a description of all costs the client will or may incur in making and holding investments by type of investment product. MFDA Rule 2.2.5 requires a description of the nature of compensation that may be paid to the Member with a reference to other sources for more specific information. Notwithstanding the difference in wording between the two proposals, both the IIROC and MFDA requirement contemplate high level disclosure of the compensation paid to the Member firm with respect to different types of investment products that the Member may sell as well as a statement that there may be other costs charged by the issuer or product manufacturer depending on the investment product. The general description in the relationship disclosure with respect to how the Member is compensated and the possibility of other costs associated with making or holding investments is intended to supplement more specific product disclosure with respect to fees and costs available through the prospectus or offering memorandum.

#### Account Performance Reporting

The IIROC CRM proposal requires customer account cost reports, for all accounts other than those held by institutional customers, which itemize security position cost information. The MFDA does not propose to adopt any additional requirements in this area and is of the view that its existing requirements appropriately and adequately address the regulatory objective of providing clients with sufficient information to assess the performance of their account. Under current MFDA requirements, cost information must be provided at the time of the transaction on both the account statement and trade confirmation. In addition, we note that over 80% of mutual fund assets administered by MFDA Members are registered in client name. We understand that while data with respect to cost information is currently maintained by fund managers, this information is not available at the dealer level on an accurate or consistent basis for reporting purposes.

The IIROC CRM proposal requires, for all accounts other than those held by institutional customers, customer account performance information disclosing the annual and cumulative realized and unrealized income and capital gains on the customer's account. This account performance information must be sent to customers annually, at a minimum. This requirement is addressed in MFDA Rule 5.3.5 (Account Performance Reporting) in proposed new subsection 5.3.5(a)(v) which requires the account performance reporting to include gain or loss in the account as at the end of the period covered by the report. The MFDA proposal would require performance information for the annual period rather than on an annual and cumulative basis. MFDA staff has received comments from Members that requiring this information on a cumulative basis would require significant systems changes at great cost to the industry. To the extent that cumulative reporting would entail greater costs to Members that would ultimately be passed on to clients, the MFDA is of the view that requiring performance information on an annual basis provides the appropriate level of reporting and strikes a proper balance between managing cost considerations and providing clients with core information with respect to account performance.

#### ***Requirements in Proposed IIROC Rules that will be Addressed by the MFDA in Member Regulation Notices***

There are a number of areas addressed in the IIROC proposal by way of Rules that are already generally addressed under other MFDA Rules. MFDA staff will be issuing Member Regulation Notices to provide further guidance in these areas. Areas identified for further guidance include the following:

- format of relationship disclosure
- content of relationship disclosure
- supervisory review/approval of relationship disclosure
- maintaining evidence of disclosure
- account performance reporting – standard industry practices in calculating rates of return.

#### **D. Systems and Procedures Impact of Amendments**

Commenters have indicated that significant changes may be necessary to their existing systems and procedures in order to comply with the proposed requirements and have recommended establishing sufficient transition periods to meet the new obligations.

The MFDA will seek to establish transition periods based on the amount of time required to make individual systems and/or procedure changes that may become necessary as a result of the proposed amendments. Accordingly, commenting parties are asked to provide specific input with respect to the appropriate length of transition periods for system, procedure or form changes that may be required for: (i) new account documentation requirements under the relationship disclosure prescribed in proposed Rule 2.2.5; (ii) each of the following proposed requirements under Policy No. 2: account supervision requirements, suitability assessments, trade supervision requirements and trade review thresholds; and (iii) proposed performance reporting requirements under Rule 5.3.

**E. Best Interests of the Capital Markets**

The Board has determined that the proposed Rule amendments are in the best interests of the capital markets.

**F. Public Interest Objective**

The proposed amendments, as revised, are in the public interest and have been made in response to public comments and a review of the MFDA and IIROC CRM proposals to ensure that they minimize differences as much as possible and achieve the same regulatory objectives.

**III. COMMENTARY**

**A. Filing in Other Jurisdictions**

The proposed Rule amendments will be filed for approval with the Alberta, British Columbia, New Brunswick, Manitoba, Nova Scotia, and Ontario Securities Commissions and the Saskatchewan Financial Services Commission.

**B. Effectiveness**

The proposed amendments are simple and effective.

**C. Process**

The proposed amendments were developed by MFDA staff in response to input received during the first publication for comment and discussions with IIROC staff, in respect of minimizing the differences between the CRM proposals of the two SROs. The proposed amendments have been approved by the MFDA Board of Directors.

**D. Effective Date**

The proposed amendments will be effective on a date to be subsequently determined by the MFDA.

**IV. SOURCES**

MFDA Rule 2.2, Policy No. 2, Rule 2.8 and Rule 5.3

IIROC CRM proposal

**V. REQUIREMENT TO PUBLISH FOR COMMENT**

The MFDA is required to publish for comment the proposed amendments so that the issues referred to above may be considered by the Recognizing Regulators.

**The MFDA has determined that the entry into force of the proposed amendments would be in the public interest and is not detrimental to the capital markets. Comments are sought on the proposed amendments.** Comments should be made in writing. One copy of each comment letter should be delivered within 90 days of the publication of this notice, addressed to the attention of the Corporate Secretary, Mutual Fund Dealers Association of Canada, 121 King St. West, Suite 1600, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of Sarah Corrigan-Brown, Senior Legal Counsel, British Columbia Securities Commission, 701 West Georgia Street, P.O. Box 10142, Pacific Centre, Vancouver, British Columbia, V7Y 1L2.

Those submitting comment letters should be aware that a copy of their comment letter will be made publicly available on the MFDA website at [www.mfda.ca](http://www.mfda.ca).

Questions may be referred to:

Aamir Mirza  
Senior Legal & Policy Counsel  
(416) 945-5128  
[amirza@mfda.ca](mailto:amirza@mfda.ca)



**SCHEDULE A**

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**CLIENT ACCOUNTS (Rule 2.2)**

**(Amendments to Version Published for Comment on June 13, 2008)**

On March 5, 2009, the Board of Directors of the Mutual Fund Dealers Association of Canada made the following amendments to Rule 2.2:

**2.2 CLIENT ACCOUNTS**

2.2.1 **"Know-Your-Client"**. Each Member and Approved Person shall use due diligence:

- (a) to learn the essential facts, ~~as may be prescribed by the Corporation from time to time~~, relative to each client and to each order or account accepted;
- (b) to ensure that the acceptance of any order for any account is within the bounds of good business practice;
- (c) to ensure that each order accepted or recommendation made for any account of a client is suitable for the client based on the essential facts relative to the client and any investments within the account;
- (d) to ensure that, notwithstanding the provisions of paragraph (c), where a transaction proposed by a client is not suitable for the client based on the essential facts relative to the client and the investments in the account, the Member or Approved Person has so advised the client before execution thereof and the Member or Approved Person has maintained evidence of such advice;
- (e) to ensure that the suitability of the investments within each client's account is assessed:
  - (i) whenever the client transfers assets into an account at the Member;
  - (ii) whenever the Member or Approved Person becomes aware of a material change in client information, as defined in Rule 2.2.4; or
  - (iii) by the Approved Person where there has been a change in the Approved Person responsible for the client's account at the Member; and
- (f) to ensure that, where investments in a client's account are determined to be unsuitable, the Member or Approved Person so advises the client and makes recommendations to address any inconsistencies between investments in the account and the essential facts relative to the client and the Member or Approved Person maintains evidence of such advice and recommendations.

2.2.2 **New Accounts.**

- (a) Each new account for a client must be opened by the Member within a reasonable time of the client's instruction to do so. Account numbers must not be assigned unless they are accompanied by the proper name and address for the client.
- (b) A New Account Application Form must be completed for each new account of a client. If the New Account Application Form does not include know-your-client information, this must be documented on a separate Know-Your-Client form. Such form or forms shall be duly completed to conform with the requirements of Rule 2.2.1 and shall be signed by the client and dated.

2.2.3 **New Account Approval.** Each Member shall designate a trading partner, director or officer or, in the case of a branch office, a branch manager reporting directly to the designated partner, director or officer, who shall be responsible for approval of the opening of new accounts and the supervision of account activity. The designated person shall, no later than one business day after the initial transaction date, approve the opening of such account and a record of such approval shall be maintained in accordance with Rule 5.

2.2.4 **Updating Client Information**

- (a) **Definition.** In this Rule, “**material change in client information**” means any information that could reasonably result in changes to the stated risk tolerance, time horizon or investment objectives of the client or would have a significant impact on the net worth or income of the client.
- (b) The Form documenting know-your-client information must be updated to include any material change in client information whenever a Member or Approved Person or ~~other employee or agent~~ becomes aware of such change including pursuant to Rule 2.2.4(e).
- (c) Subject to paragraph (d), the Member must maintain evidence of client instructions regarding any material changes in client information and all such changes must be approved by the individual designated in accordance with Rule 2.2.3 as responsible for the approval of the opening of new accounts.
- (d) A client signature or other internal controls sufficient to authenticate the client's identity and verify the client's authorization must be ~~obtained~~ used to evidence any change in client name, client address or client banking information.
- (e) Without reducing the responsibility of Members in Rule 2.2.1, all Members must at least annually, in writing, request each client to notify the Member if there has been any material change in client information previously provided to the Member or the client's circumstances have materially changed. The date of such request and the date upon which any such client information is received and recorded or amended must be retained.

2.2.5 **Relationship Disclosure.** For each new account opened, the Member shall provide written disclosure to the client:

- (a) describing the nature of the advisory relationship;
- (b) describing the products and services offered by the Member;
- (c) describing the Member's procedures regarding the receipt and handling of client cash and cheques. In the case of a Level 2 dealer, the disclosure must include an explanation that all client cheques shall be payable to the issuer or carrying dealer, as applicable;
- (d) describing the Member's obligation to ensure that each order accepted or recommendation made for any account of a client is suitable for the client in accordance with Rule 2.2.1 and advising when the Member will assess the suitability of the investments in the client's account;
- (e) defining the various terms with respect to the know-your-client information collected by the Member and describing how this information will be used in assessing investments in the account;
- (f) describing the content and frequency of reporting for the account; and
- (g) describing the nature of the compensation that may be paid to the Member and referring the client to other sources for more specific information.

**SCHEDULE B**

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**MINIMUM STANDARDS FOR ACCOUNT SUPERVISION (Policy No. 2)**

**(Amendments To Version Published For Comment On June 13, 2008)**

On March 5, 2009, the Board of Directors of the Mutual Fund Dealers Association of Canada made the following amendments to Policy No. 2:

**MFDA POLICY NO. 2**

**MINIMUM STANDARDS FOR ACCOUNT SUPERVISION**

**Introduction**

This Policy establishes minimum industry standards for account supervision. These standards represent the minimum requirements necessary to ensure that a Member has procedures in place to properly supervise account activity. This Policy does not:

- (a) relieve Members from complying with specific MFDA By-laws, Rules and Policies and securities legislation applicable to particular trades or accounts; or
- (b) preclude Members from establishing a higher standard of supervision, and in certain situations a higher standard may be necessary to ensure proper supervision.

To ensure that a Member has met all applicable standards, Members are required to know and comply with MFDA By-laws, Rules and Policies as well as applicable securities legislation which may apply in any given circumstance. The following principles have been used to develop these minimum standards:

- (a) The term "review" in this Policy has been used to mean a preliminary screening designed to detect items for further investigation or an examination of unusual trading activity or both. It does not mean that every trade must be reviewed. The reviewer must use reasonable judgement in selecting the items for further investigation.
- (b) It has been assumed that Members have or will provide the necessary resources and qualified supervisors to meet these standards.
- (c) The initial compliance with the know-your-client rule and suitability of investment requirements is primarily the responsibility of the registered salesperson. The supervisory standards in this Policy relating to know-your-client and suitability are intended to provide supervisors with a checklist against which to monitor the handling of these responsibilities by the registered salesperson.

Members that seek to adopt policies and procedures relating to branch and head office supervision or the allocation of supervisory activities that differ from those contained in this Policy must demonstrate that all of the principles and objectives and of the minimum standards set out in this Policy have been properly satisfied. Further, any such alternative policies and procedures must adequately address the risk management issues of the Member and must be pre-approved by MFDA staff before implementation.

**I. ESTABLISHING AND MAINTAINING PROCEDURES**

Effective self-regulation begins with the Member establishing and maintaining a supervisory environment which both fosters the business objectives of the Member and maintains the self-regulatory process. To that end a Member must establish and maintain procedures which are supervised by qualified individuals. A major aspect of self-regulation is the ongoing education of staff in all areas of sales compliance.

**Establishing Procedures**

- 1. Members must appoint designated individuals who have the necessary knowledge of industry regulations and Member policies to properly perform the duties.
- 2. Written policies must be established to document supervision requirements.

3. Written instructions must be supplied to all supervisors and alternates to advise them on what is expected of them.
4. All policies established or amended should have senior management approval.

#### **Maintaining Procedures**

1. Evidence of supervisory reviews must be maintained. Evidence of the review, such as inquiries made, replies received, date of completion etc. must be maintained for seven years and on-site for one year.
2. An on-going review of sales compliance procedures and practices must be undertaken both at head office and at branch offices.

#### **Delegation of Procedures**

1. Tasks and procedures may be delegated to a knowledgeable and qualified individual but not responsibility.
2. The Member must advise supervisors of those specific functions which cannot be delegated, such as approval of new accounts.
3. The supervisor delegating the task must ensure that these tasks are being performed adequately and that exceptions are brought to his/her attention.
4. Those who are delegated tasks must have the qualifications and required proficiency to perform the tasks and should be advised in writing of their duties. The general expectation is that tasks be delegated only to individuals with the same proficiency as the delegating supervisor. In certain limited circumstances, it may be acceptable to delegate specialized tasks to an individual that has not satisfied the proficiency requirements provided that the individual has equivalent training, education or experience related to the function being performed. The Member must consider the responsibilities and functions to be performed in relation to the delegated tasks and make a determination as to appropriate equivalent qualifications and proficiency. The Member must be able to demonstrate to MFDA staff that the equivalency standard has been met. Tasks related to trade supervision can only be delegated to individuals that possess the proficiency of a branch manager or compliance officer.

#### **Education**

1. The Member's current policies and procedures manual must be made available to all sales and supervisory personnel.
2. Introductory training and continuing education should be provided for all registered salespersons. For training and enhanced supervisory requirements for newly registered salespersons, please refer to the MFDA Policy No.1 entitled "New Registrant Training and Supervision Policy."
3. Relevant information contained in compliance-related MFDA Member Regulation Notices and Bulletins and compliance-related notices from other applicable regulatory bodies must be communicated to registered salespersons and employees. Procedures relating to the method and timing of distribution of compliance-related information must be clearly detailed in the Member's written procedures. Members should ensure that they maintain evidence of compliance with such procedures.

## **II. OPENING NEW ACCOUNTS**

To comply with the "Know-Your-Client" and suitability requirements set out in MFDA Rule 2, each Member must establish procedures to maintain accurate and complete information on each client. The first step towards compliance with this rule is completing proper documentation when opening new accounts. Accurate completion of the documentation when opening a new account allows both the registered salesperson and the supervisory staff to conduct the necessary reviews to ensure that recommendations made for any account are appropriate for the client and in keeping with investment objectives. Maintaining accurate and current documentation will allow the registered salesperson and the supervisory staff to ensure that all recommendations made for any account are and continue to be appropriate for a client's investment objectives.

#### **Documentation of Client Account Information**

1. A New Account Application Form ("NAAF") must be completed for each new account.
2. A complete set of documentation relating to each client's account must be maintained by the Member. Approved Persons must have access to information and documentation relating to the client's account as required to service the

~~account. The registered salesperson must also maintain a copy of the NAAF.~~—In the case of a Level 1 Introducing Dealer and corresponding Carrying Dealer, both Members must maintain a copy of each client's NAAF.

3. For each account of a client that is a natural person, the Member must obtain information sufficient to allow for the operation of the account and sufficient to determine the essential facts relative to each client (the “know your client” or “KYC” information), which would include, at a minimum, the following information:

- (a) name;
- (b) type of account;
- (c) residential address and contact information;
- (d) date of birth;
- (e) employment information;
- (f) number of dependants;
- (g) other persons with trading authorization on the account;
- (h) other persons with a financial interest in the account;
- (i) investment knowledge;
- (j) risk tolerance;
- (k) investment objectives;
- (l) time horizon;
- (m) income;
- (n) calculation of net worth (including details of liquid assets, ~~fixed assets and liabilities~~);
- ~~(e)(o)~~ information required by other laws and regulations applicable to the Member's business as amended from time to time including information required for relevant tax reporting; information required for compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations and any authorization necessary to provide information to the MFDA under applicable privacy legislation.
- ~~(p)~~ information required for compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, as amended from time to time;
- ~~(q)~~ authorization to provide personal information to the MFDA under applicable privacy legislation.

The preceding provides a list of minimum requirements. The Member may require clients to provide any additional information that it considers relevant. In the case of accounts jointly owned by two or more persons, information required under subparagraphs (a), (c), (d), (e), (f) and (i) must be collected with respect to each owner, with the exception of the information required under subparagraphs (b), (g), (h), (j), (k), and (l) and (m). Income and net worth may be collected for each owner or on a combined basis as long as it is clear which method has been used.

~~3.4.~~ For each account of a client that is a corporation, trust or other type of legal entity, the Member must obtain information sufficient to allow for the operation of the account and sufficient to determine the essential facts relative to the client, which would include, at a minimum, the following information:

- (a) legal name;
- (b) head office address and contact information;
- (c) type of legal entity (i.e. corporation, trust, etc.);

- (d) form and details regarding the organization of the legal entity (i.e. articles of incorporation, trust deed, or other constating documents)
- (e) nature of business;
- (f) persons authorized to provide instructions on the account and details of any restrictions on their authority;
- (g) investment knowledge of the persons to provide instructions on the account;
- (h) risk tolerance;
- (i) investment objectives;
- (j) time horizon;
- (k) income;
- (l) calculation of net worth (including details of liquid assets, ~~fixed assets and liabilities~~);
- (m) ~~information required by other laws and regulations applicable to the Member's business as amended from time to time including information required for relevant tax reporting; information required for compliance with the Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations and any authorization necessary to provide information to the MFDA under applicable privacy legislation.~~
- ~~(m) — information required for relevant tax reporting;~~
- ~~(m) — information required for compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, as amended from time to time;~~
- ~~(n) — authorization to provide personal information to the MFDA under applicable privacy legislation.~~

The preceding provides a list of minimum requirements. The Member may require clients to provide any additional information that it considers relevant.

5. For supervisory purposes, registered accounts, leveraged accounts and accounts of any registered salesperson's family member operating under a limited trading authorization or operating under a power of attorney in favour of the registered salesperson must be readily identifiable.
6. If the NAAF does not include KYC information, this must be documented on a separate KYC form(s). Such form(s) must be signed by the client and dated. A copy of the completed NAAF and KYC form, if separate from the NAAF, must be provided to the client.
7. The Member must have internal controls and policies and procedures in place with respect to the entry of KYC information on their back office systems. Such controls should provide an effective means to detect and prevent inconsistencies between the KYC information used for account supervision with that provided by the client.
8. Except as noted in the following paragraph, NAAF's must be prepared and completed for all new clients prior to the opening of new client accounts. The new account or KYC information must be approved by the individual designated as responsible for the opening of new accounts under Rule 2.2.3 ~~no later than one business day after the date that the account is opened no later than one business day after the initial transaction date~~. Records of all such approvals must be maintained in accordance with Rule 5.
9. Notwithstanding the preceding paragraph, NAAF's for clients of a registered salesperson transferring to the Member must be prepared and completed within a reasonable time (but in any event no later than the time of the first trade). The new accounts or KYC information for clients of the transferring salesperson must be approved by the individual designated as responsible for the opening of new accounts under Rule 2.2.3 no later than one business day after the date that the NAAF is completed. Records of all such approvals must be maintained in accordance with Rule 5.
10. In the event that a NAAF is not completed prior to or within a reasonable time after opening an account, as required by this Policy, the Member must have policies and procedures to restrict transactions on such accounts to liquidating trades until a fully completed NAAF is received.

11. ~~When there is a change of registered salesperson responsible for a client's account at a Member, the new registered salesperson must review the information on the NAAF and any separate KYC form to ensure it is current and record the date of such review on the form or forms.~~

### **Changes to Know-Your-Client Information**

1. The ~~registered salesperson~~ Approved Person or Member must update the KYC information whenever they become aware of a material change in client information as defined in Rule 2.2.4(a).
2. On account opening, the Member should advise the client to promptly notify the Member of any material changes in the client information, as defined in Rule 2.2.4(a), previously provided to the Member and provide examples of the types of information that should be regularly updated.
3. In accordance with Rule 2.2.4(e), Members must also, on an annual basis, request in writing that clients notify them if there has been any material change in client information, as defined in Rule 2.2.4(a), previously provided, or if the client's circumstances have materially changed.
4. Access to amend KYC information must be controlled and instructions to make any such amendments must be properly documented.
5. A client signature, which may include an electronic signature, or other internal controls sufficient to authenticate the client's identity and verify the client's authorization must be ~~obtained~~ used to evidence any change in client name, client address or client banking information.
6. ~~Other m~~Material changes to client information, as defined in Rule 2.2.4(a), may be evidenced by a client signature, which may include an electronic signature or, alternatively, such changes may be evidenced by maintaining notes in the client file detailing the client's instructions to change the information and verified by providing written confirmation to the client with details of the instructions and providing an opportunity for the client to make corrections to any changes that have been made.
7. ~~All~~ material changes in client information, as defined in Rule 2.2.4(a), must be approved by the individual designated as responsible for the opening of new accounts under Rule 2.2.3 no later than one business day after the date on which notice of the change in information is received from the client. When approving material changes, branch managers should be reviewing the previous KYC information to assess whether the change appears reasonable. Branch managers should be aware of situations where material changes may have been made to justify unsuitable trades or leveraging. For example, branch managers should investigate further material changes that accompany trades in higher risk investments or leveraging or changes made within a short period of time (for example 6 months). Records of all such approvals must be maintained in accordance with Rule 5.
8. Where any material changes have been made to the information contained in the NAAF or KYC form(s), the client must promptly be provided with a document or documents specifying the current risk tolerance, investment objectives, time horizon, income and net worth ~~all KYC information~~ that applies to the client's account.
9. The last date upon which the KYC information has been updated or confirmed by the client must be indicated in the client's file and on the Member's back office system.

### **Pending/Supporting Documents**

1. Members must have procedures in place to ensure supporting documents are received within a reasonable period of time of opening the account.
2. Supporting documentation that is not received or is incomplete must be noted, filed in a pending documentation file and reviewed on a periodic basis.
3. Failure to obtain required documentation within 25 days of the opening of the account must result in positive actions being taken.

### **Client Communications**

1. All hold mail must be authorized by the client in writing and be controlled, reviewed on a regular basis and maintained by the responsible supervisor. Hold mail should never be permitted to occur over a prolonged period of time (i.e. in excess of 6 months).

2. Returned mail is to be promptly investigated and controlled.

### **III. ASSESSING SUITABILITY OF INVESTMENTS AND LEVERAGING STRATEGIES**

1. In accordance with Rule 2.2.1, Members and registered salespersons are responsible for the suitability of each recommendation made for an account of a client and must assess the suitability of the investments in each client's account under the circumstances described in Rule 2.2.1(e).
2. Members must have policies and procedures with respect to their suitability obligations, including criteria for the purpose of assessing the suitability of a client's use of leveraging and describing appropriate client circumstances for recommending the use of leverage.
3. The Member's policies and procedures must describe the information required to be maintained in the client file to facilitate proper Member supervision. Whenever the Member or registered salesperson recommends or becomes aware that a client is using a leverage strategy, the Member or registered salesperson must either maintain copies of the lending documents or make sufficient inquiries to obtain details of the loan, including interest rate, terms for repayment and the outstanding loan value. Where the Member or registered salesperson assists the client in completing the loan application, the Member must maintain copies of lending documents in the file, including copies of the loan application.
4. The Member's criteria for selecting trades for review, the inquiry and resolution process, supervisory documentation requirements, and the escalation and disciplinary process must be documented and clearly communicated to all registered salespersons and all relevant employees. Registered salespersons must be advised of the criteria the Member uses in assessing suitability, actions the Member will take when a trade has been flagged for review and appropriate options for resolution.
5. Registered salespersons must assess the suitability of investments in each client account within a reasonable time, but in any event no later than the time of the next trade, whenever:
  - the client transfers to the Member or transfers assets into an account at the Member;
  - the Member or registered salesperson becomes aware of a material change in the client's KYC information; and
  - the client account has been re-assigned to the registered salesperson from another registrant at the Member.

The determination of "reasonable time" in a particular instance will depend on the circumstances surrounding the event that gives rise to the requirement to perform the suitability assessment. For example, with respect to client transfers, the volume of accounts to be reviewed may be a relevant factor in determining reasonable time.

6. Should a registered salesperson identify unsuitable investments in a client's account, the registered salesperson must advise the client and take appropriate steps to determine if there has been any change to client circumstances that would warrant altering the KYC information. It is inappropriate to alter the KYC information in order to match the investments in the client's account. If there is no change to the KYC information, or if investments in the account continue to be unsuitable after the KYC information has been amended, the registered salesperson should discuss any inconsistencies with the client and provide recommendations as to rebalancing investments in the account. Transactions in the account must only be made in accordance with client instructions and any recommendations made with respect to the rebalancing of the account must be properly recorded.
7. Registered salespersons must maintain evidence of completion of all suitability assessments performed and any follow up action taken with respect to such assessments.

### **IV. BRANCH OFFICE SUPERVISION**

Each branch manager must undertake certain activities within the branch for purposes of assessing compliance with the Member's policies and procedures and regulatory requirements. These activities should be designed to identify failures to adhere to required policies and procedures and provide a means of revealing and addressing undesirable account activity.

#### **Daily Activity**

1. All new account applications and updates to client information must be reviewed and approved in accordance with this Policy.



2. The branch manager (or alternate) must review the previous day's trading for unsuitable trades and any other unusual trading activity using any convenient means. This review must include, at a minimum, all:
- initial trades;
  - trades in exempt securities (excluding guaranteed investment certificates);
  - leveraged trades/leverage recommendations for open accounts;
  - trades in accounts of family members of registered salespersons operating under a power of attorney in favour of the registered salesperson; ~~and~~
  - redemptions over \$10,000;
  - trades over \$1,0002,500 in moderate-high or high risk investments;
  - trades over \$5,000 in moderate or medium risk investments; and
  - trades and redemptions over \$5,00010,000 for in all other investments.

For the purposes of this section, "trades" does not include redemptions except where specifically referenced.

3. When reviewing redemptions, branch managers should seek to identify and assess:
- the suitability of the redemption with regard to the composition of the remaining portfolio;
  - the impact and appropriateness of any redemption charges;
  - possible outside business activity where money may be leaving the Member for reinvestment into other potentially inappropriate or unauthorized investments; and
  - potential churning, including situations where redemption proceeds are being held on a temporary basis pending reinvestment.
4. The branch manager (or alternate) is responsible for following up on unusual trades identified by head office.
5. The branch manager must assess the suitability of investments in each client account where the Member becomes aware of a material change in the client's KYC information that results in a significant decrease in the client's risk tolerance, time horizon, income or net worth or more conservative investment objectives. The suitability assessment must be performed no later than one business day after the date on which notice of the change in information is received from the client.
6. In addition to transactional activity, branch managers must also keep themselves informed as to other client-related compliance matters such as complaints.

## **V. HEAD OFFICE SUPERVISION**

A two-tier structure is required to adequately supervise client account activity. While the head office or regional area level of supervision by its nature cannot be in the same depth as branch level supervision, it should cover the same elements. Head office review should be focused on unusual activity or reviews that cannot be carried out at the branch level. Head office reviews must include procedures to effectively detect unsuitable investments and excessive trading in client accounts.

### **Daily Reviews**

1. In addition to the trading review criteria for branch managers, head office must conduct daily reviews of account activity which must include, at a minimum, all:
- redemptions over \$50,000;
  - trades over \$5,000 in exempt securities (excluding guaranteed investment certificates), moderate-high or high risk investments, or leveraged trades/recommendations infor open accounts;
  - trades over \$10,000 in moderate or medium risk mutual funds; and

- trades over ~~\$10,000~~ \$50,000 for ~~in~~ all other investments (excluding money market funds); and
- ~~redemptions greater than \$10,000.~~

For the purposes of this section, “trades” does not include redemptions except where specifically referenced.

2. There must be closer supervision of trading by registered salespersons who have had a history of questionable conduct. Questionable conduct may include trading activity that frequently raises questions in account reviews, frequent or serious complaints, regulatory investigations or failure to take remedial action on account problems identified.
3. Daily reviews should be completed within one business day unless precluded by unusual circumstances.
4. Daily reviews should be conducted of client accounts of producing branch managers.
5. On a sample basis, the Member must review the suitability of investments in accounts where clients have transferred assets into an account ~~or where there has been a material change in client information~~. The Member must have policies and procedures regarding sample size and selection, which should be based on the risk level associated with the account, focusing on accounts that hold higher risk investments, exempt securities or products not normally sold by the Member, accounts that are operated under a power of attorney in favour of a registered salesperson and accounts employing a leverage strategy. The Member’s reviews must be completed within a reasonable time.

#### **VI. IDENTIFICATION OF TRENDS IN TRADING ACTIVITY**

1. ~~In addition to performing daily reviews,~~ Members must establish policies and procedures to identify trends or patterns that may be of concern including:
  - excessive trading or switching between funds indicating possible unauthorized trading, lack of suitability or possible issues of churning (for example, redemptions made within 3 months of a purchase, DSC purchases made within 3 months of a DSC redemption or accounts where there are more than 5 trades per month);
  - excessive switches between no load funds and deferred sales charge or front load funds;
  - excessive switches between deferred sales charge funds and front load funds; and
  - excessive switches where a switch fee is charged.
2. Head office supervisory review procedures must include, at a minimum, the following criteria:
  - a review of all accounts generating commissions greater than \$1,500 within the month;
  - a quarterly review of reports on assets under administration (“AUA”) comparing current AUA to AUA at the same time the prior year;
  - a quarterly review of commission reports for the previous 12 month period comparing commissions received in the current year to commissions received for the same period in the prior year.

Significant increases in commissions or AUA beyond those caused by market fluctuations may indicate issues with churning or leveraging strategies. Significant decreases may indicate potential inappropriate outside business activity.

3. Reviews should be completed within 2130 days of the last day of the period being reviewed unless precluded by unusual circumstances.

**SCHEDULE C**

**MUTUAL FUND DEALERS ASSOCIATION OF CANADA**

**CLIENT REPORTING (Rule 5.3)**

**(Amendments To Version Published For Comment On June 13, 2008)**

On March 5, 2009, the Board of Directors of the Mutual Fund Dealers Association of Canada made the following amendments to MFDA Rule 5.3:

**5.3 CLIENT REPORTING**

**5.3.1 Delivery of Account Statement**

- (a) Each Member shall, in a timely manner send an account statement to each client in accordance with the following minimum standards:
  - (i) once every 12 months for a client name account;
  - (ii) once a month for nominee name accounts of clients where there is an entry during the month and a cash balance or security position; and
  - (iii) quarterly for nominee name accounts where no entry has occurred in the account and there is a cash balance or security position at the end of the quarter.
- (b) A Member may not rely on any other person (including an Approved Person) to send account statements as required by this Rule.
- (c) Notwithstanding the provisions of 5.3.1(b), a Member may rely on the trustee administering a self-directed registered plan to send the account statement required by paragraph (a)(i) where the following conditions are met:
  - (i) The Member does not act as agent for the trustee for the registered plans;
  - (ii) The trustee meets the definition of "Acceptable Institution" as defined in Form 1;
  - (iii) There is a services agreement in place between the Member and the trustee which complies with the requirements of MFDA Rule 1.1.3 and provides that the trustee is responsible for sending account statements to clients of the Member that comply with the requirements of MFDA Rule 5;
  - (iv) There is clear disclosure about which trades are placed by the Member;
  - (v) Clear disclosure must be provided on the account statement regarding which securities positions referred to on the statement are eligible for coverage by the MFDA Investor Protection Corporation and which are not (once the Corporation is offering coverage);
  - (vi) The Member's full legal name must appear on the account statement together with the name of the trustee; and
  - (vii) The Member must receive copies of the statements, or have other systems in place, to ensure that the information contained on the statements matches its own information regarding the transactions it executes.
- (d) Notwithstanding the provisions of Rule 5.3.1(b), where a Member is affiliated with a fund manager and in connection with a specific client account is selling only the mutual fund securities of an issuer managed by such affiliated fund manager for that client account, the Member may rely on the affiliated fund manager to send the account statement required by paragraph (a)(i) for that specific account.

**5.3.2 Automatic Payment Plans.** Notwithstanding the provisions of Rule 5.3.1(a)(ii), where a Member holds client assets in nominee name and the only entry in the client's account in a month relates to the client's participation in:

- (a) any automatic payment plan that provides for systematic trading in the securities of a mutual fund on a monthly or more frequent basis, or
- (b) other automatic entries such as dividends and reinvested distributions,

the Member shall send an account statement to the client quarterly.

**5.3.3 Content of Account Statement.** Each account statement must contain the following information:

- (a) for nominee name accounts or accounts where the Member acts as an agent for the trustee for the purposes of administering a self-directed registered retirement savings or similar plan:
  - (i) the opening balance;
  - (ii) all debits and credits;
  - (iii) the closing balance;
  - (iv) the quantity and description of each security purchased, sold or transferred and the dates of each transaction, and;
  - (v) the quantity, description and market value of each security position held for the account;
- (b) for client name accounts:
  - (i) all debits and credits;
  - (ii) the quantity and description of each security purchased, sold or transferred and the dates of each transaction; and
  - (iii) for automatic payment plan transactions, the date the plan was initiated, a description of the security and the initial payment amount made under the plan.
- (c) for all accounts:
  - (i) the type of account;
  - (ii) the account number;
  - (iii) the period covered by the statement;
  - (iv) the name of the Approved Person(s) servicing the account, if applicable; and
  - (v) the name, address and telephone number of the Member.

**5.3.4 Member Business Only.** Only transactions executed by the Member may appear on the statement of account required pursuant to Rule 5.3.3.

**5.3.5 Account Performance Reporting.** The Member must provide information to clients on an annual basis with respect to the performance of the client's account at the Member.

- (a) Subject to paragraphs (b) and (c), the account performance reporting must include the following information for the annual period:
  - (i) the total market value of the account as at the start of the period covered by the report;
  - (ii) total assets deposited to the account during the period covered by the report;
  - (iii) total assets withdrawn from the account during the period covered by the report;
  - (iv) the total market value of the account as at the end of the period covered by the report;
  - (v) gain or loss in the account as at the end of the period covered by the report.

- (b) Notwithstanding the provisions of paragraph (a), where market values cannot be readily and reliably determined by the Member in respect of security positions held in the account, such values shall not be included in the report and the Member must disclose to the client in the report the security positions for which values have not been included and why the information has not been included in the report.
  
- (c) A Member need not send the information contained in paragraph (a) where the Member sends a client communication that contains an annualized percentage rate of return for the client's account in accordance with the requirements of Rule 2.8.3.

13.1.2 MFDA Hearing Panel Approves Settlement Agreement with Desjardins Financial Security Investments Inc.

**NEWS RELEASE**  
For immediate release

**MFDA HEARING PANEL APPROVES SETTLEMENT AGREEMENT WITH  
DESJARDINS FINANCIAL SECURITY INVESTMENTS INC.**

**May 6, 2009** (Toronto, Ontario) – A Settlement Hearing in the matter of Desjardins Financial Security Investments Inc. (“Desjardins”) was held today before a Hearing Panel of the Central Regional Council of the Mutual Fund Dealers Association of Canada (the “MFDA”).

The Hearing Panel approved the Settlement Agreement between Desjardins and MFDA Staff, as a consequence of which Desjardins:

- Paid a fine in the amount of \$75,000; and
- Paid costs in the amount of \$15,000.

The Hearing Panel advised that it would issue written reasons for its decision in due course.

A copy of the Settlement Agreement and the Hearing Panel’s Order 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)

This page intentionally left blank

## Chapter 25

# Other Information

---

---

### 25.1 Exemptions

#### 25.1.1 Canada Dominion Resources 2009 Limited Partnership – s. 19.1 of NI 41-101 General Prospectus Requirements

##### Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – NI 41-101 – Relief granted to an investment fund to file a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

##### Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 2.3(1), 19.1.

May 4, 2009

Stikeman Elliott LLP

##### **Attention: Darin Renton**

Dear Sirs/Mesdames:

**Re: Canada Dominion Resources 2009 Limited Partnership (the “Partnership”) Exemptive Relief Application under Section 19.1 of National Instrument 41-101 General Prospectus Requirements (“NI 41-101”) Application No. 2009/0244, SEDAR Project No. 1368368**

By letter dated April 28, 2009 (the “Application”), the Partnership applied to the Director of the Ontario Securities Commission (the “Director”) pursuant to section 19.1 of NI 41-101 for relief from the operation of subsection 2.3(1) of NI 41-101, which prohibits an issuer from filing a prospectus more than 90 days after the date of the receipt for the preliminary prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director grants the requested exemption to be evidenced by the issuance of a receipt for the Partnership’s prospectus, provided the Partnership’s final prospectus is filed no later than June 15, 2009.

Yours very truly,

“Darren McKall”  
Assistant Manager, Investment Funds Branch



This page intentionally left blank

# Index

---

<b>Alpha Group Industries Inc.</b>		
Cease Trading Order .....	3909	
<b>Anderson, Ernest</b>		
Notice from the Office of the Secretary .....	3876	
Order – ss. 127(7), 127(8).....	3905	
<b>Axcess Automation LLC</b>		
Notice from the Office of the Secretary .....	3875	
Order – s. 127(8).....	3896	
<b>Axcess Fund Management, LLC</b>		
Notice from the Office of the Secretary .....	3875	
Order – s. 127(8).....	3896	
<b>Axcess Fund, L.P.</b>		
Notice from the Office of the Secretary .....	3875	
Order – s. 127(8).....	3896	
<b>BakBone Software Incorporated</b>		
Order – s. 144 .....	3898	
<b>Barrick Energy Inc.</b>		
Decision .....	3881	
<b>Barrick Gold Corporation</b>		
Decision .....	3881	
<b>Berkshire Capital Limited</b>		
Notice from the Office of the Secretary .....	3876	
Order – ss. 127(7), 127(8).....	3905	
<b>Brazilian Resources, Inc.</b>		
Cease Trading Order .....	3909	
<b>Canada Dominion Resources 2009 Limited Partnership</b>		
Exemption – s. 19.1 of NI 41-101 General		
Prospectus Requirements.....	4005	
<b>Chau, Joe Henry</b>		
Notice of Hearing – ss. 127(7), 127(8).....	3873	
Notice from the Office of the Secretary .....	3877	
Temporary Order – s. 127(1), 127(5).....	3908	
<b>Coalcorp Mining Inc.</b>		
Cease Trading Order .....	3909	
<b>Da Silva, Abel</b>		
Notice of Hearing – ss. 37, 127, 127.1.....	3874	
Notice from the Office of the Secretary .....	3877	
<b>Delano Technology Corporation</b>		
Cease Trading Order .....	3909	
<b>Deng, Joe Feng</b>		
Notice from the Office of the Secretary .....	3874	
Order.....	3892	
<b>Desjardins Financial Security Investments Inc.</b>		
SRO Notices and Disciplinary Proceedings.....	4003	
<b>Dia Bras Exploration Inc.</b>		
Cease Trading Order.....	3909	
<b>Diadamo, Marco</b>		
Notice of Hearing – ss. 37, 127, 127.1 .....	3874	
Notice from the Office of the Secretary .....	3877	
<b>Dimensional Fund Advisors Canada ULC</b>		
Decision.....	3887	
<b>Driver, Gordon Alan</b>		
Notice from the Office of the Secretary .....	3875	
Order – s. 127(8).....	3896	
<b>Dynasty Gaming Inc.</b>		
Cease Trading Order.....	3909	
<b>Gahunia, Gurdip Singh</b>		
Notice of Hearing – ss. 37, 127, 127.1 .....	3874	
Notice from the Office of the Secretary .....	3877	
<b>Gahunia, Michael</b>		
Notice of Hearing – ss. 37, 127, 127.1 .....	3874	
Notice from the Office of the Secretary .....	3877	
<b>Goldbridge Financial Inc.</b>		
Notice from the Office of the Secretary .....	3875	
Temporary Order – ss. 127(1), 127(2).....	3897	
<b>Goldstake Explorations Inc.</b>		
Cease Trading Order.....	3909	
<b>GP Berkshire Capital Limited</b>		
Notice from the Office of the Secretary .....	3876	
Order – ss. 127(7), 127(8).....	3905	
<b>Grossman, Abraham Herbert</b>		
Notice of Hearing – ss. 37, 127, 127.1 .....	3874	
Notice from the Office of the Secretary .....	3877	
<b>Grossman, Allen</b>		
Notice of Hearing – ss. 37, 127, 127.1 .....	3874	
Notice from the Office of the Secretary .....	3877	
<b>GROWMARK, Inc.</b>		
Order – s. 74(1).....	3892	
<b>High River Gold Mines Ltd.</b>		
Cease Trading Order.....	3909	
<b>HMI Nickel Inc.</b>		
Decision – s. 1(10) .....	3879	

---

<b>HMZ Metals Inc.</b>		<b>MFDA Policy No. 2 - Minimum Standards for Account Supervision</b>	
Cease Trading Order .....	3909	Notice .....	3873
<b>ING Investment Management Inc./ING Gestion De Placements Inc.</b>		SRO Notices and Disciplinary Proceedings.....	3983
Change of Name .....	3981	<b>MFDA Rule 2.2 (Client Accounts)</b>	
<b>Intact Investment Management Inc./Intact Gestion De Placements Inc.</b>		Notice .....	3873
Change of Name .....	3981	SRO Notices and Disciplinary Proceedings.....	3983
<b>In-Touch Surveys Systems Ltd.</b>		<b>MFDA Rule 2.8 (Client Communications)</b>	
Cease Trading Order .....	3909	Notice .....	3873
<b>J.L. Kaplan Associates, LLC</b>		SRO Notices and Disciplinary Proceedings.....	3983
Consent to Suspension (Rule 33-501 Surrender of Registration).....	3981	<b>MFDA Rule 5.3 (Client Reporting)</b>	
<b>JonesTrading Canada Inc.</b>		Notice .....	3873
New Registration.....	3981	SRO Notices and Disciplinary Proceedings.....	3983
<b>Kefalas, Peter</b>		<b>Norshield Asset Management (Canada) Ltd.</b>	
Notice from the Office of the Secretary .....	3876	Notice from the Office of the Secretary .....	3876
<b>Lesperance, Shawn C.</b>		<b>O'Brien, Eric</b>	
Notice from the Office of the Secretary .....	3875	Notice of Hearing – ss. 37, 127, 127.1 .....	3874
Temporary Order – ss. 127(1), 127(2) .....	3897	Notice from the Office of the Secretary .....	3877
<b>Liard Resources Ltd.</b>		<b>Olympus United Group Inc.</b>	
Order – s. 144 .....	3906	Notice from the Office of the Secretary .....	3876
Cease Trading Order .....	3909	<b>Outlook Resources Inc.</b>	
<b>Loewen &amp; Partners Corporate Services Inc.</b>		Cease Trading Order.....	3909
Change of Name .....	3981	<b>Panama Opportunity Fund</b>	
<b>Loewen &amp; Partners Inc.</b>		Notice from the Office of the Secretary .....	3876
Change of Name .....	3981	Order – ss. 127(7), 127(8).....	3905
<b>M P Global Financial Ltd.</b>		<b>Richmond Energy Corp.</b>	
Notice from the Office of the Secretary .....	3874	Order – s. 1(10)(b).....	3903
Order.....	3892	<b>Rutledge, David</b>	
<b>Mankofsky, William</b>		Notice from the Office of the Secretary .....	3875
Notice of Hearing – ss. 37, 127, 127.1 .....	3874	Order – s. 127(8).....	3896
Notice from the Office of the Secretary .....	3877	<b>Shallow Oil &amp; Gas Inc.</b>	
<b>Maple Leaf Investment Fund Corp.</b>		Notice of Hearing – ss. 37, 127, 127.1 .....	3874
Notice of Hearing – ss. 127(7), 127(8) .....	3873	Notice from the Office of the Secretary .....	3877
Notice from the Office of the Secretary .....	3877	<b>Smith, Dale</b>	
Temporary Order – s. 127(1), 127(5) .....	3908	Notice from the Office of the Secretary .....	3876
<b>McQuarrie, Gord</b>		<b>Southeast Asia Mining Corp.</b>	
Notice of Hearing – ss. 37, 127, 127.1 .....	3874	Cease Trading Order.....	3909
Notice from the Office of the Secretary .....	3877	<b>Synergex Corporation</b>	
<b>Mellon Capital Management Corporation</b>		Cease Trading Order.....	3909
Decision – s. 7.1(1) of NI 33-109 Registration Information and s. 7.1(1) of OSC Rule 33-506 Registration Information.....	3885	<b>TD Asset Management Inc.</b>	
<b>Merge Cedara ExchangeCo Limited</b>		Decision.....	3883
Decision – s. 1(10).....	3887	<b>TEAL Exploration &amp; Mining Incorporated</b>	
		Decision – s. 1(10) .....	3880
		<b>Terminal City Capital Inc.</b>	
		Cease Trading Order.....	3909

<b>Victhom Human Bionics Inc.</b>	
Cease Trading Order .....	3909
<b>Viking Gold Exploration Inc.</b>	
Cease Trading Order .....	3909
<b>Waratah Coal Inc.</b>	
Decision .....	3890
<b>Wash, Kevin</b>	
Notice of Hearing – ss. 37, 127, 127.1 .....	3874
Notice from the Office of the Secretary .....	3877
<b>Weber, Wesley Wayne</b>	
Notice from the Office of the Secretary .....	3875
Temporary Order – ss. 127(1), 127(2) .....	3897
<b>Wedge Energy International Inc.</b>	
Cease Trading Order .....	3909
<b>Winslow Capital Management, Inc.</b>	
New Registration.....	3981
<b>Xanthoudakis, John</b>	
Notice from the Office of the Secretary .....	3876
<b>Zoloto Resources Ltd.</b>	
Cease Trading Order .....	3909

This page intentionally left blank