The Ontario Securities Commission

OSC Bulletin

June 10, 2011

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

The Ontario Securities Commission
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

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M1T 3V4

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

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

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1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

June 10, 2011

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

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

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THE COMMISSIONERS

Howard I. Wetston, Chair	—	HIW
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Lawrence E. Ritchie, Vice Chair	—	LER
Mary G. Condon, Vice Chair	—	MGC
Sinan O. Akdeniz	—	SOA
James D. Carnwath	—	JDC
Margot C. Howard	—	MCH
Sarah Kavanagh	—	SK
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Christopher Portner	—	CP
Judith Robertson	—	JR
Charles Wesley Moore (Wes) Scott	—	CWMS

SCHEDULED OSC HEARINGS

June 13, 2011 11:00 a.m.	**York Rio Resources Inc., Brilliante Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz,**
June 14-17, 2011 10:00 a.m.	**Peter Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde and Scott Bassingdale**
June 20, 2011 9:00 a.m.	s. 127 H. Craig/C. Watson in attendance for Staff
June 22, 2011 11:00 a.m.	Panel: VK/EPK
June 23, 2011 2:30 p.m.	
June 14 and June 17, 2011 10:00 a.m.	**Carlton Ivanhoe Lewis, Mark Anthony Scott, Sedwick Hill, Leverage Pro Inc., Prosporex Investment Club Inc., Prosporex Investments Inc., Prosporex Ltd., Prosporex Inc., Prosporex Forex SPV Trust, Networth Financial Group Inc., and Networth Marketing Solutions** s. 127 and 127.1 H. Daley in attendance for Staff Panel: JDC/MCH
June 20 and June 22-30, 2011 10:00 a.m.	**Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk** s. 37, 127 and 127.1 C. Price in attendance for Staff Panel: JDC/MCH

June 22, 2011 10:00 a.m.	**Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Land Syndications Inc. and Douglas Chaddock** s. 127 C. Johnson in attendance for Staff Panel: JEAT
June 28, 2011 10:00 a.m.	**Heir Home Equity Investment Rewards Inc.; FFI First Fruit Investments Inc.; Wealth Building Mortgages Inc.; Archibald Robertson; Eric Deschamps; Canyon Acquisitions, LLC; Canyon Acquisitions International, LLC; Brent Borland; Wayne D. Robbins; Marco Caruso; Placencia Estates Development, Ltd.; Copal Resort Development Group, LLC; Rendezvous Island, Ltd.; The Placencia Marina, Ltd.; and The Placencia Hotel and Residences Ltd.** s. 127 A. Perschy in attendance for Staff Panel: CP
June 29, 2011 3:00 p.m.	**Bernard Boily** s. 127 and 127.1 M. Vaillancourt/U. Sheikh in attendance for Staff Panel: VK
July 6-7, 2011 10:00 a.m.	**Sunil Tulsiani, Tulsiani Investments Inc., Private Investment Club Inc., and Gulfland Holdings LLC** s. 127 J. Feasby in attendance for Staff Panel: VK/CWMS
July 8, 2011 10:00 a.m.	**Goldpoint Resources Corporation, Pasqualino Novielli also known as Lee or Lino Novielli, Brian Patrick Moloney also known as Brian Caldwell, and Zaida Pimentel also known as Zaida Novielli** s. 127(1) and 127(5) C. Watson in attendance for Staff Panel: MGC/PLK
July 11, 2011 10:00 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Howard Rash, Michael Schaumer, Elliot Feder, Vadim Tsatskin, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 127 H. Craig in attendance for Staff Panel: TBA
July 11, 2011 10:00 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 37, 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
July 11, 2011 11:30 a.m.	**TBS New Media Ltd., TBS New Media PLC, CNF Food Corp., CNF Candy Corp., Ari Jonathan Firestone and Mark Green** s. 127 H. Craig in attendance for Staff Panel: CP

July 15, 2011 10:00 a.m.	**Hillcorp International Services, Hillcorp Wealth Management, Suncorp Holdings, 1621852 Ontario Limited, Steven John Hill, and Danny De Melo** s. 127 A. Clark in attendance for Staff Panel: TBA
July 15, 2011 11:00 a.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (Also Known As Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: TBA
July 18 and July 20-25, 2011 10:00 a.m.	**Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
July 20, 2011 10:00 a.m.	**Peter Beck, Swift Trade Inc. (continued as 7722656 Canada Inc.), Biremis, Corp., Opal Stone Financial Services S.A., Barka Co. Limited, Trieme Corporation and a limited partnership referred to as "Anguilla LP"** s. 127 B. Shulman in attendance for Staff Panel: JEAT
July 20, 2011 11:00 a.m.	**L.T.M.T. Trading Ltd. also known as L.T.M.T. Trading and Bernard Shaw** s. 127 A. Heydon in attendance for Staff Panel: JEAT
July 26, 2011 11:00 a.m.	**Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama)** s. 127 S. Chandra in attendance for Staff Panel: TBA
July 27, 2011 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 H. Craig in attendance for Staff Panel: CP
July 27, 2011 11:00 a.m.	**Peter Sbaraglia** s. 127 S. Horgan/P. Foy in attendance for Staff Panel: CP
July 29, 2011 10:00 a.m.	**North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA

August 10, 2011 10:00 a.m.	**Ciccone Group, Medra Corporation, 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vince Ciccone, Darryl Brubacher, Andrew J. Martin., Steve Haney, Klaudiusz Malinowski and Ben Giangrosso** s. 127 M. Vaillancourt in attendance for Staff Panel: TBA
September 6, 7, 9 and 12, 2011 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) H. Craig in attendance for Staff Panel: TBA
September 6-12, September 14-26 and September 28, 2011 10:00 a.m.	**Anthony Ianno and Saverio Manzo** s. 127 and 127.1 A. Clark in attendance for Staff Panel: EPK/PLK
September 8, 2011 10:00 a.m.	**American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Denver Gardner Inc., Sandy Winick, Andrea Lee McCarthy, Kolt Curry and Laura Mateyak** s. 127 J. Feasby in attendance for Staff Panel: JEAT
September 14-23, September 28 – October 4, 2011 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: VK/MCH
October 3-7 and October 12-21, 2011 10:00 a.m.	**FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun** s. 127 C. Price in attendance for Staff Panel: CP
October 5, 2011 10:00 a.m.	**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** s. 127 and 127.1 H. Craig in attendance for Staff Panel: MGC
October 12-24 and October 26-27, 2011 10:00 a.m.	**Helen Kuszper and Paul Kuszper** s. 127 and 127.1 U. Sheikh in attendance for Staff Panel: JDC/CWMS

October 17-24 and October 26-31, 2011 10:00 a.m.	**Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan** s. 127(7) and 127(8) C. Johnson in attendance for Staff Panel: EPK/MCH
October 31, 2011 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 H. Craig in attendance for Staff Panel: TBA
November 7, November 9-21, November 23 – December 2, 2011 10:00 a.m.	**Majestic Supply Co. Inc., Suncastle Developments Corporation, Herbert Adams, Steve Bishop, Mary Kricfalusi, Kevin Loman and CBK Enterprises Inc.** s. 37, 127 and 127.1 D. Ferris in attendance for Staff Panel: EPK/PLK
November 14-21 and November 23-28, 2011 10:00 a.m.	**Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments** s. 127 M. Britton in attendance for Staff Panel: TBA
December 1-5 and December 7-15, 2011 10:00 a.m.	**Marlon Gary Hibbert, Ashanti Corporate Services Inc., Dominion International Resource Management Inc., Kabash Resource Management, Power to Create Wealth Inc. and Power to Create Wealth Inc. (Panama)** s. 127 S. Chandra in attendance for Staff Panel: JDC
December 5 and December 7-16, 2011 10:00 a.m.	**L. Jeffrey Pogachar, Paola Lombardi, Alan S. Price, New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., and 2173817 Ontario Inc.** s. 127 M. Britton in attendance for Staff Panel: EPK/PLK
January 3-10, 2012 10:00 a.m.	**Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban** s. 127 and 127.1 C. Johnson in attendance for Staff Panel: TBA
January 18-30 and February 1-10, 2012 10:00 a.m.	**Global Energy Group, Ltd., New Gold Limited Partnerships, Christina Harper, Vadim Tsatskin, Michael Schaumer, Elliot Feder, Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff** s. 37, 127 and 127.1 H. Craig in attendance for Staff Panel: TBA

February 1-13, February 15-17 and February 21-23, 2012 10:00 a.m.	**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** s. 127 and 127.1 H. Craig in attendance for Staff Panel: TBA
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 K. Daniels in attendance for Staff Panel: TBA
TBA	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
TBA	**Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmoney, Harmoney Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Lyndz Pharmaceuticals Inc., James Marketing Ltd., Michael Eatch and Rickey McKenzie** s. 127(1) and (5) J. Feasby/C. Rossi in attendance for Staff Panel: TBA
TBA	**M P Global Financial Ltd., and Joe Feng Deng** s. 127 (1) M. Britton in attendance for Staff Panel: TBA
TBA	**Shane Suman and Monie Rahman** s. 127 and 127(1) C. Price in attendance for Staff Panel: TBA

TBA

Gold-Quest International, Health and Harmoney, Iain Buchanan and Lisa Buchanan

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York

s. 127

H. Craig in attendance for Staff

Panel: TBA

TBA

Abel Da Silva

s. 127

C. Watson in attendance for Staff

Panel: TBA

TBA

Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA

Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)

s. 127

T. Center/D. Campbell in attendance for Staff

Panel: TBA

TBA

**Maple Leaf Investment Fund Corp.,
Joe Henry Chau (aka: Henry Joe Chau, Shung Kai Chow and Henry Shung Kai Chow), Tulsiani Investments Inc., Sunil Tulsiani and Ravinder Tulsiani**

s. 127

A. Perschy/C. Rossi in attendance for Staff

Panel: TBA

TBA

Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA

Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.

s. 127

S. Horgan in attendance for Staff

Panel: TBA

TBA

Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith

s. 127(1) and (5)

A. Heydon in attendance for Staff

Panel: TBA

TBA **Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan**

s. 127

H. Craig/C.Rossi in attendance for Staff

Panel: TBA

TBA **Ameron Oil and Gas Ltd., MX-IV Ltd., Gaye Knowles, Giorgio Knowles, Anthony Howorth, Vadim Tsatskin, Mark Grinshpun, Oded Pasternak, and Allan Walker**

s. 127

H. Craig/C. Rossi in attendance for Staff

Panel: TBA

TBA **Paul Donald**

s. 127

C. Price in attendance for Staff

Panel: TBA

TBA **David M. O'Brien**

s. 37, 127 and 127.1

B. Shulman in attendance for Staff

Panel: TBA

TBA **Axcess Automation LLC, Axcess Fund Management, LLC, Axcess Fund, L.P., Gordon Alan Driver, David Rutledge, 6845941 Canada Inc. carrying on business as Anesis Investments, Steven M. Taylor, Berkshire Management Services Inc. carrying on business as International Communication Strategies, 1303066 Ontario Ltd. Carrying on business as ACG Graphic Communications, Montecassino Management Corporation, Reynold Mainse, World Class Communications Inc. and Ronald Mainse**

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

TBA **Lehman Brothers & Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins**

s. 127

C. Rossi in attendance for Staff

Panel: CP/CWMS

TBA **QuantFX Asset Management Inc., Vadim Tsatskin, Lucien Shtromvaser and Rostislav Zemlinsky**

s. 127

C. Rossi in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

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

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

Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson

1.2 Notices of Hearing

1.2.1 York Rio Resources 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
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC,
GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK,
MATTHEW OLIVER, GORDON VALDE AND
SCOTT BASSINGDALE

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 offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, on June 6, 2011 at 9:00 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 agreement entered into between Staff of the Commission and Adam Sherman;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated March 2, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 3rd day of June, 2011.

"Daisy Aranha"
Per: John Stevenson
Secretary to the Commission

1.2.2 Lehman Brothers & Associates Corp. 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
LEHMAN BROTHERS & ASSOCIATES CORP.,
GREG MARKS, KENT EMERSON LOUNDS AND
GREGORY WILLIAM HIGGINS

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 offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, on June 7, 2011 at 2:00 p.m. or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the settlement agreement entered into between Staff of the Commission and Gregory William Higgins;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission dated September 3, 2010 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 3rd day of June, 2011.

"Daisy Aranha"
Per: John Stevenson
Secretary to the Commission

1.3 News Releases

1.3.1 OSC Vice-Chair Appointment: Mary G. Condon

FOR IMMEDIATE RELEASE
June 6, 2011

OSC VICE-CHAIR APPOINTMENT:
MARY G. CONDON

TORONTO – Ontario Securities Commission (OSC) Chair Howard Wetston, Q.C., today announced the appointment of Mary Condon as a Vice-Chair to the OSC, effective June 1, 2011 for a term of two years. Prior to her appointment as Vice-Chair, Professor Condon served as a Commissioner to the OSC for over three years.

"Mary Condon's extensive legal expertise and significant experience in investor initiatives, adjudication and corporate governance will greatly assist the Commission in its work to fulfil its mandate in the public interest," said Mr. Wetston.

Professor Condon is a leading academic in the area of securities law. She teaches securities law at Osgoode Hall Law School, and also directs and teaches in its part-time LLM program specializing in securities law. She has published books and articles in the area, and has conducted research for expert commissions and task forces.

During her time as a Commissioner, Professor Condon served on the Adjudicative Committee and on the Governance and Nominating Committee, most recently as Chair of that committee, and was actively involved in policy- and rule-making. She will continue to be executive sponsor of the Investor Advisory Panel.

Professor Condon is also a member of the Board of Trustees of the York University Pension Fund and is a member of the Investor Education Fund (IEF) board of directors. The IEF is a non-profit organization funded by settlements and fines from OSC enforcement proceedings.

As the regulatory body responsible for overseeing the capital markets in Ontario, the OSC administers and enforces securities legislation in the province of Ontario. The OSC's statutory mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

For media inquiries:

Wendy Dey
Director, Communications & Public Affairs
416-593-8120

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.3.2 OSC Commissioner Appointments: Sarah Kavanagh and Judith Robertson

FOR IMMEDIATE RELEASE
June 6, 2011

OSC COMMISSIONER APPOINTMENTS:
SARAH KAVANAGH AND JUDITH ROBERTSON

TORONTO – Ontario Securities Commission (OSC) Chair Howard Wetston, Q.C., today announced the appointments of Sarah Kavanagh and Judith Robertson as Commissioners to the OSC, effective June 1, 2011. Both appointments are for two years.

"Both Ms. Kavanagh and Ms. Robertson bring substantial domestic and international experience in the capital markets," said Mr. Wetston. "Their specialized expertise will be an asset to the Commission in the effective regulation of rapidly evolving capital markets."

Sarah Kavanagh has over 20 years of experience in investment banking in Canada and the United States. Most recently, she held senior positions with Scotia Capital's investment banking group, where she was responsible for key industries in the Ontario economy, such as media, telecommunications, consumer products, forestry and power, and was actively involved in numerous IPO and public equity and income trust financings. Ms. Kavanagh has also held senior finance positions at several Canadian corporations. Ms. Kavanagh has an MBA from Harvard Business School and a BA in economics.

Judith Robertson has 25 years of experience in the financial services industry where she has held senior positions in buy-side and sell-side firms in Canada, the United States and the United Kingdom. She has substantial expertise in securities market infrastructure, marketplaces, trading technologies, securities lending and investment products. Most recently, Ms. Robertson was President and CEO of Belzberg Technologies Inc. Ms. Robertson holds the Chartered Financial Analyst designation and has an MBA from the Richard Ivey School of Business.

As the regulatory body responsible for overseeing the capital markets in Ontario, the OSC administers and enforces securities legislation in the province of Ontario. The OSC's statutory mandate is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets.

For media inquiries:

Wendy Dey
Director, Communications & Public Affairs
416-593-8120

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4 Notices from the Office of the Secretary

1.4.1 York Rio Resources Inc. et al.

FOR IMMEDIATE RELEASE
June 2, 2011

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

AND

IN THE MATTER OF
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC,
GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK,
MATTHEW OLIVER, GORDON VALDE AND
SCOTT BASSINGDALE

TORONTO – The Commission issued its Reasons for Decisions on Motions in the above named matter.

A copy of the Reasons for Decisions on Motions dated June 1, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.2 York Rio Resources Inc. et al.

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

AND

**IN THE MATTER OF
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC,
GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK,
MATTHEW OLIVER, GORDON VALDE AND
SCOTT BASSINGDALE**

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 Adam Sherman. The hearing will be held on June 6, 2011 at 9:00 a.m. in Hearing Room C on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated June 3, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.3 Lehman Brothers & Associates Corp. et al.

**FOR IMMEDIATE RELEASE
June 3, 2011**

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

AND

**IN THE MATTER OF
LEHMAN BROTHERS & ASSOCIATES CORP.,
GREG MARKS, KENT EMERSON LOUNDS AND
GREGORY WILLIAM HIGGINS**

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 Gregory William Higgins. The hearing will be held on June 7, 2011 at 2:00 p.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated June 3, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.4 Firestar Capital Management Corp. et al.

FOR IMMEDIATE RELEASE
June 6, 2011

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

AND

IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON

AND

IN THE MATTER OF
AN ESCROW AGREEMENT ENTERED INTO
AMONG ARMISTICE RESOURCES LTD.,
EQUITY TRANSFER SERVICES INC AND
IMM INVESTMENTS INC.

TORONTO – The Commission issued an Order in the above named matter which provides that (1) the Escrow Agreement made among Armistice Resources Ltd., Equity Transfer Services Inc., and IMM Investments Inc. dated June 22, 2005, as modified by the Addendum dated June 5, 2006, is hereby vacated; and (2) the Escrow Agent is hereby directed to release the escrow securities as defined in the Escrow Agreement to the Security Holder.

A copy of the Order dated May 31, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.5 Shallow Oil & Gas Inc. et al.

FOR IMMEDIATE RELEASE
June 6, 2011

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 Commission issued an Order in the above noted matter which provides that the hearing on the merits is to commence on September 6, 2011 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and shall continue on September 7, 9, and 12, 2011, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary; and the parties attend before the Commission on July 26, 2011 at 2:00 p.m. for a pre-hearing conference at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto.

A copy of the Order dated May 27, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.6 Irwin Boock et al.

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

AND

**IN THE MATTER OF
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**

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing on the merits is to commence on February 1, 2012 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and shall continue on February 2, 3, 6, 7, 8, 9, 10, 13, 15, 16, 17, 21, 22, and 23, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary; and the parties attend before the Commission on October 5, 2011 at 10:00 a.m. for a status hearing at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto.

A copy of the Order dated May 27, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.7 Firestar Capital Management Corp. et al.

**FOR IMMEDIATE RELEASE
June 6, 2011**

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

AND

**IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP., KAMPOSSE FINANCIAL CORP., FIRESTAR INVESTMENT MANAGEMENT GROUP, MICHAEL CIAVARELLA AND MICHAEL MITTON**

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing to consider whether to continue the Temporary Orders is adjourned to July 27, 2011 at 10:00 a.m.; and the Temporary Orders currently in place as against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, and Michael Mitton are further continued until July 28, 2011, or until further order of this Commission.

A copy of the Order dated May 31, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.8 Peter Sbaraglia

FOR IMMEDIATE RELEASE
June 8, 2011

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

AND

IN THE MATTER OF
PETER SBARAGLIA

TORONTO – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to July 27, 2011 at 11:00 a.m., or such other date as the Secretary's Office may advise and the parties agree to.

A copy of the Order dated June 7, 2011 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

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.9 York Rio Resources Inc. et al.

FOR IMMEDIATE RELEASE
June 8, 2011

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

AND

IN THE MATTER OF
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC,
GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK,
MATTHEW OLIVER, GORDON VALDE AND
SCOTT BASSINGDALE

TORONTO – The Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Adam Sherman in the above named matter.

A copy of the Order dated June 6, 2011 and Settlement Agreement dated June 3, 2011 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries:

Wendy Dey
Director, Communications & Public Affairs
416-593-8120

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

1.4.10 Lehman Brothers & Associates Corp. et al.

FOR IMMEDIATE RELEASE
June 8, 2011

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

AND

IN THE MATTER OF
LEHMAN BROTHERS & ASSOCIATES CORP.,
GREG MARKS, KENT EMERSON LOUNDS AND
GREGORY WILLIAM HIGGINS

TORONTO – The Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Gregory William Higgins.

A copy of the Order dated June 7, 2011 and Settlement Agreement dated June 3, 2011 are available at **www.osc.gov.on.ca**.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Wendy Dey
Director, Communications & Public Affairs
416-593-8120

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

Dylan Rae
Media Relations Specialist
416-595-8934

For investor inquiries:

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Franklin Templeton Investments Corp. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund mergers – approval required because merger does not meet the criteria for pre-approved reorganizations and transfers in National Instrument 81-102 – continuing funds have different investment objectives than terminating funds – one of the mergers will not be a "qualifying exchange" or a tax-deferred transaction under the Income Tax Act (Canada) – securityholders of terminating funds provided with timely and adequate disclosure regarding the mergers.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6(1).

June 2, 2011

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

AND

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

AND

IN THE MATTER OF
FRANKLIN TEMPLETON INVESTMENTS CORP.
(the "Manager")

AND

BISSETT MULTINATIONAL GROWTH FUND AND
BISSETT MULTINATIONAL GROWTH CORPORATE CLASS
(the "Terminating Funds")

DECISION

Background

The principal regulator in the Jurisdiction has received an application (the "Application") from the Manager and the Terminating Funds (the "Filer") for a decision under the securities legislation of the Jurisdiction of the principal regulator (the "Legislation") for approval of the mergers (the "Mergers") of the Terminating Funds into the Continuing Funds (as defined below) under section 5.5(1)(b) of National Instrument 81-102 ("NI 81-102") (the "Exemption Sought").

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-202 *Passport System* ("MI 11-202") is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut (the "Non-Principal Jurisdictions").

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined. The following additional terms shall have the following meanings:

"BMGCC" means Bissett Multinational Growth Corporate Class;

"BMGF" means Bissett Multinational Growth Fund;

"Class" or **"Classes"** means, individually or collectively, Bissett Multinational Growth Corporate Class and Franklin World Growth Corporate Class;

"Continuing Funds" means Franklin World Growth Fund and Franklin World Growth Corporate Class;

"Corporate Class Ltd." means Franklin Templeton Corporate Class Ltd.;

"Corporate Class Merger" means the merger of Bissett Multinational Growth Corporate Class into Franklin World Growth Corporate Class;

"Effective Date" means the close of business on June 24, 2011, or as soon as practicable thereafter;

"Fund" or **"Funds"** means, individually or collectively, the Terminating Funds and the Continuing Funds;

"FWGCC" means Franklin World Growth Corporate Class:

"FWGF" means Franklin World Growth Fund;

"**IRC"** means Independent Review Committee;

"Tax Act" means the *Income Tax Act* (Canada);

"Trust Fund Merger" means the merger of Bissett Multinational Growth Fund into Franklin World Growth Fund.

Representations

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

1. The Manager is a corporation existing under the laws of Ontario. The Manager is the manager of each of the Funds. The registered head office of the Manager is located in Toronto, Ontario.

2. Corporate Class Ltd. is an open-ended mutual fund corporation incorporated under the laws of Alberta on June 1, 2001. Each of the Classes is a separate class of special shares of Corporate Class Ltd.

3. Securities of FWGF are currently qualified for sale by a simplified prospectus and annual information form dated June 29, 2010, which has been filed and receipted in the Jurisdiction and each of the Non-Principal Jurisdictions. Securities of the remaining Funds are currently qualified for sale by a simplified prospectus and annual information form dated June 14, 2010, as amended, which has been filed and receipted in the Jurisdiction and each of the Non-Principal Jurisdictions.

4. Each of the Funds is a reporting issuer in Ontario and in each of the Non-Principal Jurisdictions. The Manager and each of the Funds is not in default of the securities legislation in force in the Jurisdiction or in any of the Non-Principal Jurisdictions.

5. Other than circumstances in which the Principal Regulator or the securities regulatory authority of a Non-Principal Jurisdiction has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices set out in NI 81-102.

6. The net asset value for each series of the Funds is calculated on a daily basis on each day that the Toronto Stock Exchange is open for trading.

7. The Manager intends to merge the Terminating Funds into the Continuing Funds as follows:

   a) BMGF into FWGF; and

   b) BMGCC into FWGCC.

8. Pursuant to the Mergers, securityholders will receive securities with the same value and of the same series of a Continuing Fund as they currently own in the corresponding Terminating Fund. As FWGF does not currently offer Series A, F and T units and FWGCC does not currently offer Series T shares, the Manager intends to create and prospectus-qualify Series A, F and T units of FWGF and Series T shares of FWGCC on or around June 23, 2011.

9. Securityholders of the Terminating Funds and FWGCC will be asked to approve the Mergers at meetings to be held on June 10, 2011. The Manager, as the sole Class A Common Shareholder of Corporate Class Ltd. will vote its Class A Common Shares in favour of the Corporate Class Merger, as required under the *Business Corporations Act* (Alberta).

10. The Funds' IRC has reviewed the potential conflict of interest matters related to the Mergers and has provided the Manager with a positive recommendation having determined that the proposed Mergers, if implemented, achieve a fair and reasonable result for each of the Funds. A summary of the IRC's recommendation has been included in the notice of special meetings sent to investors of the Terminating Funds and FWGCC.

11. The Mergers are contingent upon each other. If applicable securityholder approval is not received at the special meeting in respect of a Merger, then neither Merger will proceed.

12. The Manager will pay for all costs attributable to the Mergers. These costs include legal, proxy solicitation, printing, mailing and regulatory fees.

13. Securityholders of the Terminating Funds will continue to have the right to redeem securities of the Terminating Funds for cash at any time up to the close of business on the business day immediately before the Effective Date. The management information circular mailed to securityholders of the Terminating Funds discloses that a securityholder's deferred sales charge schedule is not changed or eliminated as a result of the Mergers, and that investors who redeem their shares of the Terminating Fund may be subject to redemption charges as outlined in the simplified prospectus.

14. Effective as of the close of business on June 10, 2011, the Terminating Funds will cease any distribution of securities (except purchases under

existing pre-authorized chequing plans). Following the Mergers, all systematic investment programs and systematic withdrawal programs, such as pre-authorized chequing plans and systematic withdrawal programs, that had been established with respect to the Terminating Funds, will be re-established on a series-for-series basis in the Continuing Funds unless a securityholder advises the Manager otherwise. Securityholders may change or cancel any systematic program at any time and securityholders of the Terminating Funds who wish to establish one or more systematic programs in respect of their investment in the Continuing Funds may do so following the Mergers.

15. Material change reports, press releases and amendments to the simplified prospectus and annual information form, which gave notice of the proposed Mergers, were filed via SEDAR on March 28 and April 6, 2011.

16. A notice of meeting, management information circular and proxy in connection with the special meetings of securityholders were mailed to securityholders of the Terminating Funds and of FWGCC on or about May 18, 2011 and were filed via SEDAR on May 19, 2011. The information circular contained prospectus-level disclosure regarding the Continuing Funds and the securities to be issued to securityholders of the Terminating Funds upon the completion of the Mergers.

17. The material sent to securityholders of the Terminating Funds and FWGCC included a tailored simplified prospectus consisting of:

    a) the current Part A of the simplified prospectus of FWGCC, and

    b) the current Part B of the simplified prospectus of FWGCC.

18. In addition:

    a) the information circular sent to securityholders in connection with the Mergers provided prospectus-level disclosure with respect to FWGF and the features of the new series;

    b) the information circular sent to securityholders in connection with the Mergers provided sufficient information about the Mergers to permit securityholders to make an informed decision about the Mergers;

    c) each Fund has an unqualified audit report in respect of its last completed financial period;

    d) the information circular sent to securityholders in connection with a Merger prominently disclosed that securityholders can obtain the most recent interim and annual financial statements of the applicable continuing fund by accessing the SEDAR website at www.sedar.com, by accessing the Manager's website at www.franklintempleton.ca, by calling a toll-free number or by contacting the Manager at service@franklintempleton.ca; and

    e) upon request by a securityholder for financial statements, the Manager will make best efforts to provide the securityholder with financial statements of the Continuing Funds in a timely manner so that the securityholder can make an informed decision regarding a Merger.

19. Subject to the required approvals of the Principal Regulator and applicable securityholders, the Terminating Funds will merge into the Continuing Funds on the Effective Date.

20. Following the Mergers, the Continuing Funds will continue as publicly offered open-end mutual funds.

21. No sales charges will be payable in connection with the Mergers.

22. The Trust Fund Merger will be implemented pursuant to the following steps:

    a) Prior to the Effective Date, all securities in the portfolio of BMGF will be liquidated, as they do not meet the investment objective or strategies of FWGF. As a result, BMGF will temporarily hold cash and/or cash equivalents and will not be fully invested in accordance with its investment objectives for a brief period of time prior to the Trust Fund Merger.

    b) On the Effective Date, BMGF will transfer all of its assets, which will consist of cash and/or cash equivalents (less an amount required to satisfy the liabilities of BMGF), to FWGF, in exchange for units of FWGF. The units of FWGF received by BMGF will have an aggregate net asset value equal to the value of BMGF's net assets, which units will be issued by FWGF at the relevant series net asset value per unit as of the close of business on the Effective Date.

c) BMGF will distribute to its securityholders sufficient net income and net realized capital gains so that it will not be subject to tax under Part 1 of the Tax Act for its current taxation year.

d) Immediately following the above-noted transfer and distribution, BMGF will distribute units of FWGF held in its portfolio to its securityholders in exchange for their units of BMGF, so that following the distribution, the securityholders of BMGF will become direct securityholders of FWGF. Series A, F, O and T securitytholders of BMGF will receive corresponding Series A, F, O and T units of FWGF on a dollar-for-dollar basis.

e) As soon as reasonably possible following the Trust Fund Merger, BMGF will be wound up.

23. The Corporate Class Merger will be implemented pursuant to the following steps:

a) The articles of incorporation of Corporate Class Ltd. will be amended to authorize the exchange of all outstanding shares of each series of BMGCC for shares of the same series of FWGCC.

b) On the Effective Date, the net assets of BMGCC (after retention of sufficient assets to satisfy BMGCC's liabilities), which will be comprised of units of FWGF distributed as a result of the Trust Fund Merger, will be included in the portfolio of assets attributed to FWGCC at cost.

c) On the Effective Date, each outstanding share of BMGCC will be exchanged, on a dollar-for-dollar basis, for a share of an equivalent series of FWGCC, so that securityholders of BMGCC become securityholders of FWGCC.

d) The shares of BMGCC will cancelled by Corporate Class Ltd., and BMGCC will be terminated.

24. Approval of the Mergers is required because the Mergers do not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in the following ways:

a) the fundamental investment objectives of the Terminating Funds and Continuing Funds are not, or may not be considered by a reasonable person to be, "substantially similar"; and

b) the Trust Fund Merger does not qualify as a "qualifying exchange" or a tax-deferred transaction under the Tax Act because FWGF is not a "Mutual Fund Trust" under the Tax Act. A "qualifying exchange" can only take place between two Mutual Fund Trusts.

25. The Filer submits that it is in the overall best interests of investors to effect the Trust Fund Merger on a taxable basis in order to preserve FWGF's unused capital losses, which would otherwise expire upon implementation of the Trust Fund Merger as a tax-deferred transaction. By effecting the Trust Fund Merger on a taxable basis, the Filer expects the capital losses of FWGF to be available to shelter income and capital gains realized by FWGF in future years and thereby reduce the amount of taxable distributions made to unitholders of FWGF in the future.

26. Except as noted herein, the Mergers will otherwise comply with all of the other criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102.

27. The Filer submits that the Mergers will result in the following benefits:

a) securityholders of the Funds will gain access to greater portfolio diversification due to the Continuing Funds' broader investment mandate;

b) the Mergers will eliminate the administrative and regulatory costs of operating each Terminating Fund as a separate mutual fund;

c) each Continuing Fund will have a portfolio of greater value, allowing for increased portfolio diversification opportunities; and

d) each Continuing Fund, as a result of its greater size, will benefit from its larger profile in the marketplace.

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 prior to the Effective Date, a final simplified prospectus qualifying the Series A, F, and T units of FWGF and Series T shares of FWGCC is filed by the Manager in the Jurisdiction and each of the Non-Principal Jurisdictions, and a receipt therefor is issued.

"Vera Nunes"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.2 Enbridge Income Fund

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 9.1 – the Filer requests relief from the requirements under section 3.2 of National Instrument 52-107 Acceptable Accounting Principles and Auditing Standards (NI 52-107) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the Exemption Sought) to permit the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after 1 January 2012 but before 1 January 2015.

Applicable Legislative Provisions

National Instrument 52-107 Acceptable Accounting Principles and Auditing Standard, s. 5.1.

Citation: Enbridge Income Fund, Re, 2011 ABASC 314

June 3, 2011

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

AND

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

AND

IN THE MATTER OF
ENBRIDGE INCOME FUND
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirements under section 3.2 of National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* (**NI 52-107**) that financial statements be prepared in accordance with Canadian GAAP applicable to publicly accountable enterprises (the **Exemption Sought**) to permit the Filer to prepare its financial statements in accordance with U.S. GAAP for its financial years that begin on or after 1 January 2012 but before 1 January 2015.

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

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

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

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

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102, National Instrument 51-102 *Continuous Disclosure Obligations* or NI 52-107 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 an unincorporated open-ended trust established under the laws of Alberta. The head office of the Filer is in Calgary, Alberta.

2. The Filer is a reporting issuer or equivalent in the Jurisdictions and each of the Passport Jurisdictions and is not in default of securities legislation in any jurisdiction.

3. The Filer is not an SEC issuer.

4. The Filer has "activities subject to rate regulation", as defined in the Handbook.

5. As a "qualifying entity" for the purposes of section 5.4 of NI 52-107, the Filer is permitted by that provision to prepare its financial statements for its financial year commencing 1 January 2011 and ending 31 December 2011 in accordance with Canadian GAAP – Part V of the Handbook.

6. Were the Filer an SEC issuer, it would be permitted by section 3.7 of NI 52-107 to file its financial statements prepared in accordance with U.S. GAAP, which accords treatment of “activities subject to rate regulation” similar to that under Canadian GAAP – Part V.

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.

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

   (a) for its financial years commencing on or after 1 January 2012 but before 1 January 2015 and interim periods therein, the Filer files its financial statements in accordance with U.S. GAAP; and

   (b) information for comparative periods presented in the financial statements referred to in paragraph (a) is prepared in accordance with U.S. GAAP.

8. The Exemption Sought will terminate in respect of the Filer's financial statements for annual and interim periods commencing on or after the earlier of:

   (a) 1 January 2015; and

   (b) the date on which the Filer ceases to have "activities subject to rate regulation" as defined in the Handbook as at the date of this decision.

For the Commission:

"Glenda Campbell, QC"
Vice-Chair

"Stephen Murison"
Vice-Chair

2.1.3 RBC Global Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from sections 15.3(2), 15.3(4)(c), 15.6(a)(i), 15.6(d), 15.8(2)(a) and 15.8(3)(a) of National Instrument 81-102 Mutual Funds to permit mutual funds that have not distributed securities under a simplified prospectus in a jurisdiction for 12 consecutive months to present performance data in sales communications for periods before the time when the mutual funds offered securities under a simplified prospectus – each fund distributed its securities under prospectus exemptions prior to becoming a reporting issuer – each fund has complied with the investment restrictions and practices in NI 81-102 since inception – each fund will be managed substantially similarly after it commences distributing securities under a simplified prospectus – each fund has prepared annual and interim financial statements in accordance with National Instrument 81-106 Investment Fund Continuous Disclosure since inception.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss.15.3(2), 15.3(4)(c), 15.6(a)(i), 15.6(b), 15.6(d), 15.8(2)(a), 15.8(3)(a), 19.1.

June 3, 2011

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
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)

AND

RBC INSTITUTIONAL CASH FUND
RBC INSTITUTIONAL US$ CASH FUND
RBC INSTITUTIONAL LONG CASH FUND
RBC INSTITUTIONAL GOVERNMENT – PLUS CASH FUND
(the Funds)

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filer for a decision under the securities

legislation of the Jurisdiction of the principal regulator (the **Legislation**) for relief from sections 15.3(2), 15.3(4)(c), 15.6(a)(i), 15.6(d), 15.8(2)(a) and 15.8(3)(a) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**), to permit the Funds to include past performance data for the Funds in sales communications notwithstanding that:

(a) the Funds have not distributed securities under a simplified prospectus for 12 consecutive months; and

(b) the performance data will relate to a period prior to the Funds offering securities under a simplified prospectus,

(collectively, the **Requested Relief**).

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions*, NI 81-102, National Instrument 81-106 *Investment Fund Continuous Disclosure* (**NI 81-106**) and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

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

The Filer

1. The Filer is registered under securities legislation in each of the Jurisdictions in the categories of portfolio manager and exempt market dealer, and has applied for registration under the *Securities Act* (Ontario) as an investment fund manager. The Filer is organized under the *Canada Business Corporations Act* and has its head office in Toronto, Ontario.

2. The Filer was formed through the amalgamation of Phillips, Hager & North Investment Management Ltd. with its affiliate, RBC Asset Management Inc., effective November 1, 2010 (the **Amalgamation**). Following the Amalgamation, the head office of the Filer is located in Ontario.

3. The Filer is the manager and promoter of the Funds.

The Funds

4. The Funds are open-ended mutual fund trusts created under the laws of the Province of British Columbia on January 26, 2010, and are designed for institutional and high net worth investors, including treasury managers and others responsible for managing corporate and institutional cash resources, professional fund managers and other large institutional investors that can meet minimum investment requirements.

5. Series I, Series J and Series O units of the Funds (the **Prospectused Units**) have been distributed to eligible investors on a prospectus-exempt basis in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* in one or more Jurisdictions since their inception on January 26, 2010.

6. Series S units of the Funds, other than the RBC Institutional Long Cash Fund, were created on March 11, 2011 and are available for distribution to eligible Canadian investors in one or more Jurisdictions on a prospectus-exempt basis. The RBC Institutional Long Cash Fund does not currently offer Series S units. The Funds may in the future offer additional series of units to eligible Canadian investors in one or more Jurisdictions on a prospectus-exempt basis.

7. The Filer is not in default of securities legislation in any of the Jurisdictions.

8. The Filer has filed a preliminary simplified prospectus and annual information form in respect of the Prospectused Units on April 5, 2011. Upon the issuance of a receipt for the final simplified prospectus (the **Simplified Prospectus**) and annual information form for the Prospectused Units, the Funds will become reporting issuers in each of the Jurisdictions and will become subject to the requirements of NI 81-102. The Funds will also become subject to the requirements of NI 81-106 that apply only to investment funds that are reporting issuers. Despite the foregoing, the Series S Units of the Funds will continue to be offered for distribution by private placement only.

9. The Funds will be managed substantially similarly after they become reporting issuers as they were prior to becoming reporting issuers. As a result of the Funds becoming reporting issuers:

   (a) the Funds' investment objectives are not intended to change, other than to provide additional detail as may be required by National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

(b) the management fee charged to the Funds in respect of their existing series of units will not change;

(c) the day-to-day administration of the Funds will not change, other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which would have impact on the portfolio management of the Funds) and to provide additional features that are available to investors of mutual funds managed by the Filer, as will be described in the Simplified Prospectus for the Funds; and

(d) as of the date of this decision, the Filer does not expect the management expense ratio (**MER**) of the Prospectused Units of the Funds to increase by more than 0.10%, which the Filer considers to be an immaterial amount.

Reasons for the Requested Relief

10. Section 15 of NI 81-102 will not permit the Funds to include their past performance data in sales communications for periods occurring prior to the Funds becoming reporting issuers.

11. Absent the Requested Relief, sales communications pertaining to the Funds:

(a) will not be permitted to include performance data until the Funds have distributed such securities under a simplified prospectus in a Jurisdiction for 12 consecutive months; and

(b) will not be permitted to include past performance data for the period from the inception of the Funds to the date they become reporting issuers.

11. Since their inception, the Funds have voluntarily complied with the investment restrictions and practices contained in NI 81-102.

12. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-106 (the **NI 81-106 Relief**) to enable the Funds to include in their MRFPs the financial highlights and performance data of the Funds that are derived from their annual and interim financial statements for the time periods prior to their becoming reporting issuers.

13. The performance and other financial data of the Funds for the time period before they become reporting issuers are significant and meaningful information for existing and prospective investors of the Funds.

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) any sales communication that contains performance data of a Fund relating to a period prior to when the Fund was a reporting issuer discloses:

(i) that the Fund was not a reporting issuer during such period; and

(ii) that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer;

(b) the information provided for each Fund under the heading “Fund Expenses Indirectly Borne by Investors” in Part B of the Simplified Prospectus, based on the MER for the Prospectus Units for the Fund’s financial year ended December 31, 2010, be accompanied by disclosure that:

(i) the information is based on the MER of the Fund for a prior period when series of units of the Fund were offered privately; and

(ii) the Fund’s MER may increase as a result of the Fund offering its series of units under the Simplified Prospectus;

(c) the Funds’ Simplified Prospectus incorporates by reference the Funds’ annual financial statements for the financial year ended December 31, 2010 and the related annual MRFPs until such documents are superseded by more current financial statements and MRFPs of the Funds; and

(d) the Funds prepare their MRFPs in accordance with the NI 81-106 Relief.

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

2.1.4 Ventana Gold Corp. – s. 1(10)

Headnote

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

Ontario Statutes

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

June 6, 2011

Ventana Gold Corp.
400 – 837 West Hastings Street
Vancouver, BC V6C 3N6

Dear Sirs/Mesdames:

Re: Ventana Gold Corp. (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

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

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

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

2.1.5 RBC Global Asset Management Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from section 4.4 of National Instrument 81-106 Investment Fund Continuous Disclosure for the purposes of the relief requested from Form 81-106F1, Items 3.1(7), 4.1(1) in respect of the requirement to comply with subsections 15.3(2) and 15.3(4)(c) of National Instrument 81-102 Mutual Funds, 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1, and Items 3(1) and 4 of Part C of Form 81-106F1 to permit mutual funds to include in their annual and interim management reports of fund performance the financial highlights and past performance of the funds that are derived from the funds' annual and interim financial statements that pertain to time periods when the funds were not reporting issuers – each fund distributed its securities under prospectus exemptions prior to becoming a reporting issuer – each fund has complied with the investment restrictions and practices in NI 81-102 since inception – each fund will be managed substantially similarly after it commences distributing securities under a simplified prospectus – each fund has prepared annual and interim financial statements in accordance with National Instrument 81-106 Investment Fund Continuous Disclosure since inception.

Applicable Legislative Provisions

National Instrument 81-106 Mutual Fund Continuous Disclosure, ss. 4.4. 17.1.
Form 81-106F1, Part B, Items 3.1(7), 4.1(1), 4.1(2), 4.2(1), 4.3(1) and 4.3(2).
Form 81-106F1, Part C, Items 3(1) and 4.

June 3, 2011

**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
RBC GLOBAL ASSET MANAGEMENT INC.
(the Filer)**

AND

**RBC INSTITUTIONAL CASH FUND
RBC INSTITUTIONAL US$ CASH FUND
RBC INSTITUTIONAL LONG CASH FUND
RBC INSTITUTIONAL GOVERNMENT –
PLUS CASH FUND
(the Funds)**

DECISION

Background

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

(a) section 4.4 of National Instrument 81-106 *Investment Funds Continuous Disclosure* (**NI 81-106**), for the purposes of the relief requested from Form 81-106F1 *Contents of Annual and Interim Management Report of Funds Performance* (**Form 81-106F1**); and

(b) items 3.1(7), 4.1(1) in respect of the requirement to comply with sections 15.3(2) and 15.3(4)(c) of National Instrument 81-102 *Mutual Funds* (**NI 81-102**), 4.1(2), 4.2(1), 4.3(1) and 4.3(2) of Part B of Form 81-106F1 and items 3(1) and 4 of Part C of Form 81-106F1, to permit each Fund to include in its annual and interim management reports of fund performance (**MRFPs**) the financial highlights and past performance data of the Fund that are derived from the Fund's annual and interim financial statements that pertain to time periods prior to the Fund becoming a reporting issuer,

(collectively, the **Requested Relief**).

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

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

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

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions*, NI 81-102, NI 81-106 and MI 11-102 have the same meaning in this decision unless they are defined in this decision.

Representations

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

The Filer

1. The Filer is registered under securities legislation in each of the Jurisdictions in the categories of portfolio manager and exempt market dealer, and has applied for registration under the *Securities Act* (Ontario) as an investment fund manager. The Filer is organized under the *Canada Business Corporations Act* and has its head office in Toronto, Ontario.

2. The Filer was formed through the amalgamation of Phillips, Hager & North Investment Management Ltd. with its affiliate, RBC Asset Management Inc., effective November 1, 2010 (the **Amalgamation**). Following the Amalgamation, the head office of the Filer is located in Ontario.

3. The Filer is the manager and promoter of the Funds.

The Funds

4. The Funds are open-ended mutual fund trusts created under the laws of the Province of British Columbia on January 26, 2010, and are designed for institutional and high net worth investors, including treasury managers and others responsible for managing corporate and institutional cash resources, professional fund managers and other large institutional investors that can meet minimum investment requirements.

5. Series I, Series J and Series O units of the Funds (the **Prospectused Units**) have been distributed to eligible investors on a prospectus-exempt basis in accordance with National Instrument 45-106 *Prospectus and Registration Exemptions* in one or more Jurisdictions since their inception on January 26, 2010.

6. Series S units of the Funds, other than the RBC Institutional Long Cash Fund, were created on March 11, 2011 and are available for distribution to eligible Canadian investors in one or more Jurisdictions on a prospectus-exempt basis. The RBC Institutional Long Cash Fund does not currently offer Series S units. The Funds may in the future offer additional series of units to eligible Canadian investors in one or more Jurisdictions on a prospectus-exempt basis.

7. The Filer is not in default of securities legislation in any of the Jurisdictions.

8. The Filer has filed a preliminary simplified prospectus and annual information form in respect of the Prospectused Units on April 5, 2011. Upon the issuance of a receipt for the final simplified prospectus and annual information form for the Prospectused Units, the Funds will become reporting issuers in each of the Jurisdictions and will become subject to the requirements of NI 81-102. The Funds will also become subject to the requirements of NI 81-106 that apply only to investment funds that are reporting issuers. Despite the foregoing, the Series S units of the

Funds will continue to be offered for distribution by private placement only.

9. The most recent financial statements required to be prepared by the Funds under NI 81-106 are the annual financial statements for the year ended December 31, 2010. The Filer proposes to prepare the MRFPs in respect of these financial statements and to file these MRFPs. The Filer has already filed the financial statements for the year ended December 31, 2010. The Filer proposes that the Simplified Prospectus of the Funds incorporate by reference the Funds' most recent annual financial statements and the related annual MRFPs, until such documents are superseded by more current financial statements and MRFPs for the Funds.

10. The Funds will be managed substantially similarly after they become reporting issuers as they were prior to becoming reporting issuers. As a result of the Funds becoming reporting issuers:

    (a) the Funds' investment objectives are not intended to change, other than to provide additional detail as may be required by National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;

    (b) the management fee charged to the Funds in respect of their existing series of units will not change;

    (c) the day-to-day administration of the Funds will not change, other than to comply with the additional regulatory requirements associated with being a reporting issuer (none of which would have impact the portfolio management of the Funds) and to provide additional features that are available to investors of mutual funds managed by the Filer, as will be described in the simplified prospectus for the Funds; and

    (d) as of the date of this decision, the Filer does not expect the management expense ratio of the Prospectused Units of the Funds to increase by more than 0.10%, which the Filer considers to be an immaterial amount.

Reasons for the Requested Relief

11. Absent the Requested Relief, the Funds' MRFPs will not be permitted to include the financial highlights and past performance data of the Funds for the period from the inception of the Funds to the date they become reporting issuers.

12. As a reporting issuer, the Funds will prepare and send annual and interim MRFPs to all holders of their securities on an annual and interim basis as required under NI 81-106.

13. Since their inception, the Funds have voluntarily prepared annual and interim financial statements in accordance with NI 81-106 in each Jurisdiction.

14. The Filer also proposes to present the performance data of the Funds for the time period since the inception date of the Funds in sales communications that pertain to the Funds. The Filer has filed a separate application for exemptive relief from certain provisions of NI 81-102 (the **NI 81-102 Relief**) to permit the Funds to include their performance data since the inception date of the Funds in sales communications.

15. The performance and other financial data of the Funds for the time period before they become reporting issuers are significant and meaningful information for existing and prospective investors of the Funds.

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) any MRFP that includes performance data or financial highlights of a Fund relating to a period prior to when the Fund was a reporting issuer discloses:

    (i) that the Fund was not a reporting issuer during such period;

    (ii) that the expenses of the Fund would have been higher during such period had the Fund been subject to the additional regulatory requirements applicable to a reporting issuer; and

    (iii) that the financial statements of the Fund for such period are available to investors upon request;

(b) the Filer makes the financial statements of the Funds since the Funds' inception date available to investors upon request; and

(c) the Funds prepare their simplified prospectus and sales communications in accordance with the NI 81-102 Relief.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.6 Northern Trust Global Advisors, Inc.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Pooled mutual funds advised by a registered adviser prohibited from making and holding investments in related issuers – Relief granted from the Securities Act and National Instrument 31-103 Registration Requirements and Exemptions to permit the funds to make and hold investments in securities of related issuers, subject to IRC approval.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(a), 111(2)(c)(ii), 111(3), 113.
National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(a), 15.1.

June 3, 2011

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
NORTHERN TRUST GLOBAL ADVISORS, INC.
(the Filer)

DECISION

Background

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

(a) the prohibition in the Legislation of the Jurisdiction (the **Related Shareholder Relief**) that prohibits a mutual fund from making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company (each a **Related Shareholder**);

(b) the prohibition in the Legislation of the Jurisdiction (the **Related Party Relief**) that prohibits a mutual fund from making or holding an investment in an issuer in which a Related Shareholder has a significant interest (each, a **Related Party**); and

(c) the prohibition in the Legislation of the Jurisdiction (the **Related Issuer Relief**) that prohibits a registered adviser from knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, from purchasing a security of any issuer (each a **Related Issuer**) in which a responsible person or an associate of a responsible person is a partner, officer or director unless this fact is disclosed to the client and the written consent of the client to the purchase is obtained before the purchase

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

(a) the Ontario Securities Commission is the principal regulator for the Application,

(b) in respect of the Related Shareholder Relief and Related Party Relief, the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Nova Scotia, New Brunswick and Newfoundland and Labrador (collectively, the **Non-principal Jurisdictions**); and

(c) in respect of the Related Issuer Relief, the Filer has provided notice that section 4.7(1) of MI 11-102 is intended to be relied upon in the Non-principal Jurisdictions.

Interpretation

Defined terms contained in National Instrument 14-101 – *Definitions* (**NI 14-101**), M1 11-102, in NI 81-102 and in National Instrument 81-107 – *Independent Review Committee for Investment Funds* (**NI 81-107**) have the same meaning in this decision unless otherwise defined.

In this decision the term **Related Person** will be used to refer to a Related Shareholder, a Related Party or a Related Issuer depending on the provision that is being considered and the term **Requested Related Person Securities Relief** will be used to refer to the Related Shareholder Relief, the Related Party Relief and the Related Issuer Relief, together, requested by the Filer on behalf of the Pooled Funds (as defined below).

Representations

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

The Filer

1. The head office of the Filer is in Stamford, Connecticut.

2. The Filer is not in default of securities legislation in any Jurisdiction.

3. The Filer is the administrator of a group of pooled funds known collectively as The Diversified Fund of Canada (the **DFC**), consisting of a series of separate trusts named as follows: the Canadian Equity Fund, Special Canadian Equity Fund, Core U.S. Equity Fund, International Specialist Fund, Active Fixed Income Fund, Short Term Fund (the **Existing Pooled Funds**).

The Pooled Funds

4. Each Existing Pooled Fund and each new fund established by the Filer or an affiliate of the Filer to which National Instrument 81-102 *Mutual Funds* (**NI 81-102**) does not apply (the Future Pooled Funds together with the Existing Pooled Funds, the **Pooled Funds**) is constituted as a "mutual fund" within the meaning of securities legislation of the Jurisdictions.

5. Units of the Pooled Funds are sold on a private placement basis to institutional investors, primarily pension plans. The Pooled Funds are "mutual funds in Ontario" within the meaning of section 111 of the Act, but are not reporting issuers.

6. The Pooled Funds are not in default of securities legislation in any Jurisdiction.

Investment manager

7. Manulife Asset Management Limited (**MAML**) is the investment manager of one of the Existing Pooled Funds and could in the future become an investment manager of other Existing Pooled Funds or future sections of the DFC (any such Fund or section for which MAML acts or will act as investment manager, an **Affected Fund**).

8. MAML is a subsidiary of Manulife Financial Corporation (**Manulife**).

9. Manulife currently owns, directly or indirectly, more than 20% of the outstanding voting securities of MAML and therefore is a "substantial security holder" of MAML.

10. Directors or officers of MAML may also, from time to time, be directors or officers of Manulife.

11. MAML is not in default of securities legislation in any Jurisdiction.

Investment by the Affected Funds in Securities of Related Issuers

12. As the result of entering into an investment management contract with MAML to provide investment management services to an Affected Fund, MAML is a "management company" of the Affected Funds. An Affected Fund may not invest in securities of Manulife, as Manulife is a substantial security holder of MAML, the management company of the Funds.

13. In addition, an Affected Fund may not invest in, or hold securities of any issuer of which Manulife has a significant interest (Manulife and any such issuer, collectively the **Related Issuers**).

14. MAML may from time to time be prohibited from causing an Affected Fund to invest in, or hold, the securities of a Related Issuer.

15. Section 6.2 of NI 81-107 provides an exemption from the prohibitions comprising the Requested Related Person Securities Relief for exchange-traded securities such as common shares. It does not permit an Affected Fund, or the Filer on behalf of the Affected Fund, to purchase non-exchange-traded securities issued by Related Persons. Some securities of Related Persons, such as debt securities, are not listed and traded.

16. The Filer is restricted from purchasing and holding non-exchange-traded securities of the Related Persons on behalf of an Affected Fund. The Filer considers that the Affected Funds should have access to such securities for the following reasons:

    (a) There is currently and has been for several years a very limited supply of highly rated corporate debt.

    (b) Diversification is reduced to the extent that an Affected Fund is limited with respect to investment opportunities and places the Affected Fund at a competitive disadvantage.

17. Each purchase of non-exchange-traded debt securities of a Related Issuer will occur in the secondary market and not under primary distributions or treasury offerings of a Related Issuer.

18. Each non-exchange-traded debt security of a Related Issuer purchased by an Affected Fund will have, at the time of the purchase, an “approved credit rating” by an “approved credit rating organization” within the meaning of those terms in NI 81-102.

19. The Filer will use an independent review committee (**IRC**) with a mandate that will include the approval of purchases by an Affected Fund of securities of Related Issuers.

20. The IRC will be composed in accordance with section 3.7 of NI 81-107 and will comply with the standard of care set out in section 3.9 of NI 81-107 as if the Affected Funds were subject to that rule. The only conflict of interest matters that will be referred by each Affected Fund to its IRC will be the proposed investment to be made by the Affected Fund in securities of Related Issuers.

21. The IRC will not approve purchases unless it has made the determination set out in section 5.2(2) of NI 81-107.

22. The Affected Funds are only permitted to make investments that are consistent with, or are necessary to meet, their investment objectives.

Decision

Related Shareholder Relief and Related Party Relief

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

The decision of the principal regulator is that the Related Shareholder Relief and Related Party Relief is granted to permit the Filer to purchase Related Person debt securities in the secondary market on behalf of the Affected Funds on the condition that:

(a) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Affected Fund;

(b) each Affected Fund maintains an IRC that is composed in accordance with the requirements of section 3.7 of NI 81-107 and that complies with the standard of care set out in section 3.9 of NI 81-107;

(c) the IRC of the Affected Fund has approved the transaction in accordance with section 5.2(2) of NI 81-107;

(d) MAML complies with section 5.1 of NI 81-107 and MAML and the IRC of the Affected Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;

(e) the price payable for the security is not more than the ask price of the security;

(f) the ask price of the security is determined as follows:

(i) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(ii) if the purchase does not occur on a marketplace,

(A) the Affected Fund may pay the price for the security at which an independent, arm's length seller is willing to sell the security, or

(B) if the Affected Fund does not purchase the security from an independent, arm's length seller, the Affected Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's length purchaser or seller and not pay more than that quote;

(g) the transaction complies with any applicable "market integrity requirements";

(h) no later than the time that an Affected Fund is required to file its annual financial statements, the Affected Fund files with the applicable securities regulatory authorities or regulator the particulars of any such investments; and

(i) the reporting obligation in section 4.5 of NI 81-107 applies to the Related Shareholder Relief and the Related Party Relief and the IRC of each Affected Fund relying on the Related Shareholder Relief and the Related Party Relief complies with section 4.5 of NI 81-107 as if the Affected Fund were subject to that rule, in connection with any instance that it becomes aware that such Affected Fund does not comply with any of the conditions of this decision.

This decision is effective June 3, 2011.

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"C. Wesley M. Scott"
Commissioner
Ontario Securities Commission

Related Issuer Relief

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

The decision of the principal regulator is that the Related Issuer Relief is granted to permit the Filer to purchase Related Person debt securities in the secondary market on behalf of the Affected Funds on the condition that:

(a) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Affected Fund;

(b) each Affected Fund maintains an IRC that is composed in accordance with the requirements of section 3.7 of NI 81-107 and that complies with the standard of care set out in section 3.9 of NI 81-107;

(c) the IRC of the Affected Fund has approved the transaction in accordance with Section 5.2(2) of NI 81-107;

(d) the manager of the Affected Fund complies with section 5.1 of NI 81-107 and the manager and the IRC of the Affected Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;

(e) the price payable for the security is not more than the ask price of the security;

(f) the ask price of the security is determined as follows:

(i) if the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or

(ii) if the purchase does not occur on a marketplace,

(A) the Affected Fund may pay the price for the security at which an independent, arm's length seller is willing to sell the security, or

(B) if the Affected Fund does not purchase the security from an independent, arm's length seller, the Affected Fund must pay the price quoted publicly by an independent marketplace or obtain, immediately before the purchase, at least one quote from an independent, arm's length purchaser or seller and not pay more than that quote.

(g) the transaction complies with any applicable "market integrity requirements"; and

(h) no later than the time the Affected Fund files its annual financial statements, the Affected Fund files with the securities regulatory authority or regulator the particulars of any such investments.

This decision is effective June 3, 2011.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.7 Brookfield Office Properties Canada

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, s. 9.1 – issuer is a real estate investment trust which holds all of its properties through limited partnership – entity holds units in limited partnership which are exchangeable into and in all material respects the economic equivalent to the issuer's publicly traded units – issuer may include entity's indirect interest in issuer when calculating market capitalization for the purposes of using the 25% market capitalization exemption for certain related party transactions.

Applicable Legislative Provisions

Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions, ss. 5.5(a), 5.7(a), 9.1.

June 6, 2011

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
BROOKFIELD OFFICE PROPERTIES CANADA
(the Filer)

DECISION

Background

The principal regulator in the Jurisdiction (the **Principal Regulator**) has received an application (the **Application**) from the Filer for a decision under the securities legislation of the Jurisdiction (the **Legislation**) that the Filer be granted an exemption pursuant to section 9.1 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**) from the minority approval and formal valuation requirements under Part 5 of MI 61-101 relating to any related party transaction of the Filer entered into indirectly through Brookfield Office Properties Canada LP or any other subsidiary entity (as such term is defined in MI 61-101) of Brookfield Office Properties Canada LP, if that transaction would qualify for the transaction size exemptions set out in sections 5.5(a) and 5.7(a) of MI 61-101 if the indirect equity interest in the Filer in the form Exchangeable LP Units (defined below) were included in the calculation of the Filer's market capitalization (the **Requested Relief**).

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

(a) The Ontario Securities Commission is the principal regulator for the Application; and

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 – *Passport System* (**MI 11-102**) is intended to be relied upon in Québec.

Interpretation

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

Representations

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

1. The Filer is a limited purpose unincorporated, closed-end, real estate investment trust established under and governed by the laws of the Province of Ontario and created pursuant to a declaration of trust dated March 19, 2010 (the **Declaration of Trust**).

2. The Filer's head office is located at Suite 330, 181 Bay Street, Toronto, Ontario, M5J 2T3.

3. The Filer is a reporting issuer (or the equivalent thereof) in each of the provinces and territories of Canada and is not in default of any applicable requirements of the securities legislation of such provinces and territories.

4. The Filer is authorized to issue an unlimited number of trust units (**Trust Units**) and an unlimited number of special voting units (**Special Voting Units**). As at March 31, 2011, there were 26,098,471 Trust Units and 67,088,022 Special Voting Units issued and outstanding. Special Voting Units are only issued in tandem with the issuance of Exchangeable LP Units (as defined below) and therefore the number of Special Voting Units outstanding at any point is equivalent to the number of Exchangeable LP Units.

5. The Trust Units are listed and posted for trading on the Toronto Stock Exchange under the symbol "BOX.UN."

6. The operating business of the Filer is carried on by Brookfield Office Properties Canada LP, which holds direct and indirect interests in the properties in the Filer's portfolio and carries out all of its property investment and operating activities.

7. Brookfield Office Properties Canada LP is a limited partnership formed under the laws of the Province of Ontario pursuant to a limited partnership agreement that was amended and restated on May 1, 2010 (the **Amended and Restated Limited Partnership Agreement**). Brookfield Office Properties Canada LP's head office is located at Suite 330, 181 Bay Street, Toronto, Ontario, M5J 2T3.

8. Brookfield Office Properties Canada LP is not a reporting issuer (or the equivalent thereof) in any jurisdiction and none of its securities are listed or posted for trading on any stock exchange or other market.

9. Brookfield Office Properties Canada LP is authorized to issue an unlimited number of Class A LP Units and an unlimited number of Class B LP Units (the **Exchangeable LP Units**). As at March 31, 2011, there were 26,033,330 Class A LP Units and 67,088,022 Exchangeable LP Units issued and outstanding. The Filer holds all of the outstanding Class A LP Units and BPO Properties Ltd. (**BPP**) and its subsidiaries hold all of the outstanding Exchangeable LP Units.

10. The Exchangeable LP Units are, in all material respects, economically equivalent to the Trust Units:

    (a) the Exchangeable LP Units are not transferable (except to affiliates of the current holder) but are exchangeable on a one-for-one basis for Trust Units at any time at the option of the holder thereof (subject to customary anti-dilution provisions and provided that such exchange would not jeopardize the Filer's status as a "unit trust", "mutual fund trust" or "real estate investment trust" under the *Income Tax Act* (Canada)) pursuant to the terms of an exchange and support agreement dated as of May 1, 2010 between, among others, the Filer and Brookfield Office Properties Canada LP (the **Exchange and Support Agreement**);

    (b) the distributions to be made on the Exchangeable LP Units are equal to the distributions that the holder of the Exchangeable LP Units would have received if it were holding the Trust Units that may be obtained upon the exchange of such Exchangeable LP Units; and

    (c) each Exchangeable LP Unit is accompanied by a Special Voting Unit so that the holder of the Exchangeable LP Units has voting rights on matters respecting the Filer equal to the number of Trust Units that may be obtained upon the exchange of the Exchangeable LP Unit to which such Special Voting Unit is attached.

11. The Filer and Brookfield Office Properties Canada LP issued Trust Units and Exchangeable LP Units, respectively, to BPP on May 1, 2010 in connection with the reorganization of the directly owned office assets of BPP under the Filer and the acquisition by Brookfield Office Properties Canada LP of BPP's interest in Brookfield Place.

12. As at March 31, 2011, BPP owned an aggregate equity interest in the Filer of approximately 83.3%, consisting of 10,564,108 Trust Units and 67,088,022 Exchangeable LP Units.

13. As a result of BPP's ownership of Trust Units and Exchangeable LP Units, transactions involving the Filer entered into indirectly through Brookfield Office Properties Canada LP or a subsidiary entity (as such term is defined in MI 61-101) of Brookfield Office Properties Canada LP with BPP above, are related party transactions subject to MI 61-101.

14. If MI 61-101 applies to a related party transaction by an issuer and the transaction is not otherwise exempt:

    (a) the issuer must obtain a formal valuation of the transaction in a form satisfying the requirements of MI 61-101 prepared by an independent valuator; and

    (b) the issuer must obtain approval of the transaction by disinterested holders of the affected securities of the issuer (together, requirements (a) and (b) are referred to as, the **Minority Protections**).

15. A related party transaction that is subject to MI 61-101 may be exempt from the Minority Protections if at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, exceeds 25% of the issuer's market capitalization.

16. The Filer may not be entitled to rely on the automatic size exemption available under the Legislation from the requirements relating to related party transactions in the Legislation because the definition of market capitalization in the Legislation does not contemplate securities of another entity that are exchangeable into equity securities of the issuer.

17. The Exchangeable LP Units represent part of the equity value of the Filer and provide the holder of the Exchangeable LP Units with economic rights which are equivalent to the Trust Units. The effect of the exchange right attaching to the Exchangeable LP Units is that a holder of Exchangeable LP Units is entitled to receive Trust Units upon the exchange of the Exchangeable LP Units. Moreover, the economic interests that underlie the Exchangeable LP Units are identical to those underlying the Trust Units; namely, the assets held directly or indirectly by Brookfield Office Properties Canada LP.

18. If the Exchangeable LP Units are not included in the market capitalization of the Filer, the equity value of the Filer will be understated by the value of the Exchangeable LP Units (currently being approximately 72%). As a result, related party transactions of the Filer may be subject to the Minority Protections in circumstances where the fair market value of the transactions is effectively less than 25% of the fully diluted market capitalization of the Filer.

19. Section 1.4 of MI 61-101 treats an operating entity of an income fund on a consolidated basis with its parent trust entity for the purpose of determining which entities are related parties of the issuer and what transactions MI 61-101 should apply to. Therefore, it is consistent with MI 61-101 that securities of an operating entity, such as the Exchangeable LP Units, be treated on a consolidated basis for the purposes of the determining the market capitalization of the Filer under MI 61-101.

20. The inclusion of the Exchangeable LP Units when determining the Filer's market capitalization is consistent with the logic of including unlisted equity securities of the issuer which are convertible into listed securities of the issuer in determining an issuer's market capitalization in that both are securities that are considered part of the equity value of the issuer whose value is measured on the basis of the listed securities into which they are convertible or exchangeable.

Decision

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

The decision of the Principal Regulator under the Legislation is that the Requested Relief be granted to the Filer provided that:

(a) the transaction would qualify for the market capitalization exemption contained in MI 61-101 if the Exchangeable LP Units were considered an outstanding class of equity securities of the Filer that were convertible into Trust Units;

(b) there be no material change to the terms of the Exchangeable LP Units and Special Voting Units, including the exchange rights associated therewith, as described above and in the Declaration of Trust, the Amended and Restated Limited Partnership Agreement and the Exchange and Support Agreement; and

(c) any annual report or equivalent of the Filer that is required to be filed in accordance with applicable securities laws contain the following disclosure, with any immaterial modifications as the context may require:

"Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction is not more than 25% of the market capitalization of the issuer.

Brookfield Office Properties Canada ("**BOX**") has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of BOX's market capitalization, if the Class B LP Units of Brookfield Office Properties Canada LP are included in the calculation of BOX's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to reflect the approximate 72% indirect interest in BOX in the form of Class B LP Units of Brookfield Office Properties Canada LP."

"Naizam Kanji"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.1.8 maxill inc. – s. 1(10)

Headnote

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

Applicable Legislative Provisions

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

June 3, 2011

maxill inc.
80 Elm Street
St. Thomas, Ontario
N5R 6C8

Dear Sirs/Mesdames:

Re: maxill inc. (the Applicant) – application for a decision under the securities legislation of Ontario and Alberta (the Jurisdictions) that the Applicant is not a reporting issuer

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

As the Applicant has represented to the Decision Makers that:

(a) the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total in Canada;

(b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

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

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

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

2.1.9 National Bank Securities Inc.

Headnote

A large bank-owned mutual fund dealer and investment fund manager with distinct operating divisions and *de facto* co-CEOs exempted from requirements to register a single ultimate designated person (UDP) and a single chief compliance officer (CCO) – Decision permits it to register two UDPs and two CCOs, one for each operating division.

Statutes Cited

Multilateral Instrument 11-102 Passport System, s. 4.7(1).
National Instrument 31-103 Registration Requirements and Exemptions ss. 3.6, 3.14, 11.2, 11.2(2), 11.3, 11.3(3).
Companion Policy 31-103CP Registration Requirements and Exemptions, s. 5.2.

May 31, 2011

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
QUÉBEC AND ONTARIO
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
NATIONAL BANK SECURITIES INC.
(the "Filer")

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions ("**Decision Maker**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") for relief from the requirement contained in section 11.2 of National Instrument 31-103 *Registration Requirements and Exemptions* ("**31-103**") to designate an individual to be the ultimate designated person ("**UDP**") and from the requirement contained in section 11.3 of 31-103 to designate an individual to be the chief compliance officer ("**CCO**"), and instead be permitted to designate and register two individuals as UDPs and two individuals as CCOs in respect of the two distinct operational divisions of the Filer (the "**Exemption Sought**").

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

(a) the *Autorité des marchés financiers* is the principal regulator for this application;

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**11-102**") is intended to be relied upon in all of the jurisdictions in Canada outside of Québec except Ontario (together with Québec and Ontario, the "**Filing Jurisdictions**"); and

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

Interpretation

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

Representations

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

1. The Filer is registered under the Legislation in each of the Filing Jurisdictions in the category of "mutual fund dealer" and in the Province of Québec in the category of "investment fund manager", and has its head office in the Province of Québec.

2. The Filer is not, to the best of its knowledge, in default of any requirements of securities legislation in any of the Filing Jurisdictions.

3. The Filer's operational structure has always been organized in two distinct divisions, which are based on the nature of its operations (the "**Divisions**"): This operational structure has not been modified by the Filer in connection with the coming into force of 31-103. The Filer now seeks to ensure that its operational structure remains aligned with its business model while effectively meeting the policy objectives of 31-103:

Investment Fund Manager Division

(a) The President and Chief Executive Officer of the Filer has been registered as the UDP of the Filer since November 17, 2009 (the "**Current UDP**").

(b) The Current UDP is responsible of the product development and manufacturing activities of the Filer. Accordingly, he spearheads all activities of the Filer related to the creation and management of mutual funds, including all activities related to its independent committee, the preparation of all outbound documents of the Filer, and the distribution of the Filer's products within the external dealer distribution network of National Bank of Canada ("**NBC**"). As such, the Current UDP is responsible of promoting regulatory compliance within the Filer with respect to these activities.

(c) If the Exemption Sought is granted, the Filer intends to have the Current UDP continue to act as UDP of the Filer, but only with respect to its product development and manufacturing division (the "**Investment Fund Manager Division**").

(d) The CCO of the Filer has been registered as such under 31-103 since November 10, 2009 (the "**Current CCO**").

(e) The Current CCO oversees compliance in the manufacturing activities of the Filer. As such, she conceptualizes and implements compliance programs for the manufacturing of products of the Filer, including its back-office functions.

(f) If the Exemption Sought is granted, the Filer intends to have the Current CCO continue to act as CCO of the Filer, but only with respect to the Investment Fund Manager Division.

Mutual Fund Dealer Division

(g) The Executive Vice President and Chief of Distribution of the Filer is also a director of the Filer (the "**Proposed Additional UDP**").

(h) The Proposed Additional UDP is responsible for the product distribution activities of the Filer within the internal dealer distribution network of NBC. Accordingly, she spearheads all activities of the Filer related to its registered representatives, the implementation of a distribution network with a compliance supervision model for the 452 branches of the Filer, and the implementation of procedures pertaining to the validation of the suitability of transactions. As such, the Proposed Additional UDP is responsible of promoting regulatory compliance within the Filer with respect to these activities.

(i) If the Exemption Sought is granted, the Filer intends to have the Proposed Additional UDP registered as UDP of the Filer, but only with respect to its internal dealer distribution division (the "**Mutual Fund Dealer Division**").

(j) The filer has hired on September 27, 2010 an additional individual to fulfill the position of Chief Compliance Officer –

Mutual Fund Dealer Division of the Filer (the "**Proposed Additional CCO**").

(k) The Proposed Additional CCO oversees compliance in the distribution activities of the Filer. As such, her responsibilities include ensuring that the Filer's policies and procedures comply with applicable laws and regulations related to distribution activities, and that controls and surveillance routines are established and maintained adequately.

(l) If the Exemption Sought is granted, and upon the Proposed Additional CCO meeting the requirements set out in sections 3.6 and 3.14 of 31-103, the Filer intends to have the Proposed Additional CCO registered as CCO of the Filer, but only with respect to its Mutual Fund Dealer Division.

4. The Investment Fund Manager Division and the Mutual Fund Dealer Division each have separate and distinct senior management structures. Although they are part of the same corporate entity, each Division is functionally a stand-alone operation within the Filer's business.

5. There is currently only one UDP appointed and registered for both Divisions. If the Exemption Sought is granted, the Filer will keep its Current UDP for the Investment Fund Manager Division, and will appoint its Proposed Additional UDP for its Mutual Fund Dealer Division. The Current UDP and the Proposed Additional UDP will be the most senior executive member of each Division (for purposes of this application, the "**Division Heads**").

6. The Current UDP of the Filer holds the title of President and Chief Executive Officer ("**CEO**").

7. Despite the fact that only one of the Division Heads has the title of CEO, both Division Heads have equivalent roles to that of a CEO in respect of their Division. There is no line of reporting between the Division Heads. Each Division Head reports independently to different members of the senior management team of National Bank of Canada and each has direct access to the Filer's Board of Directors. No other executive officer of the Filer has authority to overrule a decision of the UDP or control the UDP's access to the Board of Directors of the Filer.

8. There is currently only one CCO responsible for both the Investment Fund Manager Division and the Mutual Fund Dealer Division. If the Exemption Sought is granted, the Filer will keep its Current CCO for the Investment Fund Manager Division, and will appoint its Proposed Additional CCO for its Mutual Fund Dealer Division once the Proposed Additional CCO has met the registration requirements set out in sections 3.6 and 3.14 of 31-103.

9. The CCO for each Division has, or will have, access to their Division Head and direct access to the Filer's Board of Directors, and reports, or will report, independently to the Filer's Board of Directors.

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

1. 31-103 was implemented on September 28, 2009.

2. Under paragraph 11.2(2) of 31-103, a registered firm is required to designate an individual to be UDP and the UDP must be: (i) the CEO or sole proprietor; (ii) an officer in charge of a division of a registered firm, if the activity that requires a firm to register occurs only in the division; or (iii) the equivalent of (i) or (ii) above of the registered firm (collectively, the "**UDP Requirement**").

3. Prior to the implementation of 31-103, there was no requirement under the securities legislation of any Filing Jurisdiction for a mutual fund dealer or an investment fund manager to designate an individual and have him or her registered as the UDP.

4. Designating only one UDP for purposes of satisfying the UDP Requirement would not be consistent with the policy objectives it is intended to achieve because the Current UDP and the Proposed Additional UDP for the Divisions are effectively the CEOs of their respective operation line.

5. Under paragraph 11.3(1) of 31-103, a registered firm is required to designate an individual to be the CCO (the "**CCO Requirement**").

6. Prior to the implementation of 31-103, there was a requirement under the securities legislation of many of the Filing Jurisdictions to designate a registered partner or officer as the "compliance officer" who was responsible for discharging the obligations of the registered firm under the applicable securities legislation.

7. In section 5.2 of Companion Policy 31-103 *Registration Requirements and Exemptions*, the Canadian Securities Administrators indicate that:

"Firms must designate one CCO. However, in large firms, the scale and kind of activities carried out by different operating divisions may warrant the designation of more than one CCO. We will consider applications, on a case-by-case basis, for different individuals to act as the CCO of a firm's operating divisions."

8. Designating only one CCO for purposes of satisfying the CCO Requirement would not be consistent with the policy objectives it is intended to achieve because the Investment Fund Manager Division and the Mutual Fund Dealer Division are independent operations that are distinct from one another in kind and conducted on a very large scale.

Decision

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

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

(a) each Division shall each have its own UDP, who shall be its Division Head; and

(b) each Division shall each have its own CCO.

"Mario Albert"
Superintendent, Client Services,
Compensation and Distribution

2.1.10 C.S.T. Consultants Inc. et al.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – scholarship plans granted relief to not include financial statements and management report on fund performance (MRFP) in the prospectus – relief granted to reduce the size and complexity of prospectus and to equalize disclosure requirements for scholarship plans with other types of investment funds – financial statements and MRFP to be incorporated by reference – enhanced disclosure about the documents to be provided in prospectus, in trade confirms, and on scholarship plan website about the documents and how to get copies – copies of financial statements and/or MRFP to be delivered on demand at no charge within two days of receipt of request.

Applicable Legislative Provisions

National Instrument 41-101 General Prospectus Requirements, ss. 4.1(2), 19.1

June 2, 2011

**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
C.S.T. CONSULTANTS INC.,
HERITAGE EDUCATION FUNDS INC. AND
USC EDUCATION SAVINGS PLANS INC.
(the Filers)**

AND

**CANADIAN SCHOLARSHIP TRUST PLANS,
THE HERITAGE PLANS AND
USC EDUCATION SAVINGS PLANS
(the Plans)**

DECISION

Background

The principal regulator in the Jurisdiction has received an application from the Filers on behalf of the Plans for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) for an exemption under section 19.1 of NI 41-101 for relief from subsection 4.1(2) of NI 41-101 which requires each Plan to include in

its prospectus the Required Financial Statements (the **Exemption Sought**).

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

(a) the OSC is the principal regulator for this application; and

(b) the Filers have provided notice that section 4.7(1) of MI 11-102 is intended to be relied upon in all of the other provinces and territories of Canada.

Interpretation

Terms defined in National Instrument 14-101 *Definitions*, MI 11-102 and NI 41-101 have the same meaning if used in this decision, unless otherwise defined.

The following terms shall have the following meanings:

(a) **"CST"** means C.S.T. Consultants Inc.

(b) **"CST Plans"** means the Canadian Scholarship Trust Plans managed by CST.

(c) **"Form 41-101F2"** means Form 41-101F2 *Information Required in an Investment Fund Prospectus*.

(d) **"Heritage"** means Heritage Education Funds Inc.

(e) **"Heritage Plans"** means the Plans managed by Heritage.

(f) **"MI 11-102"** means Multilateral Instrument 11-102 *Passport System*.

(g) **"MRFPs"** means the annual Management Reports of Fund Performance prepared by each Plan pursuant to NI 81-106.

(h) **"NI 41-101"** means National Instrument 41-101 *General Prospectus Requirements*.

(i) **"NI 81-106"** means National Instrument 81-106 *Investment Fund Continuous Disclosure*.

(j) **"OSC"** means the Ontario Securities Commission.

(k) **"Plan Prospectus Proposals"** means the proposals of the Canadian Securities Administrators published in the *CSA Notice and Request for Comment – Modernization of Scholarship Plan Regulation Phase 1: A New Prospectus Form for Scholarship Plans, Proposed Amendments to National Instrument 41-101 General Prospectus Requirements, Form 41-101F2 and Related Amendments*, published for comment in March 2010, which includes a proposal to amend NI 41-101 to create a new Form 41-101F3, which would be the mandated prospectus form for all scholarship plans, including the Plans.

(l) **"Plans"** means, collectively, the CST Plans, the Heritage Plans and the USC Plans.

(m) **"RESPDAC"** means the RESP Dealers Association of Canada.

(n) **"Required Financial Statements"** means, for each Plan, the financial statements and MRFPs required to be included in a Plan prospectus under NI 41-101.

(o) **"subscriber"** means an investor in a scholarship plan, such as the Plans.

(p) **"USC"** means USC Education Savings Plans Inc.

(q) **"USC Plans"** means USC Education Savings Plans managed by USC.

Representations

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

1. Each Filer is a corporation established under the laws of Canada or Ontario, as applicable, with its head office located in Ontario.

2. Each Filer acts as the investment fund manager of the applicable Plans, and accordingly is registered as an investment fund manager with the OSC. Each Filer also acts as the principal distributor of the applicable Plan and accordingly is registered in each province and territory of Canada as a scholarship plan dealer.

3. Each Plan is

   (a) an investment fund within the meaning of applicable securities laws

   (b) a scholarship plan as referred to in NI 41-101 and

   (c) a reporting issuer in each province and territory of Canada.

4. None of the Filers or the Plans is in default of securities legislation in any of the provinces or territories in Canada.

5. Each Plan distributes securities in each province and territory of Canada under a current prospectus that complies with the requirements of Form 41-101F2. Each Plan's prospectus is written in plain language and as concisely as possible, while still ensuring that the disclosure standards required by applicable securities laws are adhered to.

6. Under NI 41-101, the Plans must include the Required Financial Statements in the prospectus. Including the Required Financial Statements in the prospectuses of the Plans adds up to 50 additional pages to the commercially printed versions of the documents, which, in order to comply with Form 41-101F2, are up to 75 pages long (excluding the Required Financial Statements) once commercially printed. Therefore the prospectuses of the Plans, once commercially printed, are up to 120 pages in length.

7. Each Filer, in its capacity as a registered scholarship plan dealer, uses the prospectus of the applicable Plan in its sales processes. Each Filer provides the prospectus to a subscriber at account opening or includes it with the subscriber's welcome package which is given to the subscriber when the subscriber agrees to invest in a Plan, which is always within the timing for prospectus delivery required by applicable securities laws.

8. The Filers encourage subscribers to thoroughly understand their investment in the Plans by reviewing the prospectus of the Plans. The Filers are concerned that subscribers to the Plans may be overwhelmed by the information in the prospectus given the substantial volume of information that is added to the prospectuses due to the Required Financial Statements.

9. Given the nature of the Plans and the fact that they are sold to retail investors, the Filers consider that subscribers to a Plan have similar information needs as investors in other types of investment funds sold to retail investors, such as mutual funds, so that they can properly understand their investment before they decide to so invest. The Filers believe that more concise disclosure of the material facts about investing in a Plan is essential to allow subscribers to understand their investment.

10. The Filers do not believe that the Required Financial Statements provide subscribers with additional information that is sufficiently material to assist them in deciding whether or not to invest in the Plans. The Filers therefore submit that the Required Financial Statements are not essential for subscribers to make informed investment decisions.

11. Scholarship plans are the only investment funds in Canada that are required to include the Required Financial Statements in their prospectuses. All other types of investment funds under continuous disclosure are permitted to incorporate the Required Financial Statements by reference into their prospectus. The Filers submit there is no policy basis for this distinction, given that the information needs of subscribers are similar to those of investors in other types of retail investment funds.

12. Under the Plan Prospectus Proposals, the Required Financial Statements would not be required to be included in the Plan's prospectus; instead they would be incorporated by reference.

13. Each Filer operates a website upon which it posts the current prospectus of the Plans, as well as each financial disclosure document required by NI 81-106 and the Report to Securityholders prepared by the independent review committee of each Plan. Other documents considered educational or important for subscribers and potential subscribers are also posted on each Filer's website. All of these documents are available to the public, including subscribers, without further formality.

14. Each Filer also operates an Internet-based client portal available for each subscriber in the Plans who wishes electronic access to their account information (the Subscriber Portal). Documents pertaining to each subscriber's investment in a Plan are posted in the Subscriber Portal and are available at any time to the subscriber on a password-protected basis. These documents include the most recent versions of the Required Financial Statements, as well as other account specific documentation. Accordingly, current financial statements and MRFPs for the Plans are also available to each subscriber through their access to the Subscriber Portal in this fashion.

15. The Filers submit that requiring that subscribers receive the Required Financial Statements included with a Plan's prospectus may be to their detriment, in that

    (a) the cost of printing and mailing the prospectuses are increased by the additional volume associated with the Required Financial Statements. These costs are ultimately borne by the subscribers, and

    (b) the inclusion of the Required Financial Statements can make the prospectus seem too daunting and complex for many subscribers, due to the volume and the nature of the disclosure provided in those documents.

Decision

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

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

1. The Required Financial Statements are incorporated by reference into the Plan's prospectus.

2. The prospectus includes specific disclosure provided in plain language that (i) describes the Required Financial Statements and (ii) explains their importance and why a subscriber may wish to read these documents before investing in a Plan, and (iii) describes how a subscriber may request a copy of the Requirement Financial Statements, which disclosure must be located on a new page immediately after the table of contents in the prospectus. Similar disclosure must also be provided on the Filers' websites and also in the Subscriber Portal accessible by subscribers.

3. Disclosure reminding subscribers about the importance of the Required Financial Statements is also be provided in or with the trade confirmations that are sent to subscribers following an investment in a Plan.

4. The Filers deliver or send the Required Financial Statements to any subscriber who requests them within two business days of receiving the request and at no charge to the subscriber.

5. This Decision will expire upon the coming into force of any amendment to NI 41-101 that speaks to the inclusion of the Required Financial Statements in a scholarship plan prospectus.

"Darren McKall"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.11 Mark Caranci et al.

Headnote

Section 4.1 of National Instrument 31-103 Registration Requirements and Exemptions – individuals registered with a firm prohibited from acting as officer, partner or director of another registered firm that is not an affiliate of the first mentioned firm – individuals were officers prior to application of 31-103 to the firm – although not technically affiliates, under common control by contractual arrangement - policies in place to handle potential conflicts of interest – disclosure of relationships made to clients – Filers exempted from prohibition.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 4.1, 15.

May 4, 2011

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

AND

IN THE MATTER OF
MARK CARANCI, CRAIG KIKUCHI AND
MOYRA E. MACKAY
(the "Filers")

DECISION

Background

The regulator in the Jurisdiction has received an application from the Filers (the "**Application**") for a decision under the securities legislation of the Jurisdiction of the regulator (the "**Legislation**") that allows the Filers to continue to act as officers and/or directors of Blue Ribbon Fund Management Ltd. ("**Blue Ribbon**") upon registration of Blue Ribbon under the Legislation in the category of investment fund manager (the "**Exemption Sought**").

Interpretation

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

Representations

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

1. The Filers are registered in Ontario as representatives of Brompton Funds Management Limited ("**BFML**"), specifically: (a) Mark Caranci ("**Caranci**") is registered as a dealing representative, (b) Craig Kikuchi ("**Kikuchi**") is

registered as an associate advising representative, and (c) Moyra E. MacKay ("**MacKay**") is registered as a dealing representative.

2. BFML is registered in Ontario as a dealer in the category of exempt market dealer as an investment fund manager, and as an adviser in the category of portfolio manager.

3. BFML is subject to the restrictions and requirements in Part 13 of NI 31-103 regarding conflict of interest matters.

4. BFML acts as a portfolio manager to various publicly traded closed-end investment trusts. These funds are subject to the requirements of National Instrument 81-107 – *Independent Review Committee for Investment Funds* ("**NI 81-107**") and therefore must comply with the requirements relating to conflict of interest matters, inter-fund trades and transactions in securities of related issuers.

5. The Filers are officers and/or directors of BFML, specifically: (a) Caranci is Director President and Chief Executive Officer, (b) Kikuchi is Chief Financial Officer, and (c) MacKay is Corporate Secretary and Vice President.

6. BFML is a wholly-owned subsidiary of Brompton Corp.

7. The Filers are officers and/or directors of Brompton Corp., specifically: (a) Caranci is a Director, President, and Chief Executive Officer, (b) Kikuchi is Chief Financial Officer, and (c) MacKay is Vice President and Corporate Secretary.

8. Blue Ribbon was incorporated under the laws of the Province of Ontario on July 10, 2009 and its head office is located at Suite 2930, Bay Wellington Tower, Brookfield Place, 181 Bay Street, Toronto, Ontario.

9. The Filers are officers and/or directors of Blue Ribbon, specifically: (a) Caranci is a Director and the President, (b) Kikuchi is the Chief Financial Officer, and (c) MacKay is the Corporate Secretary. Caranci was appointed Director in July 2009 and was appointed President in September 2009. The remaining Filers were appointed to their positions in November 2009.

10. BFML has policies and procedures in place to address material conflicts of interest that may arise as a result of the Filers acting as directors and/or officers of Blue Ribbon.

11. Blue Ribbon is an investment fund manager, as defined under the Legislation.

12. Pursuant to an Administrative Services Agreement, dated November 20, 2009 Blue Ribbon has the exclusive authority to manage the operations and affairs of Blue Ribbon Income Fund (the "**Fund**") and to make all decisions regarding the business of the Fund. The Fund is a closed-end investment trust with units listed for trading on the Toronto Stock Exchange.

13. Pursuant to a Declaration of Trust, dated September 24, 2009, Blue Ribbon has the exclusive authority to manage the business, operations and affairs of Blue Ribbon Private Pooled Fund (the "**Private Fund**"). The Private Fund is inactive and has nominal assets.

14. Blue Ribbon does not act as and does not intend to act as investment fund manager for any other funds.

15. Pursuant to a Sub-Administrative Services Agreement, dated November 20, 2009 (the "**Subcontract**"), Blue Ribbon delegated to BFML some of the responsibility for providing management and administrative services to the Fund.

16. The Filers' affiliation with Brompton Corp. is included in public disclosures for the Fund, including the Fund's prospectus and annual information form.

17. The authorized capital of Blue Ribbon consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares. Currently, all Common Shares are held by Bloom Investment Counsel, Inc. ("**Bloom**"), and all Preferred Shares are held by Brompton Corp.

18. Bloom and Brompton Corp. entered into a Unanimous Shareholders Agreement, dated November 20, 2009 (the "**USA**").

19. The USA entitles Brompton Corp. to nominate one member of the board of directors of Blue Ribbon (the "**Brompton Director**"). Caranci was appointed as the Brompton Director.

20. The number of directors of Blue Ribbon is currently fixed at three members. The Brompton Director must be in attendance to constitute a quorum for the transaction of business at any meeting of the board of directors (other than with respect to meetings that deal solely with the declaration or payment of any dividend or distribution).

21. The USA provides Brompton Corp. with certain rights in the relation to the operation of Blue Ribbon and requires the written consent of Brompton Corp. for fundamental actions and changes.

22. Bloom is registered in Ontario and Alberta as an adviser in the category of portfolio manager.

23. Pursuant to an Investment Management Agreement, dated November 20, 2009, Bloom provides portfolio management services to the Fund.

24. Bloom is subject to the restrictions and requirements in Part 13 of NI 31-103 regarding conflict of interest matters.

25. The Fund is subject to the requirements of NI 81-107 and therefore must comply with the requirements relating to conflict of interest matters, inter-fund trades and transactions in securities of related issuers.

26. Blue Ribbon was required by Part 16 of NI 31-103 to apply for registration in Ontario as an investment fund manager by no later than September 28, 2010.

27. At the time of being appointed directors and/or officers of Blue Ribbon, the Filers were not precluded by any laws from being so appointed, however, upon registration of Blue Ribbon as an investment fund manager the Filers will be in contravention of section 4.1 of NI 31-103.

28. In effect, the structure of the relationship between Blue Ribbon and Brompton Corp. is similar to the situation whereby Brompton Corp. owns equity shares of Blue Ribbon, which would make Blue Ribbon an affiliate. In particular, Brompton Corp. has an ownership interest (albeit non-voting) in Blue Ribbon and under the USA, Blue Ribbon cannot, without the consent of Brompton Corp., enter into any administrative agreements to administer other funds, amalgamate, merge or combine with any other entity or terminate the Subcontract pursuant to which BFML administers and manages the Fund. Although Blue Ribbon is not technically an affiliate of Brompton Corp. or BFML, it is restricted in the business activities it can undertake without Brompton Corp.'s consent.

Decision

The Decision Maker 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.

"Erez Blumberger"
Deputy Director, Registrant Regulation
Ontario Securities Commission

2.2 Orders

2.2.1 SeaMiles Limited – s. 144

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
SEAMILES LIMITED.

ORDER
(Section 144)

WHEREAS the securities of SeaMiles Limited (the **Applicant**) are subject to a temporary cease trade order made by the Director dated May 14, 2010 under paragraph 2 of subsection 127(1) and subsection 127(5) of the *Securities Act* (Ontario) (the **Act**), as extended by a further order made by the Director dated May 26, 2010 pursuant to subsection 127(1) of the Act (collectively, the **Ontario Cease Trade Order**) directing that the trading in the securities of the Applicant cease until the Ontario Cease Trade Order is revoked by the Director;

AND WHEREAS the Applicant has made an application to the Ontario Securities Commission (the **Commission**) pursuant to subsection 144(1) of the Act (the Application) for an order revoking of the Ontario Cease Trade Order;

AND WHEREAS the Applicant has represented to the Commission that:

1. The Applicant was formed by articles of incorporation dated June 2, 1962 in the Province of Ontario under the name Corporate Properties Limited. On November 22, 2006, the Applicant filed articles of amendment to change its name from Corporate Properties Limited to SeaMiles Limited.

2. The Applicant's registered office and principal place of business is located at 555 Wilson Avenue Toronto, Ontario M3H 5Y6.

3. As of the date hereof, the authorized capital of the Applicant consists of an unlimited number of common shares (the **Common Shares**) of which 12,062,399 are issued and outstanding.

4. The Applicant became a reporting issuer in the Province of Ontario on September 15, 1979 by virtue of being listed on what is now known as the TSX Venture Exchange (the **TSXV**). The Applicant also became a reporting issuer in the jurisdictions of British Columbia and Alberta on October 10, 2000.

5. The Applicant maintained its reporting issuer status from the above-listed dates to the issuance of the Ontario Cease Trade Order.

6. The Ontario Cease Trade Order was issued in Ontario as a result of the Applicant's failure to file, in accordance with applicable securities laws, audited annual financial statements for the year ended December 31, 2009 along with related management's discussion and analysis and the applicable officer's certificates pursuant to National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the **Annual Filings**) within the prescribed timeframe. Subsequently, the Applicant failed to file its interim financial statements for the periods ended March 31, 2010, June 30, 2010, and September 30, 2010 along with related management's discussion and analysis and the applicable officer's certificates pursuant to NI 52-109 (collectively, the **Interim Filings** and together with the Annual Filings, the **Required Documents**).

7. The Applicant filed the Annual Filings on November 24, 2010 and the Interim Filings on February 7 and February 18, 2011 on SEDAR.

8. The Applicant subsequently re-filed the Annual Filings, the Interim Filings and filed the annual financial statements for the year ended December 31, 2010 on SEDAR on May 11, 2011.

9. On May 25, 2011, the Applicant filed restated Annual Filings and restated Interim Filings as well as annual financial statements and management's discussion and analysis with the applicable officer's certificates pursuant to NI 52-109 for the fiscal year ended December 31, 2010. As such, all of the Required Documents have been filed on SEDAR.

10. The Applicant is not in default of any requirements of the Ontario Cease Trade Order or the Act or the rules and regulations made pursuant thereto, subject to the deficiencies outlined in paragraph 6 above.

11. Prior to the issuance of the Ontario Cease Trade Order, the Common Shares of the Applicant were traded on the TSXV. The TSXV suspended trading of the Common Shares of the Applicant on May 14, 2010. No securities of the Applicant are listed or traded on any other stock exchange or market in Canada or elsewhere.

12. The Applicant has been subject to a cease trade order issued by (i) the British Columbia Securities Commission dated May 17, 2010 (the "**B.C. Cease Trade Order**"); and (ii) the Alberta Securities Commission dated August 26, 2010 (the "**Alberta Cease Trade Order**") (collectively, with the Ontario Cease Trade Order, the **Cease Trade Orders**).

13. Since the current management group assumed control of the Applicant in 2005, other than the Cease Trade Orders, the Applicant has not previously been subject to a cease trade order except for four days in May 2005 for the late filing of its audited financial statements for the year ended December 31, 2004.

14. The Applicant has applied to have each of the Cease Trade Orders concurrently revoked.

15. Since the imposition of the Ontario Cease Trade Order, there has been no change in the insiders or controlling shareholders of the Applicant.

16. The Applicant is up-to-date with its other continuous disclosure obligations and has paid all outstanding participation fees, filing fees and late fees associated with those obligations owing to the Commission in connection with the Required Documents and has filed all of the forms associated with such payments.

17. The Applicant's SEDAR and SEDI profiles are up-to-date.

18. The Applicant held an annual general and special meeting of shareholders on December 17, 2010 to, among other things, approve the Annual Financial Statements.

19. The Applicant is not considering, nor is it involved in any discussions relating to a reverse take-over, merger, amalgamation or other form of combination or transaction similar to any of the foregoing.

20. Upon the issuance of this revocation order, the Applicant will issue a press release announcing the revocation of the Cease Trade Orders of the Applicant and outlines the future plans of the Applicant. The Applicant will concurrently file the press release and a material change report on SEDAR.

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

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

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

DATED at Toronto this 2nd day of June, 2011.

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

2.2.2 Firestar Capital Management Corp. et al. – ss. 128, 127(1)

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

AND

IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON

AND

IN THE MATTER OF
AN ESCROW AGREEMENT ENTERED INTO
AMONG ARMISTICE RESOURCES LTD.,
EQUITY TRANSFER SERVICES INC AND
IMM INVESTMENTS INC.

ORDER
(Subsections 127 and 127(1))

WHEREAS on December 21, 2004, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in connection with a Statement of Allegations filed by Staff of the Commission ("Staff");

AND WHEREAS Michael Ciavarella entered into a settlement agreement with Staff on May 17, 2011 (the "Settlement Agreement") in which the Respondent agreed to a proposed settlement commenced by the Notice of Hearing dated May 16, 2011, subject to the approval of the Commission;

AND WHEREAS upon reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon hearing the submissions from counsel for the Respondent and from Staff and being of the opinion that it was in the public interest to make an order concluding proceedings involving Michael Ciavarella, the Commission approved the settlement agreement and made certain consequential orders;

AND WHEREAS proceedings against the other Respondents (namely, Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group and Michael Mitton) remain outstanding;

AND WHEREAS on June 22, 2005, Armistice Resources Ltd., Equity Transfer Services Inc. (the "Escrow Agent") and IMM Investments Inc. (the "Security Holder") entered into an Escrow Agreement (the "Escrow Agreement") marked as Appendix "A" to this Order;

AND WHEREAS the said Escrow Agreement was entered into as a condition of Staff recommending the revocation of a cease trade order issued by the Commission on June 6, 2003;

AND WHEREAS the Escrow Agreement provides that there shall be no transfer or release of the escrow securities until the termination of the proceedings against all respondents or this Commission orders otherwise upon application of the Security Holder;

AND WHEREAS the Issuer (as defined in the Escrow Agreement) has consented in writing to the making of this Order;

AND WHEREAS the Escrow Agent (as defined in the Escrow Agreement), though properly served and aware of this application, takes no position with respect to the making of this Order;

AND WHEREAS Staff consents to the making of this Order;

AND WHEREAS the Commission is satisfied that it is in the public interest to do so;

IT IS HEREBY ORDERED THAT:

1. The Escrow Agreement made among Armistice Resources Ltd., Equity Transfer Services Inc., and IMM Investments Inc. dated June 22, 2005, as modified by the Addendum dated June 5, 2006, is hereby vacated; and

2. The Escrow Agent is hereby directed to release the escrow securities as defined in the Escrow Agreement to the Security Holder.

DATED at Toronto, this 31st day of May, 2011.

"Christopher
Portner"

APPENDIX "A"

ESCROW AGREEMENT

THIS AGREEMENT is made as of the 22nd day of June, 2005.

AMONG:

ARMISTICE RESOURCES LTD. (the "**Issuer**")

AND:

EQUITY TRANSFER SERVICES INC. (the "**Escrow Agent**")

AND:

IMM INVESTMENTS INC. (the "**Securityholder**" or "**you**")
(collectively, the "**Parties**")

WHEREAS:

A. This Agreement is entered into in connection with an application made by the Issuer on April 22, 2005 to the Ontario Securities Commission, (the "**Commission**") regarding the, revocation of a cease trade order issued by the Commission on June 6, 2003 (the "**CTO**");

B. This Agreement contemplates and recognizes that the Commission is carrying out proceedings (the "**Proceedings**") against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton in regards to trading in shares of Pender International Inc. ("**Pender**"). Pender owns all of the issued and outstanding shares of the Securityholder; and

C. This Agreement recognizes that the staff of the Commission ("**Staff**") have advised the Issuer that, in view of the Proceedings, the entry into by the Securityholder of an agreement substantially in the form of this Agreement is a condition to Staff making a recommendation that the CTO be revoked.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the sum of Ten ($10.00) Dollars and other good and valuable consideration not herein recited, the receipt and sufficiency of which consideration is acknowledged by the Parties, the Parties hereto covenant and agree as follows:

ARTICLE 1
ESCROW

1.1 Appointment of Escrow Agent

The Issuer and the Securityholder appoint the Escrow Agent to act as escrow agent under this Agreement. The Escrow Agent accepts the appointment.

1.1.1 Acknowledgment of Regulator

For the purposes of this Agreement, "**Regulator**" shall mean the Commission.

1.2 Deposit of Escrow Securities in Escrow

1.2.1 You are depositing the securities (the "**escrow securities**") listed opposite your name in Schedule "A" with the Escrow Agent to be held in escrow under this Agreement. You will immediately deliver or cause to be delivered to the Escrow Agent any share certificates or other evidence of these securities which you have or which you may later receive.

1.2.2 If you receive any other securities ("**additional escrow securities**"):

(a) as a dividend or other distribution on escrow securities;

(b) on the exercise of a right of purchase, conversion or exchange attaching to escrow securities, including securities received on conversion of special warrants;

(c) on a subdivision, or compulsory or automatic conversion or exchange of escrow securities; or

(d) from a successor issuer in a business combination, if Article 4 of this Agreement applies,

you will deposit them in escrow with the Escrow Agent. You will deliver or cause to be delivered to the Escrow Agent any share certificates or other evidence of those additional escrow securities. When this Agreement refers to escrow securities, it includes additional escrow securities.

1.2.3 You will immediately deliver to the Escrow Agent any replacement share certificates or other evidence of additional escrow securities issued to you.

1.3 Direction to Escrow Agent

The Issuer and the Securityholder direct the Escrow Agent to hold the escrow securities in escrow until they are released from escrow under this Agreement.

ARTICLE 2
RELEASE OF ESCROW SECURITIES

2.1 Release Provisions

No transfer or release of the escrow securities shall be permitted unless the Proceedings have been concluded or the Commission orders otherwise upon application of the Securityholder.

2.2 Delivery of Share Certificates for Escrow Securities

The Escrow Agent will send to each Securityholder any share certificates of other evidence of that Securityholder's escrow securities in the possession of the Escrow Agent released from escrow as soon as reasonably practicable after the release.

2.3 Replacement Certificates

If, on the date a Securityholder's escrow securities are to be released, the Escrow Agent holds a share certificate or other evidence representing more escrow securities than are to be released, the Escrow Agent will deliver the share certificate or other evidence to the Issuer or its transfer agent and request replacement share certificates or other evidence. The Issuer will cause replacement share certificates or other evidence to be prepared and delivered to the Escrow Agent. After the Escrow Agent receives the replacement share certificates or other evidence) the Escrow Agent will send to the Securityholder or at the Securityholder's direction, the replacement share certificate or other evidence of the escrow securities released. The Escrow Agent and Issuer will act as soon as reasonably practicable.

2.4 Discretionary Applications .

The Regulator may consent to the release from escrow of escrow securities in other circumstances and on terms and on conditions it deems appropriate. Securities may be released from escrow provided that the Escrow Agent receives written notice from the Regulator.

ARTICLE 3
DEALING WITH ESCROW SECURITIES

3.1 Restriction on Transfer, etc.

Unless it is expressly permitted in this Agreement, you will not sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with your escrow securities or any related share certificates or other evidence of the escrow securities. If a Securityholder is a private company controlled by one or more Principals of the Issuer, the Securityholder may not participate in a transaction that results in a change of its control or a change in the economic exposure of the Principals to the risks of holding escrow securities.

3.2 Pledge, Mortgage or Charge as Collateral for a Loan

Subject to Regulator acceptance, you may pledge, mortgage or charge your escrow securities to a financial institution as collateral for a loan, provided that no escrow securities or any share certificates or other evidence of escrow securities will be transferred or delivered by the Escrow Agent to the financial institution for this purpose. The loan agreement must provide that the escrow securities will remain in escrow if the lender realizes on the escrow securities to satisfy the loan.

3.3 Voting of Escrow Securities

Although you may exercise voting rights attached to your escrow securities, you may not, while your securities are held in escrow, exercise voting rights attached to any securities (whether in escrow or not) in support of one or more arrangements that would result in the repayment of capital being made on the escrow securities prior to a winding up of the Issuer.

3.4 Dividends on Escrow Securities

You may receive a dividend or other distribution on your escrow securities, and elect the manner of payment from the standard options offered by the Issuer. If the Escrow Agent receives a dividend or other distribution on your escrow securities, other than additional escrow securities, the Escrow Agent will pay the dividend or other distribution to you on receipt.

3.5 Exercise of Other Rights Attaching to Escrow Securities

You may exercise your rights to exchange or convert your escrow securities in accordance with this Agreement.

ARTICLE 4
BUSINESS COMBINATIONS

4.1 Business Combinations

This Article applies to the following ("**business combinations**"):

(a) a formal take-over bid for all outstanding securities of the Issuer or which, if successful, would result in a change of control of the Issuer

(b) a formal issuer bid for all outstanding equity securities of the Issuer

(c) a statutory arrangement

(d) an amalgamation

(e) a merger

(f) a reorganization that has an effect similar to an amalgamation or merger

4.2 Delivery to Escrow Agent

4.2.1 You may tender your escrow securities to a person or company in a business combination. At least five business days prior to the date the escrow securities must be tendered under the business combination, you must deliver to the Escrow Agent:

(a) a written direction signed by you that directs the Escrow Agent to deliver to the depositary under the business combination any share certificates or other evidence of the escrow securities and a completed and executed cover letter or similar document and, where required, transfer power of attorney completed and executed for transfer in accordance with the requirements of the Issuer's depository, and any other documentation specified or provided by you and required to be delivered to the depositary under the business combination;

(b) written consent of the Regulator; and .

(c) any other information concerning the business combination as the Escrow Agent may reasonably require.

4.3 Delivery to Depositary

4.3.1 As soon as reasonably practicable, and in any event no later than three business days after the Escrow Agent receives the documents and information required under Section 4.2, the Escrow Agent will deliver to the depositary, in accordance with the direction, any share certificates or other evidence of the escrow securities, and a letter addressed to the depositary that:

(a) identifies the escrow securities that are being tendered;

(b) states that the escrow securities are held in escrow;

(c) states that the escrow securities are delivered only for the purposes of the business combination and that they will be released from escrow only after the Escrow Agent receives the information described in Section 4.4;

(d) if any share certificates or other evidence of the escrow securities have been delivered to the depositary, requires the depositary to return to the Escrow Agent, as soon as practicable, the share certificates or other evidence of escrow securities that are not released from escrow into the business combination; and

(e) where applicable, requires the depositary to deliver or cause to be delivered to the Escrow Agent, as soon as practicable, share certificates or other evidence of additional escrow securities that you acquire under the business combination.

4.4 Release of Escrow Securities to Depositary

4.4.1 The Escrow Agent will release from escrow the tendered escrow securities provided that:

(a) you or the Issuer make application to release the tendered securities on a date at least 10 business days and not more than 30 business days prior to the date of the proposed release date;

(b) the Regulator does not provide notice of its objection to the Escrow Agent prior to 1:00 p.m. (Toronto time) on such specified date; and

(c) the Escrow Agent receives a declaration signed by the depositary or, if the direction identifies the depositary as acting on behalf of another person or company in respect of the business combination, by that other person or company, that:

(i) the terms and conditions of the business combination have been met or waived; and

(ii) the escrow securities have either been taken up and paid for or are subject to an unconditional obligation to be taken up and paid for under the business combination.

4.5 Escrow of New Securities

(a) If you receive securities ("**new securities**") of another issuer ("**successor issuer**") in exchange for your escrow securities, the new securities will be subject to escrow in substitution for the tendered escrow securities.

ARTICLE 5
RESIGNATION OF ESCROW AGENT

5.1 Resignation of Escrow Agent

5.1.1 If the Escrow Agent wishes to resign as escrow agent, the Escrow Agent will give written notice to the Issuer and the Regulator.

5.1.2 If the Issuer wishes to terminate the Escrow Agent as escrow agent, the Issuer will give written notice to the Escrow Agent and the Regulator.

5.1.3 If the Escrow Agent resigns or is terminated, the Issuer will be responsible for ensuring that the Escrow Agent is replaced not later than the resignation or termination date by another escrow agent that is acceptable to the Regulator and that has accepted such appointment, which appointment will be binding on the Issuer and the Securityholder.

5.1.4 The resignation or termination of the Escrow Agent will be effective, and the Escrow Agent will cease to be bound by this Agreement, on the date that is 60 days after the date of receipt of the notices referred to above by the Escrow Agent or Issuer, as applicable, or on such other date as the Escrow Agent and the Issuer may agree upon (the "**resignation or termination date**"), provided that the resignation or termination date will not be less than 10 business days before a release date.

5.1.5 If the Issuer has not appointed a successor escrow agent within 60 days of the resignation or termination date, the Escrow Agent will apply, at the Issuer's expense, to a court of competent jurisdiction for the appointment of a successor escrow agent, and the duties and responsibilities of the Escrow Agent will cease immediately upon such appointment.

5.1.6 On any new appointment under this section, the successor Escrow Agent will be vested with the same powers, rights, duties and obligations as if it had been originally named herein as Escrow Agent, without any further assurance, conveyance,

act or deed. The predecessor Escrow Agent, upon receipt of payment for any outstanding account for its services and expenses then unpaid, will transfer, deliver and pay over to the successor Escrow Agent, who will be entitled to receive, all securities, records or other property on deposit with the predecessor·Escrow Agent in relation to this Agreement and the predecessor Escrow Agent will thereupon be discharged as Escrow Agent.

5.1.7 If any changes are made to Article 6 of this Agreement as a result of the appointment of the successor Escrow Agent, those changes must not be inconsistent with the terms of this Agreement and the Issuer to this Agreement will file a copy of the new Agreement with the Regulator.

ARTICLE 6
OTHER CONTRACTUAL ARRANGEMENTS

6.1 Escrow Agent Not 9. Trustee

The Escrow Agent accepts duties and responsibilities under this Agreement, and the escrow securities and any share certificates or other evidence of these securities, solely as a custodian, bailee and agent. No trust is intended to be, or is or will be, created hereby and the Escrow Agent shall owe no duties hereunder as a trustee.

6.2 Escrow Agent Not Responsible for Genuineness

The Escrow Agent will not be responsible or liable in any manner whatever for the sufficiency, correctness, genuineness or validity of any escrow security deposited with it.

6.3 Escrow Agent Not Responsible for Furnished Information

The Escrow Agent will have no responsibility for seeking, obtaining, compiling, preparing or determining the accuracy of any information or document, including the representative capacity in which a party purports to act, that the Escrow Agent receives as a condition to a release from escrow or a transfer of escrow securities within escrow under this Agreement.

6.4 Escrow Agent Not Responsible after Release

The Escrow Agent will have no responsibility for escrow securities that it has released to a Securityholder.

6.5 Indemnification of Escrow Agent

The Issuer and each Securityholder hereby jointly and severally agree to indemnify and hold harmless the Escrow Agent, its affiliates, and their current and former directors, officers, employees and agents from and against any and all claims, demands, losses, penalties, costs, expenses, fees and liabilities, including, without limitation, legal fees and expenses, directly or indirectly arising out of, in connection with, or in respect of, this Agreement, except where same result directly and principally from gross negligence, wilful misconduct or bad faith on the part of the Escrow Agent. This indemnity survives the release of the escrow securities, the resignation or termination of the Escrow Agent and the termination of this Agreement.

6.6 Additional Provisions

6.6.1 The Escrow Agent will be protected in acting and relying reasonably upon any notice, direction, instruction, order, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document (collectively referred to as "**Documents**") furnished to it and purportedly signed by any officer or person required to or entitled to execute and deliver to the Escrow Agent any such Document in connection with this Agreement, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth or accuracy of any information therein contained, which it in good faith believes to be genuine.

6.6.2 The Escrow Agent will not be bound by any notice of a claim or demand with respect thereto, or any waiver, modification, amendment, termination or rescission of this Agreement unless received by it in writing, and signed by the other Parties and approved by the Regulator, and, if the duties or indemnification of the Escrow Agent in this Agreement are affected, unless it has given its prior written consent.

6.6.3 The Escrow Agent may consult with or retain such legal counsel and advisors as it may reasonably require for the purpose of discharging its duties or determining its rights under this Agreement and may rely and act upon the advice of such counsel or advisor. The Escrow Agent will give written notice to the Issuer as soon as practicable that it has retained legal counsel or other advisors. The Issuer will pay or reimburse the Escrow Agent for any reasonable fees, expenses and disbursements of such counsel or advisors.

6.6.4 In the event of any disagreement arising under the terms of this Agreement, the Escrow Agent will be entitled, at its option, to refuse to comply with any and all demands whatsoever until the dispute is settled either by a written agreement among the Parties or by a court of competent jurisdiction.

6.6.5 The Escrow Agent will have no duties or responsibilities except as expressly provided in this Agreement and will have no duty or responsibility arising under any other agreement, including any agreement referred to in this Agreement, to which the Escrow Agent is not a party.

6.6.6 The Escrow Agent will have the right not to act and will not be liable for refusing to act unless it has received clear and reasonable documentation that complies with the terms of this Agreement. Such documentation must not require the exercise of any discretion or independent judgment.

6.6.7 The Escrow Agent is authorized to cancel any share certificate delivered to it and hold such Securityholder's escrow securities in electronic, or uncertificated form only, pending release of such securities from escrow.

6.6.8 The Escrow Agent will have no responsibility with respect to any escrow securities in respect of which no share certificate or other evidence or electronic or uncertificated form of these securities has been delivered to it, or otherwise received by it.

6.7 Limitation of Liability of Escrow Agent

The Escrow Agent will not be liable to any of the Parties hereunder for any action taken or omitted to be taken by it under or in connection with this Agreement, except for losses directly, principally and immediately caused by its bad faith, wilful misconduct or gross negligence. Under no circumstances will the Escrow Agent be liable for any special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages hereunder, including any loss of profits, whether foreseeable or unforeseeable. Notwithstanding the foregoing or any other provision of this Agreement, in no event will the collective liability of the Escrow Agent under or in connection with this Agreement to anyone or more Parties, except for losses directly caused by its bad faith or wilful misconduct, exceed the amount of its annual fees under this Agreement or the amount of three thousand dollars ($3,000.00), whichever amount shall be greater.

6.8 Remuneration of Escrow Agent

The Issuer will pay the Escrow Agent reasonable remuneration for its services under this Agreement, which fees are subject to revision from time to time on 30 days' written notice. The Issuer will reimburse the Escrow Agent for its expenses and disbursements. Any amount due under this section and unpaid 30 days after request for such payment, will bear interest from the expiration of such period at a rate per annum equal to the then current rate charged by the Escrow Agent, payable on demand.

ARTICLE 7
NOTICES

7.1 Notice to Escrow Agent

Documents will be considered to have been delivered to the Escrow Agent on the next business day following the date of transmission, if delivered by fax, the date of delivery, if delivered by hand during normal business hours or by prepaid courier, or 5 business days after the date of mailing, if delivered by mail, to the following:

Equity Transfer Services Inc.
Suite 420, 120 Adelaide Street West
Toronto, Ontario M5H 4C3

Facsimile: (416) 361-0470

7.2 Notice to Issuer

Documents will be considered to have been delivered to the Issuer on the next business day following the date of transmission, if delivered by fax, the date of delivery, if delivered by hand or by prepaid courier, or 5 business days after the date of mailing, if delivered by mail, to the following:

Todd J. Morgan, President
40 Harding Avenue
Kirkland Lake, P2N 1B5

Facsimile: (705) 642-9187

7.3 Deliveries to Securityholder

Documents will be considered to have been delivered to the Securityholder on the date of delivery, if delivered by hand or by prepaid courier, or 5 business days after the date of mailing, if delivered by mail, to the address on the Issuer's share register.

Any share certificates or other evidence of the Securityholder's escrow securities will be sent to the Securityholder's address on the Issuer's share register unless the Securityholder has advised the Escrow Agent in writing otherwise at least ten business days before the escrow securities are released from escrow. The Issuer will provide the Escrow Agent with the Securityholder's address as listed on the Issuer's share register.

7.4 Change of Address

7.4.1 The Escrow Agent may change its address for delivery by delivering notice of the change of address to the Issuer and to the Securityholder.

7.4.2 The Issuer may change its address for delivery by delivering notice of the change of address to the Escrow Agent and to the Securityholder.

7.4.3 A Securityholder may change the Securityholder's address for delivery by delivering notice of the change of address to the Issuer and to the Escrow Agent.

7.5 Postal Interruption

A party to this Agreement will not mail a Document if the party is aware of an actual or impending disruption of postal service.

ARTICLE 8
GENERAL

8.1 Termination, Amendment, and Waiver of Agreement

8.1.1 This Agreement shall only terminate:

(a) with respect to all the Parties:

(i) as specifically provided in this Agreement;

(ii) subject to Section 8.1.2, upon the agreement of all Parties; or

(iii) when the Securities of the Securityholder have been released from escrow pursuant to Section 2.1 of this Agreement; and

8.1.2 An agreement to terminate this Agreement pursuant to subsection 8. 1.1(a)(ii) shall not be effective unless and until the agreement to terminate:

(a) is evidenced by a memorandum in writing signed by all Parties; and

(b) has been consented to in writing by the Regulator.

8.1.3 No amendment or waiver of this Agreement or any part of this Agreement shall be effective unless the amendment or waiver:

(a) is evidenced by a memorandum in writing signed by all Parties; and

(b) has been approved in writing by the Regulator.

8.1.4 No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether similar or not), nor shall any waiver constitute a continuing waiver, unless expressly provided.

8.2 Severance of Illegal Provision

Any provision or part of a provision of this Agreement determined by a court of competent jurisdiction to be invalid, illegal or unenforceable shall be deemed stricken to the extent necessary to eliminate any invalidity, illegality or unenforceability, and the rest of the Agreement and all other provisions and parts thereof shall remain in full force and effect and be binding upon the parties hereto as though the said illegal and/or unenforceable provision or part thereof had never been included in this Agreement.

8.3 Further Assurances

The Parties will execute and deliver any further documents and perform any further acts reasonably requested by any of the Parties to this Agreement which are necessary to carry out the intent of this Agreement.

8.4 Time

Time is of the essence of this Agreement.

8.5 Consent of Regulator to Amendment

The Regulator must approve any amendment to this Agreement.

8.6 Governing Laws

The laws of Ontario and the applicable laws of Canada will govern this Agreement.

8.7 Counterparts

The Parties may execute this Agreement by fax and in counterparts, each of which will be considered an original and all of which will be one agreement.

8.8 Singular and Plural

Wherever a singular expression is used in this Agreement, that expression is considered as including the plural or the body corporate where required by the context.

8.9 Language

This Agreement has been drawn up in the English language at the request of all parties. Cet acte a été rédigé en anglais à la demande de toutes les parties.

8.10 Benefit and Binding Effect

This Agreement will benefit and bind the Parties and their heirs, executors, administrators, successors and permitted assigns and all persons claiming through them as if they had been a Party to this Agreement.

8.11 Entire Agreement

This is the entire agreement among the Parties concerning the subject matter set out in this Agreement and supersedes any and all prior understandings and agreements.

8.12 Successor to Escrow Agent

Any corporation with which the Escrow Agent may be amalgamated, merged or consolidated, or any corporation succeeding to the business of the Escrow Agent will be the successor of the Escrow Agent under this Agreement without any further act on its part or on the part or any of the Parties, provided that the successor is recognized by the Regulator.

The Parties have executed and delivered this Agreement as of the date set out above.

EQUITY TRANSFER SERVICES INC.
By: "Richard M. Barnowski"
Richard M. Barnowski
Vice President

ARMISTICE RESOURCES LTD.
By: "Todd J. Morgan"
Todd J. Morgan
President

IMM INVESTMENTS INC.
By: "Vincent Borden, CA"
Vincent Borden, CA

Schedule"A" to Escrow Agreement

Securityholder

Name: IMM INVESTMENTS INC.

Signature: Per: "Vincent Borden"

Address for Notice :

123 Commence Valley Drive, Suite 300, Thornhill Ontario L3T 7W8

Securities:

Class and Type (i.e. Value Securities or Surplus Securities)	Number	Certificate(s) (if applicable)
Common Shares-Value	20,000,000	GS5 andGS6
Common Share Purchase Warrants	20,000,000	W-8 and W-7

ACKNOWLEDGEMENT AND RECEIPT

TO: **THE ONTARIO SECURITIES COMMISSION**
AND TO: **ARMISTICES RESOURCES**

DATE: July 28, 2005

Re: Share and Warrant Certificates of Armistice Resources Inc. registered in name of IMM Investments Inc.

Pursuant to the escrow arrangement described in the escrow agreement, dated June 22, 2005 between IM:M Investments Inc., Armistice Resources Inc. and Equity Transfer Services Inc. (the "Escrow Agreement"), Equity Transfer Services Inc. hereby acknowledges receipt of the following:

1. Certificate No. GS5 in the name of IMM Investments Inc. representing 7,000,000 common shares of Armistice Resources Ltd.;

2. Certificate No. GS6 in the name of IMM Investments Inc. representing 13,000,000 common shares of Armistice Resources Ltd.;

3. Warrant Certificate No. W-7 in the name of IMM Investments Inc. representing 7,000,000 common share purchase warrants of Armistice Resources Ltd.;

4. Warrant Certificate No. W-8 in the name of IMM Investments Inc. representing 13,000,000 common share purchase warrants of Armistice Resources Ltd.; and

5. Executed copy of the Escrow Agreement.

And Equity Transfer Services Inc. hereby acknowledges that it is holding the securities noted above in escrow pursuant to the Escrow Agreement.

EQUITY TRANSFER SERVICES INC.
By: Richard Barnowski
Richard Barnowski

ADDENDUM TO ESCROW AGREEMENT

THIS AGREEMENT is made as of the 5th day of June, 2006.

AMONG:

ARMISTICE RESOURCES LTD. (the "**Issuer**")

AND:

EQUITY TRANSFER SERVICES INC. (the "**Escrow Agent**")

AND:

IMM INVESTMENTS INC. (the "**Securityholder**" or "**you**")
(collectively, the "**Parties**")

WHEREAS the parties entered into an Escrow Agreement made as of June 22, 2005 (the "**Original Escrow Agreement**") which provided that no transfer or release of certain escrow securities held by you shall be permitted unless proceedings have been concluded before the Ontario Securities Commission, or the Commission orders otherwise upon application by you;

NOW THEREFORE THIS ADDENDUM AGREEMENT WITNESSETH that in consideration of the sum of Ten ($10.00) Dollars and other good and valuable consideration not herein recited, the receipt and sufficiency of which consideration is acknowledged by the Parties, the Parties hereto covenant and agree as follows:

1.1 Voting of Escrow Securities

Section 3.3 of the Original Escrow Agreement is deleted and replaced with the following provision:

> "You may not exercise any voting rights attached to your escrow securities during the time that this Agreement is in force and effect."

1.2 Counterparts

The Parties may execute this Agreement by fax and in counterparts, each of which will be considered an original and all of which together with the Original Escrow Agreement will be one agreement.

The Parties have executed and delivered this Agreement as of the date set out above.

EQUITY TRANSFER SERVICES INC.
By: "Carol Mikos" "Beau Cairns"
Carol Mikos Beau Cairns

ARMISTICE RESOURCES LTD.
By: "Todd J. Morgan"
Todd J. Morgan
President, CEO and Chairman

IMM INVESTMENTS INC.
By: "Vincent Borden, CA"
Vincent Borden, CA

2.2.3 Shallow Oil & Gas 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
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

ORDER
(Subsections 127(1) & 127(8))

WHEREAS on January 16, 2008, the Ontario Securities Commission ("the Commission") issued a Temporary Order pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that: (i) all trading in securities by Shallow Oil & Gas Inc. ("Shallow Oil") shall cease and that all trading in Shallow Oil securities shall cease; and (ii) Eric O'Brien ("O'Brien"), Abel Da Silva ("Da Silva"), Gurdip Singh Gahunia, also known as Michael Gahunia ("Gahunia"), and Abraham Herbert Grossman, also known as Allen Grossman ("Grossman"), cease trading in all securities (the "Temporary Order");

AND WHEREAS on January 16, 2008, 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 January 18, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, such hearing to be held on January 30, 2008 commencing at 2:00 p.m.;

AND WHEREAS hearings to extend the Temporary Order were held on January 30 and 31, and March 31, 2008. The Temporary Order was extended by the Commission on each date;

AND WHEREAS on June 11, 2008, the Commission issued a Notice of Hearing for June 18, 2008 to consider, among other things:

(a) the issuance of a temporary cease trade order against Diadamo, McQuarrie, Wash, and Mankofsky; and,

(b) the extension of the original Temporary Order dated January 16, 2008.

AND WHEREAS on June 18, 2008, a hearing was held commencing at 10:00 a.m. and Staff and Grossman appeared, presented evidence and made submissions, and Diadamo, McQuarrie, and Mankofsky appeared before the panel of the Commission and made submissions as to the issuance of a temporary cease trade order against them;

AND WHEREAS on June 18, 2008, the panel of the Commission considered the evidence and submissions of Staff and Grossman, and the submissions of Diadamo, McQuarrie, and Mankofsky;

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order as against Shallow Oil, O'Brien, Da Silva, and Grossman be extended until the conclusion of the hearing on the merits in this matter;

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Temporary Order as against Gahunia be extended until November 26, 2008;

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(5) of the Act, that Diadamo, McQuarrie, Wash, and Mankofsky cease trading in any securities (the "Second Temporary Order"), with the following exception:

> Diadamo shall be permitted to trade in securities that are listed on a public exchange recognized by the Commission and only in his own existing trading accounts. Furthermore, any such trading by Diadamo shall be for his sole benefit and only through a dealer registered with the Commission.

AND WHEREAS on June 19, 2008, a panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that the Second Temporary Order be extended until November 26, 2008 and that the hearing with respect to the Second Temporary Order in this matter be adjourned to November 25, 2008, at 2:30 p.m.;

AND WHEREAS on November 25, 2008, a hearing was held and the panel of the Commission ordered, pursuant to subsection 127(8) of the Act, that:

- the Temporary Order is extended as against Gahunia until the conclusion of the hearing on the merits in this matter and the Second Temporary Order is extended as against Diadamo, McQuarrie, Wash, and Mankofsky until the conclusion of the hearing on the merits in this matter; and,

- the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 is adjourned to June 4, 2009 at 10:00 a.m. for a status hearing.

AND WHEREAS on May 12, 2009, the Commission approved a settlement agreement between McQuarrie and Staff of the Commission, and on July 24, 2009, the Commission approved a settlement agreement between Mankofsky and Staff of the Commission;

AND WHEREAS on June 4th and September 10th, 2009, and January 12th, 2010 status hearings were held before the Commission and, on each date, a panel of the Commission ordered that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 be adjourned;

AND WHEREAS on June 28th, 2010, a status hearing was held commencing at 10:00 a.m. and Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on June 28th, 2010, none of the respondents attended and a panel of the Commission considered the submissions of Staff;

AND WHEREAS on June 28th, 2010, the Commission ordered that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 be adjourned to February 11, 2011 at 10:00 a.m. for the purpose of a status hearing;

AND WHEREAS on February 11, 2011, a status hearing was held and Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on February 11, 2011, none of the respondents attended and a panel of the Commission considered the submissions of Staff;

AND WHEREAS on February 11, 2011, the Commission ordered that the hearing with respect to the Notice of Hearing dated June 11, 2008 and Staff's Statement of Allegations dated June 10, 2008 be adjourned to May 24, 2011 at 2:30 p.m., for the purpose of a status hearing and to consider setting hearing dates for the hearing on the merits in this matter;

AND WHEREAS on May 24, 2011, a status hearing was held, and Staff and Diadamo attended and no other respondents attended, although properly served with notice of the hearing;

AND WHEREAS on May 24, 2011, Staff appeared before the panel of the Commission and provided the panel of the Commission with a status update with respect to this matter;

AND WHEREAS on May 24, 2011, scheduling of the hearing on the merits was discussed, and Diadamo consented to setting the dates for the hearing on the merits;

IT IS HEREBY ORDERED that the hearing on the merits is to commence on September 6, 2011 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and shall continue on September 7, 9, and 12, 2011, or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary;

AND IT IS FURTHER ORDERED that the parties attend before the Commission on July 26, 2011 at 2:00 p.m. for a pre-hearing conference at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto.

DATED at Toronto this 27th day of May, 2011.

"Mary G. Condon"

2.2.4 Irwin Boock et al. – ss. 127, 127.1

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

AND

**IN THE MATTER OF
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**

**ORDER
(Section 127 and 127.1)**

WHEREAS on October 16, 2008, the Ontario Securities Commission (the "Commission") commenced the within proceeding by issuing a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

AND WHEREAS on October 14, 2009, Staff of the Commission ("Staff") brought a disclosure motion (the "Motion") regarding the Respondent, Irwin Boock ("Boock");

AND WHEREAS the Motion was heard by the Commission on October 21, 2009, November 2 and 20, 2009 and January 8, 2010;

AND WHEREAS on December 10, 2009, the Commission ordered that the hearing on the merits of this matter (the "Merits Hearing") shall commence on February 1, 2010;

AND WHEREAS on January 29, 2010, the Commission ordered that the Merits Hearing be adjourned sine die pending the release of the Commission's decision on the Motion;

AND WHEREAS on February 9, 2010, the Commission issued a decision on the Motion (the "Disclosure Decision");

AND WHEREAS Boock commenced an Application for Judicial Review before the Superior Court of Justice (Divisional Court) of the Disclosure Decision ("JR Application");

AND WHEREAS counsel for Boock advised the Commission at an attendance on February 24, 2010 that the Divisional Court had advised that it was expected that the JR Application could be heard in advance of the dates scheduled for the commencement of a hearing into the merits of this matter;

AND WHEREAS on February 24, 2010, the Commission made an order that:

a) the Disclosure Decision be stayed on an interim basis until the earlier of the date of a decision on the merits in the JR Application or September 13, 2010, or until such further date as ordered by the Commission;

b) the parties shall attend at the offices of the Commission on September 13, 2010 at 9:00 a.m. to advise the Commission of the status of the determination of the JR Application (the "Status Hearing"); and

c) the Merits Hearing shall commence on October 18, 2010 and, excluding October 26, 2010, shall continue for three weeks until November 5, 2010 and thereafter on such dates as may be determined by the parties and the Office of the Secretary;

AND WHEREAS Boock is no longer represented by counsel and is currently acting in person;

AND WHEREAS on June 18, 2010, pursuant to Staff's request for an earlier Status Hearing, Staff, Boock, counsel to Stanton DeFreitas ("DeFreitas"), and counsel to Jason Wong ("Wong") attended before the Commission;

AND WHEREAS on June 18, 2010 Boock and Staff provided the Commission with a status update with respect to the JR Application and the Commission made an order adjourning the Status Hearing until June 29, 2010 to give Boock an opportunity to take steps toward perfecting the JR Application;

AND WHEREAS on June 29, 2010, Staff, Boock, counsel to DeFreitas and counsel to Wong attended before the Commission;

AND WHEREAS on June 29, 2010, upon hearing submissions from Staff and Boock, the Commission adjourned the Status Hearing until Thursday, July 15, 2010 at 10:00 a.m. to give Boock an opportunity to take further steps toward perfecting the JR Application;

AND WHEREAS on July 15, 2010, the Commission was advised that the JR Application had been perfected and that a hearing date of October 27, 2010 had been set by the Superior Court of Justice (Divisional Court) for the hearing of the JR Application;

AND WHEREAS on July 15, 2010, the Commission made an order that:

a) the dates for the Merits Hearing, previously set to commence on October 18, 2010, shall be vacated;

b) the Status Hearing currently scheduled for September 13, 2010 shall be vacated;

c) the Status Hearing shall be adjourned until November 29, 2010 at 9:30 a.m. at the offices of the Commission; and

d) the Disclosure Decision shall be stayed on an interim basis until the earlier of the date of a decision on the merits in the JR Application or November 29, 2010, or until such further date as ordered by the Commission

AND WHEREAS on October 27, 2010, the JR Application was heard by the Superior Court of Justice (Divisional Court);

AND WHEREAS on that same date, the Superior Court of Justice (Divisional Court) dismissed the JR Application (the "JR Decision");

AND WHEREAS on November 29, 2010, the Commission held a Status Hearing in this matter, and Staff, Boock and counsel for Wong attended;

AND WHEREAS Boock advised that he intends to retain counsel for purposes of the Merits Hearing;

AND WHEREAS Staff submitted that the appeal period in respect of the JR Decision had expired;

AND WHEREAS Staff advised and Boock has confirmed that he had not taken steps in respect of an appeal of the JR Decision;

AND WHEREAS Boock advised that he consents to the release of the material that is subject to the Disclosure Decision;

AND WHEREAS Staff advised that was seeking to schedule dates for the Merits Hearing and requested that the Status Hearing be adjourned to January 27, 2011 to give the parties an opportunity to agree upon such dates;

AND WHEREAS Staff advised that it would renew its efforts to contact all the Respondents in respect of setting a date for the Merits Hearing, including those Respondents who have not participated to date in this proceeding;

AND WHEREAS on November 29, 2010, the Commission ordered that:

a) the Stay shall lapse as of that date;

b) the Status Hearing shall be adjourned until January 27, 2011 at 2 p.m. at the offices of the Commission, or such other date as may be agreed upon by the parties and fixed by the Office of the Secretary; and

c) the Status Hearing may be conducted in writing in advance of January 27, 2011, by way of a draft consent order filed with the Commission setting dates for the Merits Hearing, provided that matters that might otherwise be subject to the Status Hearing do not require an attendance before the Commission;

AND WHEREAS on January 27, 2011, the Commission held a Status Hearing in this matter attended by Staff, counsel for Wong and counsel for DeFreitas;

AND WHEREAS Boock advised Staff in advance of the Status Hearing that he would not be attending but that he intends to retain counsel in this matter in the next 30 days;

AND WHEREAS counsel to Pharm Control Inc. advised Staff in advance of the Status Hearing that Pharm Control would not be in attendance at the Status Hearing;

AND WHEREAS no other Respondents attended or otherwise responded to notice of the Status Hearing;

AND WHEREAS Staff confirmed to the Commission that it took steps to serve all of the Respondents with notice of the Status Hearing at the last known address(es) for each;

AND WHEREAS Staff recently obtained and disclosed new evidence in this matter;

AND WHEREAS Staff requested that the Commission convene a pre-hearing conference for the parties to give consideration to the evidentiary and other hearing related issues in this matter;

AND WHEREAS on January 27, 2011, the Commission ordered that a pre-hearing conference be held on Thursday, March 3, 2011 at 10:00 a.m. or such other date or time as agreed upon by the parties and fixed by the Secretary's office;

AND WHEREAS on March 1, 2011, the Commission ordered that a pre-hearing conference be adjourned to Tuesday, April 19, 2011 at 10:00 a.m. or such other date or time as agreed upon by the parties and fixed by the Secretary's office;

AND WHEREAS on April 19, 2011, counsel for DeFreitas, counsel for Wong and Staff attended for the purpose of having a pre-hearing conference but Boock was unable to attend;

AND WHEREAS on April 19, 2011, counsel for DeFreitas, counsel for Wong and Staff requested that the pre-hearing conference be adjourned to Tuesday, May 24, 2011 at 3:30 p.m.;

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

AND WHEREAS on April 19, 2011, the Commission ordered that a pre-hearing conference be held on Tuesday, May 24, 2011 at 3:30 p.m.;

AND WHEREAS on May 24, 2011, counsel for DeFreitas, counsel for Wong and Staff attended for the purpose of having a pre-hearing conference but Boock was unable to attend;

AND WHEREAS on May 24, 2011, scheduling of the hearing on the merits was discussed;

IT IS HEREBY ORDERED that the hearing on the merits is to commence on February 1, 2012 at 10:00 a.m. at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto and shall continue on February 2, 3, 6, 7, 8, 9, 10, 13, 15, 16, 17, 21, 22, and 23, 2012, or such further or other dates as may be agreed upon by the parties and fixed by the Office of the Secretary;

AND IT IS FURTHER ORDERED that the parties attend before the Commission on October 5, 2011 at 10:00 a.m. for a status hearing at the offices of the Commission, 20 Queen Street West, 17th floor, Toronto.

Dated at Toronto this 27th day of May, 2011.

"Mary G. Condon"

2.2.5 Firestar Capital Management Corp. et al. – s. 127(8)

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

AND

IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON

TEMPORARY ORDER
(Subsection 127(8))

WHEREAS on December 10, 2004, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to s. 127 of the *Securities Act*, R.S.O. 1990, c. S.5, to consider whether it is in the public interest to extend the Temporary Orders made on December 10, 2004 ordering that trading in shares of Pender International Inc. by Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Mitton, and Michael Ciavarella cease until further order by the Commission;

AND WHEREAS on December 17, 2004, the Commission ordered that the hearing to consider whether to extend the Temporary Orders should be adjourned until February 4, 2005 and the Temporary Orders continued until that date;

AND WHEREAS on December 17, 2004, the Commission ordered that the Temporary Order against Michael Mitton should also be expanded such that Michael Mitton shall not trade in any securities in Ontario until the hearing on February 4, 2005;

AND WHEREAS a Notice of Hearing and Statement of Allegations were issued on December 21, 2004;

AND WHEREAS on February 2, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until May 26, 2005 and the Temporary Orders were continued until May 26, 2005;

AND WHEREAS on March 9, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until June 29 and 30, 2005 and the Temporary Orders were continued until June 30, 2005;

AND WHEREAS on June 29, 2005, the hearing to consider whether to continue the Temporary Orders was adjourned until November 23 and 24, 2005 and the Temporary Orders were continued until November 24, 2005;

AND WHEREAS on November 21, 2005, the hearing to consider whether to continue the Temporary

Orders was adjourned until January 30 and 31, 2006 and the Temporary Orders were continued until January 31, 2006;

AND WHEREAS on January 30, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until July 31, 2006 and the Temporary Orders were continued until July 31, 2006;

AND WHEREAS on July 31, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2006 and the Temporary Orders were continued until October 12, 2006;

AND WHEREAS on October 12, 2006, the hearing to consider whether to continue the Temporary Orders was adjourned until October 12, 2007 and the Temporary Orders were continued until October 12, 2007;

AND WHEREAS on October 12, 2007, the hearing to consider whether to continue the Temporary Orders was adjourned until March 31, 2008 and the Temporary Orders were continued until March 31, 2008;

AND WHEREAS on March 31, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until June 2, 2008 and the Temporary Orders were continued until June 2, 2008;

AND WHEREAS on June 2, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until December 1, 2008 and the Temporary Orders were continued until December 1, 2008;

AND WHEREAS on December 1, 2008, the hearing to consider whether to continue the Temporary Orders was adjourned until January 11, 2010 and the Temporary Orders were continued until January 11, 2010;

AND WHEREAS on January 11, 2010, the hearing to consider whether to continue the Temporary Orders was adjourned until March 7, 2011 and the Temporary Orders were continued until March 8, 2011;

AND WHEREAS on March 7, 2011, the hearing to consider whether to continue the Temporary Orders was adjourned until April 26, 2011 and the Temporary Orders were continued until April 27, 2011;

AND WHEREAS on April 26, 2011, the hearing to consider whether to continue the Temporary Orders was adjourned until May 31, 2011 and the Temporary Orders were continued until June 1, 2011;

AND WHEREAS Staff of the Commission ("Staff") has not been notified that Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, and Michael Mitton oppose the making of this order;

AND WHEREAS Michael Ciavarella and Michael Mitton were charged on September 26, 2006 under the Criminal Code with offences of fraud, conspiracy to commit fraud, laundering the proceeds of crime, possession of proceeds of crime and extortion for acts related to this matter;

AND WHEREAS Staff advised that on March 22, 2007, Michael Mitton was convicted of numerous charges under the Criminal Code and sentenced to a term of imprisonment of seven years;

AND WHEREAS on May 17, 2011, a settlement agreement between Staff and Michael Ciavarella was approved by the Commission;

AND WHEREAS Staff advised that on May 18, 2011, the Criminal Code charges against Ciavarella before the Superior Court of Justice (Ontario) were stayed;

AND WHEREAS no counsel appeared for any of the remaining Respondents at the hearing on May 31, 2011;

IT IS ORDERED that the hearing to consider whether to continue the Temporary Orders is adjourned to July 27, 2011 at 10:00 a.m.;

IT IS FURTHER ORDERED that the Temporary Orders currently in place as against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, and Michael Mitton are further continued until July 28, 2011, or until further order of this Commission.

DATED at Toronto this 31st day of May, 2011.

"Christopher Portner"

2.2.6 TSX Inc. – s. 15.1 of NI 21-101 Marketplace Operation and s. 6.1 of Rule 13-502 Fees

Headnote

Section 15.1 of National Instrument 21-101 Marketplace Operation (21-101) and section 6.1 of OSC Rule 13-502 Fees (13-502) -- exemption granted to TSX Inc. from the requirement in paragraph 3.2(1)(b) of 21-101 to file an amendment to Form 21-101F1 45 days prior to implementation of a fee change and from the requirements in Appendix C (item E(1)) and item E(2)(a)) of 13-502 to pay fees related to TSX Inc.'s exemption application.

Applicable Legislative Provision

Securities Act, R.S.O. 1990, c.S.5, as am.
National Instrument 21-101 Marketplace Operation, s. 5.1.
Rule 13-502 Fees, s. 6.1.

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

AND

IN THE MATTER OF
TSX INC.

ORDER
(Section 15.1 of National Instrument 21-101 ("NI 21-101")
and section 6.1 of Rule 13-502)

UPON the application (the "Application") of TSX Inc. (the "Applicant") to the Director for an order pursuant to section 15.1 of NI 21-101 exempting the Applicant from the requirement in paragraph 3.2(1)(b) of NI 21-101 to file an amendment to the information previously provided in Form 21-101F1 (the "Form") regarding Exhibit N (fees) 45 days before implementation of the fee change (the "45 day filing requirement");

AND UPON the Applicant filing an updated Form on May 17, 2011, describing a fee change to be implemented on June 6, 2011 (the "Fee Change");

AND UPON the application by the Applicant (the "Fee Exemption Application") to the Director for an order pursuant to section 6.1 of Rule 13-502 exempting the Applicant from the requirement to pay an activity fee of (a) $3,250 in connection with the Application in accordance with section 4.1 and item E(1) of Appendix C of Rule 13-502, and (b) $1,500 in connection with the Fee Exemption Application (Appendix C, item E(2)(a));

AND UPON considering the Application and the Fee Exemption Application and the recommendation of staff of the Commission;

AND UPON the Applicant having represented to the Director as follows.

1. The Applicant operates the Toronto Stock Exchange and is a recognized stock exchange in Ontario with its head office in Toronto.

2. The Applicant would like to implement the Fee Change on June 6, 2011.

3. The Applicant has provided advance notice to the industry regarding the Fee Change.

4. The current multi-market trading environment requires frequent changes to the fees and fee model to remain competitive, and it has become unduly burdensome to delay 45 days before implementing fee change initiatives;

5. In the current competitive multi-market trading environment it has become unduly burdensome to delay 45 days before implementing fee change initiatives with respect to an approved new order type.

6. The policy rationale behind the 45 day filing requirement, which the Applicant understands is to provide Commission staff with an opportunity to analyze the changes and determine if any objections should be raised prior to implementation, can be met in a shorter period; and

7. Given that the notice period was created prior to multi-marketplaces becoming a reality, and in light of the current competitive environment and the limited and highly technical nature of the exemption being sought, it would be unduly onerous to pay fees in these circumstances.

AND UPON the Director being satisfied to do so would not be prejudicial to the public interest.

IT IS ORDERED by the Director:

(a) pursuant to section 15.1 of NI 21-101 that the Applicant is exempted from the 45 day filing period for the Fee Change; and

(b) pursuant to section 6.1 of Rule 13-502 that the Applicant is exempted from:

(i) paying an activity fee of $3,250 in connection with the Application, and

(ii) paying an activity fee of $1,500 in connection with the Fee Exemption Application.

DATED this 3rd day of June, 2011

"Susan Greenglass"
Director, Market Regulation
Ontario Securities Commission

2.2.7 Gavin Management Group, Inc.

Headnote

Registration exemption where Ontario firm provides advice exclusively to clients who are United States residents. Individuals advising on behalf of the firm are currently registered in Ontario as advising representatives, or the ultimate designated person, of an affiliated firm that is registered in Ontario as a portfolio manager, and must remain so. Exempted firm and its advising individuals must maintain appropriate registration or licensing in the U.S., or otherwise be permitted under applicable U.S. legislation to act as an adviser to the clients.

Applicable Ontario Statutory Provision

Securities Act, R.S.O. 1990, c. S.5., as am., ss. 25(3), 74(1).

IN THE MATTER OF
THE SECURITIES ACT, ONTARIO
(the Act)

AND

IN THE MATTER OF
GAVIN MANAGEMENT GROUP, INC.
(the Filer)

ORDER

Background

The Ontario Securities Commission (the **Commission**) has received an application from the Filer for a ruling under subsection 74(1) of the Act for an exemption from the adviser registration requirement in section 25(3) of the Act for:

(a) the Filer, and

(b) any individuals engaging in, or holding themselves out as engaging in the business of advising others when acting on behalf of the Filer, who are also registered under the Act to act as advising representatives of GMG Private Counsel Inc. (**GMG PC**) or the ultimate designated person (**UDP**) of GMG PC (the **Filer's Advisers**),

in respect of advice to persons or companies that are resident in the United States of America (**U.S. Clients**) (the **Requested Exemption**).

Representations of the Filer

1. The Filer is incorporated under the laws of State of Florida. Its head office is in Toronto, Ontario.

2. The Filer was established to provide advice with respect to U.S. Clients.

3. The Filer is not a registrant under the Act.

4. The Filer is registered as an investment adviser under section 203 of the *United States Investment Advisers Act of 1940* to carry on the business of an adviser in the United States.

5. The Filer's Advisers will act as advisers to the U.S. Clients primarily out of the Filer's Toronto head office.

6. Neither the Filer, nor any individual acting on its behalf, will act as an adviser to persons or companies resident in Ontario unless they are appropriately registered, or relying on an exemption from registration, under Ontario securities law.

7. The Filer and the Filer's Advisers will comply with all registration and other requirements of applicable United States securities laws in respect of advising U.S. Clients.

8. None of the Filer's Advisers will act as an adviser to a U.S. Client unless the Filer's Adviser is an advising representative or the UDP of GMG PC.

9. GMG PC was formed under the laws of Ontario. It is an affiliate of the Filer and shares the same head office in Toronto.

10. GMG PC is registered as a portfolio manager and exempt market dealer under the Act. It is also registered as a portfolio manager in Alberta, Manitoba and Quebec.

11. Clients of the Filer will not also be clients of GMG PC.

12. The Filer's Advisers will have business cards and letterhead which identify them to the U.S. Clients as working on behalf of Gavin Management Group, Inc. and all communication by the Filer's Advisers with U.S. Clients will be through the Filer.

13. All U.S. Clients of the Filer will enter into an investment management agreement or similar documentation with the Filer, at which time the U.S. Clients will also receive disclosure that explains the relationship between the Filer and GMG PC.

14. To avoid client confusion with respect to GMG PC or any other affiliate, the investment management agreement or similar documentation, account statements, performance reporting, contracts and disclosure documents of the Filer will clearly identify the Filer as the adviser to the U.S. Clients.

15. U.S Clients will be advised at the time they enter into an investment management agreement or similar documentation with the Filer, and periodically thereafter, that if they relocate to a

Canadian jurisdiction, their accounts will have to be transferred to GMG PC or another adviser that is appropriately registered or relying on an exemption from registration in the Canadian jurisdiction.

Order

The Commission being satisfied that it would not be prejudicial to the public interest for it to grant the Requested Exemption, the Commission rules that the Requested Exemption is granted provided that:

(a) in acting as an adviser to the U.S. Clients, the Filer acts only through the Filer's Advisers;

(b) the Filer and each of the Filer's Advisers is appropriately registered, licensed or otherwise permitted under applicable legislation in the United States to act as an adviser to the U.S. Clients;

(c) the Filer and GMG PC remain affiliates and GMG PC remains a registrant; and

(d) each of the Filer's Advisers maintains registration under the Act as an advising representative of GMG PC or the UDP of GMG PC.

June 3, 2011

"Paulette L. Kennedy"
Commissioner
Ontario Securities Commission

"Mary G. Condon"
Commissioner
Ontario Securities Commission

2.2.8 Peter Sbaraglia

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

AND

IN THE MATTER OF
PETER SBARAGLIA

ORDER

WHEREAS on February 24, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") with respect to Peter Sbaraglia ("Sbaraglia");

AND WHEREAS on March 31, 2011, the Commission heard submissions from counsel for Staff and counsel for Sbaraglia;

AND WHEREAS on March 31, 2011, the hearing was adjourned to April 28, 2011;

AND WHEREAS on April 28, 2011, the Commission heard submissions from counsel for Staff and counsel for Sbaraglia;

AND WHEREAS on April 28, 2011, the hearing was adjourned to June 7, 2011;

AND WHEREAS on June 7, 2011, the Commission heard submissions from counsel for Staff and counsel for Sbaraglia;

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

IT IS ORDERED THAT the hearing is adjourned to July 27, 2011 at 11:00 a.m., or such other date as the Secretary's Office may advise and the parties agree to.

DATED at Toronto this 7th day of June, 2011.

"Christopher Portner"

2.2.9 York Rio Resources Inc. et al. – ss. 37, 127(1)

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

AND

**IN THE MATTER OF
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC,
GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK,
MATTHEW OLIVER, GORDON VALDE AND
SCOTT BASSINGDALE**

**ORDER
(Sections 37 and 127(1))**

WHEREAS on June 3, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Adam Sherman ("Sherman");

AND WHEREAS Sherman entered into a Settlement Agreement with Staff of the Commission dated June 2, 2011 (the "Settlement Agreement") in which Sherman agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

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

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

IT IS HEREBY ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Sherman cease permanently subject to the terms of sub-paragraph (k) below;

(c) pursuant to clause 2.1 of section 127(1) of the Act, Sherman is prohibited permanently from the acquisition of any securities subject to the terms of sub-paragraph (k) below;

(d) pursuant to clause 3 of section 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Sherman permanently;

(e) pursuant to clause 6 of subsection 127(1) of the Act, Sherman is reprimanded;

(f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Sherman is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(g) pursuant to clause 8.5 of subsection 127(1) of the Act, Sherman is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(h) pursuant to clause 9 of subsection 127(1) of the Act, Sherman shall pay an administrative penalty of $50,000 for his failure to comply with Ontario securities law. The $50,000 administrative penalty shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing York Rio Resources Inc. securities, in accordance with s. 3.4(2)(b) of the Act;

(i) pursuant to clause 10 of subsection 127(1) of the Act, Sherman shall disgorge to the Commission $200,000 obtained as a result of their non-compliance with Ontario securities law. The $200,000 disgorged shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing York Rio Resources Inc. securities, in accordance with s. 3.4(2)(b) of the Act;

(j) pursuant to section 37(1) of the Act of the Act, Sherman shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of security; and

(k) Notwithstanding the provisions of this Order, once Sherman has fully satisfied the terms of sub-paragraphs (h) and (i) above, Sherman is permitted to trade for his own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; (b) any security issued by a mutual fund that is a reporting issuer; and provided that Sherman provides Staff with the particulars of the accounts in which such trading is to occur (as soon as practicable before any trading in such accounts occurs) including the name of the registered dealer through which the trading will occur and the account numbers, and Sherman shall instruct the registered dealer to provide copies of all trade confirmation notices with respect to trading in the accounts directly to Staff at the same time that such notices are provided to him; or (c) any

shares in a "private company" as defined in section 1 of the Act.

DATED AT TORONTO this 6th day of June, 2011.

"Christopher Portner"

2.2.10 Lehman Brothers & Associates Corp. et al. – ss. 37, 127(1)

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

AND

**IN THE MATTER OF
LEHMAN BROTHERS & ASSOCIATES CORP.,
GREG MARKS, KENT EMERSON LOUNDS AND
GREGORY WILLIAM HIGGINS**

**ORDER
(Sections 37 and 127(1))**

WHEREAS on June 3, 2011, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") pursuant to sections 37 and 127 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") in respect of Gregory William Higgins ("Higgins");

AND WHEREAS Higgins entered into a Settlement Agreement with Staff of the Commission dated June 3, 2011 (the "Settlement Agreement") in which Higgins agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

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

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

IT IS HEREBY ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Higgins cease permanently;

(c) pursuant to clause 2.1 of subsection 127(1) of the Act, Higgins is prohibited permanently from the acquisition of any securities;

(d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Higgins permanently;

(e) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Higgins is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(f) pursuant to clause 8.5 of subsection 127(1) of the Act, Higgins is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(g) pursuant to clause 10 of subsection 127(1) of the Act, Higgins shall disgorge to the Commission $29,661 obtained as a result of his non-compliance with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to subsection 3.4(2) of the Act;

(h) pursuant to clause 9 of subsection 127(1) of the Act, Higgins shall pay an administrative penalty of $50,000 for his failure to comply with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to subsection 3.4(2) of the Act; and

(i) pursuant to subsection 37(1) of the Act, Higgins shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of security.

DATED at Toronto this 7th day of June, 2011.

"James E. A. Turner"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 York Rio Resources Inc. et al. – s. 127 of the Act, and OSC Rules of Procedure, Rule 3

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

AND

IN THE MATTER OF
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC,
GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK,
MATTHEW OLIVER, GORDON VALDE AND
SCOTT BASSINGDALE

REASONS FOR DECISIONS ON MOTIONS
(Section 127 of the Securities Act,
Rule 3 of the Ontario Securities Commission Rules of Procedure)

Hearing:	March 28 and April 5, 2011 (Schwartz Motion) May 3, 2011 (York Motion)		
Decisions:	April 5, 2011 (Schwartz Motion) May 5, 2011 (York Motion)		
Reasons:	June 1, 2011		
Panel:	Vern Krishna, Q.C. Edward P. Kerwin	– –	Commissioner and Chair of the Panel Commissioner
Appearances:	Hugh Craig Cameron Watson	–	For Staff of the Commission
	Victor York	–	Self-represented
	George Schwartz	–	Self-represented

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REASONS FOR DECISIONS ON MOTIONS

I. INTRODUCTION

A. The Motions

[1] In these motions, respondents George Schwartz ("**Schwartz**") and Victor York ("**York**") question the seizure and admissibility of things and materials relating to York Rio (the "**York Rio Materials**") which were seized during a warranted search. They seek to terminate the hearing on the merits or alternatively to exclude the York Rio Materials from the evidence, because they submit that the seizure of the York Rio Materials was beyond the scope of the search warrant.

[2] We gave oral rulings dismissing the motions. We find that Schwartz lacks standing to bring his motion because he provided no evidence that he had a reasonable expectation of privacy in the premises searched or the York Rio Materials. We find that there is no evidence of any illegality or impropriety in the seizure of the York Rio Materials. Therefore, we conclude that there is no reason to stay the proceeding or to exclude the York Rio Materials from the evidence on the basis of fairness or the public interest. It is in the public interest to continue the Merits Hearing and to admit the York Rio Materials into evidence.

B. The York Rio Proceeding

[3] This proceeding arises out of a Notice of Hearing issued by the Ontario Securities Commission (the "**Commission**"), dated March 2, 2010, in relation to a Statement of Allegations issued by Staff of the Commission ("**Staff**") against York Rio Resources Inc. ("**York Rio**"), Brilliante Brasilcan Resources Corp. ("**Brilliante**"), York, Robert Runic ("**Runic**"), Schwartz, Peter Robinson ("**Robinson**"), Adam Sherman ("**Sherman**"), Ryan Demchuk ("**Demchuk**"), Matthew Oliver ("**Oliver**"), Gordon Valde ("**Valde**") and Scott Bassingdale ("**Bassingdale**"). On November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson (*Re Robinson* (2010), 33 O.S.C.B. 10434). York Rio, Brilliante, York, Runic, Schwartz, Sherman, Demchuk, Oliver, Valde and Bassingdale are referred to collectively in these reasons, as the "**York Rio Respondents**").

[4] Staff alleges that the York Rio Respondents engaged in a fraudulent "boiler room" operation involving the illegal distribution of York Rio securities from May 10, 2004 to October 21, 2008 and Brilliante securities from January 17, 2007 to October 21, 2008 (the "**Material Times**"). Staff alleges that the York Rio Respondents contravened subsections 25(1), 53(1), 38(3) and section 126.1 of the *Securities Act*, R.S.O. 1980, c. S.5, as amended (the "**Act**") contrary to the public interest. Staff also alleges that Schwartz, by trading in York Rio securities, breached the Commission's cease trade order made against him in relation to another matter, *Re Euston Capital Corp. and George Schwartz* (2006), 29 O.S.C.B. 3920, which was extended from time to time and remained in effect during the Material Times, contrary to subsection 122(1)(c) of the Act and contrary to the public interest.

II. THE SCHWARTZ MOTION AND THE YORK MOTION

A. The Schwartz Motion

[5] On March 28, 2011, the fourth day of the hearing on the merits in this matter (the "**Merits Hearing**"), Schwartz brought a motion for an order that the Merits Hearing be terminated or alternatively that the York Rio Materials be excluded from the evidence in the Merits Hearing (the "**Schwartz Motion**").

[6] The York Rio Materials were seized during a search of offices at 1315 Finch Avenue, West, Suite 501, Toronto ("**1315 Finch**" or the "**Premises**") on October 21, 2008 (the "**Search**") pursuant to a search warrant that was issued under section 158 of the Provincial Offences Act, R.S.O. 1990, c. P.33 (the "**POA**") on October 16, 2008 (the "**Warrant**").

[7] Schwartz submitted that the seizure of the York Rio Materials was not authorized by the Warrant, which authorized a search of the Premises for things and materials related to CD Capital Ltd. ("**CD Capital**"), operating as Brilliante, York, Brian Aidelman ("**Aidelman**"), Jason Georgiadis ("**Georgiadis**") and Richard Taylor ("**Taylor**") (collectively, the "**Brilliante**

Respondents"). The Warrant identified a long list of "things to be searched for" pertaining to the Brilliante Respondents at the Premises, including financial records; corporate records; courier records; treasury orders; prospectus and/or offering documents; lists of shareholders, investors and prospective investors; share certificates; correspondence, including correspondence to or from investors; qualification scripts and sales scripts; investor information; cheques or money orders received from investors; contracts or written agreements with employees, sales staff and others; and computers and computerized records. The Warrant was based on the Information to Obtain a Warrant (the **"ITO**") prepared by Staff Investigator Wayne Vanderlaan ("**Vanderlaan**"). The ITO did not identify things and materials pertaining to York Rio as "things to be searched for" at the Premises.

[8] In his Notice of Motion, Schwartz submitted that Staff had reason to believe that things and materials relating to York Rio would be found at the Premises but deliberately omitted this from the ITO. Therefore, Schwartz submitted that the seizure of York Rio Materials was illegal, unfair and contrary to the public interest. He submitted that the Merits Hearing should be terminated, or alternatively, that the York Rio Materials be excluded from the evidence.

[9] Schwartz sought leave to bring the Schwartz Motion without notice, pursuant to Rule 3.8 of the Ontario Securities Commission *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "**Rules**"), and to give oral evidence in support of the Schwartz Motion as permitted under Rule 3.7(3) of the Rules. In support of his Motion, Schwartz provided a binder of materials (the "**Schwartz Motion Materials**"), but he did not provide any affidavit or other evidence.

[10] Staff opposed the Schwartz Motion, submitting, amongst other things, that the Schwartz Motion did not comply with Rule 3 of the Rules in that it was untimely and fatally defective, considering that:

(i) the Notice of Hearing and Statement of Allegations were issued on March 2, 2010;

(ii) the ITO and the Warrant were included in Staff's initial disclosure to the Respondents, which was delivered by way of electronic disclosure (hard drive) on or shortly after March 2, 2010;

(iii) numerous pre-hearings were held;

(iv) the matter was set down for hearing at a pre-hearing conference on October 12, 2010; and

(v) Staff provided hard copies of its hearing briefs 30 days before the start of the hearing, in accordance with Rule 4.3(1) of the Rules.

[11] Staff submitted that Schwartz lacked standing to bring the Schwartz Motion, absent evidence that he had an ownership or privacy interest in the Premises or the York Rio Materials. According to Staff, Georgiadis rented the Premises on behalf of Runic in August 2008, and Schwartz, who had exited York Rio in 2007, had never set foot in the Premises.

[12] Staff submitted that:

(i) there was no legal or evidentiary basis for the Schwartz Motion;

(ii) Staff was prepared to have Vanderlaan testify to rebut any assertions by Schwartz about the preparation of the ITO and the execution of the Warrant;

(iii) the Warrant was obtained based on reasonable grounds to believe that things related to an offence would be found in the place to be searched in accordance with *Hunter v. Southam*, [1984] 2 S.C.R. 145 ("***Hunter v. Southam***") and the cases that followed upon it;

(iv) the "plain view" doctrine in Canadian law allows seizure of items that afford evidence of an offence not itemized in the Warrant but visible during the execution of the Warrant;

(v) on November 18, 2008, Staff filed a Report to a Justice, as required under subsection 159(2) of the POA (the "**Report to a Justice**"), which listed, in an appendix signed by Vanderlaan, the materials seized that referenced Brilliante (the "**Brilliante Materials**"), the materials seized that referenced York Rio, the materials seized that referenced both Brilliante and York Rio, and the materials seized that referenced neither Brilliante nor York Rio (the "**List of Items Seized**");

(vi) the Justice authorized the continued detention of all the materials seized, including the Brilliante Materials and the York Rio Materials (the "**Detention Order**"), and the Detention Order was continued from time to time;

(vii) Schwartz's request for "termination" of the proceeding is inappropriate because a stay of proceedings is available only in the "clearest of cases";

(viii) Schwartz's request for an order excluding the York Rio Materials from the evidence in this proceeding is inappropriate because the Commission's hearings take a less formalistic and rigid approach to the admissibility of evidence; and

(ix) an Order to stay the proceedings or exclude the York Rio Materials from the evidence would be contrary to the public interest and would bring the administration of justice at the Commission into disrepute.

[13] Staff provided a copy of its Motion Record filed with the Ontario Court of Justice on January 14, 2010, seeking an Order to Extend Detention, which included Vanderlaan's affidavit, sworn January 14, 2010 (the "**Vanderlaan's January 14, 2010 Affidavit**"), to which the Report to a Justice was appended.

[14] In reply, Schwartz submitted that there is no standing requirement because the Schwartz Motion is not brought under section 8 of the *Canadian Charter of Rights and Freedoms* (the "***Charter***") ("Everyone has the right to be secure against unreasonable search or seizure."), but under the Commission's public interest jurisdiction set out in section 127 of the Act. He submitted that it is not in the public interest for the Commission to admit illegally obtained evidence. He acknowledged that he had received electronic disclosure from Staff in March 2010 and Staff's hearing briefs in February 2011, but stated that he was unable to access the electronic disclosure and did not find the ITO or the Warrant in the hearing briefs. He stated that he first saw the ITO and the Warrant when copies were extracted from the electronic disclosure by York's lawyers and provided to him a day or two before the Merits Hearing was to begin.

[15] Because Schwartz was self-represented at the hearing, we waived the time limits set out in Rule 3.8, as permitted by Rule 1.6(2) of the Rules. Rather than refusing to hear the Schwartz Motion, as permitted by Rule 3.9 of the Rules, we adjourned the Merits Hearing to allow Schwartz and Staff to file and serve their respective materials pursuant to the Rules. We invited Staff to file and serve, by 5:00 p.m. on March 30, 2011, a Memorandum of Fact and Law addressing the question: "what is the effect (in terms of admissibility of evidence) of not including reference to York Rio in paragraph 1 of the Warrant, which reference was subsequently included in the related detention orders?" (the "**Question**"). We invited Schwartz to file and serve, by 3:30 p.m. on April 1, 2011, a Memorandum of Fact and Law addressing the Question. We set down April 5, 2011 for oral argument on the Question.

[16] On March 30, 2011, Staff filed and served a Memorandum of Fact and Law and a Brief of Authorities, and Schwartz filed and served a Memorandum of Fact and Law on April 1, 2011.

[17] On April 5, 2011, Staff and Schwartz and York appeared before the Commission and Staff and Schwartz gave oral submissions in relation to the Schwartz Motion and the Question.

[18] Having considered the submissions of Schwartz and Staff, on April 5, 2011, we gave an oral ruling dismissing the Schwartz Motion, with reasons to follow. An Order was issued the next day.

B. The York Motion

[19] On March 29, 2011, the day after Schwartz brought his Motion, Staff informed the Commission that York wished to join the Schwartz Motion and was seeking leave to bring the Motion without notice, pursuant to Rule 3.8 of the Rules, and to give oral evidence in support of the Motion, as permitted under Rule 3.7(3) of the Rules.

[20] On March 30, 2011, York wrote to the Commission withdrawing his request to join the Schwartz Motion. At the hearing of the Schwartz Motion on April 5, 2011, York attended, confirmed that he was not joining the Schwartz Motion and declined an opportunity to speak to the Schwartz Motion.

[21] However, on April 15, 2011, ten days after we issued our Order dismissing the Schwartz Motion, York filed and served a Notice of Motion seeking the same remedies as the Schwartz Motion and on very similar grounds. York also provided a Memorandum of Fact and Law addressing the Question, and stated that he would rely on Schwartz's Motion Materials. York did not provide any affidavit or other evidence in support of the York Motion.

[22] Staff, in response, filed and served written submissions stating that the York Motion is "virtually identical" to the Schwartz Motion and should be dismissed for the same reasons, as set out at paragraph 12 above. Staff also submitted that the York Motion is untimely, especially considering that York had expressly stated he was not joining the Schwartz Motion at the hearing on April 5, 2011. Staff submits that York, like Schwartz, has no standing, since he has not provided any evidentiary basis on which to find a privacy interest.

[23] The York Motion is untimely, having been brought without advance notice after we had given York several opportunities to join the Schwartz Motion and after we gave our oral ruling in the Schwartz Motion. However, we decided to consider the York Motion, because York was self-represented at the hearing and in the interests of judicial economy.

[24] When the hearing resumed on May 2, 2011, York stated that he was not prepared to speak to the York Motion, and had only prepared to speak to the adjournment motion he and Schwartz had brought in connection with Staff having recently located and examined Runic. To ensure that York had an opportunity to prepare for and speak to the York Motion, we agreed to adjourn the York Motion until 10:30 a.m. on May 3, 2011.

[25] On May 3, 2011, York gave brief oral submissions to supplement his written submissions. He submitted that he has standing to bring the York Motion because "on the 21st of October of 2008, I in fact was a director of the company. I owned the materials and the things that were seized at the time" (Hearing Transcript, May 3, 2011, p. 5). He also submitted that Staff obtained the Warrant on a pretext of searching for things relating to Brilliante, and used it to seize things and materials relating to York Rio. He disputed Staff's claim that the Brilliante Materials and York Rio Materials were intermingled, and stated that Staff examined and categorized the things seized during the Search. We gave York an opportunity to give evidence in support of the York Motion, but he declined.

[26] Staff stated that it would rely on its written submissions and added that York had not presented any evidence in support of his Motion.

[27] Having considered the submissions of York and Staff on the York Motion, we dismissed the York Motion by Order issued on May 5, 2011.

C. Reasons

[28] Our reasons for dismissing the Schwartz Motion and the York Motion (the "**Motions**") are set forth below.

III. STANDING

A. Submissions of the Parties

(i) Staff

[29] Staff submits that Schwartz and York have no standing to bring the Motions because they have not provided evidence that they had a reasonable expectation of privacy in relation to the Premises or the York Rio Materials.

[30] Staff relies on *R. v. Edwards*, [1996] 1 S.C.R. 128 ("***Edwards***"). In *Edwards*, the accused, who was convicted of drug trafficking, challenged the admissibility of evidence of drugs seized during a warrantless search of his girlfriend's apartment. His argument that the search contravened section 8 of the *Charter* was dismissed by the trial judge on the basis that he had not discharged the burden of establishing that he had a reasonable expectation of privacy in the apartment. The accused's appeal to the Ontario Court of Appeal was dismissed (McKinlay and Finlayson JJ.A., Abella J.A. dissenting). The Supreme Court of Canada dismissed the accused's appeal, setting out the following legal principles:

> A review of the recent decisions of this Court and those of the U.S. Supreme Court, which I find convincing and properly applicable to the situation presented in the case at bar, indicates that certain principles pertaining to the nature of the s. 8 right to be secure against unreasonable search or seizure can be derived. In my view, they may be summarized in the following manner:
>
> 1. A claim for relief under s. 24(2) can only be made by the person whose *Charter* rights have been infringed. See *R. v. Rahey*, [1987] 1 S.C.R. 588, at p. 619.
>
> 2. Like all *Charte*r rights, s. 8 is a personal right. It protects people and not places. See *Hunter*, *supra* [*Hunter v. Southam*].
>
> 3. The right to challenge the legality of a search depends upon the accused establishing that his personal rights to privacy have been violated. See *Pugliese, supra* [*R. v. Pugliese* (1992), 71 C.C.C. (3d) 295].
>
> 4. As a general rule, two distinct inquiries must be made in relation to s. 8. First, has the accused a reasonable expectation of privacy. Second, if he has such an expectation, was the search by the police conducted reasonably. See *Rawlings, supra* [*Rawlings v. Kentucky*, 448 U.S. 98 (1980)].
>
> 5. A reasonable expectation of privacy is to be determined on the basis of the totality of the circumstances. See *Colarusso*, *supra* [*R. v. Colarusso*, [1994] 1 S.C.R. 20], at p. 54, and *Wong*, *supra* [*R. v. Wong*, [1990] 3 S.C.R. 36], at p. 62.

6. The factors to be considered in assessing the totality of the circumstances may include, but are not restricted to, the following:

   (i) presence at the time of the search;

   (ii) possession or control of the property or place searched;

   (iii) ownership of the property or place;

   (iv) historical use of the property or item;

   (v) the ability to regulate access, including the right to admit or exclude others from the place;

   (vi) the existence of a subjective expectation of privacy; and

   (vii) the objective reasonableness of the expectation.

   See *United States v. Gomez*, 16 F.3d 254 (8th Cir. 1994), at p. 256.

7. If an accused person establishes a reasonable expectation of privacy, the inquiry must proceed to the second stage to determine whether the search was conducted in a reasonable manner.

(*Edwards*, *supra*, at para. 45)

[31] With respect to Schwartz, Staff submits that on October 21, 2008, when the Warrant was executed, Schwartz was not present at the Premises and had no connection to the Premises, which were leased by Georgiadis on behalf of Runic.

[32] With respect to York, Staff submits that if York, who is no longer a director of York Rio, wants to assert a privacy interest in the Premises or the York Rio Materials, Staff would like to see an affidavit to that effect.

(ii) Schwartz and York

[33] Schwartz submits that the law on standing to challenge a search and seizure under section 8 of the *Charter* does not apply because he does not rely on section 8 of the *Charter* and is not seeking a *Charter* remedy. His position is that the Commission's public interest jurisdiction gives us authority to exclude illegally obtained evidence and that fairness requires us to do so.

[34] As stated at paragraph 25 above, York submits that he has standing to bring the York Motion on the basis that he was a director of York Rio at the time of the Search and owned the York Rio Materials that were seized.

B. Analysis

[35] Although Schwartz and York purport not to rely on the Charter, the only case they relied on in support of their challenge to the seizure of the York Rio Materials was *R. v. Morelli*, [2010] 1 S.C.R. 253 ("***Morelli***"), a case that concerned a challenge to a search warrant under section 8 of the *Charter*. In essence, the Motions ask us to stay the proceedings or exclude the York Rio Materials from the evidence on the basis that the York Rio Materials were illegally or improperly obtained in contravention of the guarantee against unreasonable search and seizure and contrary to the public interest. Even if the Motions are framed in terms of abuse of process or conduct contrary to the public interest, Schwartz and York must establish standing to bring the Motions.

[36] Schwartz provided no evidence that he had a privacy interest in the Premises or the York Rio Materials, despite being given an opportunity to do so. We find that Schwartz has not established a reasonable expectation of privacy in respect of the Premises or the York Rio Materials that were seized in the course of the execution of the Warrant, according to the factors sets out by the Supreme Court of Canada in *Edwards*. Although that is sufficient to dispose of the Schwartz Motion, we also find the motion to be of little merit for the reasons set forth below.

[37] Although York, in his submissions, asserted a privacy interest in the Premises and the York Rio Materials, he did not provide any evidence to support that assertion. However, we do not find it necessary to determine whether York had a reasonable expectation of privacy in relation to the Premises or the York Rio Materials because we find the motion to be of little merit for the reasons set forth below.

IV. CHALLENGE TO THE SEIZURE OF THE YORK RIO MATERIALS

A. Submissions of the Parties

(i) Schwartz and York

[38] Schwartz and York submit that the seizure of the York Rio Materials was beyond the scope of the Warrant. They say that Vanderlaan had reason to believe that things relating to York Rio would be found at the Premises and should have disclosed that fact in the ITO. They submit that Staff obtained the Warrant on the pretext of being interested only in Brilliante, and that by withholding information about the York Rio investigation from the issuing Justice of the Peace, Staff removed the process from the judicial arena. Accordingly, Schwartz and York submit that the Warrant did not provide legal authority to seize things relating to York Rio. They argue that Staff should have secured the premises and obtained a warrant specifically with respect to York Rio.

[39] Schwartz and York rely on *Morelli*, in which the Supreme Court of Canada allowed the accused's appeal from conviction on the basis that the police officer who drafted the ITO did not have reasonable grounds to believe that evidence of possession of child pornography would be found in the place to be searched. The Court held that although there was no reason to disturb the trial judge's finding that there had been no deliberate attempt to mislead, "the police officer's selective presentation of the facts painted a less objective and more villainous picture than the picture that would have emerged had he disclosed all the material information available to him at the time" (Morelli, supra, at para. 59). The Court found, therefore, that the search and seizure of the accused's computer infringed his right under section 8 of the *Charter* and this evidence should be excluded under subsection 24(2) of the *Charter*.

[40] Schwartz and York also submit that the Commission's public interest function is to be interpreted to enable the Commission to conduct truthful, fair and effective investigations and to give those investigated assurance that investigations will be conducted with due safeguards.

[41] Schwartz and York also make the following submission:

> As a regulator of Ontario's capital markets, trust and respect are the cornerstone of the relationship between the Commission and investors, market participants, other regulators, the government and the general public. The Commission states that it is committed to the highest standards of ethical conduct in all its activities, in accordance with all applicable laws and regulations, and it also means commitment to the *spirit of the law*. It is the Respondents' position that these high standards of ethical conduct were materially breached at least in spirit and substance, if not in pure technical form. The acts surrounding the search and seizure were a contravention of the public interest and the Commission's own standard of ethics. These acts speak to the integrity of the Commission. It would therefore be advisable to secure the just and expeditious determination of the search and seizure in issue. [Emphasis in original]

(ii) Staff

[42] Staff submits that Schwartz and York have not provided any evidence of offending conduct on the part of Staff, and have "not taken the trouble to identify which of the approximately 10,000 documents . . . seized from the Premises tread upon [their] rights to a fair hearing."

[43] Staff submits that the plain view doctrine in Canadian law allows seizure of items that afford evidence of an offence not itemized in the Warrant but visible during the execution of the Warrant. Staff submits that section 489 of the *Criminal Code of Canada*, R.S.C. 1985, c. C-46 (the "**Criminal Code**"), can be used by the Commission to answer the Question. Section 489 is as follows:

> ***Seizure of things not specified***
>
> 489(1) Every person who executes a warrant may seize, in addition to the things mentioned in the warrant, any thing that the person believes on reasonable grounds
>
> (a) has been obtained by the commission of an offence against this or any other Act of Parliament;
>
> (b) has been used in the commission of an offence against this or any other Act of Parliament; or

(c) will afford evidence in respect of an offence against this or any other Act of Parliament.

Seizure without warrant

(2) Every peace officer, and every public officer who has been appointed or designated to administer or enforce any federal or provincial law and whose duties include the enforcement of this or any other Act of Parliament, who is lawfully present in a place pursuant to a warrant or otherwise in the execution of duties may, without a warrant, seize any thing that the officer believes on reasonable grounds

(a) has been obtained by the commission of an offence against this or any other Act of Parliament;

(b) has been used in the commission of an offence against this or any other Act of Parliament; or

(c) will afford evidence in respect of an offence against this or any other Act of Parliament.

[44] Staff submits that the York Rio Materials were legally obtained.

[45] Staff also submits that the remedy described by Schwartz and York as a "termination of the proceedings" is essentially a stay of proceedings, which should only be granted in the "clearest of cases" (*R. v. O'Connor*, [1995] 4 S.C.R. 411 ("***O'Connor***"), *R. v. Regan*, [2002] 1 S.C.R. 297 ("***Regan***")). In *Regan*, the Supreme Court of Canada (LeBel J., speaking for McLachlin C.J. and L'Heureux-Dube, Gonthier and Bastarache JJ.) stated:

> In the *Charter* era, the seminal discussion of abuse of process is found in *R. v. O'Connor*, [1995] 4 S.C.R. 411. The doctrine of abuse of process had been traditionally concerned with protecting society's interest in a fair process. However, in O'Connor, L'Heureux-Dubé J., writing for a unanimous Court on this issue (Lamer C.J. and Sopinka and Major JJ. dissenting on the application of law to the facts), subsumed the common law doctrine abuse of process into the principles of the Charter in the following terms, at para. 63:
>
> > [I]t seems to me that conducting a prosecution in a manner that contravenes the community's basic sense of decency and fair play and thereby calls into question the integrity of the system is also an affront of constitutional magnitude to the rights of the individual accused.
>
> (*Regan*, *supra*, at para. 49)

[46] In *Regan*, the Supreme Court of Canada also reiterated its statement in *O'Connor* that under the *Charter* as under the common law doctrine of abuse of process, a stay of proceedings is available only in the "clearest of cases" (*Regan*, *supra*, at para. 53; *O'Connor*, *supra*, at para. 68).

[47] With respect to the alternative relief sought in the Motions (exclusion of the York Rio Materials from the evidence), Staff submits that subsection 15(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (the "**SPPA**"), authorizes broad inclusion of evidence that would not be admissible in court. The relevant provisions of section 15 of the SPPA are as follows:

15.(1) Subject to subsections (2) and (3), a tribunal may admit as evidence at a hearing, whether or not given or proven under oath or affirmation or admissible as evidence in a court,

(a) any oral testimony; and

(b) any document or other thing,

relevant to the subject-matter of the proceeding and may act on such evidence, but the tribunal may exclude anything unduly repetitious.

(2) Nothing is admissible in evidence at a hearing,

(a) that would be inadmissible in a court by reason of any privilege under the law of evidence; or

(b) that is inadmissible by the statute under which the proceeding arises or any other statute.

(3) Nothing in subsection (1) overrides the provisions of any Act expressly limiting the extent to or purposes for which any oral testimony, documents or things may be admitted or used in evidence in any proceeding.

[48] Staff submits that the Commission's mandate, set out in section 1.1 of the Act, is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Staff submits that the Commission's mandate is achieved in part through quick and efficient administrative enforcement hearings under section 127 of the Act, including a less formalistic and rigid approach to the admissibility of evidence than applies in the criminal context.

[49] Staff submits that the SPPA and the Act weigh heavily in favour of admission, not exclusion, of the York Rio Materials as evidence in the public interest.

[50] Staff submits that an order staying the proceeding or excluding the York Rio Materials from the evidence would not be in the public interest, but would bring the administration of justice and the reputation of the Commission into disrepute.

B. The Evidence

[51] As neither Schwartz nor York presented any evidence in support of the Motions, the evidence before us comes entirely from Staff.

[52] In the ITO, Vanderlaan described: the Brilliante investigation; the York Rio investigation; the connections between Brilliante and York Rio; the connection of Brilliante to the Premises; investor funds connected to Brilliante, York Rio, Aidelman, York and Georgiadis; and ongoing conduct. Based on the investigation, Vanderlaan swore, in the ITO, that he believed that Brilliante, Aidelman, York, Georgiadis and Taylor and others "are presently soliciting the public to purchase shares in Brilliante" and that they are operating a "boiler room", and engaging in conduct that is contrary to sections 25, 38, 53, 126.1 and 122(1)(c) of the Act in relation to the sale of Brilliante shares.

[53] Vanderlaan also described the investigation leading up to the execution of the Warrant when he testified before us on March 22, 2011, the second day of the Merits Hearing ("**Vanderlaan's Testimony**").

[54] According to Vanderlaan, the main steps in the investigation that culminated in obtaining the Warrant were as follows:

- Staff had been investigating York Rio since early 2008.
- On August 26, 2008, Vanderlaan received an email from a person who had been an investor in another matter Vanderlaan had investigated ("**Investor A**"). Investor A told Vanderlaan he had been cold-called by a representative of Brilliante ("**Brilliante Representative A**"), who proceeded to solicit him to buy Brilliante shares at $1 per share. Brilliante Representative A told Investor A that he had previously offered Investor A shares of another company at $0.75 per share, which Investor A had declined, that those shares had gone up to $60 per share, and that Brilliante was now poised to do the same thing. Brilliante Representative A followed up with an email that linked to the Brilliante website, which Investor A forwarded to Vanderlaan.
- Vanderlaan reviewed the Brilliante website, and found that much of its content was copied from Wikipedia and from a government of Brazil website. He found out that the Brilliante website was registered to Denise McDonald ("**McDonald**"), with an address of 965 Bay Street, Toronto ("**965 Bay**"). He found out that the geologist named on the Brilliante website, Daniel Pasin ("**Pasin**"), was also named as the geologist for York Rio on the York Rio website, and that the York Rio website was also registered to 965 Bay, gave 965 Bay as the company address and named McDonald as its vice-president. Vanderlaan determined that the Corporation Profile Report for York Rio listed York as its sole director and 965 Bay as its corporate mailing address, and the Corporation Profile Report for Brilliante listed Aidelman, with an address in Concord, Ontario, as its sole director.
- On September 8, 2008, Vanderlaan obtained an Order under section 11 of the Act appointing him to investigate and inquire into Brilliante and Aidelman. Under the authority of section 13 of the Act, Vanderlaan was able to summons information to further the investigation.
- The Brilliante website listed an address of 20 Bay Street, 11th Floor, Toronto ("**20 Bay**"), which is a virtual office operated by Rostie Group Business Centres ("**Rostie**"). Vanderlaan attended at 20 Bay with a summons and learned that the account was in the name of Brilliante and Aidelman; that McDonald had opened it by

email; and that Aidelman was listed as having an email address in York's name. On September 19, 2008, Vanderlaan learned that it was York who had initially opened the file, but the name on the file was later changed to Aidelman. Vanderlaan also found out that York's former name was Victor Georgiadis and that his home address was at 44 Charles Street West, Toronto ("**44 Charles**"), which was also the billing address Rostie had for Brilliante.

- Investor A forwarded to Vanderlaan all the emails he received from Brilliante. From Bell Canada, Vanderlaan was able to trace the emails to 1315 Finch, which was listed to CD Capital. CD Capital is not registered as a corporation in Ontario.

- On September 24, 2008, Vanderlaan attended at 1315 Finch and spoke to the building manager, who told him that CD Capital occupied the Premises and had moved in at the end of June 2008, that the rent was paid out of a Royal Bank of Canada ("**RBC**") account, that the lease was signed by Georgiadis, who listed Taylor as his partner, and that Georgiadis had made subsequent rent payments in cash.

- On September 25, 2008, Vanderlaan obtained information from Purolator Courier ("**Purolator**") identifying an Alberta investor in Brilliante ("**Investor B**"). Investor B told Vanderlaan he invested $50,000 after being contacted by a representative of Brilliante ("**Brilliante Representative B**"). Brilliante Representative B had previously tried to sell York Rio shares to Investor B but Investor B had declined. Brilliante Representative B told Investor B that Brilliante was a uranium company and was operating a mine in Brazil, and that its share price was expected to go to at least $1.25 once the company went public. Investor B forwarded a Brilliante email to Vanderlaan that linked to a website with the URL www.brillianteresources.com, which actually linked to the York Rio website. Investor B also sent Vanderlaan a copy of a cheque he had sent to Brilliante which was deposited into a TD Canada Trust ("**TD**") account.

- Another Alberta investor ("**Investor C**") told Vanderlaan he was contacted by a representative of Brilliante ("**Brilliante Representative C**") who told him that Brilliante was a uranium company that had a mine in Brazil, that the share price was $1 per share and that the price would be going up considerably once the company went public. Investor C invested $10,000, paying by cheque.

- On September 29, 2008, with information from Bell Canada, Vanderlaan was able to trace the Brilliante emails received by Investor B and Investor C back to 1315 Finch. He testified, referring to Brilliante, that as a result of the information received from Bell Canada, he was "very, very certain" where this activity was taking place.

- Another Alberta investor ("**Investor D**"), told Vanderlaan he was called by a Brilliante Representative ("**Brilliante Representative D**") who told him that Brilliante was about to begin production on a uranium mine in Brazil and that the price of the shares was $1 per share now, but would increase significantly, possibly to $30 per share, like the shares in the last company that Brilliante Representative D had sold. Brilliante Representative D also advised that the company was going public as soon as they had sold enough shares. After receiving about 15 calls from various Brilliante representatives, Investor D sent a cheque for $12,500.

- Investor B and Investor D sent their cheques by Purolator, as they were advised to do by the Brilliante salespersons, to 1881 Steeles Avenue West, Suite 109, Toronto ("**1881 Steeles**"), which is a UPS courier franchise location. There is no mention of this address as a Brilliante address in any of the Brilliante materials. Vanderlaan found out that UPS had not received a package on behalf of Brilliante since October 8, 2008.

- Vanderlaan also found out that the TD account was in the name of Brilliante (the "**Brilliante Account**") and that Aidelman had sole signing authority. Further, he determined that the account had been opened in January 2007, with an initial deposit of $1,000 paid by cheque drawn on the account of York Rio. There was little or no activity in the Brilliante Account until March 2008, when a York Rio cheque for $2,500 was deposited. Significant deposits that appeared to come from investors started to come in during September 2008, including the cheques from Investor B and Investor D, and there was one withdrawal of $37,500 in September. The balance in the Brilliante Account as of September 24, 2008 was $58,650.58.

- On October 3, 2008, Vanderlaan found out that the bank draft that was used to rent the office at 1315 Finch was paid for by Runic, who controlled an RBC account that was in the name of a company called Superior Home Building Systems Incorporated (the "**Runic Account**" or the "**RBC Account**").

- On October 8, 2008, Vanderlaan learned that the $37,500 withdrawal from the Brilliante Account in September 2008 went to a TD account in the name of Munket Capital Holdings ("**Munket**"), a company that was registered to York (the "**Munket Account**"), and that money from the Munket Account went to an account at the Meridian Credit Union ("**Meridian**") in the name of 2180353 Ontario Inc. ("**2180353**"), a company that was registered to Georgiadis (the "**2180353 Account**").

[55] Vanderlaan testified that on October 15, 2008, the day before he swore the ITO, he attended at the Premises, and as a result, he concluded that Brilliante continued to operate a boiler room there.

[56] Vanderlaan also testified about the execution of the Warrant on October 21, 2008. He testified that Staff seized about ten boxes of materials as a result of the search, including a computer and emails taken off the computer.

[57] On November 18, 2008, pursuant to subsection 159(1) of the POA, Vanderlaan filed a Report to a Justice, with the List of Items Seized appended, in order to continue detaining those items. The List of Items Seized identifies each item seized, and indicates, amongst other things, whether the item referenced Brilliante, York Rio, both or neither. Thirty items are identified as referencing Brilliante, 25 items are identified as referencing York Rio, 7 items are identified as referencing both, and the remaining items are identified as referencing neither. The items seized included call lists, scripts, the corporate profile, company information, client information, sales order logs, investor lists, accreditation information and emails. In his Detention Order, Justice of the Peace Wilson ordered the continued detention of all items seized until January 21, 2009 and the Detention Order was continued from time to time.

[58] In his affidavit sworn January 12, 2009 ("**Vanderlaan's January 12, 2009 Affidavit**"), which was an exhibit attached to Vanderlaan's January 14, 2010 Affidavit, Vanderlaan stated:

> I was the informant for the Information to Obtain the search warrant for the Premises (the "**Search Warrant**"). At the time I swore the Information to Obtain, I did not have reasonable grounds to believe that the sale of York Rio securities was occurring at the Premises, I only had reasonable grounds to believe that the sale of Brilliante securities was occurring at the Premises.
>
> On October 21, 2008 and during Staff's continuing investigation, I have made the following observations regarding the Premises, individuals present and evidence seized during the execution of the Search Warrant.
>
> (a) The Premises contained approximately 18 workstations, each equipped with a telephone. Some workstations were cubicles, some were enclosed offices with either one desk or several desks within the same office.
>
> (b) There were approximately 15 individuals identified at the Premises during the execution of the Search Warrant. All individuals who were dealing with investors or potential investors were using false names. Each individual working at the Premises had a designated workstation.
>
> (c) There were call lists, lead lists, scripts and other information used to solicit potential investors located at workstations throughout the Premises, indicating that shares in Brilliante and shares in York Rio were being sold from the Premises.
>
> (d) The lists, scripts and other information referred to in sub-paragraph (c) above were found at workstations throughout the Premises as follows:
>
> (i) 10 workstations had material only in relation to sale of Brilliante shares;
>
> (ii) 6 workstations had material in relation to sale of both Brilliante shares and York Rio shares; and
>
> (iii) 2 workstations had material only in relation to sale of York Rio shares.
>
> (e) With respect to the 6 workstations referred to in subparagraph (d)(ii), the Brilliante and York Rio Materials were closely intermingled making it difficult to distinguish and/or separate the materials at the Premises.
>
> (f) I have reviewed some of the sales order forms that were seized from the Premises and identified several false names that were used to solicit investors in either Brilliante or York Rio. Several individuals working at the Premises were selling both Brilliante shares and York Rio shares.
>
> (g) Some of the scripts used to sell Brilliante shares and to sell York Rio shares are virtually identical in wording except for the specifics relating to each company.

[59] The List of Items Seized was one of the exhibits attached to Vanderlaan's January 12, 2009 Affidavit, which was submitted in support of a continuation of the Detention Order, and on January 19, 2009, Justice Cavion continued the Detention Order to July 21, 2009. On July 17, 2009, Justice Hryn continued the Detention Order to August 14, 2009, and on August 13, 2009, Justice Fairgrieve extended it to January 21, 2010. In summary, a Justice of the Peace and three Judges of the Provincial Court, having been informed of the circumstances, ordered the continued detention of the items seized, including the York Rio Materials.

C. Analysis

[60] Schwartz and York submit that Vanderlaan, when he swore the ITO, had reason to believe that York Rio Materials would be found at the Premises. They submit that Staff obtained the Warrant targeting Brilliante, on a pretext, and therefore, the seizure of the York Rio Materials was not authorized by the Warrant.

[61] We reject this.

(i) No Evidence the Warrant was Obtained on a Pretext

[62] In *Morelli*, the case Schwartz and York rely on, the Supreme Court of Canada held that the ITO contained false statements and gave an incomplete and misleading account of the facts, in contravention of the informant's duty to make full and frank disclosure of all material information, and that the ITO, even when corrected and amplified on review at a *voir dire*, was insufficient to permit any justice of the peace, acting reasonably, to find adequate grounds for the search.

[63] This case is very different from *Morelli*. Schwartz and York do not suggest that Vanderlaan lacked reasonable grounds for believing that things and materials relating to Brilliante would be found at the Premises. Nor do they say that Vanderlaan could not have obtained a warrant to search for things and materials relating to York Rio; on the contrary, they submit that Vanderlaan had reason to believe that York Rio was contravening the Act and that things or materials relating to York Rio would be found at the Premises. Schwartz and York submit that Vanderlaan "should have disclosed that he was looking for items or things belonging to York Rio" when he requested the Warrant, but they presented no evidence to support their assertion that Vanderlaan expected to find York Rio Materials at the Premises. Nor have they demonstrated that the ITO contained false or misleading statements or that it was materially incomplete. We note, for example, that Vanderlaan's disclosure in the ITO included four paragraphs on the York Rio investigation and another six paragraphs on the connections between York Rio and Brilliante. We also note that Vanderlaan stated, in his affidavit sworn January 12, 2009, discussed at paragraph 58 above, that at the time he swore the ITO, he "did not have reasonable grounds to believe that the sale of York Rio securities was occurring at the Premises" and "only had reasonable grounds to believe that the sale of Brilliante securities was occurring at the Premises."

[64] Vanderlaan testified that Staff has been investigating York Rio since early 2008, and he realized "very early in the investigation" that there were "some pretty serious connections between Brilliante and York Rio". He explained his theory of the case at the time he swore the ITO:

> The theory that I formed at the time and when I eventually wrote my search warrant, this was a theory of the warrant, was that York Rio had been going for quite sometime. Indications were that it had been running since 2004. That's very, very, very long for a boiler room. My experience is a year to 18 months maximum before they'll move on to something else.
>
> So the theory was, the theory I believed and still believe, was that Brilliante was created as a natural progression, if you like, of the York Rio activities. In other words, they were going to take what they were doing in York Rio and they were going to flip their efforts now onto this Brilliante thing because uranium at the time in 2008, if you'll recall, was quite hot. I think it was up to $145 a pound, and an investment in uranium seemed like a good thing at the time.
>
> So I believed then and I believe now that they created this other entity to then further the business of York Rio and they were going to shut down York Rio. As a matter of fact, I was told by a number of the salesmen, if I can use another boiler room term, that they were, quote/unquote, slopping York Rio, and slopping is basically the final sort of approach to investors before you shut the whole thing down.
>
> So that was my understanding and that's what I believed and that's what I believe now.
>
> (Hearing Transcript, March 22, 2011, pp. 188-189)

[65] We find Vanderlaan's explanation to be consistent with the entirety of the evidence, and heard no evidence to the contrary. We find that there is no evidence to support the assertion that the Warrant was obtained on a pretext.

(ii) Plain View Doctrine

[66] Apart from Staff's comment that section 489 of the Criminal Code "can be used by the Commission to answer the Question", we received no submissions as to the scope of that section or its applicability to a Warrant obtained pursuant to the POA.

[67] Staff's submissions on the plain view doctrine were also very summary and no authorities were provided. Based on the limited submissions we heard, we are satisfied that the plain view doctrine applies to the seizure of the York Rio Materials in that:

(i) Schwartz and York do not challenge the legality of the execution of the Warrant as it applies to Brilliante – there is no suggestion the officers conducting the Search were not lawfully present in the Premises under a valid warrant;

(ii) Schwartz and York presented no evidence that Staff obtained and executed the Warrant on a pretext, and we accept Staff's evidence that Vanderlaan believed that the sale of Brilliante securities was occurring at the Premises and did not believe that the sale of York Rio securities was occurring at the Premises when he swore the ITO; and

(iii) the York Rio Materials that were seized were the same kinds of documents as the Brilliante Materials that were seized, including lead lists, call scripts, client information, sales logs and other documents that are characteristic of a "boiler room" operation contrary to the Act and contrary to the public interest.

[68] In summary, Vanderlaan obtained a warrant to search what he had reasonable grounds to believe were the premises of a new boiler room (Brilliante) and found, during the search, that an older and related boiler room (York Rio), which was also under investigation, was also operating out of the same premises. Documents, including lead lists, call scripts and sales logs, provided evidence that York Rio shares, as well as Brilliante shares, were being sold out of the Premises, contrary to the Act and contrary to the public interest. These circumstances were described in Staff's Report to a Justice, filed in November 2008, and the continued detention of all the materials seized, including the Brilliante Materials and the York Rio Materials, was continued from time to time by judicial orders.

(iii) No Reason to Stay the Proceeding or Exclude the York Rio Materials

[69] We are not persuaded that Staff's seizure of the York Rio Materials from the Premises was illegal or improper, or that Schwartz and York have been prejudiced or their rights have been infringed as a result of the seizure of the York Rio Materials. There is no reason, therefore, to stay the proceeding or exclude the York Rio Materials from the evidence on the basis of fairness or the public interest. On the contrary, we find that it is in the public interest to continue the Merits Hearing and to admit the York Rio Materials into evidence.

V. CONCLUSION

[70] For the reasons stated, the Motions are dismissed. We find that:

1. Schwartz's rights were not engaged by the seizure of the York Rio Materials from the Premises and accordingly he lacks standing to bring the Schwartz Motion.

2. There is no evidence to support the assertions by Schwartz and York that Staff's seizure of the York Rio Materials from the Premises was illegal or improper, or that Schwartz and York have been prejudiced or their rights have been infringed as a result of the seizure of the York Rio Materials.

3. There is no reason to stay the proceeding or exclude the York Rio Materials from the evidence on the basis of fairness or the public interest. It is in the public interest to continue the Merits Hearing and to admit the York Rio Materials into evidence.

[71] As ordered on May 5, 2011, the Merits Hearing shall resume on June 6, 2011 at 11:00 a.m., and continue on June 8, 9 and 10, 2011 at 10:00 a.m., June 13, 2011 at 11:00 a.m., June 14, 15, 16 and 17 at 10:00 a.m., June 20, 2011 at 11:00 a.m., June 22 and 23, 2011 at 10:00 a.m., and such further and other dates and times as are agreed by the parties and fixed by the Office of the Secretary.

Dated at Toronto this 1st day of June, 2011.

"Vern Krishna"
Vern Krishna, Q.C.

"Edward P. Kerwin"
Edward P. Kerwin

3.1.2 Fox Collins Securities Inc. – s. 31

IN THE MATTER OF
STAFF'S RECOMMENDATION FOR TERMS AND CONDITIONS
ON THE REGISTRATION OF
FOX COLLINS SECURITIES INC.

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
Section 31 of the Securities Act (Ontario)

Decision

1. For the reasons outlined below, my decision is to impose the terms and conditions set out below on Fox Collins Securities Inc. (Fox Collins) for a minimum period of six months.

Overview

2. By letter dated April 28, 2011, Staff advised Fox Collins that it was recommending to the Director that terms and conditions be imposed on Fox Collins in relation to the late filing of its annual audited financial statements. The terms and conditions had two parts. Part one required the filing of monthly year-to-date unaudited financial statements and capital calculations for a minimum period of six months. Part two required Fox Collins to review its procedures for compliance with Ontario securities law and to provide a report with the Commission. The letter also advised Fox Collins that late filing fees of $600 were due. The late filing fees have been paid by Fox Collins.

Process for requesting an opportunity to be heard

3. Under section 31 of the Act, if a registrant wants to oppose Staff's recommendation for terms and conditions, the registrant may request an opportunity to be heard (OTBH). By email dated May 5, 2011, David Fox, Fox Collins' ultimate designated person (UDP) and chief compliance officer (CCO) requested an OTBH. My decision is based on the written submissions of Staff (Michael Denyszyn, Senior Legal Counsel, Compliance and Registrant Regulation Branch) and David Fox on behalf of Fox Collins.

Submissions

4. Fox Collins has been registered under the *Securities Act* (Ontario) (Act) since October 2010 as an exempt market dealer. The fiscal year end for Fox Collins is December 31. Under section 12.12(a) of National Instrument 31-103 *Registration Requirements and Exemptions*, the annual audited financial statements of Fox Collins were due no later than March 31, 2011. Fox Collins filed its annual audited financial statements on April 10, 2011, six business days after they were due.

5. Staff submits that the timely filing of annual audited financial statements by registrants is one of the most serious regulatory obligations in the Act and that financial statements are the principal tool enabling Staff to monitor a registrant's financial viability and capital position.

6. For these reasons, Staff uniformly recommends the imposition of terms and conditions on the registration of registrants that do not file their annual audited financial statements on a timely basis. In Staff's opinion, the filing of annual audited financial statements is a serious regulatory obligation and only in extremely rare circumstances would Staff not recommend imposing terms and conditions on a registrant that filed its financial statements late.

7. Fox Collins submits that its failure to file its annual audited financial statements on a timely basis was "an oversight owing to the fact that this was [Mr. Fox's] first year as a registrant responsible for such filings". Fox Collins also submits that "there is little if any risk that Fox Collins would fail its minimum capital requirements" and says that "Fox Collins has no financial liabilities or expenses of any sort apart from [Mr. Fox's] discretionary draw".

8. Fox Collins also submits that the one time filing of the year-to-date unaudited financial statements and calculations or required minimum capital should be sufficient for Staff.

Decision and reasons

9. My decision is to impose part one of the terms and conditions recommended by Staff on the registration of Fox Collins for a minimum period of six months starting June 30, 2011.

10. It is Staff's longstanding position that it is the responsibility of the registrant to ensure that its annual audited financial statements are filed on a timely basis. As set out above, Staff's view is that the timely filing of annual audited financial statements is one of the most important of a registrant's ongoing filing obligations. Only in rare and extenuating circumstances will a registrant be permitted to file its annual audited financial statements late and not be placed on the recommended terms and conditions. In my view, these rare and extenuating circumstances are not present in this case.

11. I was not convinced that it was a hardship for Fox Collins to comply with the terms and conditions proposed by Staff. As well, see *Re CR Advisers Corporation*, where the Director specifically addressed the provision of monthly unaudited financial statements, saying:

> "It should not be a burden for the Registrant to provide monthly unaudited financial statements. The financial statements are not required to be reviewed by an auditor and all registrants are required to maintain proper books and records at all times."

12. However, since Fox Collins is a very small registrant with only one employee, I did not see the utility of imposing part 2 of Staff's recommended terms and conditions. It is my sincere hope that Fox Collins now understands the reasons for its failure to meet the annual audited financial statement filing requirement and that it will ensure that its compliance system will enable it to meet its on-going registration requirements on a timely basis.

13. The terms and conditions imposed on Fox Collins' registration are as follows:

The Firm shall file on a monthly basis with the Registrant Conduct and Risk Analysis team of the Ontario Securities Commission, attention Financial Analyst, starting with the month ending June 30, 2011 the following information:

(a) year-to-date unaudited financial statements including a balance sheet and an income statement, both prepared in accordance with generally accepted accounting principles; and

(b) month end calculation of minimum required capital;

no later than three weeks after each month end.

"Marrianne Bridge" FCA
Deputy Director
Compliance and Registrant Regulation Branch
Ontario Securities Commission

June 6, 2011

3.1.3 York Rio Resources Inc. et al.

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

AND

**IN THE MATTER OF
YORK RIO RESOURCES INC.,
BRILLIANTE BRASILCAN RESOURCES CORP.,
VICTOR YORK, ROBERT RUNIC,
GEORGE SCHWARTZ, PETER ROBINSON,
ADAM SHERMAN, RYAN DEMCHUK,
MATTHEW OLIVER, GORDON VALDE AND
SCOTT BASSINGDALE**

**SETTLEMENT AGREEMENT
BETWEEN STAFF AND ADAM SHERMAN**

PART I – INTRODUCTION

1. By Notice of Hearing dated March 2, 2010, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on March 3, 2010, pursuant to sections 37, 127, and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to consider whether it is in the public interest to make orders, as specified therein, against York Rio Resources Inc. ("York Rio"), Brilliante Brasilcan Resources Corp. ("Brilliante"), Victor York ("York"), Robert Runic ("Runic"), George Schwartz ("Schwartz"), Peter Robinson ("Robinson"), Adam Sherman ("Sherman"), Ryan Demchuk ("Demchuk"), Matthew Oliver ("Oliver"), Gordon Valde ("Valde") and Scott Bassingdale ("Bassingdale"), (collectively the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 2nd, 2010.

2. The Commission will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 37, 127 and 127.1 of the Act, it is in the public interest for the Commission to approve this Settlement Agreement and to make certain orders in respect of Sherman.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing dated March 2, 2010 against Sherman (the "Proceeding") in accordance with the terms and conditions set out below. Sherman consents to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

Background Regarding York Rio and Sherman

4. York Rio was incorporated in Ontario on May 10, 2004. It was also incorporated in Nevada in May of 2006. York Rio has never filed a prospectus with the Commission and has never been registered with the Commission in any capacity.

5. Between and including May 10, 2004 and October 21, 2008 (the "Material Time"), York Rio was trading in securities by selling securities in itself to investors in Ontario and elsewhere in Canada.

6. During the Material Time, York was the sole registered director of York Rio. York has never been registered in any capacity with the Commission.

7. Sherman was not registered with the Commission in any capacity during the Material Time.

8. During the Material Time, Sherman was a resident of Ontario and was a salesperson of York Rio.

Trading in York Rio Securities by Sherman

9. Around May of 2007, Sherman was contacted by Runic about selling York Rio securities to members of the public. Sherman and Runic were old friends and had known each other since childhood.

10. Later in the summer of 2007, Sherman began to work under the supervision of Runic as a salesperson of York Rio securities. Sherman was provided with scripts (the "York Rio Scripts") by Runic containing information designed to induce members of the public to purchase York Rio securities. Sherman read from the York Rio Scripts while selling securities of York Rio.

11. Using the York Rio Scripts, Sherman provided information about York Rio to members of the public, including persons that invested in York Rio, that was false, inaccurate and misleading, including, but not limited to, the following:

(a) the extent of his background in the investment industry;

(b) that York Rio owned or held interests in certain mining properties in Brazil;

(c) that these York Rio mining properties in Brazil were currently producing diamonds ranging in size from 1 to 69 carats;

(d) the nature and extent of the mining assets owned by York Rio; and

(e) that numerous significant companies had approached York Rio with a view to taking over York Rio.

12. Sherman relied solely on the information that was provided to him by Runic and conducted no independent due diligence to determine whether the information in the York Rio Scripts was true. This did not constitute sufficient due diligence.

13. While selling York Rio securities, Sherman was instructed not to use his real name so Sherman used the alias "Jason Sebrook." Sherman was told by Runic that using an alias was permissible.

14. Sherman understood York to be the president of York Rio.

15. Sherman initially sold York Rio securities from offices on Yonge Street in Toronto (the "Yonge Office") and subsequently from offices on Finch Avenue West in Toronto (the "Finch Office"). Both the Yonge Office and the Finch Office were rented at the direction of Runic.

16. Runic paid Sherman in cash. Sherman received a 10% commission on the gross sales of York Rio securities that he made. In total, Sherman raised approximately $2,000,000 from investors through the sale of York Rio securities and received approximately $200,000 from Runic for commissions related to his sales of York Rio securities.

17. As part of his sales activity, Sherman, sold shares of York Rio to members of the public that had previously purchased York Rio securities from other salesmen. A person undertaking this role is often referred to as a "loader".

18. Sherman stopped selling shares of York Rio sometime in the fall of 2008.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

19. By engaging in the conduct described above, Sherman admits and acknowledges that he contravened Ontario securities law during the Material Time in the following ways:

(a) During the Material Time, Sherman engaged or participated in acts, practices or courses of conduct relating to securities of York Rio that the Sherman knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest;

(b) During the Material Time, Sherman traded in securities without being registered to trade in securities, contrary to section 25(1) of the Act and contrary to the public interest;

(c) During the Material Time, Sherman made representations without the written permission of the Director, with the intention of effecting a trade in securities of York Rio, that such security would be listed on a stock exchange or quoted on any quotation and trade reporting system, contrary to section 38(3) of the Act and contrary to the public interest; and

(d) During the Material Time, Sherman traded in securities of York Rio when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to section 53(1) of the Act and contrary to the public interest.

20. Sherman admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in sub-paragraphs 19. (a)-(d).

PART V – TERMS OF SETTLEMENT

21. Sherman agrees to the terms of settlement listed below.

22. The Commission will make an order, pursuant to sections 37 and s. 127(1) of the Act, that:

(a) the Settlement Agreement is approved;

(b) trading in any securities by Sherman cease permanently from the date of the approval of the Settlement Agreement subject to the terms of sub-paragraph (k) below;

(c) the acquisition of any securities by Sherman is prohibited permanently from the date of the approval of the Settlement Agreement subject to the terms of sub-paragraph (k) below;

(d) any exemptions contained in Ontario securities law do not apply to Sherman permanently from the date of the approval of the Settlement Agreement;

(e) Sherman is reprimanded;

(f) Sherman is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(g) Sherman is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter; and,

(h) Sherman shall disgorge to the Commission $200,000 obtained as a result of his non-compliance with Ontario securities law. The $200,000 disgorged shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing York Rio securities, in accordance with s. 3.4(2)(b) of the Act;

(i) Sherman shall pay an administrative penalty of $50,000 for his failure to comply with Ontario securities law. The $50,000 administrative penalty shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing York Rio securities, in accordance with s. 3.4(2)(b) of the Act; and

(j) Sherman cease permanently, from the date of the approval of the Settlement Agreement, to telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities;

(k) Notwithstanding the provisions of this Order, once Sherman has fully satisfied the terms of sub-paragraphs (h) and (i) above, Sherman is permitted to trade for his own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; (b) any security issued by a mutual fund that is a reporting issuer; and provided that Sherman provides Staff with the particulars of the accounts in which such trading is to occur (as soon as practicable before any trading in such accounts occurs) including the name of the registered dealer through which the trading will occur and the account numbers, and Sherman shall instruct the registered dealer to provide copies of all trade confirmation notices with respect to trading in the accounts directly to Staff at the same time that such notices are provided to him; or (c) any shares in a “private company” as defined in section 1 of the Act.

23. Sherman undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 22 (a) – (j) above.

PART VI – STAFF COMMITMENT

24. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Sherman in relation to the facts set out in Part III herein, subject to the provisions of paragraph 25 below.

25. If this Settlement Agreement is approved by the Commission, and at any subsequent time Sherman fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Sherman based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

26. Approval of this Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and Sherman for the scheduling of the hearing to consider the Settlement Agreement.

27. Staff and Sherman agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Sherman's conduct in this matter, unless the parties agree that further facts should be submitted at the settlement hearing.

28. If this Settlement Agreement is approved by the Commission, Sherman agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

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

30. Whether or not this Settlement Agreement is approved by the Commission, Sherman agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

31. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

(a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Sherman leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and Sherman; and

(b) Staff and Sherman shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

32. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of Sherman and Staff or as may be required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

33. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement

34. A facsimile copy of any signature will be as effective as an original signature.

Dated this 2nd day of June, 2011.

Signed in the presence of:

"Ana Martinez" "Adam Sherman"
Ana Martinez **Adam Sherman**

Dated this 3rd day of June, 2011

STAFF OF THE ONTARIO SECURITIES COMMISSION

"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch
Dated this 2nd day of June, 2011

SCHEDULE "A"

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

AND

IN THE MATTER OF
ADAM SHERMAN

ORDER
(Sections 37 and 127(1))

WHEREAS on _____, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Adam Sherman ("Sherman");

AND WHEREAS Sherman entered into a Settlement Agreement with Staff of the Commission dated _____, 2011 (the "Settlement Agreement") in which Sherman agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

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

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

IT IS HEREBY ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Sherman cease permanently subject to the terms of sub-paragraph (k) below;

(c) pursuant to clause 2.1 of section 127(1) of the Act, Sherman is prohibited permanently from the acquisition of any securities subject to the terms of sub-paragraph (k) below;

(d) pursuant to clause 3 of section 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Sherman permanently;

(e) pursuant to clause 6 of subsection 127(1) of the Act, Sherman is reprimanded;

(f) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Sherman is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(g) pursuant to clause 8.5 of subsection 127(1) of the Act, Sherman is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(h) pursuant to clause 9 of subsection 127(1) of the Act, Sherman shall pay an administrative penalty of $50,000 for his failure to comply with Ontario securities law. The $50,000 administrative penalty shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing York Rio Resources Inc. securities, in accordance with s. 3.4(2)(b) of the Act;

(i) pursuant to clause 10 of subsection 127(1) of the Act, Sherman shall disgorge to the Commission $200,000 obtained as a result of their non-compliance with Ontario securities law. The $200,000 disgorged shall be for allocation to or for the benefit of third parties, including investors who lost money as a result of purchasing York Rio Resources Inc. securities, in accordance with s. 3.4(2)(b) of the Act;

(j) pursuant to section 37(1) of the Act of the Act, Sherman shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of security; and

(k) Notwithstanding the provisions of this Order, once Sherman has fully satisfied the terms of sub-paragraphs (h) and (i) above, Sherman is permitted to trade for his own account, solely through a registered dealer or, as appropriate, a registered dealer in a foreign jurisdiction (which dealer must be given a copy of this order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that he does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities; (b) any security issued by a mutual fund that is a reporting issuer; and provided that Sherman provides Staff with the particulars of the accounts in which such trading is to occur (as soon as practicable before any trading in such accounts occurs) including the name of the registered dealer through which the trading will occur and the account numbers, and Sherman shall instruct the registered dealer to provide copies of all trade confirmation notices with respect to trading in the accounts directly to Staff at the same time that such notices are provided to him; or (c) any shares in a “private company” as defined in section 1 of the Act.

DATED AT TORONTO this _____ day of _____, 2011.

3.1.4 Lehman Brothers & Associates Corp. et al.

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

AND

IN THE MATTER OF
LEHMAN BROTHERS & ASSOCIATES CORP.,
GREG MARKS, KENT EMERSON LOUNDS AND
GREGORY WILLIAM HIGGINS

SETTLEMENT AGREEMENT
BETWEEN STAFF AND GREGORY WILLIAM HIGGINS

PART I – INTRODUCTION

1. By Notice of Hearing dated September 3, 2010, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on September 8, 2010, pursuant to sections 37, 127, and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), to consider whether it is in the public interest to make orders, as specified therein, against Lehman Brothers & Associates Corp. ("Lehman Corp."), Greg Marks, Kent Emerson Lounds, and Gregory William Higgins ("Higgins"), (collectively the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission dated September 3, 2010.

2. The Commission will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 37, 127 and 127.1 of the Act, it is in the public interest for the Commission to approve this Settlement Agreement and to make certain orders in respect of Higgins.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing dated September 3, 2010 against Higgins (the "Proceeding") in accordance with the terms and conditions set out below. Higgins consents to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

Overview

4. This proceeding involves the unregistered trading of securities of TBS New Media Ltd. ("TBS New Media"), a private issuer incorporated in Ontario, and TBS New Media PLC ("TBS PLC"), a company created pursuant to the laws of the United Kingdom.

5. Between 2004 and 2008, securities in TBS New Media and TBS PLC (collectively "TBS") were distributed to investors in Ontario and throughout Canada purportedly pursuant to a private placement. Some of the persons who originally acquired securities of TBS New Media were asked to return these securities in exchange for securities of TBS PLC to allow the securities of TBS New Media to be traded on an exchange located in Frankfurt, Germany.

6. In 2008 and 2009 (the "Material Time"), TBS investors in Canada (the "TBS Investors") were solicited by representatives of Lehman Corp. to sell their shares in TBS at a substantial premium.

7. The TBS Investors were told that in order to execute the trade they would need to provide an advance fee. In most cases, TBS Investors were told that this advance fee represented a refundable security deposit. In other cases, TBS Investors were told the refundable advance fee covered non-resident taxes and/or other disbursements.

8. According to the Lehman Corp. website and materials provided to TBS Investors Lehman Corp. was operating out of Montreal, Quebec.

9. The address posted on the Lehman Corp. website and included in materials provided to TBS Investors by representatives of Lehman Corp. does not correspond to any valid Montreal address and Lehman Corp. is not a registered corporation in Quebec or Ontario.

10. TBS Investors were instructed by representatives of Lehman Corp. to wire the advance fee to bank accounts in Ontario in the name of Emerson Global Holdings ("Emerson") and/or Triad Holdings ("Triad").

11. In response to the solicitations from representatives of Lehman Corp. regarding their TBS shares, TBS Investors transferred a total of approximately $173,913 to the accounts of Emerson and Triad.

Triad Holdings

12. Higgins is a resident of Ontario and has never been registered in any capacity with the Commission.

13. Triad is a sole proprietorship that was issued an Ontario business license on February 9, 2009. During the Material Time, Higgins was the registered owner and sole directing mind of Triad.

14. On February 11, 2009, Higgins opened an account at the Bank of Nova Scotia in the name of Triad Holdings (the "Triad Scotia Account"). Higgins was the sole authorized signatory on the Triad Scotia Account during the Material Time.

15. On April 7, 2009, the Triad Scotia Account was closed on suspicion of fraud.

16. On April 20, 2009, Higgins opened both a Canadian dollar and US dollar account at the Royal Bank of Canada in the name of Triad Holdings (the "Triad RBC Accounts"). Higgins was the sole authorized signatory on the Triad RBC Accounts during the Material Time.

17. Of the $173,913 paid by TBS Investors in advance fees as a result of the solicitations by representatives of Lehman Corp., approximately $29,661 was deposited into the Triad Scotia Account and the Triad RBC Accounts (the "Triad Accounts").

18. During the Material Time, Higgins was the sole beneficiary and signatory on the Triad Accounts and the only person authorized to withdraw money from those accounts.

19. The majority of funds transferred to the Triad Accounts by TBS Investors was withdrawn by Higgins in cash.

20. The TBS Investors have received no consideration for their TBS shares from Lehman Corp., Triad or Higgins and nothing in exchange for the advance fees transferred to the Triad Accounts.

Unregistered Trading in Securities of TBS Contrary to Section 25(1) of the Act

21. Neither Lehman Corp. nor Higgins have ever been registered in any capacity with the Commission.

22. Members of the public in Canada were solicited by Lehman Corp., and persons associated with Lehman Corp., to sell their TBS securities in exchange for an advance fee. The TBS Investors were instructed to wire the funds representing the advance fee to the Triad Accounts in order to complete the transaction. As a result, TBS Investors sent approximately $29,661 to the Triad Accounts.

23. Higgins participated in acts and conduct, directly or indirectly in furtherance of the sale or disposition of TBS securities for valuable consideration, in circumstances where there were no exemptions available to Higgins under the Act. The actions of Higgins relating to the securities of TBS constituted the trading of securities without registration contrary to section 25(1) of the Act.

Securities Fraud Contrary to Section 126.1 of the Act

24. Members of the public in Canada were provided with information by representatives of Lehman Corp. that was false, inaccurate and misleading, including, but not limited to, the following: that Lehman Corp. was a brokerage firm based out of Montreal; that a US firm was interested in buying TBS shares from the TBS Investors at a substantial premium; that in order to execute this transaction the TBS Investors would need to provide an advance fee which represented a refundable security deposit, non-resident taxes and/or paid for other disbursements; and that the TBS Investors would receive consideration for their TBS shares.

25. These and other false, inaccurate, misleading representations and omissions were made with the intention of defrauding the TBS Investors.

26. Higgins provided representatives of Lehman Corp. with the information necessary to facilitate the transfer of funds representing advance fees from TBS Investors to the Triad Accounts. Higgins was aware of all the deposits made by TBS Investors into the Triad Accounts and personally withdrew all the TBS Investors' funds from the Triad Accounts, mostly in cash. Higgins knew or ought to have known that the Triad Accounts were being used to facilitate a fraud on the TBS Investors.

27. Higgins engaged or participated in acts or a course of conduct relating to TBS securities that he knew or reasonably ought to have known perpetrated a fraud on any person or company contrary to section 126.1(b) of the Act.

PART IV – CONDUCT CONTRARY TO THE PUBLIC INTEREST

28. By engaging in the conduct described above, Higgins admits and acknowledges that he contravened Ontario securities law during the Material Time in the following ways:

(a) During the Material Time, Higgins traded in securities without being registered to trade in securities, contrary to section 25(1) of the Act and contrary to the public interest;

(b) During the Material Time, Higgins engaged or participated in acts, practices or courses of conduct relating to securities that Higgins knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to section 126.1(b) of the Act and contrary to the public interest.

29. Higgins admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in sub-paragraphs 28. (a) and (b).

PART V – TERMS OF SETTLEMENT

30. Higgins agrees to the terms of settlement listed below.

31. The Commission will make an order, pursuant to sections 37 and s. 127(1) of the Act, that:

(a) the Settlement Agreement is approved;

(b) trading in any securities by Higgins cease permanently from the date of the approval of the Settlement Agreement;

(c) the acquisition of any securities by Higgins is prohibited permanently from the date of the approval of the Settlement Agreement;

(d) any exemptions contained in Ontario securities law do not apply to Higgins permanently from the date of the approval of the Settlement Agreement;

(e) Higgins is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(f) Higgins is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter; and,

(g) Higgins shall disgorge to the Commission $29,661 obtained as a result of his non-compliance with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to s. 3.4(2) of the Act;

(h) Higgins shall pay an administrative penalty of $50,000 for his failure to comply with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to s. 3.4(2) of the Act; and

(i) Higgins cease permanently, from the date of the approval of the Settlement Agreement, to telephone from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or any class of securities.

32. Higgins undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraphs 31. (a) to (f) and (i) above.

PART VI – STAFF COMMITMENT

33. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Higgins in relation to the facts set out in Part III herein, subject to the provisions of paragraph 34 below.

34. If this Settlement Agreement is approved by the Commission, and at any subsequent time Higgins fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Higgins based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

35. Approval of this Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and Higgins for the scheduling of the hearing to consider the Settlement Agreement.

36. Staff and Higgins agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Higgins' conduct in this matter, unless the parties agree that further facts should be submitted at the settlement hearing.

37. If this Settlement Agreement is approved by the Commission, Higgins agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

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

39. Whether or not this Settlement Agreement is approved by the Commission, Higgins agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

40. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

(a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Higgins leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and Higgins; and

(b) Staff and Higgins shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

41. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of Higgins and Staff or as may be required by law.

PART IX. – EXECUTION OF SETTLEMENT AGREEMENT

42. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement

43. A facsimile copy of any signature will be as effective as an original signature.

Dated this 3rd day of June, 2011.

Signed in the presence of:

"Rob Warren"
Rob Warren

"Gregory William Higgins"
Gregory William Higgins

Dated this 31st day of May, 2011

STAFF OF THE ONTARIO SECURITIES COMMISSION
"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch

Dated this 3rd day of June, 2011

SCHEDULE "A"

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

AND

IN THE MATTER OF
GREGORY WILLIAM HIGGINS

ORDER
(Sections 37 and 127(1))

WHEREAS on _____, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 37 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in respect of Gregory William Higgins ("Higgins");

AND WHEREAS Higgins entered into a Settlement Agreement with Staff of the Commission dated _____, 2011 (the "Settlement Agreement") in which Higgins agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

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

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

IT IS HEREBY ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Higgins cease permanently;

(c) pursuant to clause 2.1 of section 127(1) of the Act, Higgins is prohibited permanently from the acquisition of any securities;

(d) pursuant to clause 3 of section 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Higgins permanently;

(e) pursuant to clauses 8, 8.2, and 8.4 of subsection 127(1) of the Act, Higgins is prohibited permanently from the date of this Order from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;

(f) pursuant to clause 8.5 of subsection 127(1) of the Act, Higgins is prohibited permanently from the date of this Order from becoming or acting as a registrant, as an investment fund manager or as a promoter;

(g) pursuant to clause 10 of subsection 127(1) of the Act, Higgins shall disgorge to the Commission $29,661 obtained as a result of his non-compliance with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to s. 3.4(2) of the Act;

(h) pursuant to clause 9 of subsection 127(1) of the Act, Higgins shall pay an administrative penalty of $50,000 for his failure to comply with Ontario securities law, to be paid to or for the benefit of third parties designated by the Commission, pursuant to s. 3.4(2) of the Act; and

(i) pursuant to section 37(1) of the Act of the Act, Higgins shall be prohibited permanently from telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in any security or in any class of security.

DATED AT TORONTO this _____ day of _____, 2011.

_____ _____

_____

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
SeaMiles Limited	14 May 10	26 May 10	26 May 10	02 Jun 11
SG Spirit Gold Inc.	11 May 11	24 May 11	24 May 11	07 Jun 11

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order

THERE ARE NO ITEMS FOR THIS WEEK.

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Canada Lithium Corp.	10 May 11	20 May 11	20 May 11		
Enssolutions Group Inc.	11 May 11	24 May 11	24 May 11		

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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 SecuritiesScource (see www.carswell.com).

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/09/2011	1	1710 Kingsway Holdings Inc. - Units	431,530.00	431,530.00
05/19/2011	215	Aguila American Gold Limited - Units	5,379,750.00	11,955,000.00
05/31/2011	7	AirIQ Inc. - Common Shares	415,932.90	2,772,886.00
05/24/2011	2	Alabama Power Company - Notes	4,880,304.81	N/A
04/29/2011	21	Ansell Capital Corp. - Flow-Through Shares	2,293,240.00	6,888,500.00
05/04/2011	14	Aurvista Gold Corporation - Common Shares	730,000.00	1,825,000.00
05/05/2011	7	BelAir Networks Inc. - Debentures	5,433,978.00	N/A
05/06/2011	38	Bell Copper Corporation - Common Shares	3,240,000.00	16,200,000.00
05/19/2011	11	Bellhaven Copper & Gold Inc. - Units	15,005,000.00	9,100,000.00
05/02/2011	1	Bison Properties Ltd. - Bonds	121,000.00	121.00
05/09/2011	36	Blue Sky Uranium Corp. - Units	1,044,090.00	5,800,500.00
05/06/2011	2	BNP Paribas Arbitrage Issuance B.V. - Certificates	92,744.99	82.00
05/12/2011	2	BNP Paribas Arbitrage Issuance B.V. - Certificates	236,569.81	210.00
05/03/2011	2	Brightstar Corp. - Notes	8,100,236.12	N/A
05/09/2011	38	Cadillac Fairview Finance Trust - Debentures	595,428,540.00	N/A
05/25/2011	1	Canso Credit Trust - Trust Units	71,860,087.00	6,982,540.50
05/18/2011 to 05/24/2011	3	Celtic Minerals Ltd. - Common Shares	11,000.00	550,000.00
04/01/2011	10	Celtic Minerals Ltd. - Common Shares	6,493.64	324,682.00
05/13/2011	36	Central Iron Ore Ltd. - Units	4,000,000.00	20,000,000.00
04/27/2011	9	Charger International Metal Fabrication Inc. - Common Shares	222,500.00	445,000.00
05/27/2011	3	Chemaphor Inc. - Common Shares	295,000.00	2,950,000.00
05/09/2011	2	Cinemark Holdings, Inc. - Common Shares	29,994,405.60	995,000.00
05/12/2011	1	Clean Air Power Limited - Common Shares	262,116.21	2,290,690.00
04/29/2011	12	Clek Inc. - Common Shares	654,947.92	523,958.00
05/03/2011	18	Commander Resources Ltd. - Units	1,353,199.68	5,638,332.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/19/2011	229	Coral Hill Energy Ltd. - Common Shares	54,171,000.00	9,260,000.00
05/25/2011	3	Cynapsus Therapeutics Inc. - Common Shares	592,000.00	1,840,000.00
05/10/2011	4	Delphi Corporation - Notes	3,075,200.00	4.00
05/26/2011	19	Diagnos Inc. - Common Shares	3,216,200.06	11,090,345.00
05/16/2011	29	Digital Shelf Space Corp. - Units	1,226,567.10	5,575,307.00
05/13/2011 to 05/16/2011	41	Direct Media Technologies Inc. - Common Shares	3,059,403.85	1,125,607.00
05/05/2011	5	DISH DBS Corporation - Notes	14,986,950.00	7,750.00
05/18/2011	58	Dividend Growth Split Corp. - Preferred Shares	4,825,344.00	468,480.00
05/16/2011	2	Eagle Parent, Inc. - Notes	6,792,100.00	2.00
05/19/2011	1	Energizer Holdings, Inc. - Notes	1,940,004.78	N/A
04/28/2011	1	Energy Fund XV-B, L.P. - Capital Commitment	95,110,000.00	1.00
05/11/2011	1	Entourage Metals Ltd. - Common Shares	107,500.00	1,550,000.00
05/02/2011	7	Entourage Metals Ltd. - Common Shares	70,000.00	100,000.00
05/09/2011	3	Entourage Metals Ltd. - Common Shares	14,000.00	15,000.00
05/13/2011	8	Envoy Capital Group Inc. - Loans	4,150,000.00	N/A
05/31/2011	9	First Nickel Inc. - Common Shares	2,046,600.00	11,370,000.00
05/10/2011	23	FoodCheck Systems Inc. - Common Shares	284,500.00	284,500.00
05/12/2011	81	Forum Uranium Corporation - Units	5,730,157.50	N/A
02/01/2011	34	Gale Force Petroleum Inc. - Common Shares	1,880,302.00	5,708,008.00
05/16/2011	44	Glen Eagle Resources Inc. - Flow-Through Shares	800,000.00	2,000,000.00
04/21/2011	15	Glen Eagle Resources Inc. - Units	1,100,000.00	5,500,000.00
05/09/2011	37	Gold Bulion Development Corp. - Common Shares	4,782,089.53	7,976,103.00
05/19/2011	266	Goldsource Mines Inc. - Units	3,708,400.00	6,664,500.00
05/11/2011	3	Green Mountain Coffee Roasters, Inc. - Common Shares	3,809,803.20	8,189,544.00
07/16/2010	13	Greybrook Keystone LP - Limited Partnership Units	2,079,000.00	20,790.00
05/03/2010 to 04/27/2011	7	HSBC Canadian Dollar Liquidity Fund - Units	275,650,156.86	275,650,156.86
06/25/2010 to 02/04/2011	4	HSBC US Dollar Liquidity Fund - Units	19,606,435.30	18,858,985.00
05/16/2011	2	Hy-Power Nano Inc. - Debentures	1,500,000.00	2.00
05/16/2011 to 05/20/2011	32	IGW Real Estate Investment Trust - Units	1,949,074.99	N/A

Transaction Date		No of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/16/2011		2	Intelivote Systems Inc. - Common Shares	50,000.00	50,000.00
05/06/2011		4	Jack Cooper Holdings Corp. - Notes	4,902,867.45	4,950.00
05/16/2011		2	Jiayuan.com International Ltd. - American Depository Shares	1,600,995.00	150,000.00
05/06/2011		3	Kansas City Southern de Mexico, S.A. de C.V. - Notes	8,174,450.00	85,000.00
05/09/2011		2	Kennedy Road Hospitality - Units	12,171,668.00	12,171,668.00
05/16/2011 05/19/2011	to	4	KMX Corp. - Debentures	1,212,750.00	N/A
05/18/2011		4	Kneebone Inc. - Common Shares	110,181.96	87,446.00
05/12/2011		40	Korea Gas Corporation - Notes	299,934,000.00	N/A
05/26/2011		5	Laurentian GoldFields Ltd. - Common Shares	61,600.00	220,000.00
05/18/2011		6	LinkedIn Corporation - Common Shares	1,203,221.30	27,500.00
05/17/2011		51	Lower Mattagami Energy Limited Partnership - Bonds	475,000,000.00	475,000.00
05/16/2011		1	Mall 58 Limited Partnership - Unit	25,000.00	1.00
05/16/2011 05/20/2011	to	18	Member-Partners Solar Energy Limited Partnership - Units	835,000.00	835,000.00
05/11/2011		3	Milagro Oil & Gas, Inc. - Notes	5,597,683.20	3.00
06/01/2011		1	Mineral Mountain Resources Ltd. - Common Shares	980,000.00	2,000,000.00
05/11/2011		2	Mistras Group Inc. - Common Shares	4,982,640.00	3,264,401.00
05/16/2011		13	MM Acquisition Limited Partnership - Limited Partnership Units	4,035,000.00	403.50
05/03/2011 05/13/2011	to	14	Neptune Technologies & Bioressources Inc. - Common Shares	6,585,095.25	3,062,835.00
05/20/2011		6	NetShelter Technology Media Inc. - Preferred Shares	5,841,000.00	612,264.00
05/12/2011 05/19/2011	to	3	New Solutions Financial (II) Corporation - Debentures	483,189.40	3.00
04/26/2011		2	Nexage, Inc. - Preferred Shares	2,404,477.80	6,790,072.00
05/20/2011		10	Nordic Oil and Gas Ltd. - Debentures	158,000.00	158.00
05/19/2011		15	Northstar Gold Corp. - Flow-Through Units	759,000.00	9,487,500.00
05/04/2011 05/06/2011	to	21	Nova-Ethio Potash Corporation - Common Shares	2,135,000.00	8,540,000.00
05/11/2011		57	Ocean Park Ventures Corp. - Flow-Through Units	9,492,500.00	5,000,000.00
05/13/2010		17	OMT Inc. - Receipts	750,000.00	15,000,000.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
05/05/2011	38	Online Energy Inc. - Common Shares	4,245,700.00	8,000,000.00
05/24/2011	6	Open Access Limited - Common Shares	5,074,547.00	103,265,940.00
05/16/2011	9	Paget Minerals Corp. - Units	1,150,000.00	5,000,000.00
05/17/2011	1	PerspecSys Inc. - Preferred Shares	4,000,000.00	16,420,361.00
05/20/2011	41	Portal Resources Ltd. - Units	1,630,500.00	5,977,500.00
05/13/2011	23	Precision Enterprises Inc. - Common Shares	765,270.00	5,101,800.00
03/31/2011	1	Pretium Packaging, L.L.C./Pretium Finance, Inc. - Note	2,425,000.00	1.00
05/27/2011	1	Rainy River Resources Ltd. - Common Shares	101,500.00	10,000.00
05/27/2011	1	Rainy River Resources Ltd. - Common Shares	101,500.00	10,000.00
05/11/2011	1	Range Resources Corporation - Note	239,550.00	1.00
05/10/2011	9	Renaissance Repair and Supply Ltd. - Debentures	345,000.00	57,500.00
05/20/2011	267	Reservoir Minerals Inc. - Receipts	9,604,497.50	14,776,150.00
05/17/2011 to 05/20/2011	7	Residences at Quadra Village Limited Partnership - Units	595,000.00	595,000.00
05/12/2011	45	RMS Systems Inc. - Common Shares	7,361,000.00	10,825,000.00
05/10/2011	38	Roxgold Inc. - Units	7,500,000.00	10,000,000.00
05/26/2011 to 05/27/2011	4	Royal Bank of Canada - Notes	2,541,980.00	2,600.00
05/17/2011	3	R.R. Donnelley & Sons Company - Notes	11,483,275.00	11,750.00
03/01/2011	10	Sabina Gold & Silver Corp. - Common Shares	1,128,000.00	173,000.00
05/10/2011	1	Sanmina-SCI Corporation - Note	2,883,000.00	1.00
05/16/2011	58	Scandinavian Metals Inc. - Common Shares	1,916,147.25	N/A
05/10/2011	2	Shea Homes Limited Partnership/Shea Homes Funding Corp. - Notes	5,280,000.00	N/A
05/03/2011	13	Shield Gold Inc. - Units	228,500.00	2,285,000.00
05/06/2011	4	Shift Labs Inc. - Debentures	1,599,990.00	4.00
04/28/2011	1	Sino Prosper State Gold Resources Holdings Limited - Common Shares	842,278.00	18,000,000.00
05/10/2011	1	Sirona Dental Systems, Inc. - Common Shares	615,808.80	10,147,480.00
05/10/2011	4	Sphere Resources Inc. - Common Shares	368,133.29	7,229,523.00
05/13/2011	47	Stellar Pacific Ventures Inc. - Units	686,000.00	6,860,000.00
05/18/2011	156	Stryolution Group GmbH - Notes	665,951.10	665,952.00
05/16/2011	3	Syncapse Corp. - Preferred Shares	182,147.57	5,828,149.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
02/10/2011	3	The Geo Group Inc. - Notes	3,982,000.00	2,000.00
05/09/2011	1	The Goldman Sachs Group, Inc. - Notes	27,579,160.80	N/A
04/15/2011	3	The Sheridan Group, Inc. - Notes	11,731,200.00	3.00
05/20/2011	110	Thompson Creek Metals Company Inc. - Notes	340,725,000.00	N/A
05/11/2011	13	Threegold Resources Inc. - Units	1,050,000.00	3,500,000.00
05/18/2011	86	Traverse Energy Ltd. - Common Shares	5,574,593.25	6,531,128.00
05/12/2011	33	Trillium North Minerals Ltd. - Units	513,809.95	8,557,285.00
05/13/2011	1	UBS AG, Jersey Branch - Notes	46,749.60	50.00
05/09/2011	1	UBS AG, Jersey Branch - Notes	46,619.15	50.00
05/03/2011	1	UBS AG, Jersey Branch - Notes	234,355.45	234.00
05/11/2011	2	Unit Corporation - Notes	2,395,500.00	N/A
05/09/2011	4	Upper Canyon Minerals Corp. - Flow-Through Units	1,250,000.00	13,859,648.00
05/04/2011	15	Valterra Resource Corporation - Common Shares	159,000.00	3,180,000.00
05/10/2011	2	Vantex Resources Ltd. - Units	193,400.00	193.40
06/01/2011	6	Wallbridge Mining Company Limited - Flow-Through Shares	990,100.00	3,808,076.00
05/20/2011	34	Walton MD Potomac Crossing LP - Units	1,190,163.03	122,533.00
05/13/2011	53	Walton MD Potomac Crossing LP - Units	2,541,431.46	264,237.00
05/20/2011	34	Walton Silver Crossing Investment Corporation - Common Shares	1,026,060.00	102,606.00
05/13/2011	25	Walton Silver Crossing Investment Corporation - Common Shares	597,860.00	59,786.00
05/20/2011	9	Walton Silver Crossing LP. - Limited Partnership Units	1,274,763.26	131,243.00
05/17/2011	1	Wave Accounting Inc. - Common Shares	499,986.00	2,820.00
05/03/2011 to 05/04/2011	65	Yonge Green Lane Limited Partnership - Limited Partnership Units	50,000,000.00	50.00
05/24/2011	1	Yukon-Nevada Gold Corp. - Units	14,399,999.96	33,488,372.00
05/11/2011	2	Zelos Therapeutics Inc. - Notes	39,925.90	2.00
05/25/2011	1	Zoolander Corporation - Common Shares	17,500.00	87,500.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
ActiveIndex REIT Class
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Simplified Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 2, 2011
Offering Price and Description:
Series F Shares
Underwriter(s) or Distributor(s):
Middlefield Capital Corporation
Promoter(s):
Middlefield Limited
Project #1741576

Issuer Name:
Agnico-Eagle Mines Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated June 7, 2011
NP 11-202 Receipt dated June 7, 2011
Offering Price and Description:
US$500,000,000.00:
Debt Securities
Common Shares
Warrants
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1756157

Issuer Name:
Alter NRG Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
$40,000,000.00:
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1754416

Issuer Name:
Aston Hill Capital Growth Class
Aston Hill Capital Growth Fund
Aston Hill Global Convertible Bond Class
Aston Hill Global Convertible Bond Fund
Aston Hill Global Convertible Bond Trust
Aston Hill Global Resource Class
Aston Hill Growth & Income Class
Aston Hill Growth & Income Fund
Aston Hill Money Market Class
Aston Hill Money Market Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 2, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
Series A, F and I Shares and Series A, F and I Units
Underwriter(s) or Distributor(s):
Aston Hill Asset Management Inc.
Promoter(s):
Aston Hill Asset Management Inc.
Project #1755111

Issuer Name:
Beutel Goodman Global Equity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 2, 2011
Offering Price and Description:
Class B, D, F and I Units
Underwriter(s) or Distributor(s):
Beutel Goodman Managed Funds Inc.
Promoter(s):
Beutel Goodman Managed Funds Inc.
Project #1754350

Issuer Name:
Canadian Capital Auto Receivables Asset Trust II
Principal Regulator - Ontario
Type and Date:
Preliminary Base Shelf Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
Up to $4,000,000,000.00 of Auto Loan Receivables-Backed Notes
Underwriter(s) or Distributor(s):
-
Promoter(s):
Ally Credit Canada Limited
Project #1754056

Issuer Name:
Canadian Energy Convertible Debenture Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
Class A and Class F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
First Asset Investment Management Inc.
Project #1755186

Issuer Name:
Coxe Global Agribusiness Income Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated May 31, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
$* Maximum - * Units - Price: $10.00 per Unit - Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
Manulife Securities Incorporated
Wellington West Capital Markets Inc.
Promoter(s):
BMO Nesbitt Burns Inc.
Project #1751304

Issuer Name:
DevCorp Capital Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated June 3, 2011
NP 11-202 Receipt dated June 6, 2011
Offering Price and Description:
$300,000.00 - 3,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
MACQUARIE PRIVATE WEALTH INC.
Promoter(s):
Sidney Dutchak
Project #1755407

Issuer Name:
Everton Resources Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated June 7, 2011
NP 11-202 Receipt dated June 7, 2011
Offering Price and Description:
Minimum Offering: $5,000,000 - (* Units); Maximum Offering: $ * - (* Units) Price $* per Unit
Underwriter(s) or Distributor(s):
NCP NORTHLAND CAPITAL PARTNERS INC.
FRASER MACKENZIE LIMITED
STIFEL NICOLAUS CANADA INC.
D & D SECURITIES INC.
Promoter(s):
-
Project #1756202

Issuer Name:
FAMILY MEMORIALS INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 3, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
Maximum Offering: $4,870,000.00; Minimum Offering: $2,845,000.00 - 10% Convertible Secured Debentures Due June 15, 2016 PRICE: $1,000 PER DEBENTURE
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Scott C. Kellaway
Project #1755319

Issuer Name:
Fortis Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
$300,300,000.00 - 9,100,000 COMMON SHARES Price: $33.00 per Common Share
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
TD SECURITIES INC.
HSBC SECURITIES (CANADA) INC.
BEACON SECURITIES LIMITED
Promoter(s):
-
Project #1754038

Issuer Name:
Greater China Capital Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Long Form Prospectus dated June 3, 2011
NP 11-202 Receipt dated June 6, 2011
Offering Price and Description:
Minimum Offering: $3,000,000.00 (1,000,000 Common Shares / $1,500,000 Unsecured Convertible Debentures); Maximum Offering: $13,300,000.00 (1,200,000 Common Shares / $11,500,000 Unsecured Convertible Debentures) - Price: $1.50 per Common Share (post-Consolidation) and $5,000 Principal Amount Unsecured Convertible Debentures
Underwriter(s) or Distributor(s):
PORTFOLIO STRATEGIES SECURITIES INC.
Promoter(s):
JIANMIN CHEN
CHANGLIN QIN
Project #1672162

Issuer Name:
Iberian Minerals Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 3, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
$66,087,000.00 - 73,430,000 Registered Shares (aggregate par value CHF 3,671,500) Price: $0.90 per Offered Share
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
Cormark Securities Inc.
Promoter(s):
-
Project #1755200

Issuer Name:
Keyera Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated June 2, 2011
NP 11-202 Receipt dated June 2, 2011
Offering Price and Description:
$1,500,000,000.00:
Common Shares
Subscription Receipts
Debt Securities
Warrants
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1754707

Issuer Name:
Legumex Walker Inc.
Principal Regulator - Manitoba
Type and Date:
Preliminary Long Form Prospectus dated June 3, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
$* - * Common Share Price: $* per Common Share
Underwriter(s) or Distributor(s):
Cormark Securities Inc.
CIBC World Markets Inc.
Macquarie Capital Markets Canada Ltd.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
Agcom Services Ltd.
Ivan Sabourin Familty Trust
Project #1755193

Issuer Name:
Matrix Conservative Dividend & Income Fund
Matrix Diversified Income Fund (Corporate Class)
Matrix Explorer Fund (Corporate Class)
Matrix Monthly Pay Fund (Corporate Class)
Matrix Tax Deferred Income Fund
Matrix U.S. Equity Fund (Corporate Class)
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectuses dated May 30, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
Series A, F, T, I and O Shares, Class I and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Matrix Funds Management
Project #1754429

Issuer Name:
Nexen Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Base Shelf Prospectus dated June 7, 2011
NP 11-202 Receipt dated June 7, 2011
Offering Price and Description:
U.S.$4,000,000,000.00:
Common Shares
Class A Preferred Shares
Senior Debt Securities
Subordinated Debt Securities
Subscription Receipts
Warrants to Purchase Equity Securities
Warrants to Purchase Debt Securities
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1756083

Issuer Name:
OCP Credit Strategy Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 2, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
Maximum $* ; Maximum * Units - Price: $* per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P.
Canaccord Genuity Corp.
HSBC Securities (Canada) Inc.
Macquarie Capital Markets Canada Ltd.
Raymond James Ltd.
Mackie Research Capital Corporation
Wellington West Capital Inc.
Rothenberg Capital Management
Promoter(s):
OCP Credit Partners, LLC
Project #1754838

Issuer Name:
Primary Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
$* - * Units - Price: $* per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
GMP Securities L.P..
RBC Dominion Securities Inc.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Cormark Securities Inc.
Macquarie Capital Markets Canada Ltd.
Promoter(s):
-
Project #1755165

Issuer Name:
Sentry Select Primary Metals Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 3, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
$* - Maximum, Up to * Class A Shares Price: $* per Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Canaccord Genuity Corp.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
GMP Securities L.P..
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
Manulife Securities Incorporated
Wellington West Capital Markets Inc.
Promoter(s):
Sentry Investments Inc.
Project #1755161

Issuer Name:
Thoroughbred Capital Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated May 31, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
$400,000.00 - 4,000,000 Common Shares Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
FIN-XO Securities Inc.
Promoter(s):
Daniel Hilton
Michael Inskip
Project #1753537

Issuer Name:
Webb Enhanced Growth Fund
Webb Enhanced Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated May 30, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
Series A, Series F and Series I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Webb Asset Management Canada, Inc.
Project #1754913

Issuer Name:
Anderson Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
$40,000,000.00 - 7.25% Convertible Unsecured Subordinated Debentures Due June 30, 2017 PRICE: $1,000 PER DEBENTURE
Underwriter(s) or Distributor(s):
BMO NESBITT BURNS INC.
RBC DOMINION SECURITIES INC.
CORMARK SECURITIES INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
Promoter(s):
-
Project #1749879

Issuer Name:
BLUEROCK VENTURES CORP.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated May 30, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
$200,000.00 - 2,000,000 Common Shares
Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Clifford Mah
Project #1732934

Issuer Name:
BMO Energy Commodities Index ETF
BMO Agriculture Commodities Index ETF
BMO Base Metals Commodities Index ETF
BMO Precious Metals Commodities Index ETF
BMO S&P/TSX Equal Weight Banks Index ETF
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 12, 2011 to the
Long Form Prospectus dated January 24, 2011
NP 11-202 Receipt dated June 6, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
BMO ASSET MANAGEMENT INC.
Project #1672590

Issuer Name:
Brookfield Asset Management Inc.
Principal Regulator - Ontario
Type and Date:
Final Base Shelf Prospectus dated June 7, 2011
NP 11-202 Receipt dated June 7, 2011
Offering Price and Description:
US$1,000,000,000.00:
Debt Securities
Class A Preference Shares
Class A Limited Voting Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1736327

Issuer Name:
Canadian Scholarship Trust Family Savings Plan
Canadian Scholarship Trust Individual Savings Plan
Canadian Scholarship Trust Group Savings Plan 2001
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated May 31, 2011
NP 11-202 Receipt dated June 6, 2011
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
C.S.T. CONSULTANTS INC.
Promoter(s):
-
Project #1722271/1722225/1722337

Issuer Name:
Cline Mining Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 31, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
$75,020,000.00 - 27,280,000 Common Shares Price: $2.75 per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
GMP Securities L.P.
Jennings Capital Inc.
Cormark Securities Inc.
M Partners Inc.
Promoter(s):
-
Project #1748578

Issuer Name:
Great-West Lifeco Inc.
Principal Regulator - Manitoba
Type and Date:
Final Base Shelf Prospectus dated June 6, 2011
NP 11-202 Receipt dated June 6, 2011
Offering Price and Description:
$5,000,000,000.00:
Debt Securities (unsecured)
First Preferred Shares
Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1752529

Issuer Name:
Ivanhoe Energy Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated June 2, 2011
NP 11-202 Receipt dated June 2, 2011
Offering Price and Description:
$50,000,000.00 - 5.75% Convertible Unsecured Subordinated Debentures Per $1,000 principal amount of Debentures at $1,000
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RBC DOMINION SECURITIES INC.
UBS SECURITIES CANADA INC.
CIBC WORLD MARKETS INC.
BYRON CAPITAL MARKETS LTD.
Promoter(s):
-
Project #1750088

Issuer Name:
Units of the following Series
(Regular, Regular F, High Net Worth, High Net Worth F, Ultra High Net Worth
and Institutional Front End Load, Deferred Load and Low Load) of:
NexGen Canadian Cash Registered Fund
NexGen Canadian Bond Registered Fund
NexGen Canadian Diversified Income Registered Fund
NexGen Canadian Growth and Income Registered Fund
NexGen Canadian Balanced Growth Registered Fund
NexGen Canadian Dividend and Income Registered Fund
NexGen Canadian Large Cap Registered Fund
NexGen Canadian Growth Registered Fund
NexGen North American Large Cap Registered Fund
NexGen North American Growth Registered Fund
NexGen North American Small / Mid Cap Registered Fund
NexGen Global Value Registered Fund
NexGen Global Resource Registered Fund
NexGen Turtle Canadian Balanced Registered Fund
NexGen Turtle Canadian Equity Registered Fund
Shares of the Series of:
NexGen Canadian Cash Tax Managed Fund
Shares of the Series of
(Capital Gains Class, Return of Capital 40 Class, Dividend Tax Credit 40 Class and Compound Growth Class) of:
NexGen Turtle Canadian Balanced Tax Managed Fund
NexGen Turtle Canadian Equity Tax Managed Fund
Shares of the Series of
(Capital Gains Class, Return of Capital Class, Dividend Tax Credit Class and Compound Growth Class) of:
NexGen Canadian Bond Tax Managed Fund
(also Shares of the Series of Return of Capital 40 Class and Dividend Tax Credit 40 Class)
NexGen Canadian Diversified Income Tax Managed Fund
NexGen Canadian Growth and Income Tax Managed Fund
NexGen Canadian Balanced Growth Tax Managed Fund
NexGen Canadian Dividend and Income Tax Managed Fund
NexGen Canadian Large Cap Tax Managed Fund
NexGen Canadian Growth Tax Managed Fund
NexGen North American Large Cap Tax Managed Fund
NexGen North American Growth Tax Managed Fund
NexGen North American Small / Mid Cap Tax Managed Fund
NexGen Global Value Tax Managed Fund
NexGen Global Resource Tax Managed Fund
of
NexGen Investment Corporation
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 30, 2011
NP 11-202 Receipt dated June 3, 2011
Offering Price and Description:
Units of the following Series: Regular, Regular F, High Net Worth, High Net Worth F, Ulta High Net Worth and Institutional Front End Load, Deferred Load and Low Load
Underwriter(s) or Distributor(s):
NexGen Financial Limited Partnership
Promoter(s):
-
Project #1733317

Issuer Name:
POCML 1 INC.
Principal Regulator - Ontario
Type and Date:
Final CPC Prospectus dated June 1, 2011
NP 11-202 Receipt dated June 2, 2011
Offering Price and Description:
$410,000.00 - 2,050,000 Common Shares PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
MACQUARIE PRIVATE WEALTH INC.
Promoter(s):
-
Project #1735876

Issuer Name:
Primaris Retail Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 6, 2011
NP 11-202 Receipt dated June 6, 2011
Offering Price and Description:
$226,600,000.00 - 11,000,000 Subscription Receipts; $75,000,000.00 - 5.40% Extendible Convertible Unsecured Subordinated Debentures
Subscription Receipts
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
CANACCORD GENUITY CORP.
NATIONAL BANK FINANCIAL INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
Promoter(s):
-
Project #1751128

Issuer Name:
RBC Institutional Government – Plus Cash Fund
RBC Institutional Cash Fund
RBC Institutional US$ Cash Fund
RBC Institutional Long Cash Fund
(Series I, Series J and Series O units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 3, 2011
NP 11-202 Receipt dated June 6, 2011
Offering Price and Description:
Series I, Series J and Series O units
Underwriter(s) or Distributor(s):
-
Promoter(s):
RBC Global Asset Management Inc.
Project #1725569

Issuer Name:
Student Transportation Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 31, 2011
NP 11-202 Receipt dated June 1, 2011
Offering Price and Description:
US$60,000,000.00 - 6.25% Convertible Subordinated Unsecured Debentures Price: US$1,000 per Debenture
Underwriter(s) or Distributor(s):
SCOTIA CAPITAL INC.
NATIONAL BANK FINANCIAL INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
RAYMOND JAMES LTD.
WELLINGTON WEST CAPITAL MARKETS INC.
Promoter(s):
-
Project #1749246

Issuer Name:
UBS (Canada) Global Allocation Fund
(Series D Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 27, 2011
NP 11-202 Receipt dated June 7, 2011
Offering Price and Description:
Series D Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #1712439

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Amalgamation	IPC Investment Corporation and Partners in Planning Financial Services Ltd. To Form: IPC Investment Corporation	Mutual Fund Dealer and Exempt Market Dealer	June 1, 2011
New Registration	EMD Financial Inc.	Exempt Market Dealer	June 2, 2011
Change in Registration Category	Sprott Asset Management LP	From: Exempt Market Dealer and Portfolio Manager To: Exempt Market Dealer, Portfolio Manager and Investment Fund Manager	June 2, 2011
New Registration	TMX Select Inc.	Investment Dealer	June 3, 2011
Change in Registration Category	Provisus Wealth Management Limited	From: Portfolio Manager To: Portfolio Manager and Investment Fund Manager	June 7, 2011
Change in Registration Category	Leon Frazer & Associates Inc.	From: Portfolio Manager To: Portfolio Manager, Investment Fund Manager	June 7, 2011
New Registration	Milton Capital Partners Limited	Exempt Market Dealer	June 7, 2011

Change in Registration Category	Horizonone Asset Management Inc.	From: Portfolio Manager and Exempt Market Dealer To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	June 8, 2011

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