

The Ontario Securities Commission

OSC Bulletin

July 24, 2009

Volume 32, Issue 30

(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

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Fax: 416-593-8240

- Registrant Regulation:

Fax: 416-593-8283

Corporate Finance Branch

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Fax: 416-593-8244

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Fax: 416-593-3683

- Team 3:

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General Counsel's Office:

Fax: 416-593-3681

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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

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ISSN 0226-9325
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One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

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Table of Contents

<p>Chapter 1 Notices / News Releases 5865</p> <p>1.1 Notices 5865</p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission 5865</p> <p>1.1.2 CSA Staff Notice 51-329 – Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2009 5871</p> <p>1.1.3 CSA Staff Notice 51-312 (Revised) – Harmonized Continuous Disclosure Review Program 5878</p> <p>1.2 Notices of Hearing 5882</p> <p>1.2.1 Shallow Oil & Gas Inc. et al. – ss. 37, 127 5882</p> <p>1.3 News Releases 5883</p> <p>1.3.1 Canadian Securities Regulators Implement a New National Registration Regime 5883</p> <p>1.3.2 Canadian Securities Regulators Finalize Passport for Registrants and a Streamlined Review Policy for Registration in Multiple Jurisdictions 5888</p> <p>1.3.3 Canadian Securities Regulators Announce Results of Continuous Disclosure Reviews for Fiscal 2009 5890</p> <p>1.4 Notices from the Office of the Secretary 5892</p> <p>1.4.1 Shallow Oil & Gas Inc. et al. 5892</p> <p>1.4.2 Lehman Cohort Global Group Inc. et al. 5892</p> <p>Chapter 2 Decisions, Orders and Rulings 5893</p> <p>2.1 Decisions 5893</p> <p>2.1.1 Navina Capital Corp. et al. 5893</p> <p>2.1.2 Baylis Medical Company Inc. – s. 1(10) 5896</p> <p>2.1.3 Criterion Investments Limited and VenGrowth Capital Management Inc. 5897</p> <p>2.1.4 697937 Alberta Inc. (formerly Isotechnika Inc.) – s. 1(10) 5901</p> <p>2.1.5 CI Investments Inc. et al. 5902</p> <p>2.1.6 Fairfax Financial Holdings Limited and Advent Capital (Holdings) PLC 5904</p> <p>2.1.7 UBS Global Asset Management (Canada) Co. and the Funds Referenced in Schedule A – MRRS Decision 5907</p> <p>2.1.8 UBS Global Asset Management (Canada) Co. and UBS (Canada) Global Allocation Fund 5910</p> <p>2.1.9 Just Energy Exchange Corp. and Just Energy Income Fund 5912</p> <p>2.1.10 Western Goldfields Inc. – s. 1(10) 5921</p> <p>2.1.11 Silver Eagle Mines Inc. – s. 1(10) 5922</p> <p>2.2 Orders 5923</p> <p>2.2.1 Liberty Mines Inc. – s. 144 5923</p> <p>2.2.2 Lehman Cohort Global Group Inc. et al. – ss. 127(1), 127(8) 5924</p>	<p>2.3 Rulings 5925</p> <p>2.3.1 DHL Management Inc. – s. 74(1) 5925</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)</p> <p>3.1 OSC Decisions, Orders and Rulings (nil)</p> <p>3.2 Court Decisions, Order and Rulings (nil)</p> <p>Chapter 4 Cease Trading Orders 5931</p> <p>4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders 5931</p> <p>4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders 5931</p> <p>4.2.2 Outstanding Management & Insider Cease Trading Orders 5931</p> <p>Chapter 5 Rules and Policies (nil)</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 5933</p> <p>Chapter 8 Notice of Exempt Financings 5983</p> <p>Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 5983</p> <p>Chapter 9 Legislation (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings 5989</p> <p>Chapter 12 Registrations 5997</p> <p>12.1.1 Registrants 5997</p> <p>Chapter 13 SRO Notices and Disciplinary Proceedings 5999</p> <p>13.1.1 Notice – Technical Amendments to CDS Procedures Relating to New Web User Administration Function 5999</p> <p>13.1.2 MFDA Reschedules Hearing in the Matter of Michele and Jeffrey Longchamps 6001</p> <p>13.1.3 MFDA Issues Notice of Settlement Hearing Regarding Barry J. Raymer 6001</p> <p>13.1.4 MFDA Hearing Panel Approves Settlement Agreement with Barry J. Raymer 6002</p> <p>13.1.5 MFDA Announces Location of Aiden M. Kaley Settlement Hearing 6002</p> <p>13.1.6 MFDA Announces Location of Wayne Larson Hearing 6003</p> <p>13.1.7 MFDA Announces Location of Douglas Malech Hearing 6003</p> <p>Chapter 25 Other Information (nil)</p> <p>Index 6005</p>
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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 24, 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
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M5H 3S8

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Paulette L. Kennedy	—	PLK
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Carol S. Perry	—	CSP

SCHEDULED OSC HEARINGS

July 27, July 30-31; August 5-7, August 11-14, August 21, 2009

Shane Suman and Monie Rahman
s. 127 and 127(1)

C. Price in attendance for Staff

Panel: JEAT/PLK

9:00 a.m.

August 4, 2009

2:00 p.m.

August 10, 2009

August 17, 2009

1:00 p.m.

July 29, 2009

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

s. 127

J. Feasby in attendance for Staff

Panel: JEAT

9:00 a.m.

July 29, 2009

Lyndz Pharmaceuticals Inc., Lyndz Pharma Ltd., James Marketing Ltd., Michael Eatch and Rickey McKenzie

s. 127(1) and (5)

J. Feasby in attendance for Staff

Panel: JEAT

10:00 a.m.

August 10, 2009

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

s. 127

E. Cole in attendance for Staff

Panel: TBA

10:00 a.m.

August 18, 2009

Paul Iannicca

s. 127

H. Craig in attendance for Staff

Panel: TBA

2:30 p.m.

Notices / News Releases

August 18, 2009 2:30 p.m.	Tulsiani Investments Inc. and Sunil Tulsiani s. 127 A.Sonnen in attendance for Staff Panel: TBA	September 3, 4, and 9, 2009 9:30 a.m.	MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric
August 19, 2009 10:00 a.m.	Lehman Cohort Global Group Inc., Anton Schnedl, Richard Unzer, Alexander Grundmann and Henry Hehlsinger s. 127 H. Craig in attendance for Staff Panel: TBA	September 8, 2009 10:00 a.m.	s. 127 and 127(1) D. Ferris in attendance for Staff Panel: PJJ/CSP
August 20, 2009 10:00 a.m.	Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan s. 127 H. Craig in attendance for Staff Panel: TBA	September 3, 2009 10:00 a.m.	Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York s. 127 S. Horgan in attendance for Staff Panel: TBA
August 20, 2009 10:00 a.m.	Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale s. 127 H. Craig in attendance for Staff Panel: TBA	September 8-11, 2009 10:00 a.m.	Imagin Diagnostic Centres Inc., Patrick J. Rooney, Cynthia Jordan, Allan McCaffrey, Michael Shumacher, Christopher Smith, Melvyn Harris and Michael Zelyony s. 127 and 127.1 J. Feasby in attendance for Staff Panel: MGC/MCH
August 31, 2009 10:00 a.m.	Peter Sabourin, W. Jeffrey Haver, Greg Irwin, Patrick Keaveney, Shane Smith, Andrew Lloyd, Sandra Delahaye, Sabourin and Sun Inc., Sabourin and Sun (BVI) Inc., Sabourin and Sun Group of Companies Inc., Camdeton Trading Ltd. and Camdeton Trading S.A. s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: JEAT/DLK/CSP	September 9, 2009 10:00 a.m.	Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA
		September 10, 2009 10:00 a.m.	Shallow Oil & Gas Inc., Eric O'Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman s. 127(7) and 127(8) M. Boswell in attendance for Staff Panel: DLK

Notices / News Releases

September 10, 2009 10:30 a.m.	Abel Da Silva s. 127 M. Boswell in attendance for Staff Panel: DLK	September 29, 2009 2:30 p.m.	Paladin Capital Markets Inc., John David Culp and Claudio Fernando Maya s. 127 C. Price in attendance for Staff Panel: TBA
September 11, 2009 10:00 a.m.	M P Global Financial Ltd., and Joe Feng Deng s. 127(1) M. Britton in attendance for Staff Panel: JEAT	September 30 – October 23, 2009 10:00a.m.	Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited s. 127 M. Britton in attendance for Staff Panel: TBA
September 16, 2009 10:00 a.m.	Sextant Capital Management Inc., Sextant Capital GP Inc., Sextant Strategic Opportunities Hedge Fund L.P., Otto Spork, Robert Levack and Natalie Spork s. 127 S. Kushneryk in attendance for Staff Panel: JEAT	October 6, 2009 2:30 p.m.	Nest Acquisitions and Mergers and Caroline Frayssignes s. 127(1) and 127(8) C. Price in attendance for Staff Panel: TBA
September 21-25, 2009 10:00 a.m.	Swift Trade Inc. and Peter Beck s. 127 S. Horgan in attendance for Staff Panel: TBA	October 6, 2009 2:30 p.m.	IMG International Inc., Investors Marketing Group International Inc., and Michael Smith s. 127 C. Price in attendance for Staff Panel: TBA
September 21-28, September 30-October 2, 2009 10:00 a.m.	Goldpoint Resources Corporation, Lino Novielli, Brian Moloney, Evanna Tomeli, Robert Black, Richard Wylie and Jack Anderson s. 127(1) and 127(5) M. Boswell in attendance for Staff Panel: TBA	October 8, 2009 10:00 a.m.	Global Energy Group, Ltd. and New Gold Limited Partnerships s. 127 H. Craig in attendance for Staff Panel: DLK
September 29, 2009 2:30 p.m.	Adrian Samuel Leemhuis, Future Growth Group Inc., Future Growth Fund Limited, Future Growth Global Fund limited, Future Growth Market Neutral Fund Limited, Future Growth World Fund and ASL Direct Inc. s. 127(5) K. Daniels/A. Sonnen in attendance for Staff Panel: TBA	October 8, 2009 09:30 a.m.	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson s. 127 J. Superina in attendance for Staff Panel: TBA

<p>October 14, 2009 10:00 a.m.</p>	<p>Access Automation LLC, Access Fun Management, LLC, Access Fund, L.P., Gordon Alan Driver and David Rutledge</p> <p>s. 127</p> <p>M. Adams in attendance for Staff</p> <p>Panel: TBA</p>	<p>November 16 – December 11, 2009 10:00 a.m.</p>	<p>Sulja Bros. Building Supplies, Ltd. (Nevada), Sulja Bros. Building Supplies Ltd., Kore International Management Inc., Petar Vucicevich and Andrew DeVries</p> <p>s. 127 and 127.1</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>
<p>October 19- November 10; November 12-13, 2009 10:00 a.m.</p>	<p>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</p> <p>s. 127 and 127.1</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	<p>November 30, 2009 2:00 p.m.</p> <p>January 11, 2010 10:00 a.m.</p>	<p>Uranium308 Resources Inc., Uranium308 Resources PLC., Michael Friedman, George Schwartz, Peter Robinson, Alan Marsh Shuman and Innovative Gifting Inc.</p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p> <p>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
<p>October 20, 2009 10:00 a.m.</p>	<p>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</p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p> <p>TBA</p>	<p>Yama Abdullah Yaqeen</p> <p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p> <p>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</p> <p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: TBA</p>
<p>November 16, 2009 10:00 a.m.</p>	<p>Maple Leaf Investment Fund Corp. and Joe Henry Chau</p> <p>s. 127</p> <p>A. Sonnen in attendance for Staff</p> <p>Panel: TBA</p>		

TBA	<p>Frank Dunn, Douglas Beatty, Michael Gollogly</p> <p>s. 127</p> <p>K. Daniels in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Biovail Corporation, Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling</p> <p>s. 127(1) and 127.1</p> <p>J. Superina, A. Clark in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)</p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>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</p> <p>s. 127</p> <p>M. Boswell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</p> <p>s. 127</p> <p>A. Sonnen in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Gregory Galanis</p> <p>s. 127</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Andrew Keith Lech</p> <p>s. 127(10)</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>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</p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Andrew Keith Lech</p> <p>s. 127(10)</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>

TBA **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**

s. 127

H. Daley in attendance for Staff

Panel: TBA

TBA **Teodosio Vincent Pangia**

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA. **New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., L. Jeffrey Pogachar, Paola Lombardi and Alan S. Price**

s. 127

S. Kushneryk in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow

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

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

1.1.2 CSA Staff Notice 51-329 – Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2009

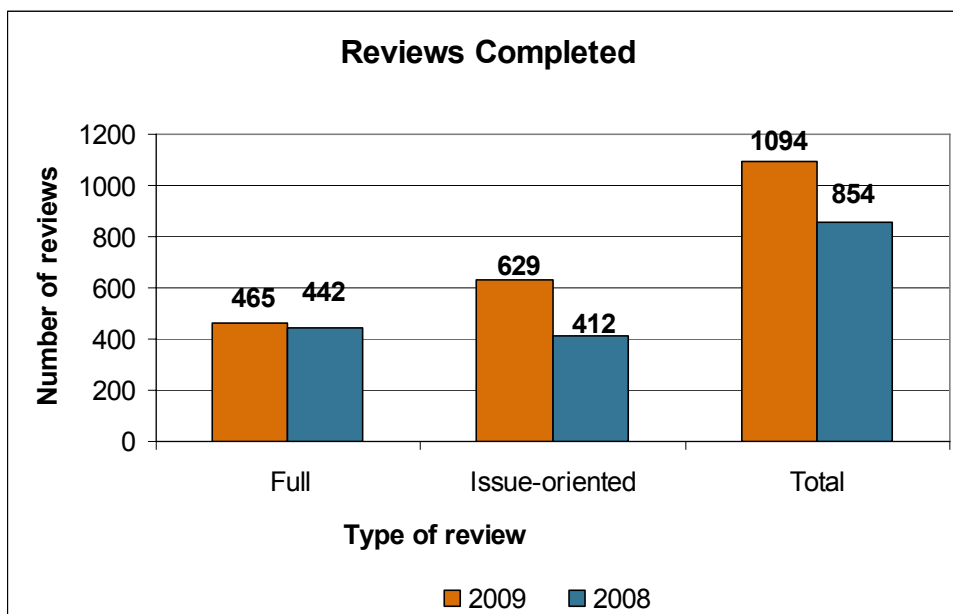
**CSA STAFF NOTICE 51-329
CONTINUOUS DISCLOSURE REVIEW PROGRAM
ACTIVITIES FOR THE FISCAL YEAR ENDED MARCH 31, 2009**

Purpose of this Notice

This notice summarizes the results of the Canadian Securities Administrators (CSA) continuous disclosure (CD) review program of reporting issuers other than investment funds for the fiscal year ended March 31, 2009 (fiscal 2009). It also highlights certain elements to assist issuers with their accounting and CD requirements as applicable to financial statements and management’s discussion and analysis (MD&A).

Results for fiscal 2009

There are approximately 4,300 reporting issuers (excluding issuers that have been cease-traded) other than investment funds in Canada. Staff of the jurisdictions of the CSA (we) continue to use a risk-based approach to select issuers for review and to determine the type of review to conduct (i.e. full or issue-oriented). Our risk-based approach allows us to focus on issues important to investors and respond to changing market conditions. This approach is discussed in CSA Staff Notice 51-312 (Revised) *Harmonized Continuous Disclosure Review Program*. In fiscal 2009, we completed 1,094 CD reviews among other scrutiny. This is a 28% increase from fiscal 2008, when we conducted a total of 854 CD reviews. The increase in total reviews reflects our increased focus on CD reviews in response to the current market conditions.



The above chart illustrates the composition of the type of reviews we conducted in fiscal 2009 compared to fiscal 2008. The level of full reviews conducted in fiscal 2009 is consistent with the previous year. The number of issue-oriented reviews increased by 53%. The majority of the increase in issue-oriented reviews (approximately 200 reviews) is a result of our increased scrutiny of the quality of the issuers’ disclosure in the last half of the year in response to the credit crisis and market turmoil.

Common deficiencies identified in full reviews

Generally, the deficiencies that we found in our full reviews were either in the MD&A (Form 51-102F1 *Management’s Discussion and Analysis* of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102)) or financial statements. The remaining deficiencies cover a cross section of the other CD documents. We have highlighted below some of the more common deficiencies.

1. MD&A

- repeating information from financial statements without providing sufficient analysis
- inadequate disclosure of liquidity and capital resources, including insufficient disclosure of working capital requirements and circumstances that could affect an issuer's sources of financing
- no or insufficient discussion about the risks and uncertainties expected to affect the issuer's future performance given the current economic conditions
- insufficient discussion of critical accounting estimates, including a lack of disclosure of assumptions underlying the accounting estimate
- lack of quantitative analysis in the results of operations' discussion
- no or limited disclosure of the adoption of new accounting policies
- inadequate related party disclosure
- disclosure of non-GAAP financial measures that do not meet the expectations of CSA Staff Notice 52-306 (Revised) *Non-GAAP Financial Measures*

2. Financial statements

- failing to appropriately measure financial instruments in accordance with accounting standards (e.g. fair value)
- failing to disclose the credit, liquidity and market risks associated with financial instruments, and the methodology and assumptions used to determine fair value
- lack of meaningful disclosure of an issuer's capital and how it is managed
- inadequate revenue recognition and lack of disclosure of an issuer's accounting policies on this topic
- lack of compliance with Section 3870 of the CICA Handbook *Stock-based Compensation and Other Stock-based Payments*
- non-compliance with segments disclosure, including failing to disclose the revenue allocation method and aggregating or omitting information about major customers
- failing to properly identify and account for variable interest entities

3. Other CD documents

- failing to prepare certificates in accordance with Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, improper certificates or insufficient discussion about disclosure controls and procedures in the MD&A
- failing to provide the disclosure required in National Instrument 52-110 *Audit Committees* and in National Instrument 58-101 *Disclosure of Corporate Governance Practices*
- failing to file mining and oil and gas technical reports in accordance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (NI 43-101) and National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) respectively

Issue-oriented reviews

In any given year, one or more CSA jurisdictions conduct issue-oriented reviews on topics we believe warrant regulatory scrutiny. CSA jurisdictions that do not participate in the issue-oriented reviews assess the issues while conducting their full CD reviews. In fiscal 2009, issue-oriented reviews were conducted by one or more jurisdictions on the following topics.

- market turmoil and credit crisis reviews
- defined benefit pension plan disclosures
- forward-looking information
- material contracts
- asset-backed commercial paper
- financial instruments
- inventory
- mining and oil & gas

The following section provides an overview of the issue-oriented reviews we conducted and the types of deficiencies we identified.

A. *Market turmoil and credit crisis reviews*

During the last six months of fiscal 2009, we focused our resources on issues related to the market turmoil and credit crisis. We conducted over 250 reviews of issuers to assess the transparency and completeness of disclosures. Areas of particular focus included financial services sector issuers and highly leveraged issuers at risk of liquidity problems. We requested issuers to include disclosure in future filings on:

- specific exposures to credit risk
- the methodology used to determine the allowance for credit losses
- the policies for managing capital in the current environment
- the assumptions used to determine fair value for financial instruments, including the process for assessing impairment
- additional disclosures of risks and exposures to loss related to off-balance sheet entities
- additional discussion related to liquidity and sources of cash.

In addition to these reviews, we published CSA Staff Notice 51-328 *Continuous Disclosure Considerations Relating to Current Economic Conditions* to assist reporting issuers in preparing their financial statements and MD&A in the current market environment.

B. *Asset-backed commercial paper (ABCP)*

We have closely monitored issuers with material holdings of ABCP since the market froze in August 2007. In fiscal 2009, we reviewed the valuation assumptions and disclosure of those issuers, given the additional information about the restructuring and underlying assets supporting the ABCP included in the March 2008 *Proposed Restructuring of Canadian Third-Party Structured Asset-backed Commercial Paper, Information for Noteholders* document and the guidance provided by the Accounting Standards Board in this area.

In the majority of these reviews we requested prospective enhancements of disclosures of assumptions to determine fair value. We also identified situations where issuers did not appropriately take into account all relevant inputs in their valuation models.

C. *Defined benefit pension plan*

The market turmoil has impacted the pension funding obligations of several issuers that we identified as having material defined benefit pension plans. In the majority of these reviews, we requested enhanced disclosure in the MD&A of:

- the risks related to the issuer's funding status
- the impact of the pension funding obligation on the issuer's capital, liquidity and financial position for the issuer's 2008 year end filing

D. Financial instruments

We conducted reviews to assess compliance with the implementation of the financial instruments disclosure standards effective for fiscal years beginning on or after October 1, 2007. These disclosure requirements focus on exposures to credit, liquidity and market risks, how these risks are managed, and policies and procedures for managing capital. Most of the issuers reviewed did not provide all of the required disclosures which resulted in prospective disclosure changes in the issuer's next financial statements filing.

The disclosures that were most consistently missed included a failure by issuers to:

- provide a meaningful discussion of the credit, liquidity and market risks facing an issuer
- discuss the methodology and assumptions used to determine fair market value
- provide a sensitivity analysis of an issuer's market risks

E. Forward-looking information (FLI)

We conducted reviews of filings to assess compliance with the FLI requirements of NI 51-102 which came into force on December 31, 2007. Common issues identified include a failure by issuers to:

- clearly identify material FLI statements included in their written disclosures
- state the material factors or assumptions used to support the material FLI
- separately disclose the material assumptions and the material risk factors

In addition, we reviewed the disclosure relating to previously disclosed material FLI and the issuers' policy for updating FLI. We reminded several issuers of their obligation to update previously disclosed material FLI. Among other things, we required issuers to remove from written statements any disclaimer indicating that the issuer does not intend to update the FLI.

F. Inventory

We conducted reviews to assess compliance with the new accounting requirements for inventory in CICA Handbook Section 3031 *Inventories*, effective for interim and annual financial statements for fiscal years beginning on or after January 1, 2008. The new standard reduces the number of alternatives for measurement of inventories, permits reversal of prior write-downs, requires impairment testing at each period and has increased disclosure requirements.

These reviews resulted in prospective enhancements including:

- disclosure in accounting policies adopted to measure inventory
- the carrying amount of inventory in classifications appropriate to the issuer
- the amount of inventory recognized as an expense

G. Material contracts

We conducted reviews to assess compliance with new and existing provisions in NI 51-102 concerning the redaction and omission of information from material contracts. As a result of the provisions, issuers are now prohibited from redacting or omitting information that would be necessary to understanding the contract. In addition, where information is redacted or omitted, the issuer must describe the missing information in the copy of the material contract that is filed. These reviews resulted in many issuers having to either refile or file material contracts.

H. Mining technical disclosure

We have conducted reviews on issuers engaged in mineral projects to assess compliance with requirements set out in NI 43-101. While there was general compliance among issuers, common issues identified include a failure to:

- name the qualified person in all documents containing scientific and technical information

- include the required disclosure for historical estimates, such as the source and date of the estimate
- file amended or new technical reports
- file or amend certificates or consents for the qualified person, or
- remove corporate presentations or other content from their website that did not comply with NI 43-101

I. Oil and gas technical disclosure

We have conducted reviews on issuers engaged in oil and gas activities to assess compliance with requirements set out in NI 51-101. While there was general compliance among issuers, common issues identified include a failure to:

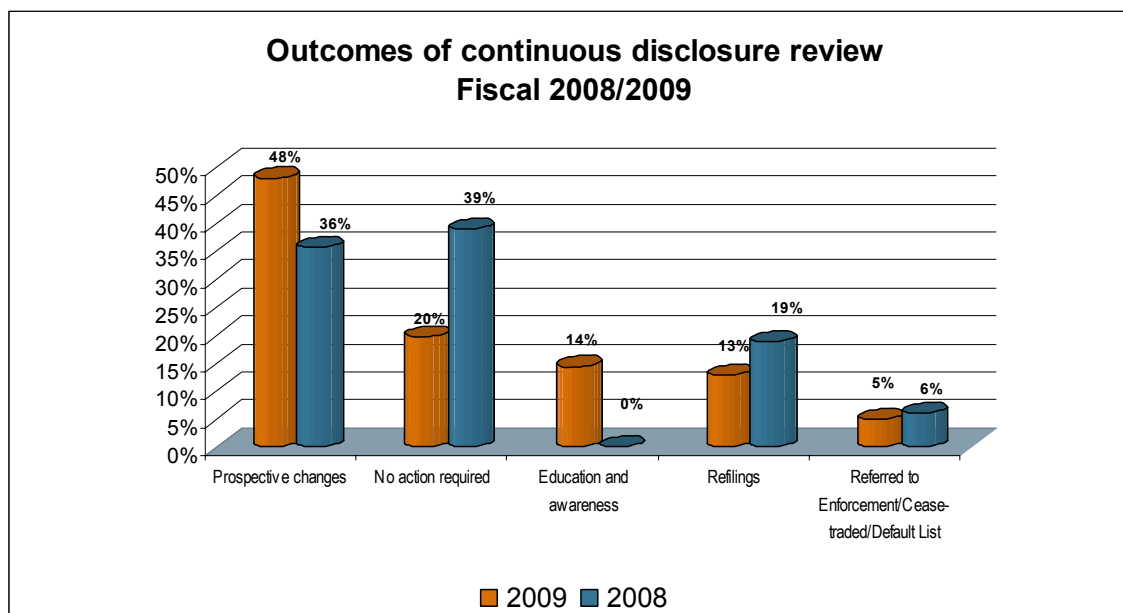
- include all of the information required under NI 51-101
- ensure that the information provided under NI 51-101 is consistent throughout the disclosure
- use terminology set out in the Canadian Oil and Gas Evaluation Handbook (COGEH)
- be consistent and accurate in the use of units of measurement within and between disclosure documents
- include gross or net values when required in annual oil and gas filings
- provide disclosure that is accurate and proportionate in respect of undeveloped reserves
- classify down to the most specific reserves or resources category
- include all required signatures on Form 51-101F3 *Report of Management and Directors on Oil and Gas Disclosure*
- disclose proved or probable reserves when disclosing possible reserves

Outcomes for fiscal 2009

We classify the outcomes of the full and issue-oriented reviews into the following five categories:

	Category	Description
1.	Prospective Changes	The issuer has been informed to make certain changes or enhancements in its next filing as a result of deficiencies identified.
2.	No action required	The issuer does not need to make any changes or additional filings.
3.	Education and Awareness	The issuer has been selected based on its particular risk profile and has received a proactive letter alerting it to certain disclosure enhancements that should be considered in its next filing.
4.	Refiling	The issuer must amend or refile certain CD documents.
5.	Cease trade order/Default list/Enforcement Referral	If the issuer has critical CD deficiencies, CSA regulators may add the issuer to their default lists, issue a cease trade order, or refer the issuer to Enforcement.

Given that we employ a risk-based approach to the selection of issuers for review, we generally select issuers at higher risk of requiring improvements in their disclosure.



The chart on the previous page shows the types of outcomes of the reviews for fiscal 2009 compared to fiscal 2008. Some of the reviews had more than one outcome (e.g. prospective changes, refillings). The prospective changes category increased to represent 48% of total outcomes, up from 36% in fiscal 2008. This increase is largely attributed to our focus on new accounting and disclosure requirements. The large decline in “no action required” outcomes is a result of the focus placed on the credit crisis reviews and targeting issuers with technical disclosure requirements. We also created a new category of “education and awareness” in fiscal 2009. This category captures the outcomes from the proactive reviews we conducted in the last half of the year in response to the market turmoil and credit crisis. For these proactive reviews, we identified issuers at higher risk of a specific disclosure issue and contacted them in advance of either their third quarter or annual CD filings to highlight specific areas where disclosure enhancements should be considered. This new proactive approach was employed to assist issuer in providing complete, transparent and timely disclosure to their investors.

Areas of focus for fiscal 2010

Our CD review program is risk based and is designed to respond to issues currently impacting issuers that are important to investors. In any given year, reporting issuers are affected by new accounting standards and regulatory changes and these are areas that we would generally incorporate into our CD review program. Some of the topics that may receive greater attention by our CD review program for fiscal 2010 include:

- valuation of goodwill, intangibles and asset impairments (CICA Handbook Section 3063 *Impairment of Long-lived Assets* and Section 3064 *Goodwill and intangible assets*)
- going concern issues including the new accounting requirements (CICA Handbook Section 1400.08A and 1400.08B *General Standards of Financial Statement Presentation*)
- disclosure relating to executive compensation in accordance with Form 51-102F6 *Statement of Executive Compensation* (in respect of financial years ending on or after December 31, 2008)
- disclosures of IFRS changeover plans in the MD&A (CSA Staff Notice 52-320 *Disclosure of Expected Changes in Accounting Policies Relating to Changeover to International Financial Reporting Standards*)
- disclosures and valuation of restructured ABCP Notes
- material contract requirements in NI 51-102
- National Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* requirements

Results by jurisdiction

The Alberta Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers publish reports summarizing the results of the CD review program in their jurisdictions. See the individual regulator's website for a copy of its report: www.albertasecurities.com, www.osc.gov.on.ca, www.lautorite.qc.ca.

For more information

For more information, contact any of the following people:

<p>Allan Lim Manager, Corporate Finance British Columbia Securities Commission 604-899-6780 Toll-free 800-373-6393 (in BC and Alberta) alim@bcsc.bc.ca</p> <p>Scott Pickard Senior Securities Analyst, Corporate Finance British Columbia Securities Commission 604-899-6720 Toll-free 800-373-6393 (in BC and Alberta) spickard@bcsc.bc.ca</p>	<p>Lisa Enright Manager, Corporate Finance Ontario Securities Commission 416-593-3686 lenright@osc.gov.on.ca</p> <p>Marie-France Bourret Accountant, Corporate Finance Ontario Securities Commission 416-593-8083 mbourret@osc.gov.on.ca</p>
<p>Lara Gaede Associate Chief Accountant Alberta Securities Commission 403-297-4223 lara.gaede@asc.ca</p> <p>Jonathan Taylor Manager, CD Compliance & Market Analysis Alberta Securities Commission 403-297-4770 jonathan.taylor@asc.ca</p>	<p>Nadine Gamelin Analyste, Service de l'information continue Autorité des marchés financiers 514-395-0337 ext. 4417 nadine.gamelin@lautorite.qc.ca</p>
<p>Ian McIntosh Deputy Director, Corporate Finance Saskatchewan Financial Services Commission 306-787-5867 ian.mcintosh@gov.sk.ca</p>	<p>Kevin Redden Securities Analyst, Corporate Finance Nova Scotia Securities Commission 902-424-5343 reddenkg@gov.ns.ca</p> <p>Junjie (Jack) Jiang Securities Analyst, Corporate Finance Nova Scotia Securities Commission 902-424-7059 jiangjj@gov.ns.ca</p>
<p>Bob Bouchard Director, Corporate Finance Manitoba Securities Commission 204-945-2555 bbouchard@gov.mb.ca</p>	<p>Kevin Hoyt Director, Regulatory Affairs & Chief Financial Officer New Brunswick Securities Commission 506-643-7691 kevin.hoyt@nbsc-cvmnb.ca</p>

July 24, 2009

1.1.3 CSA Staff Notice 51-312 (Revised) – Harmonized Continuous Disclosure Review Program

CSA STAFF NOTICE 51-312 (REVISED)

HARMONIZED CONTINUOUS DISCLOSURE REVIEW PROGRAM

Purpose

In 2004, staff (we) of the Canadian Securities Administrators (CSA) established a harmonized program for continuous disclosure reviews (the CDR program). The goal of the program is to improve the completeness, quality and timeliness of continuous disclosure (CD) by reporting issuers in Canada.

In July 2004, we issued CSA Staff Notice 51-312, which described the new program. This revised notice updates issuers, investors and other market participants on the CDR program. It also gives an overview of how the CDR program works.

Background

Under Canadian securities law, reporting issuers must provide timely CD about their businesses and affairs. Market participants, including investors, rely on this information to make informed investment decisions.

Most of the continuous disclosure requirements are in the following rules or regulations (the CD rules) :

- National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102)
- National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*
- National Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filing*
- National Instrument 52-110 *Audit Committees*
- National Instrument 58-101 *Disclosure of Corporate Governance Practices*
- National Instrument 43-101 *Standards of Disclosure for Mineral Projects*

The CD rules are intended to ensure that Canadian investors receive a uniformly high level of CD across the country. Through the CDR program, we are working to ensure that the scope and level of CD reviews carried out by staff across Canada are consistent.

Under the CDR program, the CSA regulators generally follow principles of mutual reliance. That means issuers deal only with staff of their principal regulator. Staff of the other regulators rely on the staff of the principal regulator on matters related to CD reviews.

Objectives of the CDR program

The CDR program helps ensure that issuers understand and comply with their obligations under the CD rules. Accordingly, the CDR program has two fundamental objectives: education and compliance.

Education

Issuers should understand the nature and extent of their disclosure obligations under the CD rules. We educate issuers through our interaction with them during our CD reviews. We also provide guidance through our publications, seminars, webcasts and other forums that address specific aspects of the CD rules.

Compliance

The CD review process helps us determine whether issuers are complying with their disclosure obligations under the CD rules. The CDR program is designed to identify material disclosure deficiencies and questionable transactions that affect the reliability and accuracy of an issuer's disclosure record.

Role of the principal regulator

The principal regulator is responsible for reviewing an issuer's CD information and taking any necessary steps to ensure that the issuer complies with its CD obligations. An issuer's principal regulator is determined by the principles set out in Part 3 of National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*.

The principal regulator is usually the regulator in the jurisdiction where the reporting issuer's head office is located. As a result, an issuer will generally only have to deal with staff of a single regulator on CD-related matters. It also allows staff in each jurisdiction to develop a greater understanding of their respective issuers, which helps enhance the efficiency and quality of CD reviews.

Selecting issuers for review

In general, we use a risk-based approach to select issuers for review and to determine the type of reviews to conduct. This approach takes into account the potential harm to Canadian capital markets if an issuer fails to provide complete, accurate and timely disclosure about its business and affairs.

We apply risk-based criteria to select issuers for review. We also consider specific issues and concerns affecting each industry. The selection criteria may change, for example, if certain disclosure-related issues gain greater public prominence, or the CSA develops a consensus or has concerns about particular accounting issues or disclosure practices. In addition to the risk-based criteria, individual jurisdictions may use criteria specific to their jurisdiction.

The CDR program has continued to evolve and we have now established industry discussion groups to facilitate the sharing of information. These discussion groups allows us to expand our knowledge and identify risks particular to specific industries. This approach also allows us to conduct CD reviews more efficiently and address the key risk areas, accounting issues and general disclosure issues affecting each industry.

Types of review

In general, we will conduct either a "full" review or an "issue-oriented" review.

Full review

A full review is broad in scope and covers many types of disclosure. A full review covers the issuer's most recent annual and interim financial statements and MD&A filed before the start of the review. For all other disclosure, the review covers a 12- to 15-month period before the start of the review. In certain cases, we may extend the scope of the review to cover prior periods. We monitor a reporting issuer's CD until we complete the review. Among other things, we usually review the issuer's:

- annual financial statements and management's discussion and analysis (MD&A)
- interim financial statements and MD&A
- technical disclosure, including technical reports for oil and gas, and mining issuers
- annual information forms (AIF)
- annual reports
- information circulars
- press releases, material change reports and business acquisition reports (BARs)
- website
- CFO and CEO certifications
- material contracts

We may also review media coverage and analysts' reports, if warranted.

Issue-oriented review

An issue-oriented review is an in-depth review focusing on a specific accounting, legal or regulatory issue that we believe warrants regulatory scrutiny. Issue-oriented reviews may be conducted locally by individual jurisdictions or co-ordinated across the CSA. The nature of the issue or issues identified determines the period we will review.

Review process

The primary focus of a CD review is to ensure an issuer's compliance with securities legislation. This includes compliance of its financial statements to generally accepted accounting principles.

We examine the consistency of disclosure in the issuer's CD record and the overall quality of the disclosure. In particular, we assess whether there is sufficient information for the reader to understand the issuer's financial performance, financial position, business risks and future prospects.

If we do not identify any issues, we close the CD review file. If we identify issues, we communicate them to the issuer, usually through a comment letter. We also ask the issuer to provide its audit committee and its auditors with a copy of all correspondence between the issuer and the principal regulator during the review.

In general, we expect issuers to provide a written response within two weeks of the date of the comment letter. The more complete and comprehensive the response is, the faster and more efficiently we can conclude the review. It will also reduce the need for additional follow up.

While the objective of a CD review is to improve the overall quality of an issuer's disclosure, the fact that an issuer has been the subject of a CD review does not guarantee the accuracy of its disclosure.

Resolving issues

We work with issuers to ensure that the issues identified during the review are resolved in a timely and appropriate manner.

When material deficiencies or errors are identified, we expect issuers to correct them by restating and re-filing the document. In some circumstances, we may ask the issuer to restate comparative information in financial statements in subsequent filings.

Under section 11.5 of NI 51-102, if an issuer has to restate or re-file a CD document because of a material deficiency or error, it must promptly issue and file a news release disclosing:

- the nature and substance of the change or proposed changes
- the general impact of the changes on previously filed information, and
- the steps the issuer will take before amending or filing restated CD document.

In certain situations, where we have identified a material deficiency or error during the CD review, we may place the issuer on our default lists or issue a cease-trade order.

If we identify a material breach of securities legislation and cannot resolve it with the issuer, we may consider recommending enforcement action against the issuer. If the issuer corrects the disclosure problem in the meantime, we may still pursue enforcement action. However, the correction will minimize the harm to investors and will generally be taken into account in considering whether any action is necessary.

For more information

For more information, contact one of the following people:

<p>Allan Lim Manager, Corporate Finance British Columbia Securities Commission 604-899-6780 Toll-free 800-373-6393 alim@bcsc.bc.ca</p> <p>Scott Pickard Senior Securities Analyst, Corporate Finance British Columbia Securities Commission 604-899-6720 Toll-free 800-373-6393 spickard@bcsc.bc.ca</p>	<p>Lisa Enright Manager, Corporate Finance Ontario Securities Commission 416-593-3686 lenrigh@osc.gov.on.ca</p> <p>Ritu Kalra Senior Accountant, Corporate Finance Ontario Securities Commission 416-593-8063 rkalra@osc.gov.on.ca</p>
<p>Jonathan Taylor Manager, CD Compliance & Market Analysis Alberta Securities Commission 403-297-4770 jonathan.taylor@asc.ca</p> <p>Lara Gaede Associate Chief Accountant Alberta Securities Commission 403-297-4223 lara.gaede@asc.ca</p>	<p>Nicole Parent Analyste, Service de l'information continue Autorité des marchés financiers 514-395-0337 ext. 4455 Toll-free 877-525-0337 nicole.parent@lautorite.qc.ca</p> <p>Johanne Boulerice Chef du service de l'information continue Autorité des marchés financiers 514-395-0337 ext. 4331 Toll-free 877-525-0337 johanne.boulerice@lautorite.qc.ca</p>
<p>Ian McIntosh Deputy Director, Corporate Finance Saskatchewan Financial Services Commission 306-787-5867 ian.mcintosh@gov.sk.ca</p> <p>Tony Herdzik Senior Securities Analyst, Corporate Finance Saskatchewan Financial Services Commission 306-787-5849 tony.herdzik@gov.sk.ca</p>	<p>Kevin Redden Securities Analyst, Corporate Finance Nova Scotia Securities Commission 902-424-5343 reddenkg@gov.ns.ca</p> <p>Junjie Jiang Securities Analyst, Corporate Finance Nova Scotia Securities Commission 902-424-7059 jiangjj@gov.ns.ca</p>
<p>Bob Bouchard Director, Corporate Finance Manitoba Securities Commission 204-945-2555 bob.bouchard@gov.mb.ca</p>	<p>Kevin Hoyt Director, Regulatory Affairs & Chief Financial Officer New Brunswick Securities Commission 506-643-7691 kevin.hoyt@nbsec-cvmnb.ca</p>

July 24, 2009

1.2 Notices of Hearing

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

**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 and 127)**

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 37 and 127 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 July 24th, 2009, at 10:00 a.m. or as soon thereafter as the hearing can be held.

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

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 16th day of July, 2009

"John Stevenson"
Secretary to the Commission

1.3 News Releases

1.3.1 Canadian Securities Regulators Implement a New National Registration Regime

FOR IMMEDIATE RELEASE
July 17, 2009

**CANADIAN SECURITIES REGULATORS IMPLEMENT
A NEW NATIONAL REGISTRATION REGIME**

Toronto – The Canadian Securities Administrators (CSA) today published new rules across Canada that apply to firms and individuals who deal in securities, provide investment advice or manage investment funds.

National Instrument 31-103 *Registration Requirements and Exemptions*, and related rules and amendments, create a new Canada-wide registration regime. This important initiative reflects an extensive consultation process that began in 2005.

“We have moved to harmonize, streamline and modernize the registration requirements and procedures across Canada,” said Jean St-Gelais, Chair of the CSA and President & Chief Executive Officer of the Autorité des marchés financiers (Québec). “The new registration regime is more flexible and easier to use, enhances investor protection and benefits industry by bringing increased efficiencies to the registration system.”

The new regime has higher proficiency standards for some registrants, and enhanced rules for consumer disclosure, referral arrangements, handling investor complaints, and disclosing and addressing conflicts of interest. It also introduces a registration requirement for investment fund managers, exempt market dealers and senior officers responsible for compliance.

There are currently some 2,000 firms and 130,000 individuals registered to deal or advise in securities. The new rules recognize that the registration regime must accommodate a wide variety of business models, scales of operation, clients and products.

National Instrument 31-103 *Registration Requirements and Exemptions* and related rules and amendments will come into force on September 28, 2009. They are available on various CSA members' websites.

On the same date, a streamlined process for dealer and adviser registration in multiple jurisdictions will come into force. Today, the CSA published the rule amendments, policy amendments and new policy necessary to implement this system, which replaces the current National Registration System and creates the passport system for registrants. The new national registration regime is the foundation for this system.

The CSA is also making some amendments to National Instrument 45-106 *Prospectus and Registration Exemptions* to further harmonize and streamline requirements for using some exemptions and to complement changes to the registration regime in National Instrument 31-103 *Registration Requirements and Exemptions*.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Carolyn Shaw-Rimington
Ontario Securities Commission
416-593-2361

Sylvain Thériège
Autorité des marchés financiers
514-940-2176

Mark Dickey
Alberta Securities Commission
403-297-4481

Ken Gracey
British Columbia Securities Commission
604-899-6577

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Wendy Connors-Beckett
New Brunswick Securities Commission
506-643-7745

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Notices / News Releases

Janice Callbeck
PEI Securities Office
Office of the Attorney General
902-368-6288

Doug Connolly
Financial Services Regulation Div.
Newfoundland and Labrador
709-729-2594

Fred Pretorius
Yukon Securities Registry
867-667-5225

Louis Arki
Nunavut Securities Office
867-975-6587

Donn MacDougall
Northwest Territories
Securities Office
867-920-8984

**NATIONAL INSTRUMENT 31-103
REGISTRATION REQUIREMENTS AND EXEMPTIONS**

BACKGROUNDER

Registration Reform Project

- The new national instrument is the centrepiece of the "Registration Reform Project". This is largest project ever undertaken by the Canadian Securities Administrators (CSA).
- The project involves the harmonization, streamlining and modernization of the different sets of registration rules that exist in each of the provinces and territories.
- Today, securities dealers and advisers must comply with different rules in each Canadian jurisdiction where they are registered to carry on business.
- Under the new regime, a single national instrument will govern their conduct and a single set of rules will lay out the procedures they need to follow to become registered.
- The related passport system and Ontario's interface with the passport system will mean a single point of contact for registration.
- A more comprehensive and up-to-date registration regime will not only provide for more efficient business operations, it will also help regulators discharge their important investor protection mandate.

Registration

- Securities industry professionals are required to register with the securities commission in each province or territory where they do business.
- Securities commissions have mandates to protect investors and foster fair and efficient capital markets. Registrants are screened for integrity, proficiency and solvency. They are registered in categories according to the type of business they do and must conduct business in compliance with regulations enforced by the commissions.
- The new registration regime published today will provide Canada-wide rules for the conduct of registrants and regulatory procedures they must follow.

History, goals and substance of Project

- The first concept paper for the registration reform project was published in February 2006.
- Rule proposals were published for comment in February 2007 and February 2008, with extensive consultation undertaken at each stage.
- A better system of registration requirements will help ensure investor protection and foster a more efficient business environment.
- Until now, the rules for the conduct of registrants were different for each province and contained in various rules within provinces. Now there will be basically just one set of rules.
- Harmonizing and streamlining regulations in this way will make it easier to regulate to a common standard across the country and easier for registrants to comply with the regulations.
- Some registration requirements needed to be modernized to reflect new concerns or new regulatory approaches. The new national instrument also addresses this need.
- The reforms will directly impact the approximately 2,000 firms and 130,000 individuals who are registered today.

Investor protection

- Investors often rely heavily on registrants.
- Examples of enhanced investor protection under the new registration regime:
 - A key element of the new regime is fostering a culture of compliance.
 - CEOs will have to register as the “ultimate designated person” who is responsible for the existence of an effective compliance system at their firms.
 - Firms must also register a chief compliance officer who will be responsible for day-to-day operation of the compliance system.
 - Those who administer investment funds (e.g. mutual funds) will be required to register for the first time (these are called “investment fund managers”).
 - Dealers who sell securities under certain exemptions from the usual requirements under securities regulations will have to register for the first time (these are called “exempt market dealers”; currently only Ontario and Newfoundland and Labrador have a similar requirement but it is less comprehensive).
 - There are new requirements for referral arrangements, handling investor complaints and risk-based capital and insurance.
 - There are expanded requirements for consumer disclosure, and disclosing and addressing conflicts of interest.
 - There are higher proficiency requirements for some registration categories.

Business efficiency

- Examples of fostering efficient business environment under the new registration regime:
 - Common requirements across Canada for the first time.
 - Over 30 individual categories of registration will be reduced to five and 60 firm categories reduced to eight.
 - Registered individuals will be able to transfer automatically between employers as long as no concerns are raised on their conduct.
 - Firms will no longer have to renew their registration every year
 - Rules will be more flexible in some areas with a less prescriptive approach in recognition that registered firms vary greatly in their size and the range of business they undertake.
 - New registration categories accommodate specialized operations.
 - The requirement to register for dealers will be driven by whether or not they are actually in the business of trading securities (this is called the “business trigger”) – instead of today’s sometimes very technical requirement that can capture trading activity incidental to a firm’s primary business.

Streamlined procedures

- In addition to NI 31-103, the registration reform project includes revisions to the rules that govern registration procedures.
- Efficiencies for industry have been achieved with the removal of regulatory burdens that do not enhance investor protection.
- Registration procedures are set out in the National Registration Database (NRD) rules, which have been amended, and in the passport system and Ontario’s passport interface.

- The passport system allows individuals and firms to register in more than one province or territory by dealing only with the "principal regulator". Although Ontario is not adopting the passport system, it can be a principal regulator under that system. This means Ontario-based registrants only need to deal with the OSC, even when they are also active in other parts of Canada. The CSA has also today issued a press release concerning the publication of the passport rules.

Securities Act amendments

- Provinces and territories have amended their Securities Acts to accommodate the new registration regime in their legislative framework. Most recently, Ontario has adopted such amendments in its budget bill that received Royal Assent in June (Bill 162, the *Budget Measures Act, 2009*). Quebec adopted the Act amendments in its Bill 8 (*an Act to amend the Securities Act and other legislative provisions*), also assented in June.

Transition to new regime

- Guidance to the industry on how the new registration regime will be implemented by regulators is set out in CSA Notice 31-311 *Transition into new Registration Regime under NI 31-103*, which was published on June 12, 2009.

1.3.2 Canadian Securities Regulators Finalize Passport for Registrants and a Streamlined Review Policy for Registration in Multiple Jurisdictions

**FOR IMMEDIATE RELEASE
July 17, 2009**

**CANADIAN SECURITIES REGULATORS FINALIZE
PASSPORT FOR REGISTRANTS AND A STREAMLINED REVIEW POLICY
FOR REGISTRATION IN MULTIPLE JURISDICTIONS**

Vancouver – The Canadian Securities Administrators (CSA) today published the final version of a new streamlined process for dealer and adviser registration in multiple jurisdictions, making the passport system available to registrants.

All CSA jurisdictions (except Ontario) have approved the rule and policy amendments. CSA members in all provinces and territories (including Ontario) have approved a new policy containing procedures for registration in multiple jurisdictions. It includes an interface system for firms and individuals in passport jurisdictions to register in Ontario.

“With the extension of passport to dealers and advisers, the passport system will be fully implemented,” said CSA Chair Jean St-Gelais. “This final phase of passport will give market participants faster and simpler access to the Canadian capital markets and will benefit investors in all provinces and territories.”

Amending Multilateral Instrument 11-102 *Passport System* to extend passport to the dealer and adviser community is the last step in fulfilling a major commitment in the memorandum of understanding regarding securities regulation among the governments of passport jurisdictions. Ontario is not a passport jurisdiction.

The new policy, National Policy 11-204 *Process for Registration in Multiple Jurisdictions*, will replace and streamline the current National Registration System and establish the process for obtaining registration in multiple jurisdictions, including Ontario.

The foundation for passport is a set of harmonized regulatory requirements consistently interpreted and applied throughout Canada. The amendments to the passport instrument and the new national policy will be implemented concurrently with National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103), which harmonizes and simplifies the registration regime in Canada. The CSA published NI 31-103 and the related instruments and amendments today. We expect to implement NI 31-103 and the related instruments on September 28, 2009.

The amendments, new policy, and related documents are available on various CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Ken Gracey
British Columbia Securities Commission
604-899-6577

Sylvain Th  berge
Autorit   des march  s financiers
514-940-2176

Mark Dickey
Alberta Securities Commission
403-297-4481

Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Doug Connolly
Financial Services Regulation Div
Newfoundland and Labrador
709-729-2594

Natalie MacLellan
Nova Scotia Securities Commission
902-424-8586

Fred Pretorius
Yukon Securities Registry
867-667-5225

Wendy Connors-Beckett
New Brunswick Securities Commission
506-643-7745

Louis Arki
Nunavut Securities Office
867-975-6587

Janice Callbeck
PEI Securities Office
Office of the Attorney General
902-368-6288

Carolyn Shaw-Rimmington
Ontario Securities Commission
416-593-2361

Donn MacDougall
Northwest Territories
Securities Office
867-920-8984

1.3.3 Canadian Securities Regulators Announce Results of Continuous Disclosure Reviews for Fiscal 2009

**FOR IMMEDIATE RELEASE
July 24, 2009**

**CANADIAN SECURITIES REGULATORS ANNOUNCE
RESULTS OF CONTINUOUS DISCLOSURE REVIEWS
FOR FISCAL 2009**

Toronto – The Canadian Securities Administrators (CSA) today published a staff notice that summarizes the results of the continuous disclosure (CD) review program for the fiscal year ended March 31, 2009.

During this period, the CSA completed 1,094 CD reviews, consisting of 465 full reviews and 629 issue-oriented reviews. This total number of reviews represents an increase of 28 per cent from fiscal 2008 when 854 CD reviews were conducted by the CSA. The increase is largely attributable to the number of issue-oriented reviews conducted into specific areas including market turmoil, asset-backed commercial paper, defined benefit pension plan disclosures and financial instruments.

“In response to current market conditions, CSA members are conducting more continuous disclosure and issue-oriented reviews. We are focusing on financial services sector issuers and highly leveraged issuers at risk of liquidity problems,” said Jean St-Gelais, CSA Chair and President & Chief Executive Officer of the Autorité des marchés financiers. “These reviews are vital in promoting confidence in our marketplace and we will continue to place a high emphasis on the quality, transparency and completeness of disclosure to investors.”

The CSA has established a risk based CD review program that is designed to respond to issues currently impacting issuers and of importance to investors. The CSA also utilizes a risk based approach to the selection of issuers for review, generally selecting issuers at higher risk of requiring improvements to their disclosure.

Following a full or issue-oriented review, results are classified into one or more of five categories, depending on the seriousness of the matters noted. This year, 48 per cent of the reporting issuers selected for CD reviews fell into the category of “prospective changes required”. This is an increase of 35 percent over last year and is largely due to an increased focus by the CSA on new accounting and disclosure requirements.

Out of the total reporting issuers reviewed, 20 per cent of those reviewed required no action and 14 per cent were contacted and alerted to specific areas where disclosure enhancements should be considered. A further 13 per cent were required to amend or refile certain CD documents, and five per cent were either cease traded, placed on a default list or referred to Enforcement.

There are 4,300 reporting issuers in Canada, other than investment funds, that are subject to regular full and issue-oriented reviews as part of the CSA CD review program.

CSA Staff Notice 51-329 *Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2009* is available on various CSA members' websites.

The CSA, the council of the securities regulators of Canada's provinces and territories, co-ordinates and harmonizes regulation for the Canadian capital markets.

For more information:

Carolyn Shaw-Rimmington
Ontario Securities Commission
416-593-2361

Sylvain Théberge
Autorité des marchés financiers
514-940-2176

Mark Dickey
Alberta Securities Commission
403-297-4481

Andrew Poon
British Columbia Securities Commission
604-899-6880

Ainsley Cunningham
Manitoba Securities Commission
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New Brunswick Securities Commission
506-643-7745

Natalie MacLellan
Nova Scotia Securities Commission
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Barbara Shourounis
Saskatchewan Financial Services Commission
306-787-5842

Notices / News Releases

Janice Callbeck
PEI Securities Office
Office of the Attorney General
902-368-6288

Doug Connolly
Financial Services Regulation Div.
Newfoundland and Labrador
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Nunavut Securities Office
867-975-6587

Donn MacDougall
Northwest Territories
Securities Office
867-920-8984

1.4 Notices from the Office of the Secretary

1.4.1 Shallow Oil & Gas Inc. et al.

**FOR IMMEDIATE RELEASE
July 20, 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 William Mankofsky. The hearing will be held on July 24, 2009 at 10:00 a.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 July 16, 2009 is available at www.osc.gov.on.ca.

**OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY**

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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 Lehman Cohort Global Group Inc. et al.

**FOR IMMEDIATE RELEASE
July 21, 2009**

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

AND

**IN THE MATTER OF
LEHMAN COHORT GLOBAL GROUP INC.,
ANTON SCHNEDL, RICHARD UNZER,
ALEXANDER GRUNDMANN AND
HENRY HEHLSINGER**

TORONTO – Following a hearing held today, the Commission issued an Order which provides that (1) pursuant to section 127(8) that the Temporary Order is extended to August 20, 2009; and (2) the hearing is adjourned to August 19, 2009, at 10:00 a.m., or to such other date as is determined by the Office of the Secretary.

A copy of the Order dated July 21, 2009 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Navina Capital Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from section 2.1 of NI 81-101 to permit top fund to qualify its units for distribution by long form prospectus using Form 41-101F2 rather than by simplified prospectus using Form 81-101F1; from sections 2.1(1), 2.5(2)(a) and 2.5(2)(c) of NI 81-102 to permit its investment in bottom fund through forward contract, bottom fund to operate in accordance with NI 81-102 and be a reporting issuer pursuant to a non-offering prospectus; from section 3.3 of NI 81-102 to permit it initially to bear the expenses of the offering, section 10.3 of NI 81-102 to permit it to process redemptions of its units at their NAV per unit determined on a weekly redemption date and section 12.1(1) of NI 81-102 to relieve it from the compliance reporting prescribed by that section.

Applicable Legislative Provisions

National Instrument 81-101 Mutual Fund Prospectus Disclosure, ss. 2.1, 6.1.

National Instrument 81-102 Mutual Funds, 2.1(1), 2.5(2)(a), 2.5(2)(c), 3.3, 10.3, 12.1(1), 19.1.

May 21, 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
NAVINA CAPITAL CORP. (the Manager),
NAVINA/LAZARD U.S. HIGH YIELD
BOND FUND (the Top Fund) and
NAVINA/LAZARD STRATEGIC TRUST
(the Bottom Fund and, together with the
Top Fund, the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Top Fund for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting it from the following requirements of National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* (**NI 81-101**) and National Instrument 81-102 – *Mutual Funds* (**NI 81-102**) (the **Requested Relief**):

- (a) Section 2.1 of NI 81-101 to permit it to qualify its units for distribution by long form prospectus using Form 41-101F2 prescribed under National Instrument 41-101 – *General Prospectus Requirements* (**NI 41-101**) rather than by simplified prospectus using Form 81-101F1 prescribed under NI 81-101;
- (b) Section 2.1(1) of NI 81-102 to permit it to enter into the Forward Agreement (as defined below) to indirectly invest more than 10% of its net assets in the Bottom Fund;
- (c) Sections 2.5(2)(a) and 2.5(2)(c) of NI 81-102 to permit it to make and hold an indirect investment through the Forward Agreement (as defined below) in the Bottom Fund;
- (d) Section 3.3 of NI 81-102 to permit it initially to bear the expenses of the Offering (as defined below);
- (e) Section 10.3 of NI 81-102 to permit it to process redemptions of its units at their net asset value (**NAV**) per unit determined on the Redemption Date (as defined below); and
- (f) Section 12.1(1) of NI 81-102 to relieve it from the compliance reporting prescribed by that section.

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

1. The Ontario Securities Commission is the principal regulator for this application; and
2. The Top Fund has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in each of the provinces of Canada other than the province of Ontario.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* and MI 11-102 have the same meaning in this decision unless they are otherwise defined in this decision.

Representations

This decision is based on the following facts represented by the Top Fund:

1. The Top Fund is a mutual fund trust governed by the laws of Ontario. The Top Fund proposes to issue two classes of units, Class A units and Class F units (the Offering).
2. The Top Fund's investment objectives are to provide its unitholders with: (a) monthly tax-efficient distributions initially targeted to be \$0.058 per unit (\$0.70 per annum to yield 7.0% on the \$10.00 per unit issue price); and (b) the opportunity for capital appreciation by obtaining exposure to an actively managed portfolio comprised primarily of U.S. dollar denominated high yield corporate bonds (the Portfolio). The Top Fund will obtain exposure to the Portfolio by entering into a forward agreement (the Forward Agreement).
3. The Bottom Fund will be a newly created mutual fund trust governed by the laws of Ontario established to acquire the Portfolio.
4. The Top Fund will invest the net proceeds of the Offering in a portfolio of common shares of Canadian public companies (the Common Share Portfolio). The Top Fund will then enter into the Forward Agreement with a Canadian chartered bank or an affiliate of a Canadian chartered bank whose obligations are guaranteed by a Canadian chartered bank (the Counterparty). Pursuant to the Forward Agreement, the Counterparty will agree to pay to the Top Fund on or before the third anniversary of the closing of the Offering (the Forward Termination Date), as the purchase price for the Common Share Portfolio, an amount equal to 100% of the redemption proceeds of a corresponding number of units of the Bottom Fund. The Top Fund will partially settle the Forward Agreement prior to the Forward Termination Date in order to fund monthly tax-efficient distributions as well as redemptions of its units by its unitholders from time to time and for payment of expenses of the Top Fund.
5. The Top Fund filed a preliminary long form prospectus dated April 7, 2009 on SEDAR under SEDAR Project #1402288 in all provinces of Canada in respect of the Offering (the Preliminary Prospectus) and intends to file and obtain a receipt for a final prospectus (the Final Prospectus).

6. Units of the Top Fund will not be listed on an exchange.
7. The Bottom Fund filed a preliminary long form non-offering prospectus dated April 14, 2009 on SEDAR under SEDAR Project #1404655 in Ontario and Quebec and intends to file and obtain a receipt for a final prospectus.
8. Units of the Bottom Fund will be made available only to the Counterparty based on applicable exemptions from the prospectus requirements contained in securities legislation.
9. The Bottom Fund has not and will not offer its units by prospectus and will therefore not be subject to NI 81-101 or NI 81-102. However, the Bottom Fund will operate in accordance with NI 81-102.
10. The Manager is the manager of both Funds. The Manager has retained Lazard Asset Management (Canada) Inc. (the Portfolio Advisor) to provide investment advisory services to the Bottom Fund and to acquire the Common Share Portfolio on behalf of the Top Fund in consultation with the Counterparty. The Portfolio Advisor is registered in Ontario in the category of Non-Canadian Adviser (Investment Counsel & Portfolio Manager). The Portfolio Advisor will appoint Lazard Asset Management LLC (the Sub-Advisor) as its sub-advisor. The Portfolio Advisor will be responsible for all investment advisory services that are provided to the Funds by the Sub-Advisor.
11. The head office of the Manager is located in Ontario. The Manager and the Funds are not in default of securities legislation in any jurisdiction.
12. The Top Fund intends initially to bear the expenses of the Offering to a maximum of 1.5% of the gross proceeds of the Offering. However, the Manager has agreed to reimburse the Top Fund for those expenses in quarterly instalments equal to one quarter of 1% of the NAV per annum of the Top Fund over a period of eight years commencing on or before September 30, 2009. This obligation will be evidenced by a promissory note to be issued to the Top Fund by the Manager at the closing of the Offering which will bear interest from the date of issue at the prime rate of interest posted by the Top Fund's primary lender from time to time (the Note). The balance of the Note outstanding on the due date will be paid by the Manager on the due date. The Note will be allocated between the Class A units and the Class F units of the Top Fund on the basis of their respective NAVs. If units of the Top Fund are redeemed, the pro rata portion of the Note then outstanding will be forgiven and the Note then outstanding will be reduced by that portion.

13. The Offering will not close unless the minimum proceeds are achieved and all investors purchasing pursuant to the Offering will be subject at the same time to the same expenses of the Offering borne by the Top Fund. The Final Prospectus for the Top Fund will fully disclose the approximate expected amount of the expenses of the Offering. The estimated expenses of the Offering are not expected to have a significant impact on the NAV of the Top Fund.
14. The NAV and the NAV per unit of each class of the Top Fund will be calculated every business day. However, the Top Fund's units will only be redeemable commencing 30 days following the closing of the Offering and at their NAV per unit (less any costs of funding the redemption and less the pro rata portion of the Note then outstanding) determined on the last business day of each week (the Redemption Date). Since redemption requests may be made at any time with a cut-off of 5 business days prior to the Redemption Date, the redemption price may not be the NAV next determined after receipt by the Top Fund of the redemption order. The redemption process is disclosed in the Preliminary Prospectus and will be disclosed in the Final Prospectus.
15. The Top Fund intends:
- (a) The Offering to be a one-time offering through the investment dealer channel like any other one-time offering of units through the investment dealer channel, except that it intends to provide liquidity by redemptions at the NAV per unit on the Redemption Date of its units only and does not intend to list its units on any exchange;
 - (b) Its structure to provide tax-efficient distributions from the Top Fund to investors; and
 - (c) By not listing its units on an exchange, to attempt to improve secondary market trading issues that have developed for listed units of closed-end funds, including that: (i) they tend to trade at a discount to NAV; (ii) they often carry a large bid/ask spread; and (iii) low volumes can mean that an investor with a significant position can move the market lower if that investor tries to sell his/her entire holding.
16. While the Top Fund will be a mutual fund under securities legislation, it will therefore differ from a conventional mutual fund in that:
- (a) It will not be in continuous distribution; and
 - (b) The initial public offering of its units will be conducted through the investment dealer channel, as is the case for non-redeemable investment funds.
17. The Preliminary Prospectus discloses and the Final Prospectus will disclose the investment objectives and strategies, the fees and expenses and organization and management of the Funds and all risks related to investing in the Funds including as they relate to the structure used by the Funds.
18. Absent obtaining the relief requested from Section 2.1 of NI 81-101, the Top Fund would be required to qualify its units by simplified prospectus using Form NI 81-101F1. The disclosure requirements of Form NI 81-101F1 are not intended for investment funds making a one-time offering through the investment dealer channel. The use of the simplified prospectus form to sell units of the Top Fund in the investment dealer channel may create confusion and may consequently negatively impact the marketing of the units of the Top Fund.
19. Absent obtaining the relief requested from Section 2.1(1) of NI 81-102, the Top Fund may not enter into the Forward Agreement to indirectly invest more than 10% of its net assets in the Bottom Fund and, absent obtaining the relief requested from Sections 2.5(2)(a) and 2.5(2)(c) of NI 81-102, the Top Fund may not make and hold an indirect investment through the Forward Agreement in the Bottom Fund. The Funds will otherwise comply with the requirements of section 2.5 of NI 81-102.

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 Requested Relief is granted provided that:

- (a) The Top Fund files a final prospectus that is a long form prospectus in the form of Form 41-101F2 prescribed under NI 41-101;
- (b) The Top Fund is subject to NI 81-102 and the Bottom Fund will operate in accordance with NI 81-102;
- (c) The exposure of the Top Fund to securities of the Bottom Fund is in accordance with the fundamental investment objectives of the Top Fund;
- (d) The Final Prospectus discloses that the Top Fund will obtain exposure to

- securities of the Bottom Fund and the risks associated with such an investment;
- (e) No securities of the Bottom Fund are distributed in Canada other than to the Counterparty under the Forward Agreement;
 - (f) The indirect investment by the Top Fund in securities of the Bottom Fund through the Forward Agreement is made in compliance with each provision of section 2.5 of NI 81-102, except for sections 2.5(2)(a) and 2.5(2)(c) of NI 81-102; and
 - (g) The expenses of the Offering borne by the Top Fund do not exceed 1.5% of the Offering.

“Darren McKall”
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.2 Baylis Medical Company Inc. – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

July 16, 2009

Ogilvy Renault LLP
1, Place Ville Marie
Suite 2500
Montréal, QC H3B 1R1

Attention: Paul Beaudry

Dear Sirs/Mesdames:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

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

2.1.3 Criterion Investments Limited and VenGrowth Capital Management Inc.

Headnote

MP 11-102 and NP 11-203 – exemption granted from s. 2.3(e) of NI 81-102 to permit the Fund to invest up to 100% of its net assets in gold, and from s. 2.3(f) and (h) of NI 81-102 to permit the Fund to invest up to 5% of its net assets in each of silver, platinum and palladium.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.3(e), (f) and (h), 19.1.

July 16, 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
CRITERION INVESTMENTS LIMITED AND
VENGROWTH CAPITAL MANAGEMENT INC.
(collectively, the “Filers”)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers with respect to certain mutual funds managed by them for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”):

- (a) approving a change of the manager of the mutual funds listed in Schedule “A” (the “**VCMI Managed Funds**”), and a change of control of the manager of the mutual funds listed in Schedule “B” (the “**CIL Managed Funds**”, together with the VCMI Managed Funds, the “**Funds**”) in accordance with sections 5.5(1)(a) and 5.5(2) of National Instrument 81-102 – *Mutual Funds* (“**NI 81-102**”) (the “**Approval Sought**”); and
- (b) granting relief from the requirement in section 5.8(1)(a) of NI 81-102 to provide notice of the change of control of the manager to all securityholders of the CIL Managed Funds (the “**Exemption Sought**”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the Filers have provided notice that Section 4.7(1) of Multilateral Instrument 11-102 *Passport System (MI 11-102)* is intended to be relied upon in each of the other provinces of Canada (together with the Jurisdiction, the “**Jurisdictions**”).

Interpretation

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

Representations

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

The Managers

VenGrowth Capital Management Inc.

1. VenGrowth Capital Management Inc. (“**VCMI**”) was incorporated on June 9, 2004 under the *Business Corporations Act* (Ontario).
2. VCMI acts as the manager of the VCMI Managed Funds and is responsible for managing the overall business and operations of the VCMI Managed Funds. VCMI typically handles and oversees all day-to-day operations of the VCMI Managed Funds and also provides investment management services to some of the Funds.
3. Both of the VCMI Managed Funds offer securities on a continuous basis.
4. Neither of the VCMI Managed Funds is on any list of defaulting reporting issuers maintained by the local securities regulatory authority in each of the Jurisdictions (the “**Regulators**”).

Criterion Investments Limited

5. Criterion Investments Limited (“**CIL**”) was incorporated on July 25, 1994 under the *Business Corporations Act* (Ontario).
6. CIL is an affiliate of VenGrowth Asset Management Inc. CIL is also an affiliate of VCMI.
7. CIL acts as the manager and trustee of the CIL Managed Funds and is responsible for managing the overall business and operations of the CIL Managed Funds. CIL typically handles and oversees all day-to-day operations of the CIL Managed Funds.

8. All of the CIL Managed Funds offer securities on a continuous basis.
9. None of the CIL Managed Funds are on any list of defaulting reporting issuers maintained by the Regulators.

The Purchaser

First Asset Capital Corp.

10. First Asset Capital Corp. (“**FACC**” or the “**Purchaser**”) was incorporated on May 8, 2006 under the *Business Corporations Act* (Ontario).
11. FACC is a Toronto-based financial services holding company with investments in a diverse group of investment management firms.

First Asset Investment Management Inc.

12. First Asset Investment Management Inc. (“**FAIMI**”), an affiliate of FACC, was amalgamated on August 1, 2002 pursuant to the *Business Corporations Act* (Ontario) and will act as the manager of the VCMI Managed Funds following the completion of the Acquisition (as defined below).
13. None of the investment vehicles managed by FACC’s affiliates are on any list of defaulting reporting issuers maintained by the Regulators.

The Acquisition

14. CIL has entered into a share purchase agreement dated June 23, 2009 (the “**Agreement**”) with the Purchaser pursuant to which the Purchaser will acquire all of the issued and outstanding shares in the capital of a wholly-owned subsidiary of CIL (“**Newco**”) (the “**Acquisition**”). The Acquisition is expected to close on or about July 31, 2009.
15. Pursuant to the terms of the Agreement, CIL will assign and transfer all of its entitlements, rights and responsibilities relating to the CIL Managed Funds for which it acts as manager, administrator or advisor to Newco immediately prior to the closing of the Acquisition.
16. Immediately prior to the closing of the Acquisition, VCMI will assign and transfer all of its entitlements, rights and responsibilities relating to the VCMI Managed Funds for which it acts as manager, administrator or advisor to FAIMI.
17. Certain personnel for the managers of the Funds who have been involved in the management and oversight of the Funds will be employed by First Asset, including the current president of CIL.

Decisions, Orders and Rulings

18. There will be no changes to the fundamental investment objectives and strategies relating to each of the Funds as a result of the Acquisition.
19. There will be no changes to the investment advisors of the Criterion Global Clean Energy Fund, Criterion International Equity Fund or the Criterion Water Infrastructure Fund as a result of the Acquisition. For Criterion Diversified Commodities Currency Hedged Fund, Criterion Global Dividend Fund and Criterion U.S. Buyback Fund, the investment advisor will change from VCMI to FAIMI.
20. The selection of security holdings for the Funds are selected either by a third party sub-advisor or in accordance with a movement in a prescribed index or on a rule-based approach.
21. There will be no changes to the current sub-advisors or index providers as a result of the Acquisition.

Change of Control/Change of Manager

22. The Acquisition will result in a change of control of the manager for the CIL Managed Funds since the Purchaser will acquire Newco, the then manager of the CIL Managed Funds, from CIL.
23. The Acquisition will involve a change of the manager for the VCMI Managed Funds since FAIMI will become the manager of such Funds.
24. The Acquisition is subject to the approval of the unitholders of the VCMI Managed Funds for the change of the manager of the VCMI Managed Funds and the approval of the unitholders of the CIL Managed Funds for the change of control of the manager of the CIL Managed Funds. The managers of the Funds mailed, on or prior to July 7, 2009, a notice of special meetings of unitholders and joint information circular to unitholders of each of the Funds describing the Acquisition. The special meetings of unitholders of the Funds are scheduled to be held on July 28, 2009.
25. A prospectus or amendments to the prospectuses of the Funds and a material change report were filed to disclose the Acquisition.
26. The Acquisition will not materially affect the operation and administration of the Funds and will have no negative consequences on the ability of the manager of the Funds to comply with applicable regulatory requirements or its ability to satisfy its obligations to the Funds and their respective unitholders.

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 Approval Sought and the Exemption Sought are granted.

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

Schedule A

VCMI Managed Funds

1. Criterion Water Infrastructure Fund (also known as Criterion Water Infrastructure Currency Hedged Fund)
2. Criterion Global Clean Energy Fund (also known as Criterion Global Clean Energy Currency Hedged Fund)

Schedule B

CIL Managed Funds

1. Criterion International Equity Fund (also known as Criterion International Equity Currency Hedged Fund)
2. Criterion Global Dividend Fund (also known as Criterion Global Dividend Currency Hedged Fund)
3. Criterion U.S. Buyback Fund (also known as Criterion U.S. Buyback Currency Hedged Fund)
4. Criterion Diversified Commodities Currency Hedged Fund

**2.1.4 697937 Alberta Inc. (formerly Isotechnika Inc.)
– s. 1(10)**

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

July 17, 2009

Davies Ward Phillips & Vineberg LLP
26th Floor
1501 McGill College Avenue
Montreal, QC H3A 3N9

Attention: Brian Kujavsky

Dear Sir:

**Re: 697937 Alberta Inc. (formerly Isotechnika Inc.)
(the Applicant) – Application for a decision
under the securities legislation of Alberta,
Saskatchewan, Manitoba, Ontario, Québec,
Nova Scotia, New Brunswick, Prince Edward
Island and Newfoundland and Labrador (the
Jurisdictions) that the Applicant is not a
reporting issuer**

The Applicant has applied to the local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions for a decision under the securities legislation (the **Legislation**) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer and that the Applicant's status as a reporting issuer is revoked.

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

2.1.5 CI Investments Inc. et al.

Headnote

NP 11-203 – Coordinated Review – Lapse date of mutual fund prospectus extended until merger of funds – Extension of lapse date will not affect the currency or accuracy of the information contained in the prospectus – Securities Act (Ontario)

Applicable Legislative Provisions

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

July 17, 2009

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

AND

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

AND

IN THE MATTER OF
CI INVESTMENTS INC. (the “Filer”)

AND

IN THE MATTER OF
CI GLOBAL BALANCED CORPORATE CLASS,
CI GLOBAL BIOTECHNOLOGY CORPORATE
CLASS, CI GLOBAL CONSUMER PRODUCTS
CORPORATE CLASS, CI GLOBAL FINANCIAL
SERVICES CORPORATE CLASS, KNIGHT BAIN
CANADIAN BOND FUND, KNIGHT BAIN
CORPORATE BOND FUND, KNIGHT BAIN
DIVERSIFIED MONTHLY INCOME FUND, KNIGHT
BAIN PURE CANADIAN EQUITY FUND, KNIGHT
BAIN SMALL CAP FUND, SIGNATURE CANADIAN
ASSET ALLOCATION FUND, SYNERGY CANADIAN
STYLE MANAGEMENT CORPORATE CLASS,
SYNERGY FOCUS CANADIAN EQUITY FUND,
SYNERGY FOCUS GLOBAL EQUITY FUND,
SYNERGY GLOBAL STYLE MANAGEMENT
CORPORATE CLASS and SIGNATURE LONG-TERM
BOND FUND (the “Funds”)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the “**Decision Maker**”) has received an application from the Filer on behalf of the Funds for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that the time limit pertaining to the distribution of securities of the Funds under their multi-fund simplified prospectus dated July 18, 2008 (the “**Prospectus**”) be extended to permit the continued distribution of securities of the Funds until August 17, 2009 (the “**Exemption Sought**”).

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and Multilateral Instrument 11-102 *Passport System* 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 and the Funds:

1. The Filer is the manager of the Funds. The Filer and the Funds are not in default of any of the requirements of the Legislation.
2. The Funds are reporting issuers under the Legislation. Securities of the Funds are currently qualified for distribution in all Jurisdictions under the Prospectus, as amended.
3. Pursuant to the Legislation, the lapse date for the distribution of securities of the Funds under the Prospectus is July 18, 2009 (the “**Lapse Date**”).
4. Pursuant to the Legislation, provided a pro forma simplified prospectus is filed 30 days prior to July 18, 2009, a final version is filed by July 28, 2009, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by August 7, 2009, the securities of the Funds may be distributed after the Lapse Date during the prospectus renewal period.
5. On June 11, 2009, the Filer announced by press release, in connection with which a material change report and amendment to the Prospectus were filed on SEDAR, that it is proposing to streamline its mutual fund line-up by merging the Funds into other mutual funds managed by it.

6. The independent review committee for the Funds has reviewed all of the proposed mergers with respect to conflict of interest issues and has determined that the mergers achieve a fair and reasonable result for investors. Subject to obtaining all applicable investor, regulatory and other required approvals, the Filer intends to effect the mergers on or about August 17, 2009, after which the Funds will be wound up.
7. The mergers will be effected in accordance with applicable requirements of the Legislation, including National Instrument 81-102 *Mutual Funds*, National Instrument 81-106 *Investment Fund Continuous Disclosure* (“**NI 81-106**”) and National Instrument 81-107 *Independent Review Committee for Investment Funds*.
8. In view of the proposed mergers, the Filer does not intend to file a renewal prospectus for the Funds. Securities of the Funds will therefore not be qualified for distribution in the period that follows the Lapse Date and that leads up to the effective date of the mergers unless an extension of the Lapse Date is granted. The Filer wishes to continue to distribute securities of the Funds during that period and expects sales principally to be to existing investors in the Funds participating in systematic trading programs, including pre-authorized purchase plans and automatic rebalancing services. An extension of the Lapse Date is therefore requested until August 17, 2009.
9. If the Exemption Sought is not granted, a pro forma simplified prospectus and a final simplified prospectus for the Funds would have to have been filed by June 18, 2009 and July 28, 2009 respectively in accordance with the existing time limits for the renewal of the Prospectus, notwithstanding that the Funds will be wound up after the effective date of the mergers. A pro forma simplified prospectus was not filed in order to avoid the costs and potential confusion which may result from the Funds having a renewal prospectus that would be used for only approximately one month.
10. There have been no material changes in the affairs of the Funds other than those for which amendments to the Prospectus have been filed. Accordingly, the Prospectus represents the current information regarding the Funds.
11. The extension requested will not affect the currency or accuracy of the information contained in the Prospectus, as amended, and as may be further amended in accordance with NI 81-106, and accordingly will not be prejudicial to the public interest.

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 Maker under the Legislation is that the Exemption Sought is granted.

“Lawrence E. Ritchie:
Commissioner
Ontario Securities Commission

“Mary G. Condon”
Commissioner
Ontario Securities Commission

2.1.6 Fairfax Financial Holdings Limited (the Filer) and Advent Capital (Holdings) PLC

Headnote

Application under Section 104(2)(c) of the Securities Act (Ontario) and Part 9 of Multilateral Instrument 61-101 – exemption from sections 93.1-99 of Securities Act (Ontario) and Part 2 of MI 61-101 – take-over bid by Canadian offeror, for a UK target company that is not a reporting issuer in any Canadian jurisdiction – offeror to acquire all outstanding stock of target that it does not already own – target has three registered holders in Canada – one is the offeror, another is a portfolio manager which supports the offer and the third holds less than 0.01% of the outstanding target shares – offer to be subject to laws of England – securityholders in Canada to receive same information and participate on same terms as all other holders of target shares.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93.1 – 99 and 104(2)(c).
OSC Rule 62-504 Take-over Bids and Issuer Bids.
MI 61-101 Protection of Minority Security Holders in Special Transactions.

July 7, 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
FAIRFAX FINANCIAL HOLDINGS LIMITED
(the Filer) and
ADVENT CAPITAL (HOLDINGS) PLC**

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**):

- A. for exemptive relief from the requirements of Sections 93 to 99.1 of the *Securities Act* (Ontario) (the **Act**) as they would otherwise apply to a cash offer (the **Offer**) by the Filer (on behalf of itself and certain of its subsidiaries) to acquire all of the issued and to be issued ordinary share capital of

Advent Capital (Holdings) PLC (the **Target**) not already owned by the Filer and its subsidiaries (the **Formal Bid Exemption**);

- B. for exemptive relief from Part 2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) as it would otherwise apply to the Offer (the **61-101 Exemption**); and
- C. that pursuant to section 5.4 of National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*, the application of the Filer and this decision document be held in confidence until the earlier of 90 days from the date of this Decision and such time as the Offer is publicly announced (the **Request for Confidentiality**).

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

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) the Filer has provided notice that Section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia.

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act*.
2. The Filer is a reporting issuer or has equivalent status in all provinces and territories of Canada.
3. The subordinate voting shares of the Filer are listed on the Toronto Stock Exchange and the New York Stock Exchange under the symbol “FFH”.
4. The Filer is, to the best of its knowledge, not in default of any requirement of Canadian securities laws.
5. The Target is a public limited company governed by the laws of the United Kingdom, having its registered address in London, England.
6. The ordinary shares of 50 pence of the Target (the **Advent Shares**) are listed on the Alternative Investment Market (**AIM**) of the London Stock Exchange under the symbol “ADV”

7. As at June 25, 2009, the Target had an outstanding share capital of 40,656,962 Advent Shares.
8. The Target is not a reporting issuer in any province or territory of Canada and the Advent Shares are not listed on any securities exchange in Canada.
9. Under the terms of the Offer, shareholders of the Target will receive 220 pence in cash for each Advent Share that they tender to the Offer. The offer price represents a premium of 69% over the closing price of 130 pence per Advent Share on AIM on June 26, 2009, the last business day before the submission of the Filer's application for the Exemption Sought.
10. The directors of the Target who are independent of the Filer (the **Independent Directors**) have given careful consideration to the options available for the strategic development of the Target. The Independent Directors have concluded that the Offer is fair and reasonable and intend unanimously to recommend that shareholders of the Target accept the Offer. Each of the Independent Directors and the non-independent director of the Target will irrevocably undertake to accept, or procure the acceptance of, the Offer in respect of all their Advent Shares.
11. The Independent Directors retained Kinmount Limited (**Kinmount**) as their financial advisor in connection with the Offer. Kinmount has advised the Independent Directors that it considers the terms of the Offer to be fair and reasonable.
12. The Offer will be commenced in the United Kingdom by way of press release. The press release will include a full description of the Offer, including information as to (i) the Filer, (ii) the Target, (iii) the background and reasons for recommendation of the Offer, and (iv) the terms and conditions of the Offer. The Filer will mail an offer document, which will contain all of the information listed above, to all holders of Advent Shares as soon as possible after announcing the Offer, and in any event within 28 days of the announcement (or such longer period as the U.K. Panel on Takeovers and Mergers may agree). The press release and the offer document must contain certain information prescribed by the City Code on Takeovers and Mergers (the **City Code**) and must be prepared to a "prospectus" standard.
13. The Offer is conditional upon valid acceptances in respect of not less than 90% of the Advent Shares not already owned by the Filer and its subsidiaries. The Offer will be open for acceptance for a period of not less than 21 days following the mailing of the offer document to shareholders of the Target.
14. The Offer will be governed by English law and will be subject to the jurisdiction of the English courts. The Offer will be subject to the requirements of the City Code and other legal and regulatory requirements, including the rules and regulations of the Financial Services Authority, the London Stock Exchange, the *Companies Act 1985* and the *Companies Act 2006*.
15. If the Filer acquires, directly or indirectly, 75% or more of the outstanding Advent Shares, the Filer intends to apply to delist the Advent Shares from AIM. If the Filer acquires 90% or more of the outstanding Advent Shares which it and its subsidiaries do not already own, the Filer intends to complete a compulsory acquisition of the remaining Advent Shares that it and its subsidiaries do not already own under a statutory "squeeze out" procedure in the *Companies Act 2006*. Receiving an acceptance of the Offer from a Canadian shareholder, Mackenzie Cundill Investment Management Limited (**Mackenzie Cundill**), is an essential element to the availability of the statutory "squeeze out" procedure.
16. The Offer constitutes a "take-over bid" according to the definition of such term in the Legislation as certain holders of Advent Shares are resident in Canada. The Offer is therefore subject to the formal bid requirements set out in Sections 93 to 99.1 of the Act (the **Take-Over Bid Requirements**) unless otherwise exempted.
17. An offeror may use the exemption prescribed by section 100.3 of the Act (the Foreign Take-Over Bid Exemption) to be relieved from the Take-Over Bid Requirements upon satisfaction of certain conditions, including that security holders whose last address as shown on the books of the offeree issuer is in Canada hold less than 10% of the outstanding securities of the class subject to the bid at the commencement of the bid.
18. A take-over bid that is subject to the Take-Over Bid Requirements and that is made by a person that has beneficial ownership of, or control or direction over, directly or indirectly, securities of the offeree issuer carrying more than 10% of the voting rights attached to all of the offeree issuer's outstanding voting securities is also subject to the requirements applicable to an "insider bid" pursuant to Part 2 of MI 61-101 (the **61-101 Requirements**), including the requirement to obtain a formal valuation.
19. The Filer holds, directly and indirectly, 27,166,255 Advent Shares, representing approximately 66.8% of the outstanding Advent Shares (the **Fairfax Shares**).
20. In response to a request made by the Filer in June, 2009, the Target provided the Filer with a complete list of the holders of Advent Shares.

Decisions, Orders and Rulings

21. The list of holders of Advent Shares disclosed two other Canadian holders of Advent Shares in addition to the Filer:
- (i) Mackenzie Cundill with an address in British Columbia, which controls 5,168,090 Advent Shares in its capacity as the portfolio manager of certain accounts (including mutual funds) which beneficially own such Advent Shares, representing approximately 12.71% of the outstanding Advent Shares; and
 - (ii) an individual with an address in Ontario, who holds 1,061 Advent Shares, representing approximately 0.0026% of the outstanding Advent Shares.
22. To the best of the Filer's knowledge, there are no other beneficial holders of Advent Shares resident in Canada.
23. Based on this information, excluding the Fairfax Shares, Canadian holders of Advent Shares hold, in the aggregate, approximately 12.71% of the outstanding Advent Shares.
24. The only published market on which the Advent Shares have traded during the last 12 months is AIM in London, England. The Advent Shares have not traded on a published market in Canada.
25. Mackenzie Cundill will be entering into an agreement with the Filer under which Mackenzie Cundill will irrevocably agree to accept the Offer in respect of the 5,168,090 Advent Shares which it controls. Mackenzie Cundill supported the making of the Filer's application for the Formal Bid Exemption and 61-101 Exemption.
- Filer to all holders of Advent Shares in Canada; and
- (iii) Canadian holders of Advent Shares are entitled to participate in the Offer at the same price and on the same terms and conditions as all other holders of Advent Shares.
- The further decision of the principal regulator under the Legislation is that the Request for Confidentiality is granted.
- "Carol S. Perry"
Commissioner
Ontario Securities Commission
- "Kevin J. Kelly"
Commissioner
Ontario Securities Commission

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 Formal Bid Exemption is granted provided that:

- (i) the Offer and any amendments to the Offer are made in compliance with the laws of the United Kingdom, including the rules and regulations of the Financial Services Authority, the London Stock Exchange, the City Code, the *Companies Act 1985* and the *Companies Act 2006*; and
- (ii) the offer document and all other documentation made available to holders of Advent Shares resident in the United Kingdom are concurrently sent by the

The decision of the principal regulator under the Legislation is that the 61-101 Exemption is granted provided that:

- (i) the Offer and any amendments to the Offer are made in compliance with the laws of the United Kingdom, including the rules and regulations of the Financial Services Authority, the London Stock Exchange, the City Code, the *Companies Act 1985* and the *Companies Act 2006*; and
- (ii) the offer document and all other documentation made available to holders of Advent Shares resident in the United Kingdom are concurrently sent by the Filer to all holders of Advent Shares in Canada; and
- (iii) Canadian holders of Advent Shares are entitled to participate in the Offer at the same price and on the same terms and conditions as all other holders of Advent Shares.

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

2.1.7 UBS Global Asset Management (Canada) Co. and the Funds Referenced in Schedule A – MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from NI 21-101 and NI 23-101 to permit certain funds to conduct inter-fund trades between mutual funds, pooled funds, and managed accounts – 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 Independent Review Committee approval.

Applicable Legislative Provisions

National Instrument 21-101 Marketplace Operation, s. 15.1.
National Instrument 23-101 Trading Rules, ss. 6, 8, 12.1.

July 15, 2009

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

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS
(MRRS)**

AND

**IN THE MATTER OF
UBS GLOBAL ASSET MANAGEMENT
(CANADA) CO.
(the Filer)**

AND

**IN THE MATTER OF
THE FUNDS REFERENCED IN SCHEDULE A
(the Funds)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (Decision Maker) in each of the Jurisdictions received an application (the Application) under the securities legislation of the Jurisdictions (the Legislation) from the Filer for relief (the Requested Relief) from the provisions of National Instrument 21-101 Marketplace Operation, and Part 6 and Part 8 of National Instrument 23-101 Trading Rules to

facilitate trades (the Inter-Fund Trades) in securities involving the Filer's Pooled Funds (as defined below) and Managed Accounts (as defined below).

Under the MRRS:

- (i) the principal regulator for the Application is the Ontario Securities Commission; and
- (ii) this Decision Document represents the decision of each of the Decision Makers.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions*, in NI 81-102 Mutual Funds (NI 81-102) and in National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) have the same meaning in this MRRS Decision Document unless they are otherwise defined in this Decision Document.

Managed Account means an existing or future managed account that the Filer, or an affiliate of the Filer, manages and/or advises.

NI 81-102 Fund means an existing or future investment fund that the Filer, or an affiliate of the Filer, manages and/or advises that is a reporting issuer, and is subject to NI 81-102.

Pooled Fund means an existing or future pooled fund that the Filer, or an affiliate of the Filer, manages and/or advises.

Public Fund means an existing or future investment fund that the Filer, or an affiliate of the Filer, manages and/or advises that is a reporting issuer, but is not subject to NI 81-102.

Representations

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

- 1. Each NI 81-102 Fund, each Public Fund, and each Pooled Fund (each a Fund) is, or will be, an open-ended or closed-ended mutual fund trust, or an open-ended or closed-ended mutual fund corporation.
- 2. Each NI 81-102 Fund and each Public Fund is, or will be, a reporting issuer in one or more of the Jurisdictions and subject to NI 81-107. The Pooled Funds are not, or will not, be a reporting issuer in any of the Jurisdictions and are not, or will not, be subject to NI 81-102 or NI 81-107.
- 3. The Managed Accounts are not, or will not, be subject to NI 81-102 or NI 81-107.
- 4. The Filer, or an affiliate of the Filer, has established, or will establish, an independent review committee (the IRC) in respect of each NI

- 81-102 Fund and in respect of each Public Fund in accordance with the requirements of NI 81-107.
5. The Filer, or an affiliate of the Filer, will establish an IRC (which will likely also be the IRC in respect of the NI 81-102 Funds and the Public Funds) in respect of each Pooled Fund.
6. The mandate of the IRC of a Pooled Fund, among other things, will include approving Inter-fund Trades between the Pooled Fund and another Pooled Fund, a NI 81-102 Fund, a Public Fund and/or a Managed Account. The IRC of the Pooled Funds will be composed by the Filer, or an affiliate of the Filer, in accordance with the requirements of 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. Further, the IRC of the Pooled Funds will not approve any Inter-fund Trades unless it has made the determination set out in section 5.2(2) of NI 81-107.
7. Inter-fund Trades involving a NI 81-102 Fund and/or a Public Fund will be referred to the IRC of the NI 81-102 Fund and the Public Fund, respectively, under section 5.2(1) of NI 81-107 and will be subject to the requirements of section 5.2(2) of NI 81-107.
8. The investment management agreement or other documentation in respect of a Managed Account will contain the authorization of the client for the portfolio manager to conduct Inter-fund Trades with another Managed Account, a NI 81-102 Fund, a Public Fund, and/or a Pooled Fund.
9. The Filer cannot rely upon the exemption from NI 21-101 and Parts 6 and 8 of NI 23-101 codified under paragraph 6.1(3) of NI 81-107 in connection with Inter-Fund Trades involving the Pooled Funds or Managed Accounts.
- are required under section 5.2 of NI 81-107;
- (ii) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction; and
- (iii) the transaction complies with paragraphs (b) to (g) of subsection 6.1(2) of NI 81-107.
- (b) In respect of each Inter-Fund Trade involving a Pooled Fund:
- (i) the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as are required under section 5.2 of NI 81-107;
- (ii) if the transaction is with another Fund, the IRC of the other Fund has approved the transaction in respect of the other Fund on the same terms as are required under section 5.2 of NI 81-107;
- (iii) if the transaction is with a Managed Account the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction; and
- (iv) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107.
- (c) In respect of each Inter-Fund Trade involving a Managed Account:
- (i) the investment management agreement or other documentation in respect of the Managed Account authorizes the transaction;

Decision

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

The decision of the Decision Makers is that the Requested Relief is granted in respect of each Fund and each Managed Account provided that:

- (a) In respect of each Inter-Fund Trade involving a NI 81-102 Fund and/or a Public Fund trading with a Pooled Fund and/or a Managed Account:
- (i) if the transaction is with a Pooled Fund, the IRC of the Pooled Fund has approved the transaction in respect of the Pooled Fund on the same terms as
- (ii) if the transaction is with another Managed Account, the investment management agreement or other documentation in respect of the other Managed Account authorizes the transaction;
- (iii) if the transaction is with a Fund, the IRC of the Fund has approved the transaction in respect of the Fund on the same terms as are required under section 5.2 of NI 81-107; and
- (iv) the transaction complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107.

“Rhonda Goldberg”
Manager, Investment Funds

Schedule A

Pooled Funds

UBS (Canada) American Equity Fund
UBS (Canada) Balanced Fund
UBS (Canada) Bond Fund
UBS (Canada) Canada Plus Equity Fund
UBS (Canada) Canadian Equity Fund
UBS (Canada) Cash in Action Fund
UBS (Canada) Cash Management Fund
UBS (Canada) Diversified Fund
UBS (Canada) Dynamic Alpha Strategies Fund
UBS (Canada) Emerging Markets Equity Fund
UBS (Canada) Emerging Technologies Fund
UBS (Canada) Global Bond Fund
UBS (Canada) Global Equity Fund
UBS (Canada) Global Large Cap Equity Fund
UBS (Canada) Global Allocation Fund
UBS (Canada) International Equity Fund
UBS (Canada) International Large Cap Equity Fund
UBS (Canada) Long Term Bond Fund
UBS (Canada) Money Market Fund
UBS (Canada) Short Term Bond Fund
UBS (Canada) Small Capitalization Fund
UBS (Canada) U.S. \$ Cash Management Fund
UBS (Canada) U.S. Equity Fund
UBS (Canada) U.S. Growth Equity Fund
UBS (Canada) U.S. 130/30 Fund

2.1.8 UBS Global Asset Management (Canada) Co. and UBS (Canada) Global Allocation Fund

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from self-dealing provisions in s. 4.2 of NI 81-102 to permit certain funds to conduct inter-fund trades in debt securities between mutual funds, pooled funds, and non-redeemable investment funds – inter-fund trades will comply with conditions in s. 6.1(2) of National Instrument 81-107 – Independent Review Committee for Investment Funds (NI 81-107) including Independent Review Committee approval.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 4.2, 4.3(1), 4.3(2), 19.1.

National Instrument 81-107 Independent Review Committee for Investment Funds, ss. 6.1(2), 6.1(4).

December 2, 2008

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

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS
(MRRS)**

AND

**IN THE MATTER OF
UBS GLOBAL ASSET MANAGEMENT
(CANADA) CO.
(the Filer)**

AND

**IN THE MATTER OF
UBS (CANADA) GLOBAL ALLOCATION FUND
(the Existing NI 81-102 Fund)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (Decision Maker) in each of the Jurisdictions received an application (the Application) under the securities legislation of the Jurisdictions (the Legislation) from the Filer in

respect of the Existing NI 81-102 Fund and in respect of any future funds (each a Future NI 81-102 Fund) that the Filer, or an affiliate of the Filer, may manage and/or advise, for relief (the Requested Relief) from the prohibition in section 4.2 of NI 81-102 in order to permit the Existing NI 81-102 Fund and the Future NI 81-102 Funds (each an NI 81-102 Fund) to trade debt securities (the Inter-Fund Trades) with Pooled Funds (as defined below) and Public Funds (as defined below).

Under the MRRS:

- (i) the principal regulator for the Application is the Ontario Securities Commission; and
- (ii) this Decision Document represents the decision of each of the Decision Makers.

Interpretation

Defined terms contained in National Instrument 14-101 Definitions, in NI 81-102 *Mutual Funds* (NI 81-102) and in National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) have the same meaning in this MRRS Decision Document unless they are otherwise defined in this Decision Document.

Pooled Fund means an existing or future investment fund that the Filer, or an affiliate of the Filer, manages and/or advises that is not, or will not be, a reporting issuer.

Public Fund means an existing or future non-redeemable investment fund that the Filer, or an affiliate of the Filer, manages and/or advises that is, or will be, a reporting issuer, but is not subject to NI 81-102.

Representations

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

1. Each NI 81-102 Fund, Public Fund, and Pooled Fund (each a Fund) is, or will be, an open-ended or closed-ended mutual fund trust, or an open-ended or closed-ended mutual fund corporation.
2. The Filer, or an affiliate of the Filer, is, or will be, the manager and/or the portfolio adviser of each Fund.
3. Each NI 81-102 Fund is, or will be, a reporting issuer in one or more of the Jurisdictions. The Pooled Funds are not, or will not, be a reporting issuer in any of the Jurisdictions and are not, or will not, be subject to NI 81-102 or NI 81-107.
4. The Filer, or an affiliate of the Filer, is, or will be, the manager or portfolio manager of a Public Fund. The Public Funds are not, or will not, be subject to NI 81-102.
5. The Filer, or an affiliate of the Filer, has established, or will establish, an independent review committee (the IRC) in respect of each NI

81-102 Fund and each Public Fund in accordance with the requirements of NI 81-107.

6. The Filer, or an affiliate of the Filer, will establish an IRC (which will likely also be the IRC in respect of the NI 81-102 Funds and the Public Funds) in respect of each Pooled Fund.
7. The mandate of the IRC of a Pooled Fund, among other things, will include approving Inter-fund Trades between the Pooled Fund and a NI 81-102 Fund. The IRC of the Pooled Funds will be composed by the Filer, or an affiliate of the Filer, in accordance with the requirements of 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. Further, the IRC of the Pooled Funds will not approve Inter-Fund Trades unless it has made the determination set out in section 5.2(2) of NI 81-107.
8. Inter-Fund Trades involving a NI 81-102 Fund or a Public Fund will be referred to the IRC of the NI 81-102 Fund under section 5.2(1) of NI 81-107 and will be subject to the requirements of section 5.2(2) of NI 81-107.
9. The Filer has determined that it would be in the interests of each NI 81-102 Fund to receive the Requested Relief. The NI 81-102 Funds cannot rely upon the exemption from section 4.2 of NI 81-102 for debt securities codified in paragraph 4.3(2)

of NI 81-102 because the Pooled Funds are not, or will not be, subject to NI 81-107 and because the Public Funds are not, or will not be, mutual funds.

Decision

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

The decision of the Decision Makers is that the Requested Relief is granted in respect of each NI 81-102 Fund so long as:

- (a) the Inter-Fund Trade complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;
- (b) the IRC of the NI 81-102 Fund has approved the Inter-Fund Trade in respect of the NI 81-102 Fund under section 5.2(2) of NI 81-107; and
- (b) the IRC of the Pooled Fund or Public Fund has approved the Inter-Fund Trade on the same terms as are required under Section 5.2(2) of NI 81-107.

“Vera Nunes”

2.1.9 Just Energy Exchange Corp. and Just Energy Income Fund

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application from subsidiary of parent company for a decision exempting the subsidiary from the requirements of National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102), National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, National Instrument 52-110 Audit Committees and National Instrument 58-101 Disclosure of Corporate Governance Practices; and for a decision exempting the insiders of the subsidiary from the insider reporting requirements of the Securities Act (Ontario) and from the requirement to file an insider profile under National Instrument 55-102 System for Electronic Disclosure by Insiders – Subsidiary is a reporting issuer – Subsidiary has exchangeable securities outstanding that are not designated exchangeable securities under section 13.3 of NI 51-102 and has convertible debentures outstanding that are not designated credit support securities under section 13.4 of NI 51-102 – relief granted on conditions substantially similar to the conditions contained in sections 13.3 and 13.4 of NI 51-102.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 107, 121(2)(a)(ii).
National Instrument 51-102 Continuous Disclosure Obligations, ss. 13.1, 13.3, 13.4.
National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, s. 4.5.
National Instrument 52-110 Audit Committees, s. 8.1.
National Instrument 55-102 System for Electronic Disclosure by Insiders, s. 6.1.
National Instrument 58-101 Disclosure of Corporate Governance Practices, s. 3.1.

July 15, 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
JUST ENERGY EXCHANGE CORP. (Amalco) AND
JUST ENERGY INCOME FUND (the Fund, and
together with Amalco, the Filers)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) that, subject to certain conditions:

- (a) Amalco be exempt from the requirements of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**) and related Legislation (the **Continuous Disclosure Relief**);
- (b) Amalco be exempt from the requirements of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**NI 52-109**) (the **Certification Relief**);
- (c) Amalco be exempt from the requirements of National Instrument 52-110 *Audit Committees* (**NI 52-110**) (the **Audit Committee Relief**);
- (d) the insiders of Amalco be exempt from:

Decisions, Orders and Rulings

- (i) the insider reporting requirements under the Legislation (the **Statutory Insider Reporting Requirements**) in respect of securities of Amalco; and
 - (ii) the requirement to file an insider profile under National Instrument 55-102 *System for Electronic Disclosure by Insiders (NI 55-102)* (the **Insider Reporting Relief**) in respect of securities of Amalco; and
- (e) Amalco be exempt from the requirements of National Instrument 58-101 *Disclosure of Corporate Governance Practices (NI 58-101)* (the **Corporate Governance Relief**);

(collectively, the **Exemption Sought**).

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

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) the 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 British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories, Yukon 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. In addition, the following defined terms have the meanings hereinafter set forth:

- (a) **AcquisitionCo** means Just Energy Exchange Corp., as it existed prior to its amalgamation with Universal pursuant to the Arrangement at the Effective Time;
- (b) **Arrangement** means the series of transactions completed by way of plan of arrangement under the CBCA pursuant to the Arrangement Agreement effective as of the Effective Time pursuant to which, among other things: (i) AcquisitionCo acquired all of the issued and outstanding Universal Shares; and (ii) AcquisitionCo and Universal amalgamated to form Amalco, which continued under the name "Just Energy Exchange Corp.";
- (c) **Arrangement Agreement** means the amended and restated arrangement agreement dated effective as of April 22, 2009 among the Fund, Ontario Energy Savings Corp. (the administrator of the Fund), AcquisitionCo and Universal;
- (d) **CBCA** means the *Canada Business Corporations Act*;
- (e) **Effective Time** means 12:01 a.m. (Toronto time) on July 1, 2009;
- (f) **Universal** means Universal Energy Group Ltd., as it existed prior to its amalgamation with AcquisitionCo pursuant to the Arrangement at the Effective Time; and
- (g) **Universal Shares** means the common shares of Universal, as they existed prior to the completion of the Arrangement.

Representations

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

Just Energy Income Fund

1. The Fund is an unincorporated open-ended limited purpose trust established under the laws of the province of Ontario pursuant to a declaration of trust dated February 14, 2001, as amended. The Fund's head office is located in Toronto, Ontario.
2. The Fund's trust units (Units) are listed on the Toronto Stock Exchange (**TSX**) under the symbol "JE.UN".
3. The Fund is a reporting issuer or the equivalent 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.

UEGL ExchangeCo. Corp.

4. UEG ExchangeCo Corp. (**ExchangeCo**) is a corporation existing under the CBCA. ExchangeCo's head office is located in Toronto, Ontario.
5. The common shares of ExchangeCo are not listed or posted for trading on any stock exchange.
6. ExchangeCo is not a reporting issuer or the equivalent in any of the provinces and territories of Canada.
7. The Fund owns all of the issued and outstanding common shares of ExchangeCo.

Just Energy Exchange Corp. (Pre-Arrangement)

8. Prior to the completion of the Arrangement:
 - (a) AcquisitionCo was a corporation existing under the CBCA with a head office located in Toronto, Ontario;
 - (b) the common shares (**AcquisitionCo Shares**) and exchangeable shares, series 1 (**AcquisitionCo Exchangeable Shares**) of AcquisitionCo were not listed or posted for trading on any stock exchange;
 - (c) AcquisitionCo was not a reporting issuer or the equivalent in any of the provinces and territories of Canada; and
 - (d) the Fund owned all of the issued and outstanding AcquisitionCo Shares and no AcquisitionCo Exchangeable Shares were issued and outstanding.

Universal Energy Group Ltd. (Pre-Arrangement)

9. Prior to the completion of the Arrangement:
 - (a) Universal was a corporation existing under the CBCA with a head office located in Toronto, Ontario;
 - (b) the Universal Shares were listed on the TSX under the symbol "UEG" and the 6.00% convertible unsecured subordinated debentures due September 30, 2014 of Universal (**UEGL Convertible Debentures**) were listed on the TSX under the symbol "UEG.DB"; and
 - (c) Universal was a reporting issuer or the equivalent in each of the provinces and territories of Canada.

The Arrangement

10. At the Effective Time, the following transactions (among others) occurred pursuant to the Arrangement:
 - (a) AcquisitionCo acquired all of the issued and outstanding Universal Shares from the holders thereof in consideration of the issuance of 0.58 of an AcquisitionCo Exchangeable Share for each 1.0 Universal Share acquired; and
 - (b) AcquisitionCo and Universal amalgamated to form Amalco, and in connection therewith:
 - (i) the AcquisitionCo Shares became common shares of Amalco (**Amalco Shares**);
 - (ii) the AcquisitionCo Exchangeable Shares became exchangeable shares, series 1 of Amalco (the **Amalco Exchangeable Shares**); and
 - (iii) Amalco assumed the obligations of Universal under the trust indenture (the **Debenture Indenture**) governing the UEG Convertible Debentures such that the UEG Convertible Debentures became debentures of Amalco (**Amalco Convertible Debentures**).

Just Energy Exchange Corp. (Post-Arrangement)

11. Amalco is a corporation existing under the CBCA formed pursuant to the amalgamation of AcquisitionCo and Universal with a head office located in Toronto, Ontario.

Decisions, Orders and Rulings

12. Amalco is a reporting issuer or the equivalent in each of the provinces and territories of Canada because Amalco inherited the reporting issuer status of Universal. Therefore, Amalco is required to comply with the requirements applicable to reporting issuers pursuant to the Legislation (the **Reporting Issuer Requirements**).
13. Amalco's outstanding capital is comprised of:
 - (a) the Amalco Shares, all of which are owned by the Fund;
 - (b) the Amalco Exchangeable Shares, which are listed on the TSX; and
 - (c) the Amalco Convertible Debentures, which are listed on the TSX.
14. Amalco is a subsidiary of the Fund and its operational and financial results are consolidated with the operational and financial results of the Fund for the purposes of the Fund's satisfaction of its continuous disclosure obligations.
15. Other than the issuance of additional Amalco Exchangeable Shares on conversion of Amalco Convertible Debentures, Amalco has no intention of: (i) accessing the capital markets in the future by issuing any further securities to the public; and (ii) issuing any securities other than those that are currently outstanding.

The Amalco Exchangeable Shares

16. The Amalco Exchangeable Shares have certain rights, privileges, restrictions and conditions attaching to them (the **Exchangeable Share Provisions**), including that the Amalco Exchangeable Shares:
 - (a) are exchangeable (subject to adjustment) on a one-for-one basis for Units at any time at the option of the holder by making a retraction request, provided that the Fund and ExchangeCo have an overriding call right (the **Retraction Call Right**) to purchase all but not less than all of the Amalco Exchangeable Shares subject to the retraction request in exchange for a price (the **Retraction Price**) per Amalco Exchangeable Share equal to one Unit (subject to adjustment) and a cash payment for any accrued but unpaid dividends on such Amalco Exchangeable Shares;
 - (b) may be redeemed by Amalco in certain circumstances, including at any time following the third anniversary of the Effective Time, and must be redeemed by Amalco on the fifth anniversary of the Effective Time (or such later date as the board of directors of Amalco shall determine), in each case in consideration of the payment of an amount per Amalco Exchangeable Share to be satisfied by the issuance of one Unit (subject to adjustment), together with a cash payment for any accrued but unpaid dividends on each such Amalco Exchangeable Share (the **Redemption Price**), provided that the Fund and ExchangeCo have an overriding right (the **Redemption Call Right**) to purchase all but not less than all of the Amalco Exchangeable Shares then outstanding (other than Amalco Exchangeable Shares held by the Fund or ExchangeCo) for a purchase price per share equal to the Redemption Price;
 - (c) do not (except as required by law, in respect of changes to the rights, privileges, restrictions and conditions attaching to the Amalco Exchangeable Shares or in respect of a Designated Conversion Transaction (as defined in the Exchangeable Share Provisions)), entitle the holders thereof to receive notice of or to attend any meeting of the shareholders of Amalco or to vote at any such meeting;
 - (d) entitle the holders thereof to receive cumulative preferential cash dividends in an amount per Amalco Exchangeable Share equal to 66 2/3% of any cash distributions declared and paid on the Units. The record date for the determination of the holders of Amalco Exchangeable Shares entitled to receive payment of, and the payment date for, any dividend declared on the Amalco Exchangeable Shares will be the same dates as the record date for the determination of the holders of Units entitled to receive payment of, and the payment date for, any cash distribution declared on the Units, respectively; and
 - (e) in the event of the liquidation, dissolution or winding up of Amalco or any other distribution of the assets of Amalco among its shareholders for the purpose of winding up its affairs, entitle a holder of Amalco Exchangeable Shares, subject to applicable law, to receive from the assets of Amalco in respect of each Amalco Exchangeable Share held by such holder, before any distribution of any part of the assets of Amalco among the holders of Amalco Shares or any other shares ranking junior to the Amalco Exchangeable Shares, an amount (the **Liquidation Amount**) per Amalco Exchangeable Share to be satisfied by the issuance of one Unit (subject to adjustment), together with a cash payment for any accrued but unpaid dividends on each such Amalco Exchangeable Share, provided that if such event occurs, the Fund and ExchangeCo have an overriding right (the **Liquidation Call Right**) to purchase all of the outstanding Amalco Exchangeable Shares (other than Amalco Exchangeable Shares held by the Fund and ExchangeCo) from the holders of Amalco

Exchangeable Shares on the effective date of such liquidation for a purchase price per share equal to the Liquidation Amount.

17. Pursuant to a voting and exchange trust agreement (the **Voting and Exchange Trust Agreement**) entered into at the Effective Time among the Fund, AcquisitionCo, ExchangeCo and Computershare Trust Company of Canada (the **Trustee**):
- (a) holders of the Amalco Exchangeable Shares have voting rights in the Fund. At the Effective Time, the Fund issued to the Trustee a special voting right (the **Special Voting Right**) for the benefit of the holders of the Amalco Exchangeable Shares (other than the Fund or any affiliate of the Fund). The Special Voting Right carries, in the aggregate, that number of votes, exercisable at any meeting of unitholders of the Fund at which holders of Units are or would be entitled to vote, equal to the number of Amalco Exchangeable Shares outstanding at such time (excluding those owned by the Fund and any affiliate of the Fund). Each holder of an Amalco Exchangeable Share is entitled to instruct the Trustee as to the manner in which the votes attached to the Special Voting Right and corresponding to the Amalco Exchangeable Shares held by such holder are to be voted. The voting rights attached to the Special Voting Right are exercisable by the Trustee only upon receipt of instructions from the relevant holders of the Amalco Exchangeable Shares (other than the Fund or any affiliate of the Fund);
 - (b) all continuous disclosure documents provided by the Fund to the holders of its Units will concurrently be provided to the holders of the Amalco Exchangeable Shares; and
 - (c) in order for the holders of the Amalco Exchangeable Shares to participate on a pro rata basis with holders of Units in the distribution of assets of the Fund in connection with the liquidation, dissolution or winding up of the Fund or any other distribution of the assets of the Fund among its unitholders for the purpose of winding up its affairs, on the fifth business day prior to the effective date of any such event, all of the then outstanding Amalco Exchangeable Shares will be automatically exchanged for Units.
18. At the Effective Time, the Fund, AcquisitionCo, ExchangeCo and the Trustee entered into a support agreement (the **Support Agreement**) pursuant to which the Fund agreed that it will not declare or pay cash distributions on the Units unless a cumulative preferential cash dividend in an amount per Amalco Exchangeable Share equal to 66 2/3% of any cash distributions declared and paid on each Unit is concurrently declared and paid on the Amalco Exchangeable Shares. The Fund and ExchangeCo also agreed to do all things necessary to enable Amalco to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount, any exchange of Amalco Exchangeable Shares by a holder thereof or any redemption of Amalco Exchangeable Shares by Amalco. The Fund agreed to do all things necessary to enable ExchangeCo to pay and otherwise perform any of its obligations with respect to the exercise by ExchangeCo of any of the Retraction Call Right, the Redemption Call Right or the Liquidation Call Right. The Support Agreement also provides that, without the prior approval of Amalco and the holders of the Amalco Exchangeable Shares, the Fund will not issue or distribute Units, securities exchangeable for or convertible into or carrying rights to acquire Units, rights, options or warrants to subscribe for or to purchase Units, evidences of indebtedness or other assets of the Fund to the holders of all or substantially all of the Units, nor will the Fund subdivide, redivide, reduce, combine, consolidate or change the Units, unless the same or an economically equivalent change, issuance or distribution is simultaneously made to the Amalco Exchangeable Shares or the holders thereof.
19. As a result of the terms and conditions of the Exchangeable Share Provisions, the Voting and Exchange Trust Agreement and the Support Agreement, except as described in paragraph 16(d) above with respect to dividend entitlements, the Amalco Exchangeable Shares provide the holders thereof with economic and voting rights which are, as nearly as possible except for tax implications, equivalent to the Units.

The Amalco Convertible Debentures

20. At the Effective Time, the Fund fully, unconditionally and irrevocably guaranteed (the "**Fund Guarantee**") the payment and performance when due of all obligations of Amalco under the Debenture Indenture by entering into a supplemental indenture with the trustee under the Debenture Indenture. The Fund Guarantee entitles the holders of the Amalco Convertible Debentures to receive payment from the Fund within five business days of any failure by Amalco to make a payment.
21. The Amalco Convertible Debentures are convertible into Amalco Exchangeable Shares at a rate determined by the adjustment provisions contained in the Debenture Indenture and the exchange ratio under the Arrangement (and subject to further adjustment from time to time in accordance with the terms of the Debenture Indenture). The Amalco Convertible Debentures are not convertible into Amalco Shares.

Availability of Exemption in Section 13.3 of NI 51-102

22. Section 13.3(2) of NI 51-102 provides that except as provided in Section 13.3(2), a reporting issuer that is an "exchangeable security issuer" satisfies the requirements of NI 51-102 if, among other things, the exchangeable security issuer does not issue any securities, and does not have any securities outstanding, other than the types of securities listed in Section 13.3(2)(c) of NI 51-102, including "designated exchangeable securities". Section 13.3(3) provides a similar exemption in respect of the insider reporting requirement and the requirement to file an insider profile under NI 55-102. NI 51-102 defines a "designated exchangeable security" as an exchangeable security which provides the holder of the security with economic and voting rights which are, as nearly as possible except for tax implications, equivalent to the underlying securities.
23. Amalco is not entitled to rely on the exemptions in Section 13.3 of NI 51-102 in respect of the Amalco Exchangeable Shares for the following reasons:
- (a) the holders of Amalco Exchangeable Shares are entitled to receive cumulative preferential cash dividends in an amount per Amalco Exchangeable Share equal to 66 2/3% of any cash distributions declared and paid on the Units on a per Unit basis. As a result, the Amalco Exchangeable Shares do not provide the holders thereof with economic rights which are equivalent in all respects to the underlying securities (i.e. the Units), and therefore the Amalco Exchangeable Shares do not satisfy the definition of "designated exchangeable security" in all respects; and
 - (b) the Amalco Convertible Debentures are outstanding, which holders are entitled to convert into additional Amalco Exchangeable Shares, neither of which securities will be a type of security listed in Section 13.3(2)(c) of NI 51-102.
24. Each of NI 52-109, NI 52-110 and NI 58-101 contains an exemption from the requirements of such instrument for reporting issuers that are entitled to rely on the exemption contained in Section 13.3 of NI 51-102. Amalco is therefore not entitled to rely on the exemptions contained in such instruments and absent relief must comply with the requirements of such instruments.

Availability of Exemption in Section 13.4 of NI 51-102

25. Section 13.4(2) of NI 51-102 provides that except as provided in Section 13.4(2), a reporting issuer that is a "credit support issuer" satisfies the requirements of NI 51-102 if, among other things, the credit support issuer does not issue any securities, and does not have any securities outstanding, other than the types of securities listed in Section 13.4(2)(c) of NI 51-102, including "designated credit support securities". Section 13.4(3) provides a similar exemption in respect of the insider reporting requirement and the requirement to file an insider profile under NI 55-102. NI 51-102 defines "designated credit support securities" as, among other things, non-convertible debt or convertible debt that is convertible into non-convertible securities of the credit supporter or non-convertible preferred shares or convertible preferred shares that are convertible into securities of the credit supporter.
26. Amalco is not entitled to rely on the exemptions in Section 13.4 of NI 51-102 in respect of the Amalco Convertible Debentures for the following reasons:
- (a) the holders of Amalco Convertible Debentures are entitled to convert the Amalco Convertible Debentures into Amalco Exchangeable Shares, which in turn are exchangeable for Units. As a result, the Amalco Convertible Debentures are not non-convertible debt or convertible debt that is convertible into non-convertible securities of the credit supporter (i.e. the Fund) or non-convertible preferred shares or convertible preferred shares that are convertible into securities of the credit supporter, and therefore the Amalco Convertible Debentures do not satisfy the definition of "designated credit support securities" in all respects; and
 - (b) the Amalco Exchangeable Shares are outstanding, which securities are not a type of security listed in Section 13.4(2)(c) of NI 51-102.
27. Each of NI 52-109, NI 52-110 and NI 58-101 contains an exemption from the requirements of such instrument for reporting issuers that are entitled to rely on the exemption contained in Section 13.4 of NI 51-102. Amalco is therefore not entitled to rely on the exemptions contained in such instruments and absent relief must comply with the requirements of such instruments.

Amalco's Compliance with the Reporting Issuer Requirements is of Limited Value to Investors

28. Continuous disclosure about the Fund is more relevant to holders of the Amalco Exchangeable Shares and the Amalco Convertible Debentures than continuous disclosure about Amalco because the economic value of the Amalco

Exchangeable Shares (including the dividends payable on such shares) and the Amalco Convertible Debentures is ultimately determined by the operational and financial performance of the Fund and not Amalco, and because the Amalco Exchangeable Shares are directly, and the Amalco Convertible Debentures are indirectly, exchangeable for Units.

29. In order for Amalco to comply with the Reporting Issuer Requirements, Amalco and the Fund will have to dedicate a substantial amount of management time and financial resources to this task. However, compliance with the Reporting Issuer Requirements by Amalco will not improve the ability of the holders of the Amalco Exchangeable Shares and the Amalco Convertible Debentures to make informed investment decisions about such securities.

Decision

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

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

1. in respect of the Continuous Disclosure Relief, the Certification Relief, the Audit Committee Relief and the Corporate Governance Relief:
 - (a) the Fund is the beneficial owner of all the issued and outstanding voting securities of Amalco;
 - (b) the Fund is a reporting issuer in a designated Canadian jurisdiction (as defined in NI 51-102) and has filed all documents it is required to file under NI 51-102;
 - (c) Amalco does not issue any securities other than:
 - (i) designated exchangeable securities (as such term is defined in NI 51-102);
 - (ii) designated credit support securities (as such term is defined in NI 51-102);
 - (iii) securities issued to and held by the Fund or an affiliate of the Fund;
 - (iv) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions;
 - (v) securities issued under exemptions from the registration requirement and prospectus requirement in Section 2.35 of National Instrument 45-106 *Prospectus and Registration Exemptions*; and
 - (vi) Amalco Exchangeable Shares;
 - (d) Amalco does not have any securities outstanding other than the types of securities described in paragraph 1(c) above and Amalco Convertible Debentures;
 - (e) Amalco files in electronic format:
 - (i) a notice indicating that it is relying on the continuous disclosure documents filed by the Fund and setting out where those documents can be found for viewing in electronic format; or
 - (ii) copies of all documents the Fund is required to file under securities legislation, other than in connection with a distribution, at the same time as the filing by the Fund of those documents with a securities regulatory authority or regulator;
 - (f) the Fund, Amalco or the Trustee concurrently sends to all holders of Amalco Exchangeable Shares all disclosure materials that are sent to holders of Units in the manner and at the time required by securities legislation;
 - (g) the Fund, Amalco or the Trustee concurrently sends to all holders of the Amalco Convertible Debentures all disclosure materials that are sent to holders of similar debt of the Fund in the manner and at the time required by securities legislation;

- (h) the Fund:
 - (i) complies with Canadian securities legislation in respect of making public disclosure of material information on a timely basis; and
 - (ii) immediately issues in Canada and files any news release that discloses a material change in its affairs;
 - (i) Amalco issues in Canada a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of Amalco that are not also material changes in the affairs of the Fund;
 - (j) the Fund includes in all mailings of proxy solicitation materials to holders of Amalco Exchangeable Shares a clear and concise statement that:
 - (i) explains the reason the mailed material relates solely to the Fund;
 - (ii) indicates that the Amalco Exchangeable Shares are (other than with respect to dividend entitlements) the economic equivalent to the Units; and
 - (iii) describes the voting rights associated with the Amalco Exchangeable Shares;
 - (k) Amalco files, in electronic format, in the notice referred to in paragraph 1(e)(i) above or in or with the copy of the interim and annual consolidated financial statements filed under paragraph 1(e)(ii) above, for the periods covered by the interim or annual consolidated financial statements of the Fund filed, consolidating "summary financial information" (as such term is defined in NI 51-102) for the Fund prepared in accordance with Section 13.4(1.1) of NI 51-102 and presented with a separate column for each of the following: (i) the Fund; (ii) Amalco; (iii) any other subsidiaries of the Fund on a combined basis; (iv) consolidating adjustments; and (v) the total consolidated amounts; and
 - (l) no person or company other than the Fund has provided a guarantee or alternative credit support (as such term is defined in NI 51-102) for the payments to be made under any issued and outstanding securities of Amalco; and
2. in respect of the Insider Reporting Relief:
- (a) if the insider is not the Fund: (i) the insider does not receive, in the ordinary course, information as to material facts or material changes concerning the Fund before the material facts or material changes are generally disclosed; and (ii) the insider is not an insider of the Fund in any capacity other than by virtue of being an insider of Amalco;
 - (b) the Fund is the beneficial owner of all the issued and outstanding voting securities of Amalco;
 - (c) if the insider is the Fund, the Fund does not beneficially own any designated exchangeable securities of Amalco other than securities acquired through the exercise of the exchange right and not subsequently traded by the Fund;
 - (d) if the insider is the Fund, the Fund does not beneficially own any designated credit support securities of Amalco;
 - (e) the Fund is a reporting issuer in a designated Canadian jurisdiction and has filed all documents it is required to file under NI 51-102;
 - (f) Amalco has not issued any securities other than the types of securities described in paragraph 1(c) above; and
 - (g) Amalco does not have any securities outstanding other than the types of securities described in paragraph 1(c) above and Amalco Convertible Debentures.

As to the Exemption Sought (other than from the Statutory Insider Reporting Requirements):

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

As to the Exemption Sought from the Statutory Insider Reporting Requirements:

“James E.A. Turner”
Vice-Chair
Ontario Securities Commission

“Paulette Kennedy”
Commissioner
Ontario Securities Commission

2.1.10 Western Goldfields Inc. – s. 1(10)

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

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).

July 22, 2009

Western Goldfields Inc.
Royal Bank Plaza, South Tower
200 Bay Street
Suite 3120
Toronto, ON M5J 2J4

Dear Sir or Madam:

Re: Western Goldfields Inc. (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, 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.

2.1.11 Silver Eagle Mines Inc. – s. 1(10)

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – application for an order that the issuer is not a reporting issuer.

Ontario Statutes

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

July 22, 2009

Silver Eagle Mines Inc.
c/o Heenan Blaikie LLP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2600
Toronto, Ontario
M5J 2J4

Attention: James McVicar

Dear Sirs/Mesdames:

Re: Silver Eagle Mines Inc. (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, New Brunswick, Newfoundland and Labrador, 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

2.2 Orders

2.2.1 Liberty Mines Inc. – s. 144

Headnote

Section 144 – full revocation of cease trade order upon remedying of defaults.

Statutes Cited

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, CHAPTER S.5, AS AMENDED
(the “Act”)**

AND

**IN THE MATTER OF
LIBERTY MINES INC.
(the “Reporting Issuer”)**

**ORDER
(Section 144)**

WHEREAS on April 24, 2009, the Director made an order under paragraphs 2 and 2.1 of subsection 127(1) of the Act (the “Permanent Order”) that all trading in and all acquisitions of the securities of the Reporting Issuer, whether direct or indirect, shall cease until further order by the Director;

AND WHEREAS the Permanent Order was made because the Reporting Issuer was in default of certain filing requirements under Ontario securities law as described in the Permanent Order (the “Default”);

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

1. The Reporting Issuer is a reporting issuer under the securities legislation of the provinces of Alberta, British Columbia and Ontario.
2. The Reporting Issuer has filed all outstanding continuous disclosure documents that are required to be filed under Ontario securities law and has paid all outstanding activity, participation and late filing fees that are required to be paid.
3. The Reporting Issuer was also subject to similar cease trade orders issued by the Alberta Securities Commission (the “ABSC”) and British Columbia Securities Commission (the “BCSC”) as a result of the failure to make the filings described in the Permanent Order. The order issued by the ABSC was revoked on July 14, 2009 and the order issued by the BCSC was revoked on July 15, 2009.

4. The Reporting Issuer’s SEDAR profile and SEDI issuer profile supplement are current and accurate.

AND WHEREAS the Director is of the opinion that it would not be prejudicial to the public interest to revoke the Permanent Order;

IT IS ORDERED under section 144 of the Act that the Permanent Order is revoked.

DATED at Toronto this 17th day of July, 2009.

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

**2.2.2 Lehman Cohort Global Group Inc. et al. –
ss. 127(1), 127(8)**

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

AND

**IN THE MATTER OF
LEHMAN COHORT GLOBAL GROUP INC.,
ANTON SCHNEIDL, RICHARD UNZER,
ALEXANDER GRUNDMANN AND
HENRY HEHLSINGER**

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

WHEREAS on May 20, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to sections 127(1) and 127(5) (the "Temporary Order") of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering the following:

- i) that all trading in any securities by Lehman, Anton Schnedl ("Schnedl"), Richard Unzer ("Unzer"), Alexander Grundmann ("Grundmann") and Henry Hehlsinger ("Hehlsinger") shall cease;
- ii) that any exemptions contained in Ontario securities law do not apply to Lehman or its agents or employees; and
- iii) that any exemptions contained in Ontario securities law do not apply to Schnedl, Unzer, Grundmann and Hehlsinger.

AND WHEREAS on May 20, 2009, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on June 1, 2009, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on June 4, 2009 at 9 a.m.;

AND WHEREAS Staff of the Commission ("Staff") served Lehman and Schnedl with copies of the Temporary Order and a Notice of Hearing as evidenced by the Affidavit of Kathleen McMillan sworn on June 4, 2009;

AND WHEREAS Staff had no contact information for Unzer, Grundmann or Hehlsinger and were not able to serve them with any materials in advance of the hearing scheduled for June 4, 2009;

AND WHEREAS on June 4, 2009, the sole director of Lehman sent Staff correspondence indicating that she would not be attending on June 4, 2009 and that she did not "oppose the cease trading order";

AND WHEREAS the Commission held a hearing on June 4, 2009, and none of the Respondents attended before the Commission;

AND WHEREAS on June 4, 2009, the Commission ordered that the Temporary Order be extended to July 22, 2009 and the hearing be adjourned to July 21, 2009;

AND WHEREAS Staff served Lehman and Schnedl with copies of the Commission order of June 4, 2009 as evidenced by the Affidavit of Kathleen McMillan sworn on July 20, 2009;

AND WHEREAS Staff still have no contact information for Unzer, Grundmann or Hehlsinger and have not been able to serve them with any materials;

AND WHEREAS on July 20, 2009, the sole director of Lehman sent Staff correspondence indicating that neither she nor her counsel would be attending on July 21, 2009;

AND WHEREAS a hearing to consider extending the Temporary Order was held on July 21, 2009 commencing at 2:30 p.m. and Staff appeared and made submissions;

AND WHEREAS none of the Respondents appeared before the Commission to oppose Staff's request for the extension of the Temporary Order;

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

IT IS HEREBY ORDERED pursuant to section 127(8) that the Temporary Order is extended to August 20, 2009; and

IT IS FURTHER ORDERED that the hearing is adjourned to August 19, 2009, at 10:00 a.m., or to such other date as is determined by the Office of the Secretary.

DATED at Toronto this 21st of July, 2009.

"Carol S. Perry"

2.3 Rulings

2.3.1 DHLP Management Inc. – s. 74(1)

Headnote

Trades by applicant or licensed real estate agents in residential condominium units included in a rental pool program are not subject to section 25 or 53 provided that purchasers receive certain disclosure prior to entering into an agreement of purchase and sale.

Statutes Cited

Securities Act, R.S.O. 1990, as am., ss. 25, 53, 74(1).
Condominium Act, R.S.O. 1990, as am.
Real Estate and Business Brokers Act, R.S.O. 1990, as am.
Securities Act, R.S.B.C. 1996, as am.

Rules Cited

Ontario Securities Commission Rule 14-501 Definitions.
National Instrument 51-102 Continuous Disclosure Obligations.
British Columbia Instrument 45-512 Real Estate Securities.
B.C. Form 45-906F Offering Memorandum – Real Estate Securities.

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

AND

**IN THE MATTER OF
DHLP MANAGEMENT INC.**

**RULING
(Subsection 74(1))**

UPON the application of DHLP Management Inc. (the “**Applicant**”) to the Ontario Securities Commission (the “**Commission**”) for a ruling pursuant to subsection 74(1) of the Act that the sale by the Applicant of residential condominium units within a certain condominium project being built by the Applicant on a site located at 64 Main Street East, Hamilton, Ontario, will not be subject to sections 25 and 53 of the Act;

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

AND UPON the Applicant having represented to the Commission as follows:

1. The Applicant was established by articles of incorporation under the *Business Corporations Act* (Ontario) (the “**OBCA**”) as Stinson Real Estate Corporation, on November 9, 2007, as amended by Articles of Amendment dated January 25, 2008.

2. The Applicant is in the business of developing a condominium and mixed-use real estate project on the lands municipally known as 64 Main Street East, Hamilton, Ontario (the “**Lands**”).
3. The registered head office of the Applicant is located at 5 Bull’s Lane, Hamilton, Ontario L9A 1C7.
4. The Applicant is not a reporting issuer under the Act or under any other securities legislation in Canada and has no present intention of becoming a reporting issuer under the Act or any other securities legislation in Canada.
5. The Applicant will acquire ownership of the Lands from Shell Canada Products, by its managing partner, Shell Canada Limited, pursuant to an Agreement of Purchase and Sale dated April 16, 2009. The date of closing will be dependant on the timing of results of certain environmental assessments and it is intended that the purchase will not be completed earlier than June 30, 2009.
6. The Applicant has undertaken to develop the Lands by constructing a mixed-use residential/commercial condominium development with various amenities at 64 Main Street East, Hamilton (the “**Project**”). The Project will be comprised entirely of new construction comprising twelve (12) stories and containing a total of one hundred and sixty-one (161) residential dwelling condominium units on levels 5 through 12, inclusive (the “**Residential Units**”); thirty-nine (39) office suites on level 4 (the “**Office Units**”), one hundred (100) underground parking spaces in the basement (the “**Parking Units**”), as well as common elements (the “**Common Elements**”) and certain commercial facilities (the “**Commercial Units**”) on levels 1, 2, 3 and 12. The Lands are currently zoned to permit the Project and the Applicant will be seeking the necessary building permits. Due to the number of permits that will be required, obtaining the necessary permits will be an ongoing process throughout the course of the Project and no delay to the commencement of construction is anticipated as a result of any permit requirements.
7. The Common Elements will comprise all property within the Project other than the Residential Units, the Office Units, the Parking Units and the Commercial Units and will include: an entrance lobby, a rooftop garden and patio area, a gym, lounge, banquet and kitchen facilities, mechanical, heating, electrical and related utility facilities, and laundry and housekeeping facilities, which will be located throughout the Project.
8. Each Residential Unit will have a living area, a kitchen area, one or two bathrooms and a sleeping area or two (2) bedrooms and will be sold fully furnished and equipped, with all Residential

Units providing roughly equivalent accommodations, including with respect to size and layout, save and except for seven (7) Residential Units located on level twelve (12), which will provide larger, two bedroom penthouse layouts.

9. All of the Residential Units, the Office Units, the Parking Units, the Common Elements will be operated by a condominium corporation (the "**Residential Condominium**"), which will be created pursuant to the *Condominium Act*, R.S.O. 1990, c. C.26 (the "**Condo Act**").
10. The Commercial Units shall include a hotel management unit (the "**Management Unit**"), a café unit, a bar and restaurant unit, banquet facilities, retail units, a spa unit and a service elevator, all of which will be located on levels 1, 2, 3 and 12 of the Project. The Management Unit will consist of an administration area including a lobby front desk and concierge desk and administrative offices on level 1 of the Project. The Commercial Units will be contained in a condominium plan separate and apart from the Residential Condominium, which will be operated by CDHO Corporation (the "**Commercial Condominium**").
11. In addition to his, her or its Residential Unit, each owner of a Residential Unit will be entitled to a proportionate share of the Common Elements and all other assets of the Residential Condominium.
12. In accordance with the Condo Act, each owner of a Residential Unit will be responsible for expenses related to his, her or its Residential Unit, including real property taxes directly attributable to the Residential Unit. Each owner of a Residential Unit will also be responsible for his, her or its proportionate share of certain utilities and other expenses related to the Common Elements.
13. The Applicant will cause the Residential Condominium to enter into a permanent property management agreement (the "**Property Management Agreement**") with CDHO Corporation (in such capacity, the "**Property Manager**"). The Property Manager will manage and administer the Common Elements, the Parking Units and the Office Units and will be paid a management fee for its services. The Property Management Agreement will be terminable on sixty (60) days prior notice by the board of directors of the Residential Condominium, which will be elected by the owners of the Residential Units.
14. In addition, the Applicant will cause the Residential Condominium to enter into a lease and operating agreement with the Commercial Condominium, pursuant to which the Commercial Condominium is *inter alia* appointed the exclusive leasing agent for the owners of the Residential

Units for the purpose of engaging in the permitted leasing of the Residential Unit. The lease and operating agreement shall be for a term of fifty (50) years and shall be terminable by the Residential Condominium, in addition to any other remedies, upon:

- (a) a default by the Commercial Condominium, which continues for at least forty-five (45) days following notice of default, unless default is not capable of being cured within forty-five (45) days and the Commercial Condominium diligently and continuously attempts to cure such default; or
 - (b) the Rental Manager (as defined below) making an assignment of its property for the benefit of its creditors.
15. Each owner of a Residential Unit will be entitled, but not required, to enter into a rental management agreement (the "**Rental Management Agreement**") with the Commercial Condominium or such other manager as may be appointed by the Commercial Condominium (in such capacity, the "**Rental Manager**"). By entering into a Rental Management Agreement, the owners of the Residential Units will become entitled to participate in a rental management program (the "**Rental Program**"). Based on the experience of the principals of and individuals involved with the operations of the Applicant, it is anticipated that most, if not all, owners of the Residential Units will participate in the Rental Program. It is anticipated that the Commercial Condominium shall appoint the Property Manager to also act as the Rental Manager.
 16. As currently proposed, the Rental Program is an arrangement whereby the revenues derived from:
 - (a) the rental of the Residential Units by the Rental Manager;
 - (b) food and beverage revenues generated by the Commercial Units, such as the café, bar and restaurant and retail space, or lease revenue in the event that such operations are leased to a third party operator;
 - (c) parking revenues from the Parking Units that are not owned by owners of Residential Units who are not participating in the Rental Program, and/or offsite and/or valet parking arrangements, or lease revenue in the event that the operations are leased to a third party operator;
 - (d) room service and any similar guest services;

- (e) in-suite entertainment, international telephone calls and any other technology-related revenue streams;
- (f) rental or other income, if any, derived from the Commercial Units (or leasing and a percentage of gross operating revenues if such facilities are sub-contracted); and
- (g) spa services, if offered (or leasing and a percentage of gross operating revenues if such a facility is sub-contracted),

shall be pooled and all such revenues (the "**Aggregate Revenues**") then allocated to the owners of the Residential Units on an entirely equal basis. Each owner of a Residential Unit shall be paid his, her or its share of the Aggregate Revenues, less the operating expenses incurred by the Rental Manager to operate the Rental Program and a fixed administration fee per Residential Unit representing compensation to the Rental Manager. Aggregate Revenues and applicable expenses and fees will be calculated and paid on a monthly basis. It is currently proposed that the Rental Manager also be entitled to an annual bonus payment equal to 10% of the net profits of the Rental Program.

- 17. The Rental Manager will determine the rental rates for the Residential Units; coordinate the rental of Residential Units, collect all rental payments and charges; deposit the gross Rental Program revenues into a trust account or accounts under the exclusive control of the Rental Manager; and generally to operate, supervise, manage, clean and maintain the Residential Units.
- 18. The Rental Manager will be responsible for all operating costs of the Residential Condominium other than certain fees, charges and expenses listed in the Rental Management Agreement (the "**Fees, Charges and Expenses**") that are to be borne by the owners of the Residential Units and payable to third parties in connection with the earning of revenues for the Residential Condominium. The Rental Manager will be entitled to deduct the Fees, Charges and Expenses from the Aggregate Revenues on behalf of the owners of Residential Units. In the event that the Aggregate Revenues do not cover the full amount of the Fees, Charges and Expenses, then the Rental Manager will be responsible for any deficiency.
- 19. Following deduction of the Fees, Charges and Expenses from the Aggregate Revenues, the remaining balance (the "**Adjusted Revenues**") will be allocated between the Rental Manager and the owners of the Residential Units who are participating in the Rental Program as follows:

- (a) As compensation for the services which the Rental Manager will provide, the Rental Manager will be entitled to the payment of a management fee equal to 10% of the Adjusted Revenues; and
- (b) The remaining 90% of the Adjusted Revenues (the "**Net Revenues**") is payable, pro rata, to each owner of a Residential Unit, to the extent of his, her or its participation in the Rental Program, net of certain fees and charges that are payable by the owners of Residential Units, as described below.

- 20. Common expenses and all repair reserve funds in respect of the Common Elements will be determined by the Residential Condominium and are payable by each owner of a Residential Unit, Office Unit and/or Parking Unit. If the allocation of the Net Revenues of a particular owner of a Residential Unit, Office Unit or Parking Unit is insufficient to cover that owner's share of the common expenses and reserve fund contribution, then the Residential Condominium will reasonably require that such owner pay any amount outstanding.
- 21. Maintenance fees and repair costs for each individual Residential Unit which participates in the Rental Program, including charges for annual deep cleaning, furniture and appliance repair and normal "wear-and-tear", will be payable by the owner of the Residential Unit. In the event that a Residential Unit is damaged by a guest who rents that Residential Unit, the owner will be ultimately responsible for the repair costs, but the Rental Manager and the owner will co-operate in recovering such costs from any guest which may have caused such damage. Individual expenses incurred in connection with an owner's personal use of his, her or its Residential Unit, including such items as room service charges and telephone bills, shall be paid after each period of personal use by the owner. The Rental Manager will deduct any unpaid individual expenses incurred by an owner from that owner's remaining allocation of Net Revenues. Each owner of a Residential Unit will be responsible to the Rental Manager for any shortfall between the owner's remaining allocation of Net Revenues and any of the costs associated with the owner's Residential Unit. The owner of a Residential Unit is not responsible for personal use charges incurred by guests of the Rental Manager.
- 22. The Rental Management Agreement will list the fees and charges payable by the owner of a Residential Unit, including a description of how such costs associated with the operation and maintenance of the Residential Units and the Residential Condominium will be allocated between the Rental Manager and the owners of

- the Residential Units. Each owner of a Residential Unit will give the Rental Manager permission to make additional deductions from the Adjusted Revenues, if and to the extent that the deductions are necessary to ensure that the Residential Condominium continues to operate hotel standards set forth in the Rental Management Agreement.
23. The Disclosure Statement (as defined in paragraph 26 below) and the Rental Management Disclosure Memorandum (as defined in paragraph 31 below) will contain the following risk factor: *“Each owner of a Residential Unit will be responsible for a number of costs and charges associated with the ongoing operation of the Residential Condominium. These costs will be deducted from the owner’s share of Adjusted Revenues and there is no guarantee that the amount of the owner’s share of the Adjusted Revenues will be sufficient to cover such costs. In the event that an owner’s share of the Adjusted Revenues is insufficient to cover the costs owed by the owner, the owner may have to pay additional amounts to the Rental Manager (as defined in the Rental Management Agreement). An owner will, for example, be responsible for the repair, replacement and upkeep costs for that owner’s Residential Unit, including replacement of furniture and annual cleaning costs. Owners of Residential Units will also be responsible for covering the cost of any damage to a Residential Unit as a result of the rental of the Residential Unit to a third party by the Rental Manager. For complete information on all costs and charges to be levied against owners of Residential Units, prospective purchasers should carefully read the Rental Management Agreement”.*
24. The Residential Units are being offered for sale in Ontario through Harry Stinson Realty Corporation (“HSRC”) or such other agent of the Applicant licensed under the *Real Estate and Business Brokers Act*, R.S.O. 1990, c. R.5. The Applicant, through HSRC (or such other agent), will actively market the Residential Units for sale, including by advertisements published in print media as well as on television, radio and on the internet.
25. To date, marketing activities have commenced with respect to the Project and the Rental Program to the extent that such marketing activities were permitted by the previous Ruling of the Commission dated December 23, 2008; however, all marketing and sales activities have ceased pending the Ruling requested herein.
26. The Applicant shall cause a disclosure statement (the “**Disclosure Statement**”) to be delivered to each person who enters into an agreement for the purchase of a Residential Unit (an “**Agreement of Purchase and Sale**”). The Disclosure Statement
- will comply with the requirements of the Condo Act.
27. Pursuant to Section 52(3) of the Condo Act, any initial purchaser (an “**Initial Purchaser**”) who enters into an Agreement of Purchase and Sale with the Applicant for the purchase of a Residential Unit shall be entitled to rescind his, her or its Agreement of Purchase and Sale by notice to the Applicant given within ten (10) days after the Initial Purchaser receives a copy of the Disclosure Statement or any material amendment to the Disclosure Statement. Pursuant to the Condo Act, such rescission may be exercised by giving written notice to the Applicant or the Applicant’s solicitors at their respective address for service noted in the Agreement of Purchase and Sale.
28. None of the advertisements or other marketing materials for the sale of the Residential Units shall make reference to the Rental Program, save for:
- (a) the references made in the Disclosure Statement; and
 - (b) information disclosing the existence of the Rental Program and its benefits for the efficient operation of the Residential Condominium for owners and guests.
29. Prospective purchasers of Residential Units will not be provided with any form of rental, cash flow or deficiency guarantees or any other form of financial commitment or projection by or on behalf of the Applicant respecting the Rental Program, other than:
- (a) examples of financial calculations solely for the purpose of better explaining to prospective purchasers of Residential Units how the revenue pooling proceeds are calculated, which sample calculations will be included in the Rental Management Disclosure Memorandum described in paragraphs 31 and 32, below; and
 - (b) the budget required to be delivered to an Initial Purchaser of a Residential Unit pursuant to the Condo Act.
30. The purchase price for which the Applicant shall offer the Residential Units for sale to Initial Purchasers is not derived from the existence of the Rental Program such that there will not be a premium or discount to the sale price of the Residential Units as a result of the Rental Program.
31. In addition to the delivery of the Disclosure Statement pursuant to the Condo Act, the Applicant will deliver to each prospective Initial

Purchaser, prior to entering into an Agreement of Purchase and Sale with any such prospective Initial Purchaser subsequent to the date of this Ruling, a disclosure memorandum (the "**Rental Management Disclosure Memorandum**") certified by the Applicant and the Rental Manager in the form of the certificate required pursuant to item 19 of B.C. Form 45-906F of the *Securities Act*, R.S.B.C. 1996, c. 418 (as amended) ("**Form 45-906F**").

32. The Rental Management Disclosure Memorandum will include the following information relating to the Rental Program prepared substantially in accordance with the form and content requirements of the following sections of Form 45-906F:

- (a) items 1, 3(1), 5, 7, 9(1), 9(2), 9(3), 9(4), 10(b) and 16 (including the reporting obligations of the Rental Manager to purchasers as more particularly described in paragraphs 36 and 37 below), modified as necessary to reflect the operations of the Rental Program;
- (b) items 12(2), 12(3) and 12(4) of Form 45-906F with respect to the Applicant and the Rental Manager, as applicable, modified so that the period of disclosure runs from the date of the certificate attached to the date of the Rental Management Disclosure Memorandum.
- (c) a description of the Residential Condominium, the Rental Program and the offering of Residential Units;
- (d) a description of Residential Unit resale restrictions;
- (e) a summary of the material features of the Rental Management Agreement to be entered into between a purchaser of a Residential Unit and the Rental Manager;
- (f) a description of the continuous reporting obligations of the Applicant to owners of the Residential Units, as more particularly set forth in paragraphs 35 and 36, below;
- (g) a description of the risk factors that make the offering of Residential Units a risk or speculative;
- (h) a description of the contractual right of action available to purchasers of a Residential Unit as more particularly described in paragraphs 33 and 34, below; and

(i) a certificate signed by the President of the Applicant in the following form:

"The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made."

33. Initial Purchasers of Residential Units and each subsequent purchaser of a Residential Unit will be provided with a contractual right of action as defined in Ontario Securities Commission Rule 14-501 *Definitions* with respect to the disclosure contained in the Rental Management Disclosure Memorandum, save and except only that such right of action shall:

- (a) be for damages and not include a right of action for rescission; and
- (b) be exercisable on notice against the certifying entity not later than 180 days after the earlier of the date the purchaser closes his, her or its purchase transaction or takes possession of its Residential Unit.

34. The Rental Management Disclosure Memorandum shall describe the contractual right of action, including any defences available to the certifying entity, the limitation periods applicable to the exercise of the contractual right of action, and will indicate that the contractual right of action is in addition to any other right or remedy available to the purchaser.

35. The Rental Management Agreement shall impose an irrevocable obligation on the Rental Manager to deliver to each owner of a Residential Unit participating in the Rental Program:

- (a) audited annual financial statements for the Rental Program that have been prepared in accordance with generally accepted accounting principles and otherwise made up, certified and delivered in accordance with the applicable provisions of the Act as if the Rental Program was a reporting issuer for the purposes of the Act; and
- (b) interim unaudited financial statements for the Rental Program that have been prepared in accordance with generally accepted accounting principles and otherwise made up, certified and delivered in accordance with the applicable provisions of the Act as if the Rental Program was a reporting issuer for the purposes of the Act.

36. The Rental Management Agreement shall impose an irrevocable obligation on the Rental Manager to deliver to a prospective subsequent purchaser (a “**Subsequent Purchaser**”), upon reasonable notice of an intended sale by the owner of a Residential Unit participating in the Rental Program, and before an Agreement of Purchase and Sale is entered into with a Subsequent Purchaser:

- (a) the most recent audited annual financial statements (which include financial statements for the prior comparative year, if applicable) and, if applicable, the then most recent interim unaudited financial statements for the Rental Program (the “**Financial Information**”);
- (b) the Rental Management Disclosure Memorandum certified by the Rental Manager in the form of the certificate required pursuant to item 19 of Form 45-906F; and
- (c) the Disclosure Statement or a summary thereof.

37. The Rental Management Agreement shall impose an irrevocable obligation on each owner of a Residential Unit participating in the Rental Program to provide:

- (a) the Rental Manager with reasonable notice of a proposed sale of his, her or its Residential Unit; and
- (b) a Subsequent Purchaser of a Residential Unit with notice of his, her or its right to obtain from the Rental Manager, the Financial Information and the Rental Management Disclosure Memorandum.

38. The Rental Management Agreement will not require an owner of a Residential Unit to give any person an assignment of any of his, her or its right to vote in accordance with the Condo Act or condominium corporation by-laws, or to waive notice of meetings of the Residential Condominium.

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:

- 1. the distribution of a Residential Unit by the Applicant, HSRC, or such other licensed agent who is licensed under the *Real Estate and*

Business Brokers Act, R.S.O. 1990, c. R.5, is exempt from sections 25 and 53 of the Act, provided that:

- a) every Initial Purchaser and every Subsequent Purchaser receives all of the documents and information referred to in paragraphs 26 and 31 to 36, above, and a copy of this Ruling, prior to entering into an Agreement of Purchase and Sale; and
 - b) every Initial Purchaser receives the ten (10) day “cooling off” period for rescission described in paragraph 27 above; and
2. any subsequent trade of a Residential Unit shall be deemed to be a “distribution” for the purposes of the Act, unless:
- a) the seller of the subject Residential Unit is not a developer or an agent acting on such developer’s behalf;
 - b) the seller of the subject Residential Unit provides written notice to the Rental Manager of his, her or its intention to sell his, her or its Residential Unit;
 - c) the seller of the subject Residential Unit provides the prospective purchaser of such Residential Unit, prior to completion of the purchase and sale transaction, all of the documents and information referred to in paragraph 35 and 36 above; and
 - d) the seller, or an agent acting on the seller’s behalf, does not advertise, market, promise or otherwise represent any projected economic benefits of the Rental Program to any prospective purchaser.

DATED at Toronto, this 10th day of July, 2009.

“Lawrence Ritchie”
Vice-Chair
Ontario Securities Commission

“Mary Condon”
Commissioner
Ontario Securities Commission

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
Petrol One Corp.	08 July 09	20 July 09	20 July 09	
Central Industries Corporation Inc.	07 July 09	20 July 09	20 July 09	
LMS Medical Systems Inc.	20 July 09	31 July 09		
Liberty Mines Inc.	13 April 09	24 April 09	24 April 09	17 July 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
Firstgold Corp.	22 July 09	04 Aug 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		
Wedge Energy International Inc.	04 May 09	15 May 09	15 May 09		
Spylogics International Corp.	02 June 09	15 June 09	15 June 09		
Firstgold Corp.	22 July 09	04 Aug 09			

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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).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/25/2009	5	Ahau 30 FCPR - Common Shares	155,170,085.85	N/A
06/01/2009	8	Aldershot Resources Ltd. - Units	265,790.01	N/A
07/02/2009	3	Alliance One International, Inc. - Notes	43,790,420.00	1.00
07/08/2009	1	Alothon Fund II, L.P. - Limited Liability Interest	13,361,793.50	1.00
07/02/2009	17	Ameroil Corp. - Notes	525,000.00	N/A
06/24/2009	2	Assured Guaranty Ltd. - Common Shares	4,728,750.00	375,000.00
06/29/2009	25	Azteca Gold Corp. - Units	666,700.00	1,666,750.00
06/12/2009	18	Bralorne Gold Mines Ltd, - Flow-Through Shares	391,465.00	381,763.00
07/09/2009	40	Canadian Horizons First Mortgage Investment Corporation - Preferred Shares	1,464,213.00	1,464,213.00
07/10/2009	43	Canflame Energy Ltd. - Common Shares	2,000,000.00	2,500,000.00
06/26/2009	30	Carat Exploration Inc. - Common Shares	621,648.90	2,072,163.00
07/09/2009	27	CareVest Blended Mortgage Investment Corporation - Preferred Shares	543,752.00	543,752.00
07/09/2009	35	CareVest Blended Mortgage Investment Corporation - Preferred Shares	1,452,609.00	1,332,609.00
07/09/2009 to 07/15/2009	45	CareVest First Mortgage Investment Corporation - Preferred Shares	2,757,057.00	2,732,057.00
07/09/2009	15	CareVest First Mortgage Investment Corporation - Preferred Shares	418,960.00	418,960.00
07/09/2009	385	Casella Waste Systems, Inc. - Notes	228,689,285.00	3.00
07/14/2009	1	Chai Cha Na Mining Inc. - Common Shares	52,000.00	200,000.00
06/23/2009	1	Chai Cha Na Mining Inc. - Common Shares	15,000.00	100,000.00
06/20/2009 to 06/28/2009	22	CMC Markets UK plc - Contracts for Differences	153,100.00	22.00
07/10/2009 to 07/19/2009	14	CMC Markets UK plc - Contracts for Differences	156,001.00	14.00
07/13/2009	106	Connor Clark & Lunn GWest Traditional Infrastructure Limited Partnership - Limited Liability Interest	0.00	0.00
06/10/2009	7	Corsa Capital Ltd. - Units	430,000.00	N/A

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/16/2009	1	Denison Mines Corp. - Common Shares	675,000.00	675,000.00
06/23/2009	3	Denison Mines Corp. - Common Shares	94,900,000.00	73,000,000.00
07/08/2009 to 07/15/2009	8	Development Notes Limited Partnership - Units	833,572.00	833,572.00
07/07/2009	1	Digicel Limited - Notes	3,597,160.00	3,000,000.00
06/24/2009	1	Dorothy of OZ, LLC - Units	7,800.00	7,800.00
06/12/2009	15	Duncastle Gold Corp. - Common Shares	433,000.00	N/A
06/18/2009	34	East Asia Minerals Corporation - Units	4,641,000.00	9,100,000.00
06/26/2008	71	Encore Renaissance Resources Corp. - Units	3,097,500.00	38,450,000.00
06/22/2009	178	Exchange Industrial Income Fund - Units	7,940,195.00	N/A
06/05/2009	1	Fem Med Formulas Limited Partnership - Notes	30,000.00	N/A
06/19/2009	1	First Leaside Fund - Trust Units	253,957.50	225,000.00
06/19/2009	1	First Leaside Fund - Trust Units	150,000.00	150,000.00
07/08/2009	1	First Leaside Fund - Trust Units	2,537.29	2,177.00
07/08/2009 to 07/13/2009	2	First Leaside Premier Limited Partnership - Limited Partnership Interest	118,275.00	100,000.00
07/13/2009 to 07/15/2009	1	First Leaside Progressive Limited Partnership - Limited Partnership Interest	170,000.00	170,000.00
06/24/2009	1	First Leaside Progressive Limited Partnership - Units	91,000.00	91,000.00
06/24/2009	1	First Leaside Wealth Management Inc. - Preferred Shares	15,000.00	15,000.00
07/10/2009	2	First Leaside Wealth Management Inc. - Preferred Shares	300,000.00	300,000.00
06/24/2009	1	Ford Auto Lease Trust - Note	1,534,478,506.19	1.00
06/19/2009	56	Functional Technologies Corp. - Units	3,200,000.00	8,000,000.00
07/09/2009	12	GeneNews Limited - Common Shares	1,702,741.00	6,810,964.00
06/10/2009	71	Gold Star Resources Corp. - Units	863,700.00	8,637,000.00
05/15/2009	3	GreenBlue Inc. - Common Shares	400,000.00	800,000.00
06/18/2009	5	Gulf Coast Basin Limited Partnership - Limited Partnership Units	230,000.00	23.00
06/15/2009	1	Hamilton Lane Secondary Fund II LP - Limited Partnership Interest	28,352,500.00	N/A
07/02/2009	5	Hana Mining Ltd. - Common Shares	25,000.00	104,170.00
06/23/2009	1	Harman International Industries, Incorporated - Common Shares	4,336,000.00	N/A
06/23/2009	1	Hi Ho Silver Resources Inc. - Common Shares	11,250.00	225,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
07/08/2009	27	Highbank Resources Ltd. - Common Shares	120,000.00	4,000,000.00
06/18/2009 to 06/26/2009	28	IGW Real Estate Investment Trust - Trust Units	822,478.24	812,029.50
06/25/2009 to 06/30/2009	43	IGW Segragated Debt 2 Limited Partnership - Limited Partnership Units	2,780,400.00	2,780,400.00
06/18/2009 to 06/23/2009	3	Imperial Capital Equity Partners Ltd. - Capital Commitment	2,050,000.00	2.00
06/26/2009	3	Imperial Capital Equity Partners Ltd. - Capital Commitment	1,600,000.00	1,600,000.00
07/07/2009 to 07/10/2009	4	Imperial Capital Equity Partners Ltd. - Capital Commitment	3,500,000.00	2.00
07/02/2009	2	Inflexion Co-Investment Limited Partnership - Limited Partnership Interest	3,678,132.14	1.00
06/25/2009	6	Innovative Composites Incorporated - Common Shares	197,350.00	657,833.00
03/20/2009	6	International Composting Corporation - Common Shares	101,821.07	282,107.00
06/30/2009	2	Investeco Private Equity Fund III, L.P - Limited Partnership Units	80,113.76	80.00
05/28/2009	19	Itron Inc. - Common Shares	22,564,206.65	399,375.00
06/30/2009	10	JD Capital Canada LP I - Limited Partnership Units	1,860,000.00	16.00
06/29/2009 to 07/07/2009	49	Kaminak Gold Corporation - Units	1,299,290.00	2,887,310.00
07/14/2009	23	Largo Resources Ltd. - Units	1,002,076.40	10,020,772.00
06/18/2009	56	Lateegra Gold Corp. - Units	632,600.00	3,163,000.00
07/02/2009	5	Laurenitan Goldfields Ltd. - Units	999,999.36	5,555,552.00
12/19/2008	23	Lavaca III Limited Partnership - Limited Partnership Units	630,000.00	64.00
06/22/2009	5	Lincoln National Corporation - Common Shares	24,161,400.00	1,395,000.00
07/14/2009	43	Lithium Americas Corp. - Common Shares	1,575,000.00	10,500,000.00
06/24/2009	115	Liuyang Fireworkds Limited - Common Shares	254,538.00	42,340,417.00
06/29/2009	1	Magenta Mortgage Investment Corporation - Common Shares	250,000.00	250,000.00
06/30/2009	53	Malbex Resources Inc. - Receipts	10,637,500.00	21,275,000.00
06/03/2009	3	Manitou Gold Inc. - Common Shares	42,000.00	700,000.00
06/23/2009	7	Maya Gold & Silver Inc. - Units	473,025.00	N/A
06/29/2009	6	Maya Gold & Silver Inc. - Warrants	91,000.00	N/A
06/22/2009	1	McMoRan Exploration Co. - Preferred Shares	1,154,700.00	75,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/25/2009	24	MedBioGene Inc. - Units	416,121.00	5,201,513.00
06/29/2009	9	Metropolitan Life Global Funding I - Notes	200,000,000.00	200,000,000.00
06/04/2009	1	Millrock Resources Inc. - Common Shares	350,000.00	2,187,500.00
06/25/2009	3	Mines Abcourt Inc./Abcourt Mines Inc. - Common Shares	250,000.00	2,500,000.00
07/06/2009	15	Nelson Financial Group Ltd. - Notes	126,000.00	N/A
07/06/2009 to 07/10/2009	18	Neo Exploration Inc. - Units	6,794,786.25	3,895,235.00
06/12/2009 to 06/18/2009	6	Nexstar Energy Ltd. - Common Shares	616,522.50	8,220,300.00
07/07/2009	1	NuVista Energy Ltd. - Receipts	16,500,000.00	1,500,000.00
06/25/2009	2	Opsens Inc. - Common Shares	1,750,000.20	2,916,667.00
06/11/2009	13	Ornge Issuer Trust - Debentures	275,000,000.00	N/A
05/28/2009	18	Oro Silver Resources Ltd. - Common Shares	180,000.00	N/A
06/22/2009	86	PetroKamchatka Resources Ltd. - Common Shares	11,309,965.70	226,199,314.00
06/30/2009	1	PetroQuest Energy Inc. - Common Shares	1,221,000.00	11,500,000.00
06/30/2009	2	Q-Gold Resources Ltd. - Units	400,000.00	10,000,000.00
07/07/2009	1	Queens University at Kinston - Debenture	30,000,000.00	1.00
07/06/2009	1	Rainy River Resources Ltd. - Common Shares	18,000.00	10,000.00
06/02/2009	1	Redwood Trust Inc. - Common Shares	314,000.00	17,240,000.00
06/22/2009	1	Right Side Registered Ontario I Inc. - Bonds	150,150.00	1,020.00
06/25/2009	41	Rio Alto Mining Limited - Common Shares	4,328,682.00	N/A
07/02/2009	34	Rio Tinto plc - Rights	0.00	524,460,478.00
04/23/2009	75	Riverside Forest Products Limited - Units	1,508,600.00	3,771,500.00
06/26/2009 to 07/03/2009	10	Rocmec Mining Inc. - Non-Flow Through Units	377,000.00	N/A
06/26/2009 to 07/03/2009	2	Rocmec Mining Inc. - Non-Flow Through Units	525,000.00	N/A
07/15/2009	6	Seafield Resources Ltd. - Units	155,500.00	3,887,500.00
05/29/2009	63	Sernova Corp. - Common Shares	420,000.00	14,000,000.00
06/26/2009	13	Sigma Dek Ltd. - Common Shares	610,506.00	143,502.00
04/07/2009	1	SLM Private Education Loan Trust 2009-A - Notes	109,470,000.00	1.00
07/10/2009	36	Stina Resources Ltd. - Flow-Through Units	2,490,820.00	1,923,076.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/29/2009	13	Tanzanian Mining Corp. - Common Shares	125,000.00	2,500,000.00
07/13/2009	4	TerraX Minerals Inc. - Common Shares	6,250.00	50,000.00
07/09/2009	20	Teuton Resources Corp. - Units	216,000.00	2,400,000.00
05/22/2009	2	The Chippery Chip Factory Inc. - Common Shares	119,832.20	855,943.00
06/30/2009	11	The DAW 2009 Limited Partnership - Limited Partnership Units	4,875,000.00	195.00
05/27/2009	9	TNR Gold Corp. - Common Shares	438,942.64	N/A
05/28/2009	365	Tourmaline Oil Corp. - Common Shares	140,000,000.00	14,000,000.00
07/01/2009	3	Toys "R" Us Property Company I, LLC. - Notes	26,042,057.63	23,000.00
06/15/2009	113	TTi Turner Technology Instruments Inc. - Debentures	9,131,800.00	N/A
06/22/2009	13	Uranium North Resources Corp. - Flow-Through Shares	271,502.04	2,262,517.00
06/12/2009	13	Valterra Resource Corporation - Flow-Through Shares	860,000.00	N/A
06/12/2009	14	Walton AZ Sawtooth Investment Corporation - Common Shares	260,640.00	26,064.00
06/16/2009	7	Walton AZ Silver Reef 2 Investment Corporation - Common Shares	124,180.00	12,418.00
06/09/2009	23	Walton AZ Silver Reef Investment Corporation - Common Shares	311,000.00	31,100.00
06/09/2009	23	Walton AZ Silver Reef Investment Corporation - Common Shares	311,000.00	31,100.00
06/16/2009	21	Walton AZ Silver Reef Investment Corporation - Common Shares	374,110.00	37,411.00
06/23/2009	11	Walton AZ Silver Reef Investment Corporation - Common Shares	357,800.00	35,780.00
06/16/2009	8	Walton AZ Silver Reef Limited Partnership - Limited Partnership Units	314,078.93	27,721.00
06/23/2009	15	Walton AZ Vista Del Monte 1 Investment Corporation - Common Shares	395,510.00	39,551.00
05/29/2009	170	Walton AZ Vista Del Monte 1 Investment Corporation - Common Shares	3,028,150.00	302,815.00
06/16/2009	7	Walton AZ Vista Del Monte Limited Partnership 1 - Limited Partnership Units	671,744.37	59,289.00
06/16/2009	69	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	1,177,500.00	117,750.00
06/09/2009	26	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	288,050.00	28,805.00
06/26/2009	33	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	501,720.00	50,172.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/23/2009	42	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	1,007,210.00	100,721.00
05/29/2009	36	Walton GA Arcade Meadows 2 Investment Corporation - Common Shares	581,820.00	58,182.00
06/16/2009	3	Walton GA Arcade Meadows Limited Partnership 2 - Limited Partnership Units	239,856.91	114,727.00
06/09/2009	3	Walton GA Arcade Meadows Limited Partnership 2 - Limited Partnership Units	333,850.48	29,702.00
06/23/2009	4	Walton GA Arcade Meadows Limited Partnership 2 - Limited Partnership Units	1,078,398.72	93,611.00
06/02/2009	3	Walton GA Arcade Meadows Limited Partnership 2 - Limited Partnership Units	1,012,402.97	93,009.00
06/16/2009	37	Walton TX Amble Way Investment Corporation - Common Shares	571,650.00	57,165.00
06/09/2009	20	Walton TX Amble Way Investment Corporation - Common Shares	259,740.00	25,974.00
06/26/2009	22	Walton TX Amble Way Investment Corporation - Common Shares	379,300.00	37,930.00
06/12/2009	30	Walton TX Amble Way Investment Corporation - Common Shares	497,110.00	49,711.00
06/23/2009	29	Walton TX Amble Way Investment Corporation - Common Shares	460,250.00	46,025.00
05/29/2009	26	Walton TX Amble Way Investment Corporation - Common Shares	492,530.00	49,253.00
06/26/2009	15	Walton TX Garland Heights 1 Investment Corporation - Common Shares	275,000.00	27,500.00
06/12/2009	18	Walton TX Garland Heights 1 Investment Corporation - Common Shares	230,570.00	23,057.00
06/12/2009	2	Walton TX Garland Heights Limited Partnership 1 - Limited Partnership Units	258,060.00	23,460.00
06/12/2009	19	Walton TX Green Meadows Limited Partnership 1 - Limited Partnership Units	533,005.00	48,455.00
06/17/2009	29	Weststar Resources Corp. - Units	707,500.00	707,500.00
06/30/2009	3	WV Blocker Corp. (II) (RC) - Common Shares	2,987,422.73	1,915,398.00
06/26/2009	15	Zorzal Incorporated - Debentures	252,200.00	N/A

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

AHL Investment Strategies SPC - Class D Man AHL
Diversified 2 CAD Notes
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Non-Offering Prospectus dated July 16, 2009

NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

Class D Man AHL Diversified 2 CAD Notes

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1447984

Issuer Name:

Baytex Energy Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated July 17, 2009

NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

\$600,000,000.00:

Trust Units
Subscription Receipts
Warrants
Rights
Options
Debt Securities

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1448368

Issuer Name:

First Capital Realty Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated July 21, 2009

NP 11-202 Receipt dated July 21, 2009

Offering Price and Description:

\$51,300,000 - 3,000,000 Units

Price: \$17.10 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

Scotia Capital Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

Genuity Capital Markets

Raymond James Ltd.

Canaccord Capital Corporation

Promoter(s):

-

Project #1449036

Issuer Name:

J5 Acquisition Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated July 20, 2009

NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

\$400,000.00 - 4,000,000 Common Shares Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

Ronald D. Schmeichel

Project #1448595

Issuer Name:

Manulife Canadian Balanced Growth Fund
Manulife Investment Savings Fund
Manulife Mawer Global Equity Class
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated July 16, 2009
NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

Advisor Series, Series F, Series I, Series IT, Series O and
Series T Securities

Underwriter(s) or Distributor(s):

Elliott & Page Limited
MFC Global Investment Management, a division of Elliott &
Page Limited

Promoter(s):

Elliott & Page Limited

Project #1447932

Issuer Name:

Marengo Mining Limited
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated July 16, 2009
NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.
Canaccord Capital Corporation

Promoter(s):

-

Project #1448213

Issuer Name:

NiMin Capital Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated July 17, 2009
NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

\$10,000,000.00 to \$35,000,000 - * Units Price: \$ * per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
GMP Securities L.P.
CK Cooper & Company

Promoter(s):

Clarence Cottman III

Project #1448811

Issuer Name:

Scotia Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated July 13, 2009
NP 11-202 Receipt dated July 15, 2009

Offering Price and Description:

Class A and I Units

Underwriter(s) or Distributor(s):

Scotia Securities Inc.
Scotia Securities Inc.

Promoter(s):

Bank of Nova Scotia

Project #1447167

Issuer Name:

Webb Enhanced Growth Fund
Webb Enhanced Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated July 16, 2009
NP 11-202 Receipt dated July 16, 2009

Offering Price and Description:

Series A, F and I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Webb Asset Management Canada, Inc.

Project #1447924

Issuer Name:

Westport Innovations Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Base Shelf Prospectus dated July
20, 2009
NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

\$200,000,000.00:
Common Shares
Preferred Shares
Subscription Receipts
Warrants
Debt Securities
Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1448809

Issuer Name:

Alliance Grain Traders Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 16, 2009
NP 11-202 Receipt dated July 16, 2009

Offering Price and Description:

\$99,431,150.00 (6,118,840 Subscription Receipts)

Underwriter(s) or Distributor(s):

Genuity Capital Markets
Wellington West Capital Markets Inc.
Macquarie Capital Markets Canada Ltd.
GMP Securities L.P.
First Republic Capital Corporation

Promoter(s):

-

Project #1444426

Issuer Name:

Black Birch Capital Acquisition I Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated July 16, 2009
NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

Minimum Offering: \$300,000.00 or 1,500,000 Common
Shares Maximum Offering: \$1,500,000.00 or 7,500,000
Common Shares Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

-

Project #1441797

Issuer Name:

B2Gold Corp.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated July 15, 2009
NP 11-202 Receipt dated July 16, 2009

Offering Price and Description:

C\$25,005,000.00 - 33,340,000 Common Shares C\$0.75
per Common Share

Underwriter(s) or Distributor(s):

Genuity Capital Markets
Macquarie Capital Markets Canada Ltd.
Blackmont Capital Inc.
Haywood Securities Inc.

Promoter(s):

-

Project #1445151

Issuer Name:

BELLUS Health Inc.
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated July 15, 2009
NP 11-202 Receipt dated July 15, 2009

Offering Price and Description:

\$12,080,018.00 - 52,237,918 Rights to Purchase
65,297,397 Common Shares at a Purchase Price of \$0.185
per Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1445566

Issuer Name:

All Funds offer either Mutual Fund Units or Shares (Classic Units or Shares ("C"), F Class Units or Shares ("F"), F5 Class Units or Shares ("F5"), I Class Units or Shares ("I"), T5 Class Units ("T5") and T8 Class Units ("T8")

also offered where indicated) of:

BMO Guardian Canadian Bond Fund (F, I)
BMO Guardian Canadian Money Market Fund (C, F)
BMO Guardian Floating Rate Income Fund (F, I)
BMO Guardian Global Bond Fund (F, I)
BMO Guardian High Yield Bond Fund (F, I)
BMO Guardian Monthly Dividend Fund Ltd. (C, F) - (formerly GGOF Monthly Dividend Fund Ltd.)
BMO Guardian Monthly High Income Fund (C, F, T8)
BMO Guardian Monthly High Income Fund II (F, I, T8)
BMO Guardian U.S. Money Market Fund (C)
BMO Guardian American Equity Fund Ltd. (F, I) - (formerly GGOF American Equity Fund Ltd.)
GGOF Canadian Equity Fund Ltd. (F)
BMO Guardian Canadian Large Cap Equity Fund (F, I, T5)
BMO Guardian Dividend Growth Fund (F, F5, I, T5)
BMO Guardian Emerging Markets Fund (F, I)
BMO Guardian Enterprise Fund (F, I, T5)
BMO Guardian European Equity Fund (F, I, T5)
BMO Guardian Global Absolute Return Fund (F, I, T5)
BMO Guardian Global Dividend Growth Fund (F, T5)
BMO Guardian Global Equity Fund (F, I, T5)
BMO Guardian Global Real Estate Fund (F, T5)
BMO Guardian Global Small Cap Fund (F, I)
BMO Guardian Global Technology Fund (F, I)
BMO Guardian Japanese Equity Fund (F, I)
BMO Guardian Canadian Resource Fund (F)
BMO Guardian Asian Growth and Income Fund (F, I)
BMO Guardian Canadian Balanced Fund (F, T5)
BMO Guardian Canadian Diversified Monthly Income Fund (F, F5, I, T5, T8)
BMO Guardian Global Diversified Fund (F, T5)
BMO Guardian Small Cap Growth and Income Fund (F, T5)
BMO Guardian U.S. Diversified Monthly Income Fund (F, T5)
BMO Guardian Income Solution (F, F5, T5, T8)
BMO Guardian Conservative Solution (F, F5, T5, T8)
BMO Guardian Balanced Solution (F, F5, T5, T8)
BMO Guardian Growth Solution (F, F5, T5, T8)
BMO Guardian Aggressive Growth Solution (F, F5, T5, T8)
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 8, 2009

NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

Classic Units or Shares ("C"), F Class Units or Shares ("F"), F5 Class Units or Shares ("F5"), I Class Units or Shares ("I"), T5 Class Units ("T5") and T8 Class Units ("T8") @ Net Asset Value

Underwriter(s) or Distributor(s):

Guardian Group of Funds Ltd.

Jones Heward Investment Management Inc.

Promoter(s):

-

Project #1433556

Issuer Name:

Cumberland Capital Appreciation Fund

Cumberland Income Fund

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 17, 2009

NP 11-202 Receipt dated July 21, 2009

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Cumberland Private Wealth Management Inc.

Promoter(s):

-

Project #1435917

Issuer Name:

Dynamic Strategic Gold Class

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated July 14, 2009

NP 11-202 Receipt dated July 16, 2009

Offering Price and Description:

Series A, F, I and O Shares @ Net Asset Value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd

Project #1436548

Issuer Name:

Eldorado Gold Corporation

Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated July 20, 2009

NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

27,824,654 Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1446927

Issuer Name:

Faircourt Income & Growth Split Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated July 14, 2009
NP 11-202 Receipt dated July 15, 2009

Offering Price and Description:

4,903,305 Rights to Subscribe for an aggregate of up to
4,903,305 Units, each Unit Consisting of one trust unit and
one warrant

Price: One Right and \$ 2.30 per Unit

Underwriter(s) or Distributor(s):

TD Securities Inc.

Promoter(s):

-

Project #1444857

Issuer Name:

Gazit America Inc.
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated July 20, 2009
NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

Maximum of 9,225,000 Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

First Capital Realty Inc.

Project #1439276

Issuer Name:

Great Lakes Hydro Income Fund
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated July 16, 2009
NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

\$184,861,750.00 - 12,242,500 Subscription Receipts each
representing the right to receive one Trust Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.

Promoter(s):

-

Project #1446149

Issuer Name:

Embedded Series, Series F, Series T, Series V and Wrap
Series Securities of:

Harmony Canadian Enhanced Fixed Income Pool Class
(Class of Harmony Tax Advantage Group
Limited)

Harmony Canadian Equity Pool

Harmony Canadian Equity Pool Class (Class of Harmony
Tax Advantage Group Limited)

Harmony Canadian Fixed Income Pool

Harmony Money Market Pool (offers only Embedded
Series, Series F and Wrap Series)

Harmony Non-traditional Pool

Harmony Non-traditional Pool Class (Class of Harmony Tax
Advantage Group Limited)

Harmony Overseas Equity Pool

Harmony Overseas Equity Pool Class (Class of Harmony
Tax Advantage Group Limited)

Harmony U.S. Equity Pool

Harmony U.S. Equity Pool Class (Class of Harmony Tax
Advantage Group Limited)

Harmony Balanced and Income Portfolio

Harmony Balanced Growth Portfolio

Harmony Balanced Growth Portfolio Class (Class of
Harmony Tax Advantage Group Limited)

Harmony Balanced Portfolio

Harmony Conservative Portfolio

Harmony Growth Plus Portfolio

Harmony Growth Plus Portfolio Class (Class of Harmony
Tax Advantage Group Limited)

Harmony Growth Portfolio

Harmony Growth Portfolio Class (Class of Harmony Tax
Advantage Group Limited)

Harmony Maximum Growth Portfolio

Harmony Maximum Growth Portfolio Class (Class of
Harmony Tax Advantage Group Limited)

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 16, 2009
NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

AGF Funds Inc.

Project #1438740

Issuer Name:

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

Type and Date:

Amendment #1 dated July 17, 2009 to the Short Form
Base Shelf Prospectus dated May 11, 2009
NP 11-202 Receipt dated July 21, 2009

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

The REIT
Project #1414724/1414716

Issuer Name:

Lawrence India Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated July 17, 2009
NP 11-202 Receipt dated July 21, 2009

Offering Price and Description:

Series A, Series F and Series O Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Lawrence Asset Management Inc,

Promoter(s):

Lawrence Asset Management Inc.
Project #1432807

Issuer Name:

Class A, F, I and O Units of:
Mavrix Asia Pacific Fund
Mavrix Balanced Monthly Pay Fund
Mavrix Canadian Growth Fund (formerly Mavrix Growth Fund)

Mavrix Dividend & Income Fund

Mavrix Explorer Fund

Mavrix Global Fund

Mavrix North American Growth Fund (formerly Mavrix Global Enterprise Fund)

Mavrix Sierra Equity Fund

Mavrix Small Companies Fund

Mavrix Strategic Bond Fund

Class A and F Units of:

Mavrix Tax Deferred Income Fund

Class A and H Units of:

Mavrix Money Market Fund

Series A Mutual Fund Shares of:

Mavrix Multi Series Fund Ltd. - Canadian Equity Series

Mavrix Multi Series Fund Ltd. - Canadian Growth Series - (formerly Mavrix Multi Series Fund Ltd. - Growth Series)

Mavrix Multi Series Fund Ltd. - Explorer Series

Mavrix Multi Series Fund Ltd. - Income Series (also Series T Mutual Fund Shares)

Mavrix Multi Series Fund Ltd. - North American Growth Series -

(formerly Mavrix Multi Series Fund Ltd. - Global Enterprise Series)

Mavrix Multi Series Fund Ltd. - Short Term Income Series

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated July 15, 2009

NP 11-202 Receipt dated July 17, 2009

Offering Price and Description:

Class A, F, I, H and O units and Series A and Series T Mutual Fund Shares @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1434449

Issuer Name:

Nova Scotia Power Incorporated
Principal Regulator - Nova Scotia

Type and Date:

Amendment #1 dated July 14, 2009 to the Short Form
Base Shelf Prospectus dated January 24, 2008
NP 11-202 Receipt dated July 16, 2009

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.

Promoter(s):

-

Project #1194643

Issuer Name:

SemBioSys Genetics Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated July 20, 2009
NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Acumen Capital Finance Partners Limited
PI Financial Corp.

Promoter(s):

-

Project #1437307

Issuer Name:

Verdant Financial Partners I Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated July 17, 2009
NP 11-202 Receipt dated July 20, 2009

Offering Price and Description:

MINIMUM OFFERING: \$200,000.00 or 1,000,000 Common
Shares; MAXIMUM OFFERING: \$1,200,000.00 or
6,000,000 Common Shares PRICE: \$0.20 per Common
Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

Paul Maasland

Project #1443970

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Wealth Stewards Portfolio Management Inc.	Investment Counsel & Portfolio Manager	July 15, 2009
New Registration	Collins Stewart LLC.	International Dealer	July 15, 2009
New Registration	Sloane Capital Corp.	Limited Market Dealer	July 15, 2009
New Registration	Falcon Asset Management Inc.	Investment Counsel & Portfolio Manager	July 16, 2009
New Registration	Kaiog Capital Partners Inc.	Investment Counsel & Portfolio Manager	July 20, 2009
Consent to Suspension (Rule 33-501 Surrender of Registration)	Brookdale Capital Inc.	Investment Counsel & Portfolio Manager	July 20, 2009
New Registration	Nuleaf Ventures Inc.	Limited Market Dealer	July 21, 2009
New Registration	Focus Asset Management Ltd.	Investment Counsel and Portfolio Manager	July 21, 2009
New Registration	Hill Harris Hunt Capital Limited	Limited Market Dealer	July 22, 2009
Change of Category	ECl Investments Inc.	From: Limited Market Dealer To: Limited Market Dealer and Investment Counsel & Portfolio Manager.	July 22, 2009

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Notice – Technical Amendments to CDS Procedures Relating to New Web User Administration Function

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS®)

TECHNICAL AMENDMENTS TO CDS PROCEDURES

NEW WEB USER ADMINISTRATION FUNCTION

NOTICE OF EFFECTIVE DATE

A. DESCRIPTION OF THE CDS PROCEDURE AMENDMENT

Background

The proposed amendments are to describe the User Administration function that is required to support CDS's new web-based infrastructure services, such as the Electronic Alert Service (EAS), and the Corporate Action Liability Management Service (CALMS).

External user access to CDS's new web services will be maintained by the participants. As part of signing up to use a web service, a company will designate one or more Web User Administrators (WUAs). CDS will define the administrators' user IDs and assign them the company administrator role (similar to that of the CDSX Customer Security Administrator role). This role will allow a WUA to create new user IDs and maintain existing user IDs within their company.

In addition, the company will designate one or more Web Access Administrators (WAAs). CDS will also define these administrator user IDs and assign them the access administrator role (similar to the CDSX Service Access Administrator). This role will allow a WAA to assign roles within each web service to existing user IDs within their company.

Together, the WUA and WAA roles will form the Web Administrator function.

The CDS Procedures marked for the amendments may be accessed at the CDS website at:
<http://www.cds.ca/cdsclearinghome.nsf/Pages/-EN-blacklined?Open>.

Description of Proposed Amendments

The proposed amendments describe the CDS web services, and the Web Administrator function.

Participating in CDS Services (Release 5.8)
Ch 3: Web services (new)

In addition, the following form will be added:

Web Administrator Request form (CDSX842)

CDS Procedure Amendments are reviewed and approved by CDS's Strategic Development Review Committee ("SDRC"). The SDRC determines or reviews, prioritizes and oversees CDS-related systems development and other changes proposed by participants and CDS. The SDRC's membership includes representatives from the CDS Participant community and it meets on a monthly basis.

These amendments were reviewed and approved by the SDRC on June 25, 2009

B. REASONS FOR TECHNICAL CLASSIFICATION

The amendments proposed pursuant to this Notice are considered technical amendments as Web User Administration is covered under Rules 3.1.1 Authorization to Act for Participant, and 3.1.2 Access to Services.

Section 3.1.1 (b) defines User Administrator as “A Signing Officer appoints or terminates an individual as a User Administrator for the Participant. A User Administrator appoints or terminates the individuals (who may include the User Administrator) to act as Users for the Participant and provides Authentication Mechanisms to each User.” Both a Web User Administrator (WUA) and a Web Access Administrator (WAA) are types of User Administrator and act in that role.

Section 3.1.2 includes “CDS assigns to each Participant the Authentication Mechanisms or the means of creating the Authentications Mechanisms that are used to identify the Participant and each User appointed by it and each Network Access chosen by it. CDS establishes the types of facilities that are eligible to be used for Network Access and the standards to be met by such facilities.” Web access is another mechanism to access CDS services.

C. EFFECTIVE DATE OF THE CDS PROCEDURE AMENDMENT

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

D. QUESTIONS

Questions regarding this notice may be directed to:

Laura Ellick
Manager, Business Systems
CDS Clearing and Depository Services Inc.
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-3872
Fax: 416-365-9625
Email: lellick@cds.ca

13.1.2 MFDA Reschedules Hearing in the Matter of Michele and Jeffrey Longchamps

NEWS RELEASE
For immediate release

**MFDA RESCHEDULES HEARING
IN THE MATTER OF
MICHELE AND JEFFREY LONGCHAMPS**

July 17, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of Michele and Jeffrey Longchamps by Notice of Hearing dated October 22, 2008.

The hearing of this matter on its merits, originally scheduled to take place on August 26-28, 2009, has been rescheduled for January 26-28, 2010.

The hearing will be open to the public, except as may be required for the protection of confidential matters, and will take place in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, commencing at 10:00 a.m. (Eastern) or as soon thereafter as the appearance can be held.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 145 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
416-943-4606 or ymacdougall@mfd.ca

13.1.3 MFDA Issues Notice of Settlement Hearing Regarding Barry J. Raymer

NEWS RELEASE
For immediate release

**MFDA ISSUES NOTICE OF SETTLEMENT HEARING
REGARDING BARRY J. RAYMER**

July 17, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) today announced that it has issued a Notice of Settlement Hearing regarding the presentation, review and consideration of a proposed settlement agreement by a Hearing Panel of the MFDA’s Central Regional Council.

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

The subject matter of the proposed settlement agreement concerns allegations that the Respondent engaged in securities related business that was not carried on for the account of the Member and through the facilities of the Member, contrary to MFDA Rules 1.1.1 and 2.1.1.

The settlement hearing is scheduled to commence at 10:00 a.m. (Eastern) on July 20, 2009 in the Hearing Room in the MFDA offices located at 121 King Street West, Suite 1000, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. A copy of the [Notice of Settlement Hearing](#) is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 145 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@mfd.ca

13.1.4 MFDA Hearing Panel Approves Settlement Agreement with Barry J. Raymer

NEWS RELEASE
For immediate release

**MFDA HEARING PANEL APPROVES
SETTLEMENT AGREEMENT
WITH BARRY J. RAYMER**

July 20, 2009 (Toronto, Ontario) – A Settlement Hearing in the matter of Barry James Raymer (the “Respondent”) 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 the Respondent and MFDA Staff, as a consequence of which the Respondent:

- Paid a fine in the amount of \$5,000; and
- Shall be permanently prohibited from conducting securities related business in any capacity while in the employ of, or in association with, any MFDA Member.

The Hearing Panel will issue written reasons for its decision in due course.

A copy of the Settlement Agreement and the Hearing Panel’s Order are available on the MFDA website at 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 145 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
416-943-4672 or sdevlin@mfda.ca

13.1.5 MFDA Announces Location of Alden M. Kaley Settlement Hearing

NEWS RELEASE
For immediate release

**MFDA ANNOUNCES LOCATION OF
ALDEN M. KALEY SETTLEMENT HEARING**

July 21, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) announced on June 17, 2009 that it had issued a Notice of Settlement Hearing regarding the presentation, review and consideration of a proposed settlement agreement by a Hearing Panel of the MFDA’s Atlantic Regional Council.

The settlement hearing is scheduled to commence on August 21, 2009 at 10:00 a.m. (Atlantic), or as soon thereafter as the hearing can be held, in the Hearing Room located at the Crowne Plaza Fredericton, 659 Queen Street East, Fredericton, New Brunswick.

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

The settlement hearing is open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Settlement Hearing is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 145 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
416-943-4606 or ymacdougall@mfda.ca

13.1.6 MFDA Announces Location of Wayne Larson Hearing

NEWS RELEASE
For immediate release

**MFDA ANNOUNCES LOCATION OF
WAYNE LARSON HEARING**

July 21, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of Wayne Larson by Notice of Hearing dated July 2, 2008.

The hearing of this matter on its merits will take place before a Hearing Panel of the Prairie Regional Council on August 27-28, 2009 at 10:00 a.m. (Mountain), or as soon thereafter as the hearing can be held, in the Hearing Room located at the Fairmont Hotel MacDonald, 10065-100th Street, Edmonton, Alberta.

The hearing is open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 145 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
416-943-4606 or ymacdougall@mfda.ca

13.1.7 MFDA Announces Location of Douglas Malech Hearing

NEWS RELEASE
For immediate release

**MFDA ANNOUNCES LOCATION OF
DOUGLAS MALECH HEARING**

July 21, 2009 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (“MFDA”) commenced a disciplinary proceeding in respect of Douglas D. Malech by Notice of Hearing dated March 24, 2008.

The hearing of this matter on its merits will take place before a Hearing Panel of the Prairie Regional Council on September 18, 2009 at 10:00 a.m. (Mountain), or as soon thereafter as the hearing can be held, in the Hearing Room located at the Fairmont Hotel MacDonald, 10065-100th Street, Edmonton, Alberta.

The hearing is open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The MFDA is the self-regulatory organization for Canadian mutual fund dealers, regulating the operations, standards of practice and business conduct of its 145 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Yvette MacDougall
Hearings Coordinator
416-943-4606 or ymacdougall@mfda.ca

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Index

697937 Alberta Inc.			
Decision – s. 1(10)	5901		
Advent Capital (Holdings) PLC			
Decision	5904		
Baylis Medical Company Inc.			
Decision – s. 1(10)	5896		
Brookdale Capital Inc.			
Consent to Suspension (Rule 33-501 Surrender of Registration)	5997		
CDS Procedures Relating to New Web User Administration Function			
SRO Notices and Disciplinary Proceedings	5999		
Central Industries Corporation Inc.			
Cease Trading Order	5931		
CI Global Balanced Corporate Class			
Decision	5902		
CI Global Biotechnology Corporate Class			
Decision	5902		
CI Global Consumer Products Corporate Class			
Decision	5902		
CI Global Financial Services Corporate Class			
Decision	5902		
CI Investments Inc.			
Decision	5902		
Coalcorp Mining Inc.			
Cease Trading Order	5931		
Collins Stewart LLC.			
New Registration.....	5997		
Criterion Investments Limited			
Decision	5897		
CSA Notice 31-311 Transition into new Registration Regime under NI 31-103			
News Release.....	5883		
CSA Staff Notice 51-312 (Revised) – Harmonized Continuous Disclosure Review Program			
Notice.....	5878		
CSA Staff Notice 51-329 – Continuous Disclosure Review Program Activities for the fiscal year ended March 31, 2009			
Notice.....	5871		
News Release.....	5890		
Da Silva, Abel			
Notice of Hearing – ss. 37, 127	5882		
Notice from the Office of the Secretary	5892		
DHLP Management Inc.			
Ruling – s. 74(1)	5925		
Diadamo, Marco			
Notice of Hearing – ss. 37, 127	5882		
Notice from the Office of the Secretary	5892		
ECI Investments Inc.			
Change of Category	5997		
Fairfax Financial Holdings Limited			
Decision.....	5904		
Falcon Asset Management Inc.			
New Registration	6003		
Firstgold Corp.			
Cease Trading Order.....	5937		
Focus Asset Management Ltd.			
New Registration	5997		
Gahunia, Gurdip Singh			
Notice of Hearing – ss. 37, 127	5882		
Notice from the Office of the Secretary	5892		
Gahunia, Michael			
Notice of Hearing – ss. 37, 127	5882		
Notice from the Office of the Secretary	5892		
Grossman, Abraham Herbert			
Notice of Hearing – ss. 37, 127	5882		
Notice from the Office of the Secretary	5892		
Grossman, Allen			
Notice of Hearing – ss. 37, 127	5882		
Notice from the Office of the Secretary	5892		
Grundmann, Alexander			
Notice from the Office of the Secretary	5892		
Order – ss. 127(1), 127(8).....	5924		
Hehlsinger, Henry			
Notice from the Office of the Secretary	5892		
Order – ss. 127(1), 127(8).....	5924		
Hill Harris Hunt Capital Limited			
New Registration	5997		
Isotechnika Inc.			
Decision – s. 1(10)	5901		

Just Energy Exchange Corp.		Navina/Lazard Strategic Trust	
Decision	5912	Decision.....	5893
Just Energy Income Fund		Navina/Lazard U.S. High Yield Bond Fund	
Decision	5912	Decision.....	5893
Kaioq Capital Partners Inc.		NI 31-103 Registration Requirements and Exemptions	
New Registration.....	5997	News Release	5883
Kaley, Alden M.		News Release	5888
SRO Notices and Disciplinary Proceedings	6002	NI 45-106 Prospectus and Registration Exemptions	
Knight Bain Canadian Bond Fund		News Release	5883
Decision	5902	NP 11-204 Process for Registration in Multiple Jurisdictions	
Knight Bain Corporate Bond Fund		News Release	5888
Decision	5902	Nuleaf Ventures Inc.	
Knight Bain Diversified Monthly Income Fund		New Registration	5997
Decision	5902	O'Brien, Eric	
Knight Bain Pure Canadian Equity Fund		Notice of Hearing – ss. 37, 127	5882
Decision	5902	Notice from the Office of the Secretary	5892
Knight Bain Small Cap Fund		Petrol One Corp.	
Decision	5902	Cease Trading Order.....	5931
Larson, Wayne		Raymer, Barry J.	
SRO Notices and Disciplinary Proceedings	6003	SRO Notices and Disciplinary Proceedings.....	6001
Lehman Cohort Global Group Inc.		SRO Notices and Disciplinary Proceedings.....	6002
Notice from the Office of the Secretary	5892	Schnedl, Anton	
Order – ss. 127(1), 127(8).....	5924	Notice from the Office of the Secretary	5892
Liberty Mines Inc.		Order – ss. 127(1), 127(8).....	5924
Order – s. 144	5923	Shallow Oil & Gas Inc.	
Cease Trading Order	5931	Notice of Hearing – ss. 37, 127	5882
LMS Medical Systems Inc.		Notice from the Office of the Secretary	5892
Cease Trading Order	5931	Signature Canadian Asset Allocation Fund	
Longchamps, Jeffrey		Decision.....	5902
SRO Notices and Disciplinary Proceedings	6001	Signature Long-Term Bond Fund	
Longchamps, Michele		Decision.....	5902
SRO Notices and Disciplinary Proceedings	6001	Silver Eagle Mines Inc.	
Malech, Douglas		Decision – s. 1(10)	5922
SRO Notices and Disciplinary Proceedings	6003	Sloane Capital Corp.	
Mankofsky, William		New Registration	5997
Notice of Hearing – ss. 37, 127	5882	Sprylogics International Corp.	
Notice from the Office of the Secretary	5892	Cease Trading Order.....	5931
McQuarrie, Gord		Synergy Canadian Style Management Corporate Class	
Notice of Hearing – ss. 37, 127	5882	Decision.....	5902
Notice from the Office of the Secretary	5892	Synergy Focus Canadian Equity Fund	
MI 11-102 Passport System		Decision.....	5902
News Release.....	5888	Synergy Focus Global Equity Fund	
Navina Capital Corp.		Decision.....	5902
Decision	5893		

Synergy Global Style Management Corporate Class

Decision 5902

UBS (Canada) American Equity Fund

MRRS Decision..... 5907

UBS (Canada) Balanced Fund

MRRS Decision..... 5907

UBS (Canada) Bond Fund

MRRS Decision..... 5907

UBS (Canada) Canada Plus Equity Fund

MRRS Decision..... 5907

UBS (Canada) Canadian Equity Fund

MRRS Decision..... 5907

UBS (Canada) Cash in Action Fund

MRRS Decision..... 5907

UBS (Canada) Cash Management Fund

MRRS Decision..... 5907

UBS (Canada) Diversified Fund

MRRS Decision..... 5907

UBS (Canada) Dynamic Alpha Strategies Fund

MRRS Decision..... 5907

UBS (Canada) Emerging Markets Equity Fund

MRRS Decision..... 5907

UBS (Canada) Emerging Technologies Fund

MRRS Decision..... 5907

UBS (Canada) Global Allocation Fund

MRRS Decision..... 5907

MRRS Decision..... 5910

UBS (Canada) Global Bond Fund

MRRS Decision..... 5907

UBS (Canada) Global Equity Fund

MRRS Decision..... 5907

UBS (Canada) Global Large Cap Equity Fund

MRRS Decision..... 5907

UBS (Canada) International Equity Fund

MRRS Decision..... 5907

UBS (Canada) International Large Cap Equity Fund

MRRS Decision..... 5907

UBS (Canada) Long Term Bond Fund

MRRS Decision..... 5907

UBS (Canada) Money Market Fund

MRRS Decision..... 5907

UBS (Canada) Short Term Bond Fund

MRRS Decision 5907

UBS (Canada) Small Capitalization Fund

MRRS Decision 5907

UBS (Canada) U.S. \$ Cash Management Fund

MRRS Decision 5907

UBS (Canada) U.S. 130/30 Fund

MRRS Decision 5907

UBS (Canada) U.S. Equity Fund

MRRS Decision 5907

UBS (Canada) U.S. Growth Equity Fund

MRRS Decision 5907

UBS Global Asset Management (Canada) Co.

MRRS Decision 5907

MRRS Decision 5910

Unzer, Richard

Notice from the Office of the Secretary 5892

Order – ss. 127(1), 127(8)..... 5924

VenGrowth Capital Management Inc.

Decision..... 5897

Wash, Kevin

Notice of Hearing – ss. 37, 127 5882

Notice from the Office of the Secretary 5892

Wealth Stewards Portfolio Management Inc.

New Registration 5997

Wedge Energy International Inc.

Cease Trading Order..... 5931

Western Goldfields Inc.

Decision – s. 1(10) 5921

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