

The Ontario Securities Commission

# OSC Bulletin

April 6, 2012

Volume 35, Issue 14

(2012), 35 OSCB

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

**The Ontario Securities Commission**

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

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

Published under the authority of the Commission by:

**Carswell, a Thomson Reuters business**

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

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

Contact Centre - Inquiries, Complaints:  
Market Regulation Branch:  
Compliance and Registrant Regulation Branch

- Compliance:
- Registrant Regulation:

Corporate Finance Branch

- Team 1:
- Team 2:
- Team 3:
- Insider Reporting:
- Mergers and Acquisitions:

Enforcement Branch:

Executive Offices:  
General Counsel's Office:  
Investment Funds Branch:  
Office of the Secretary:

Fax: 416-593-8122  
Fax: 416-595-8940

Fax: 416-593-8240  
Fax: 416-593-8283

Fax: 416-593-8244  
Fax: 416-593-3683  
Fax: 416-593-8252  
Fax: 416-593-3666  
Fax: 416-593-8177

Fax: 416-593-8321  
Fax: 416-593-8241  
Fax: 416-593-3681  
Fax: 416-593-3699  
Fax: 416-593-2318



THOMSON REUTERS

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

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

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

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

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

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

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

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

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

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

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

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

© Copyright 2012 Ontario Securities Commission  
ISSN 0226-9325  
Except Chapter 7 ©CDS INC.



THOMSON REUTERS

---

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

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

# Table of Contents

<p><b>Chapter 1 Notices / News Releases ..... 3285</b></p> <p><b>1.1 Notices ..... 3285</b></p> <p>1.1.1 Current Proceedings before the Ontario Securities Commission ..... 3285</p> <p>1.1.2 Notice of Ministerial Approval of NI 25-101 Designated Rating Organizations and Consequential Amendments ..... 3294</p> <p>1.1.3 Notice of Ministerial Approval of Memorandum of Understanding on the Cooperation of Competent Authorities for the Supervision of Credit Rating Agencies ..... 3295</p> <p>1.1.4 Notice of Ministerial Amendments to NI 81-102 Mutual Funds and Companion Policy 81-102CP, NI 81-106 Investment Fund Continuous Disclosure, NI 81-101 Mutual Fund Prospectus Disclosure and NI 41-101 General Prospectus Requirements ..... 3296</p> <p>1.1.5 Notice of Ministerial Approval of Memorandum of Understanding with Australian Securities and Investments Commission ..... 3297</p> <p>1.1.6 OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments ..... 3298</p> <p><b>1.2 Notices of Hearing ..... 3300</b></p> <p>1.2.1 Nicholas David Reeves – ss. 127(1), 127(10) ..... 3300</p> <p>1.2.2 Colby Cooper Capital Inc. et al. – ss. 37, 127(1) and 127.1 ..... 3304</p> <p>1.2.3 Normand Gauthier et al. – ss. 127(1), 127.1 ..... 3310</p> <p>1.2.4 Beryl Henderson – ss. 127, 127.1 ..... 3315</p> <p>1.2.5 Energy Syndications Inc. et al. – ss. 127, 127.1 ..... 3318</p> <p>1.2.6 Morgan Dragon Development Corp. et al. – ss. 127(1), 127(10) ..... 3324</p> <p>1.2.7 Morgan Dragon Development Corp. et al. – ss. 127(1), 127.1 ..... 3329</p> <p>1.2.8 Frank Andrew Devcich and Gobinder Kular Singh – s. 127 ..... 3331</p> <p><b>1.3 News Releases ..... (nil)</b></p> <p><b>1.4 Notices from the Office of the Secretary ..... 3334</b></p> <p>1.4.1 L. Jeffrey Pogachar et al. .... 3334</p> <p>1.4.2 Global Energy Group, Ltd. et al. .... 3334</p> <p>1.4.3 Nicholas David Reeves ..... 3335</p> <p>1.4.4 Abitibowater Inc. doing business as Resolute Forest Products and Fibrek Inc. .... 3335</p> <p>1.4.5 Colby Cooper Capital Inc. et al. .... 3336</p> <p>1.4.6 Normand Gauthier et al. .... 3336</p> <p>1.4.7 North American Financial Group Inc. et al. .... 3337</p>	<p>1.4.8 Firestar Capital Management Corp. et al. .... 3337</p> <p>1.4.9 Carmine Domenicucci ..... 3338</p> <p>1.4.10 Beryl Henderson ..... 3338</p> <p>1.4.11 Abitibowater Inc. doing business as Resolute Forest Product and Fibrek Inc. .... 3339</p> <p>1.4.12 Energy Syndications Inc. et al. .... 3339</p> <p>1.4.13 Rezwealth Financial Services Inc. et al. .... 3340</p> <p>1.4.14 Morgan Dragon Development Corp. et al. .... 3340</p> <p>1.4.15 Fibrek Inc. and the Toronto Stock Exchange ..... 3341</p> <p>1.4.16 Frank Andrew Devcich and Gobinder Kular Singh ..... 3341</p> <p><b>Chapter 2 Decisions, Orders and Rulings ..... 3343</b></p> <p><b>2.1 Decisions ..... 3343</b></p> <p>2.1.1 Futuremed Healthcare Products Corporation – s. 1(10) ..... 3343</p> <p>2.1.2 Davis Distributors, LLC ..... 3344</p> <p>2.1.3 Invesco Canada Ltd. and Invesco Intactive Strategic Capital Yield Portfolio Class ..... 3346</p> <p>2.1.4 Abitibowater Inc. doing business as Resolute Forest Product and Fibrek Inc. .... 3349</p> <p>2.1.5 Mawer Investment Management Ltd. .... 3350</p> <p>2.1.6 Invesco Canada Ltd. and Invesco Intactive Strategic Yield Portfolio ..... 3353</p> <p>2.1.7 Mawer Investment Management Ltd. .... 3357</p> <p>2.1.8 NB Split Corp. – s. 1(10) ..... 3363</p> <p>2.1.9 Anvil Mining Limited – s. 1(10) ..... 3364</p> <p>2.1.10 CANMARC Real Estate Investment Trust ..... 3365</p> <p>2.1.11 Desjardins Investments Inc. and the Desjardins Completion Investments Fund ..... 3367</p> <p>2.1.12 Fiera Sceptre Inc. and the Pooled Funds ..... 3370</p> <p>2.1.13 Grande Cache Coal Corporation – s. 1(10)(a)(ii) ..... 3376</p> <p>2.1.14 Toreador Resources Corporation – s. 1(10) ..... 3377</p> <p><b>2.2 Orders ..... 3378</b></p> <p>2.2.1 Global Energy Group, Ltd. et al. – ss. 127(2), 144 ..... 3378</p> <p>2.2.2 Rencore Resources Ltd. – s. 1(10)(a)(ii) ..... 3379</p> <p>2.2.3 North American Financial Group Inc. et al. – s. 127 ..... 3379</p> <p>2.2.4 Firestar Capital Management Corp. et al. – s. 127 ..... 3380</p> <p>2.2.5 Carmine Domenicucci – ss. 128(1), 127.1(1) ..... 3382</p> <p>2.2.6 Rezwealth Financial Services Inc. et al. – s. 127 ..... 3384</p>
--	---

---

**Table of Contents**

---

2.2.7	Fibrex Inc. and the Toronto Stock Exchange – s. 21.7 .....	3385
2.2.8	Investment Industry Regulatory Organization of Canada – s. 147 of the Act and s. 80 of the CFA .....	3386
<b>2.3</b>	<b>Rulings .....</b>	<b>(nil)</b>
<b>Chapter 3</b>	<b>Reasons: Decisions, Orders and Rulings .....</b>	<b>3389</b>
<b>3.1</b>	<b>OSC Decisions, Orders and Rulings .....</b>	<b>3389</b>
3.1.1	L. Jeffrey Pogachar et al. – ss. 127, 127.1 .....	3389
3.1.2	Carmine Domenicucci .....	3405
<b>3.2</b>	<b>Court Decisions, Order and Rulings .....</b>	<b>(nil)</b>
<b>Chapter 4</b>	<b>Cease Trading Orders .....</b>	<b>3413</b>
4.1.1	Temporary, Permanent & Rescinding Issuer Cease Trading Orders .....	3413
4.2.1	Temporary, Permanent & Rescinding Management Cease Trading Orders .....	3413
4.2.2	Outstanding Management & Insider Cease Trading Orders .....	3413
<b>Chapter 5</b>	<b>Rules and Policies .....</b>	<b>3415</b>
5.1.1	Amendments to NI 81-102 Mutual Funds and Companion Policy NI-81-102CP .....	3415
5.1.2	Amendments to NI 81-106 Investment Fund Continuous Disclosure .....	3428
5.1.3	Amendments to NI 81-101 Mutual Fund Prospectus Disclosure .....	3429
5.1.4	Amendments to NI 41-101 General Prospectus Requirements .....	3431
<b>Chapter 6</b>	<b>Request for Comments .....</b>	<b>(nil)</b>
<b>Chapter 7</b>	<b>Insider Reporting .....</b>	<b>3433</b>
<b>Chapter 8</b>	<b>Notice of Exempt Financings .....</b>	<b>3549</b>
	Reports of Trades Submitted on Forms 45-106F1 and 45-501F1 .....	3549
<b>Chapter 9</b>	<b>Legislation .....</b>	<b>(nil)</b>
<b>Chapter 11</b>	<b>IPOs, New Issues and Secondary Financings .....</b>	<b>3559</b>
<b>Chapter 12</b>	<b>Registrations .....</b>	<b>3569</b>
12.1.1	Registrants .....	3569
<b>Chapter 13</b>	<b>SROs, Marketplaces and Clearing Agencies .....</b>	<b>3571</b>
<b>13.1</b>	<b>SROs .....</b>	<b>(nil)</b>
<b>13.2</b>	<b>Marketplaces .....</b>	<b>3571</b>
13.2.1	Omega ATS - Notice of Proposed Changes and Request for Comment .....	3571
<b>13.3</b>	<b>Clearing Agencies .....</b>	<b>(nil)</b>
<b>Chapter 25</b>	<b>Other Information .....</b>	<b>(nil)</b>
<b>Index .....</b>		<b>3573</b>

# Chapter 1

## Notices / News Releases

### 1.1 Notices

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

April 6, 2012

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

-----

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

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

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

#### CDS

#### TDX 76

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

M. -----

#### THE COMMISSIONERS

Howard I. Wetston, Chair	—	HIW
James E. A. Turner, Vice Chair	—	JEAT
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 B. Kavanagh	—	SBK
Kevin J. Kelly	—	KJK
Paulette L. Kennedy	—	PLK
Edward P. Kerwin	—	EPK
Vern Krishna	—	VK
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
Charles Wesley Moore (Wes) Scott	—	CWMS

### SCHEDULED OSC HEARINGS

April 10, 2012	2:30 p.m.	North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti
April 19, 2012	3:00 p.m.	s. 127 M. Vaillancourt in attendance for Staff Panel: MGC
April 11, 2012	10:00 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: CP
April 11, 2012	11:00 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: CP
April 11, 2012	11:30 a.m.	Energy Syndications Inc. Green Syndications Inc., Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock s. 127 C. Johnson in attendance for Staff Panel: CP

April 12, 2012 10:00 a.m.	<b>Alexander Christ Doulis (aka Alexander Christos Doulis, aka Alexandros Christodoulidis) and Liberty Consulting Ltd.</b>  s. 127  S. Horgan in attendance for Staff  Panel: CP	April 18, 2012 10:00 a.m.	<b>Sextant Capital Management Inc., Sextant Capital GP Inc., Otto Spork, Robert Levack and Natalie Spork</b>  s. 127  T. Center in attendance for Staff  Panel: JDC
April 12, 2012 10:00 a.m.	<b>Fibretek Inc.</b>  S. 21.7  J. Waechter in attendance for Staff  Panel: JEAT	April 19, 2012 3:00 p.m.	<b>Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths</b>  s. 127  J. Feasby in attendance for Staff  Panel: JEAT
April 13, 2012 10:00 a.m.	<b>International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll.</b>  s. 127  C. Watson in attendance for Staff  Panel: MGC	April 20, 2012 10:00 a.m.	<b>Frank Andrew Devcich and Gobinder Kular Singh</b>  s. 127  J. Feasby in attendance for Staff  Panel: JEAT
April 16, 2012 10:00 a.m.	<b>Bunting &amp; Waddington Inc., Arvind Sanmugam, Julie Winget and Jenifer Brekelmans</b>  s. 127  S. Schumacher in attendance for Staff  Panel: JEAT	April 23, 2012 10:00 a.m.	<b>Lehman Brothers &amp; Associates Corp., Greg Marks, Kent Emerson Lounds and Gregory William Higgins</b>  s. 127  C. Rossi in attendance for Staff  Panel: CP/CWMS
April 17, 2012 10:00 a.m.	<b>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</b>  s. 37, 127 and 127.1  C. Watson in attendance for Staff  Panel: PLK/JNR	April 23, 2012 10:00 a.m.	<b>Nicholas David Reeves</b>  s. 127  J. Feasby in attendance for Staff  Panel: JEAT

April 23, 2012 11:00 a.m.	<b>Colby Cooper Capital Inc. Colby Cooper Inc., Pac West Minerals Limited John Douglas Lee Mason</b>	May 1, 2012 10:00 a.m.	<b>Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon and Alex Elin</b>
	s. 127  B. Shulman in attendance for Staff  Panel: JEAT		s. 127  T. Center in attendance for Staff  Panel: MGC/SOA
April 25, April 27, May 3-7, May 11, May 17-18, June 4 and June 7, 2012  10:00 a.m.	<b>Irwin Boock, Stanton Defreitas, Jason Wong, Saudia Allie, Alena Dubinsky, Alex Khodjaiants, Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd., Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group</b>	May 2, 2012  11:30 a.m.	<b>Beryl Henderson</b>  s. 127  S. Schumacher in attendance for Staff  Panel: JEAT
	s. 127 and 127.1  D. Campbell in attendance for Staff  Panel: VK	May 3, 2012  10:00 a.m.	<b>Cicccone Group, Medra Corp. (a.k.a. Medra Corporation), 990509 Ontario Inc., Tadd Financial Inc., Cachet Wealth Management Inc., Vincent Cicccone (a.k.a. Vince Cicccone), Darryl Brubacher, Andrew J Martin, Steve Haney, Klaudiusz Malinowski, and Ben Giangrosso</b>  s. 127  M. Vaillancourt in attendance for Staff  Panel: JEAT
April 27, 2012  10:00 a.m.	<b>Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP</b>	May 9-18 and May 23-25, 2012  10:00 a.m.	<b>Crown Hill Capital Corporation and Wayne Lawrence Pushka</b>  s. 127  A. Perschy in attendance for Staff  Panel: JEAT/CP/JNR
	s. 127  B. Shulman in attendance for Staff  Panel: JEAT		
April 30, 2012  11:00 a.m.	<b>Rezwealth Financial Services Inc., Pamela Ramoutar, Justin Ramoutar, Tiffin Financial Corporation, Daniel Tiffin, 2150129 Ontario Inc., Sylvan Blackett, 1778445 Ontario Inc. and Willoughby Smith</b>	May 16-18, May 23-25, June 4 and June 6, 2012  10:00 a.m.	<b>Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk</b>  s. 37, 127 and 127.1  C. Price in attendance for Staff  Panel: JDC/MCH
May 1-7, May 9- 18 and May 23- 25, 2012  10:00 a.m.	s. 127(1) and (5)  A. Heydon in attendance for Staff  Panel: EPK		

May 29 – June 1, 2012 10:00 a.m.	<b>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”</b>  s. 127  B. Shulman in attendance for Staff  Panel: JEAT	June 22, 2012 10:00 a.m.	<b>New Hudson Television Corporation, New Hudson Television L.L.C. &amp; James Dmitry Salganov</b>  s. 127  C. Watson in attendance for Staff  Panel: TBA
June 4, June 6-18, and June 20-26, 2012 10:00 a.m.	<b>Peter Sbaraglia</b>  s. 127  J. Lynch in attendance for Staff  Panel: TBA	September 4-10, September 12-14, September 19-24, and September 26 – October 5, 2012 10:00 a.m.	<b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b>  s. 127  H Craig in attendance for Staff  Panel: TBA
June 7, 2012 11:30 a.m.	<b>Systematech Solutions Inc., April Vuong and Hao Quach</b>  s. 127  J. Feasby in attendance for Staff  Panel: JEAT	September 5-10, September 12-14 and September 19-21, 2012 10:00 a.m.	<b>Vincent Ciccone and Medra Corp.</b>  s. 127  M. Vaillancourt in attendance for Staff  Panel: TBA
June 18 and June 20-22, 2012 10:00 a.m.	<b>Shallow Oil &amp; Gas Inc., Eric O’Brien, Abel Da Silva, Gurdip Singh Gahunia aka Michael Gahunia and Abraham Herbert Grossman aka Allen Grossman</b>  s. 127(7) and 127(8)  H. Craig in attendance for Staff  Panel: PLK	September 21, 2012 10:00 a.m.	<b>Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang</b>  s. 127 and 127.1  H. Craig in attendance for Staff  Panel: TBA
June 21, 2012 10:00 a.m.	<b>M P Global Financial Ltd., and Joe Feng Deng</b>  s. 127 (1)  M. Britton in attendance for Staff  Panel: MCH	September 24, September 26 – October 5 and October 10-19, 2012 10:00 a.m.	<b>New Found Freedom Financial, Ron Deonarine Singh, Wayne Gerard Martinez, Pauline Levy, David Whidden, Paul Swaby and Zompas Consulting</b>  s. 127  A. Heydon in attendance for Staff  Panel: TBA



October 19, 2012  
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

C. Watson in attendance for Staff

Panel: PLK

October 22 and October 24 – November 5, 2012

**MBS Group (Canada) Ltd., Balbir Ahluwalia and Mohinder Ahluwalia**

s. 37, 127 and 127.1

10:00 a.m. C. Rossi in attendance for staff

Panel: TBA

November 5, 2012  
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

B. Shulman in attendance for Staff

Panel: TBA

November 12-19 and November 21, 2012  
10:00 a.m.

**Sandy Winick, Andrea Lee Mccarthy, Kolt Curry, Laura Mateyak, Gregory J. Curry, American Heritage Stock Transfer Inc., American Heritage Stock Transfer, Inc., BFM Industries Inc., Liquid Gold International Inc., and Nanotech Industries Inc.**

s. 127

J. Feasby in attendance for Staff

Panel: TBA

November 21 – December 3 and December 5-14, 2012

**Bernard Boily**

s. 127 and 127.1

10:00 a.m.

M. Vaillancourt/U. Sheikh in attendance for Staff

Panel: TBA

January 7 – February 5, 2013

**Jowdat Waheed and Bruce Walter**

s. 127

10:00 a.m.

J. Lynch 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	<p><b>Frank Dunn, Douglas Beatty, Michael Gollogly</b></p> <p>s. 127</p> <p>K. Daniels in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</b></p> <p>s. 127 and 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Abel Da Silva</b></p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, 1725587 Ontario Inc. carrying on business as Health and Harmony, Harmony Club Inc., Donald Iain Buchanan, Lisa Buchanan and Sandra Gale</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng)</b></p> <p>s. 127</p> <p>T. Center/D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Shane Suman and Monie Rahman</b></p> <p>s. 127 and 127(1)</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</b></p> <p>s. 127</p> <p>H. Craig/C.Rossi in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Gold-Quest International, Health and Harmony, Iain Buchanan and Lisa Buchanan</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Paul Donald</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p><b>Access Automation LLC, Axxess Fund Management, LLC, Axxess 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</b></p> <p>s. 127</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>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</b></p> <p>s. 127</p> <p>H. Craig/C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>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</b></p> <p>s. 127(1) and 127(5)</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</b></p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun</b></p> <p>s. 127</p> <p>C. Price in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>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)</b></p> <p>s. 127</p> <p>J. Lynch/S. Chandra in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov</b></p> <p>s. 127</p> <p>D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Richvale Resource Corp., Marvin Winick, Howard Blumenfeld, John Colonna, Pasquale Schiavone, and Shafi Khan</b></p> <p>s. 127(7) and 127(8)</p> <p>J. Feasby in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p><b>Simply Wealth Financial Group Inc., Naida Allarde, Bernardo Giangrosso, K&amp;S Global Wealth Creative Strategies Inc., Kevin Persaud, Maxine Lobban and Wayne Lobban</b></p> <p>s. 127 and 127.1</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Zungui Haixi Corporation, Yanda Cai and Fengyi Cai</b></p> <p>s. 127</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>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.</b></p> <p>s. 127</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>David M. O'Brien</b></p> <p>s. 37, 127 and 127.1</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert</b></p> <p>s. 127</p> <p>S. Schumacher in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b></p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Sage Investment Group, C.A.D.E Resources Group Inc., Greenstone Financial Group, Fidelity Financial Group, Antonio Carlos Neto David Oliveira, and Anne Marie Ridley</b></p> <p>s. 127</p> <p>C. Watson in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p><b>Maitland Capital Ltd., Allen Grossman, Hanoch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow</b></p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p><b>Maitland Capital Ltd., Allen Grossman, Hanoch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Dianna Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow</b></p> <p>s. 127 and 127.1</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>

TBA            **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: TBA

TBA            **Eda Marie Agueci, Dennis Wing, Santo Iacono, Josephine Raponi, Kimberley Stephany, Henry Fiorillo, Giuseppe (Joseph) Fiorini, John Serpa, Ian Telfer, Jacob Gornitzki and Pollen Services Limited**

s. 127

J, Waechter/U. Sheikh in attendance for Staff

Panel: TBA

TBA            **Empire Consulting Inc. and Desmond Chambers**

s. 127

D. Ferris in attendance for Staff

Panel: TBA

TBA            **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: TBA

TBA            **Shaun Gerard McErlean, Securus Capital Inc., and Acquiesce Investments**

s. 127

M. Britton in attendance for Staff

Panel: VK/JDC

TBA            **Moncasa Capital Corporation and John Frederick Collins**

s. 127

T. Center in attendance for Staff

Panel: TBA

TBA            **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

**ADJOURNED SINE DIE**

**Global Privacy Management Trust and Robert Cranston**

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

**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. Boulton and Peter Y. Atkinson**

## 1.1.2 Notice of Ministerial Approval of NI 25-101 Designated Rating Organizations and Consequential Amendments

### NOTICE OF MINISTERIAL APPROVAL OF NATIONAL INSTRUMENT 25-101 *DESIGNATED RATING ORGANIZATIONS* AND CONSEQUENTIAL AMENDMENTS

#### Ministerial approval of certain rules

On March 23, 2012, the Minister of Finance approved, pursuant to section 143.3 of the *Securities Act* (Ontario) (the **Act**):

- National Instrument 25-101 *Designated Rating Organizations* (**NI 25-101**), and
- related consequential amendments to:
  - National Instrument 41-101 *General Prospectus Requirements*
  - National Instrument 44-101 *Short Form Prospectus Distributions*
  - National Instrument 51-102 *Continuous Disclosure Obligations*

(collectively, the **Consequential Amendments**).

NI 25-101 and the Consequential Amendments have an effective date of **April 20, 2012**.

Previously, original materials related to NI 25-101 and the Consequential Amendments were delivered to the Minister of Finance on January 25, 2012. No approval was given by the Minister with regard to the original version. A revised version of NI 25-101 and the Consequential Amendments with non-material drafting changes designed to achieve uniformity of drafting across Canada replaced the original materials and was delivered to the Minister of Finance on March 2, 2012 and published in the Bulletin on March 9, 2012 at (2012) 35 OSCB 2383.

#### Commission approval of related policy

In connection with this initiative, the Ontario Securities Commission adopted on December 20, 2011, pursuant to section 143.8 of the Act, National Policy 11-205 *Process for Designation of Credit Rating Organizations in Multiple Jurisdictions* (**NP 11-205**). NP 11-205 will become effective on the same date as NI 25-101 and the Consequential Amendments.

**April 6, 2012**

**1.1.3 Notice of Ministerial Approval of Memorandum of Understanding on the Cooperation of Competent Authorities for the Supervision of Credit Rating Agencies**

**NOTICE OF MINISTERIAL APPROVAL OF  
MEMORANDUM OF UNDERSTANDING ON THE COOPERATION OF COMPETENT AUTHORITIES FOR THE  
SUPERVISION OF CREDIT RATING AGENCIES**

On March 23, 2012, the Minister of Finance approved, pursuant to section 143.10 of the *Securities Act* (Ontario) (the **Act**), the Supervisory Memorandum of Understanding (the **Supervisory MOU**) between the Ontario Securities Commission and the European Security Markets Authority, together with the Autorité des marchés financiers du Québec and the British Columbia Securities Commission. The Supervisory MOU is intended to facilitate regulatory cooperation related to the day-to-day supervision and oversight of credit rating agencies that operate in both the European Union and Canada.

The Supervisory MOU will come into force in Ontario on April 20, 2012. The Supervisory MOU signed by the Ontario Securities Commission, Autorité des marchés financiers du Québec, British Columbia Securities Commission and the European Security Markets Authority was published in the Bulletin on March 16, 2012 at (2012) 35 OSCB 2556.

**April 6, 2012**

**1.1.4 Notice of Ministerial Amendments to NI 81-102 Mutual Funds and Companion Policy 81-102CP, NI 81-106 Investment Fund Continuous Disclosure, NI 81-101 Mutual Fund Prospectus Disclosure and NI 41-101 General Prospectus Requirements**

**NOTICE OF MINISTERIAL APPROVAL OF AMENDMENTS TO**

**NATIONAL INSTRUMENT 81-102 *MUTUAL FUNDS*  
AND COMPANION POLICY 81-102CP**

**AND TO**

**NATIONAL INSTRUMENT 81-106 *INVESTMENT FUND CONTINUOUS DISCLOSURE***

**AND TO**

**NATIONAL INSTRUMENT 81-101 *MUTUAL FUND PROSPECTUS DISCLOSURE***

**AND TO**

**NATIONAL INSTRUMENT 41-101 *GENERAL PROSPECTUS REQUIREMENTS***

On March 23, 2012, the Minister of Finance approved amendments (the Amendments) made by the Ontario Securities Commission to the following rules and policy:

- National Instrument 81-102 *Mutual Funds* and Companion Policy 81-102CP – *To National Instrument 81-102 Mutual Funds*;
- National Instrument 81-106 *Investment Fund Continuous Disclosure*;
- National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;
- National Instrument 41-101 *General Prospectus Requirements*.

The Amendments were made by the Commission on January 17, 2012, and were published in Chapter 5 of the Bulletin on February 10, 2012. The Amendments come into force on April 30, 2012. The text of the Amendments is reproduced in Chapter 5 of this Bulletin.

**April 6, 2012**



**1.1.5 Notice of Ministerial Approval of Memorandum of Understanding with Australian Securities and Investments Commission**

**NOTICE OF MINISTERIAL APPROVAL**

**MEMORANDUM OF UNDERSTANDING  
WITH AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION  
CONCERNING CONSULTATION, COOPERATION AND THE EXCHANGE OF INFORMATION  
RELATED TO THE SUPERVISION OF CROSS-BORDER REGULATED ENTITIES**

On March 23, 2012, the Minister of Finance approved the memorandum of understanding entered into between the Ontario Securities Commission and the Australian Securities and Investments Commission, and certain other provincial securities regulators. The MOU is intended to promote regulatory cooperation in the supervision of regulated entities that operate in both Australia and Canada. It sets out a framework for consultation, cooperation and information-sharing related to the day-to-day supervision and oversight of regulated entities.

The MOU came into effect on March 23, 2012. The MOU was published in the Bulletin on February 17, 2012 at (2012) 35 OSCB 1660.

Questions may be referred to:

Tula Alexopoulos  
Director  
Office of Domestic and International Affairs  
Tel: 416-593-8084  
E-mail: [talexopoulos@osc.gov.on.ca](mailto:talexopoulos@osc.gov.on.ca)

**April 6, 2012**

1.1.6 OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of March 31, 2012 has been posted to the OSC Website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Reformulation

Instrument	Title	Status
	None	

New Instruments

Instrument	Title	Status
13-315	Securities Regulatory Authority Closed Dates 2012 (Revised)	<i>Published January 6, 2012</i>
11-739	Policy Reformulation Table of Concordance and List of New Instruments (Revised)	<i>Published January 6, 2012</i>
15-705	Notice of Extension of Time for Public Comment on Proposed Enforcement Initiatives and Continuation of Public Consultation through a Policy Hearing	<i>Published January 20, 2012</i>
51-327	Guidance on Oil and Gas Disclosure (Revised)	<i>Published January 20, 2012</i>
25-101	Designated Rating Agencies	<i>Commission approval published January 27, 2012</i>
41-101	General Prospectus Requirements– Amendments (tied to 25-101)	<i>Commission approval published January 27, 2012</i>
44-101	Short Form Prospectus Distributions – Amendments (tied to 25-101)	<i>Commission approval published January 27, 2012</i>
51-102	Continuous Disclosure Obligations – Amendments (tied to 25-101)	<i>Commission approval published January 27, 2012</i>
11-742	Securities Advisory Committee (Revised)	<i>Published February 3, 2012</i>
31-103	Registration Requirements, Exemptions and Ongoing Registrant Obligations- Amendments	<i>Ministerial approval published February 10, 2012</i>
81-102	Mutual Funds – Amendments	<i>Commission approval of amendments published February 10, 2012</i>

**New Instruments**

81-106	Investment Fund Continuous Disclosure – Amendments (tied to 81-102)	<b>Commission approval of amendments published February 10, 2012</b>
81-101	Mutual Fund Prospectus Disclosure – Amendments (tied to 81-102)	<b>Commission approval of amendments published February 10, 2012</b>
41-101	General Prospectus Requirements – Amendments (tied to 81-102)	<b>Commission approval of amendments published February 10, 2012</b>
52-306	Non-GAAP Financial Measures and Additional GAAP Measures (Revised)	<b>Published February 17, 2012</b>
91-404	Derivatives: Segregation and Portability in OTC Derivatives Clearing	<b>Published February 17, 2012</b>
52-720	Office of the Chief Accountant – Financial Reporting Bulletin – February 2012	<b>Published February 24, 2012</b>
23-312	CSA/IIROC Joint Notice – Transparency of Short Selling and Failed Trades	<b>Request for comment published March 2, 2012</b>
41-307	Corporate Finance Prospectus Guidance – Concerns regarding an issuer’s financial condition and the sufficiency of proceeds from a prospectus offering	<b>Published March 2, 2012</b>
25-101	Revised Notice of Delivery of NI 25-101 – Designated Rating Agencies	<b>Published March 9, 2012</b>
21-101	Marketplace Operation – Amendments	<b>Commission approval published March 23, 2012</b>
23-101	Trading Rules – Amendments	<b>Commission approval published March 23, 2012</b>
21-501	Deferral of Information Transparency Requirements for Government Debt Securities in NI 21-101	<b>Commission approval of repeal published March 23, 2012</b>
11-766	Ontario Securities Commission – Statement of Priorities	<b>Published for comment March 30, 2012</b>
81-320	Update on International Financial Reporting Standards for Investment Funds (Revised)	<b>Published March 30, 2012</b>
51-719	Emerging Markets Issuers Review	<b>Published March 30, 2012</b>

For further information, contact:  
 Darlene Watson  
 Project Coordinator  
 Ontario Securities Commission  
 416-593-8148

April 6, 2012

**1.2 Notices of Hearing**

**1.2.1 Nicholas David Reeves – ss. 127(1), 127(10)**

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

**AND**

**IN THE MATTER OF  
NICHOLAS DAVID REEVES**

**NOTICE OF HEARING  
(Subsections 127(1) and 127(10))**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the “Act”) at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing at 10:00am on April 23, 2012, or as soon thereafter as the hearing can be held;

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

1. to make an order pursuant to clause 2 of subsection 127(1) of the Act that trading in any securities by Nicholas David Reeves (“Reeves”) cease permanently or for such period as the Commission may determine;
2. to make an order pursuant to clause 2.1 of subsection 127(1) of the Act that the acquisition of any securities by Reeves be prohibited permanently or for such a period as the Commission may determine;
3. to make an order pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to Reeves permanently or for such period as the Commission may determine;
4. to make an order pursuant to clause 7 of subsection 127(1) of the Act that Reeves resign any positions that he holds as director or officer of an issuer;
5. to make an order pursuant to clause 8 of subsection 127(1) of the Act that Reeves be prohibited from becoming or acting as an officer or director of an issuer permanently or for such period as the Commission may determine;
6. to make an order pursuant to clause 8.1 of subsection 127(1) of the Act that Reeves resign any position that he holds as director or officer of a registrant;
7. to make an order pursuant to clause 8.2 of subsection 127(1) of the Act that Reeves be prohibited from becoming or acting as an officer or director of any registrant permanently or for such period as the Commission may determine;
8. to make an order pursuant to clause 8.3 of subsection 127(1) of the Act that Reeves resign any position that he holds as director or officer of an investment fund manager;
9. to make an order pursuant to clause 8.4 of subsection 127(1) of the Act that Reeves be prohibited from becoming or acting as an officer or director of any investment fund manager permanently or for such period as the Commission may determine;
10. to make an order pursuant to clause 8.5 of subsection 127(1) of the Act that Reeves is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter; and,
11. to make such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff dated March 22, 2012, and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 22nd day of March, 2012.

“John Stevenson”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
NICHOLAS DAVID REEVES**

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

Staff of the Ontario Securities Commission ("Staff") allege:

**I. THE RESPONDENT**

1. Nicholas David Reeves ("Reeves") is a resident of Calgary, Alberta. Reeves was at all material times the sole director and shareholder of 1087044 Alberta Ltd.

**II. THE ALLEGATIONS**

**The Alberta Securities Commission Proceedings**

2. Reeves is subject to an order by the Alberta Securities Commission (the "ASC Order"; the "ASC") imposing sanctions upon him, issued on February 28, 2011.
3. The conduct for which Reeves was sanctioned took place from 2006 through 2009 and involved the illegal distribution of securities in Alberta, making misrepresentations to investors, perpetrating a fraud on Alberta investors and acting contrary to both the public interest and the Alberta *Securities Act*, R.S.A. 2000, c. S-4, as amended (the "ASA").
4. Between November 1 and 3, 2010, a panel of the ASC conducted a hearing and in written reasons released on December 14, 2010, made the following findings against Reeves:
  - a. Reeves illegally distributed securities in Alberta in contravention of section 110 of the ASA;
  - b. Reeves contravened section 92(4.1) of the ASA by making a misrepresentation to at least one Alberta investor;
  - c. Reeves contravened section 93 of the ASA by perpetrating a fraud on Alberta investors; and,
  - d. in doing so acted contrary to the public interest.
5. The findings of the ASC were based on the following factual findings:
  - a. In or around 2006, Reeves created an unincorporated investment fund called the Small Cap Participation Fund (the "Fund") and began soliciting investors to purchase units of the Fund ("Fund Units") when he was not registered to trade securities, when no prospectus receipt had been issued for the Fund, and when no registration or prospectus exemption was available;
  - b. Reeves received at least \$400,000 from the sale of Fund Units to at least four investors, and converted that money to his own use;
  - c. Reeves made prohibited representations to potential Fund investors, including promises that they would receive returns from 100% to over 300% per year from their investment in the Fund Units;
  - d. From 2007 to 2009, Reeves acted as a promoter for Disenco Energy PLC, an issuer incorporated in the United Kingdom that had securities listed on the TSX Venture Exchange ("Disenco"). Reeves solicited numerous investors to purchase securities of Disenco when he was not registered to trade securities, when no prospectus receipt had been issued for Disenco, and when no registration or prospectus exemption was available;
  - e. Reeves received money from at least 28 investors for the purchase of Disenco securities (the "Disenco Investor Funds") either personally or into 1087044 Alberta Ltd.; and,

- f. In the case of at least six Disenco Investors, Reeves either converted the money that he or 1087044 Alberta Ltd. received for the sale of Disenco securities to his own use or kept the money without delivering the share certificates.

#### ASC Findings Respecting Ontario Conduct

6. Reeves marketed, distributed and traded securities of Disenco to at least one Ontario investor (the "Ontario Investor") when he was not registered to trade in securities, when no prospectus receipt had been issued, and when no registration or prospectus exemption was available under the ASA.
7. Between September 2008 and June 2009, Reeves repeatedly solicited investment in Disenco from the Ontario Investor, who paid a total of \$38,000 for Disenco securities over three separate purchases.
8. Reeves directed the funds that the Ontario Investor paid for Disenco securities to 1087044 Alberta Ltd., and on one occasion converted the Ontario Investor's funds to his own use. Reeves at no time forwarded the Ontario Investor's funds to Disenco.

#### The ASC Order

9. The ASC Order imposed the following sanctions:
  - a. under sections 198(1)(b) and (c) of the ASA, Reeves cease trading in or purchasing securities, and all of the exemptions contained in Alberta securities laws do not apply to him, permanently, except that this order does not preclude Reeves from trading in or purchasing securities through a registrant (who has first been given a copy of this decision) in:
    - i. registered retirement savings plans, registered retirement income funds or tax-free savings accounts (as defined in the *Income Tax Act* (Canada)) or locked-in retirement accounts for Reeves' benefit;
    - ii. one other account for Reeves' benefit; or both, provided that:
      1. the securities are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) or are issued by a mutual fund that is a reporting issuer; and
      2. Reeves does not own legally or beneficially more than 1% of the outstanding securities of the class or series of the class in question;
  - b. under sections 198(1)(d) and (e) of the ASA, Reeves resign all positions he holds as a director or officer of any issuer, registrant or investment fund manager, and he is prohibited from becoming or acting as a director or officer (or both) of any issuer, registrant or investment fund manager, permanently;
  - c. under section 198(1)(e.2) of the ASA, Reeves is prohibited from becoming or acting as a registrant, investment fund manager or promoter, permanently;
  - d. under section 198(1)(e.3) of the ASA, Reeves is prohibited from acting in a management or consultative capacity in connection with activities in the securities market, permanently; and,
  - e. under section 199 of the ASA, Reeves pay an administrative penalty of \$650 000.

#### Jurisdiction of the Ontario Securities Commission

10. Reeves is subject to an order of the ASC imposing sanctions, conditions, restrictions or requirements on him.
11. Pursuant to paragraph 4 of subsection 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), an order made by a securities regulatory authority, derivatives regulatory authority or financial regulatory authority, in any jurisdiction, that imposes sanctions, conditions, restrictions or requirements may form the basis for an order in the public interest made under subsection 127(1) of the Act.
12. Staff allege that it is in the public interest to make an order against Reeves.
13. Staff reserve the right to amend these allegations and to make such further and other allegations as they deem fit and the Commission may permit.

DATED at Toronto, this 22nd day of March, 2012.

1.2.2 Colby Cooper Capital Inc. et al. – ss. 37, 127(1) and 127.1

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

AND

IN THE MATTER OF  
COLBY COOPER CAPITAL INC.  
COLBY COOPER INC.  
PAC WEST MINERALS LIMITED  
JOHN DOUGLAS LEE MASON

NOTICE OF HEARING  
(Sections 37, 127(1) and 127.1)

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., 1990 c. S.5, as amended (the "Act") at its offices at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on April 23, 2012 at 11:00 a.m. or as soon thereafter as the hearing can be held:

**TO CONSIDER** whether, in the Commission's opinion, it is in the public interest for the Commission to make the following orders against Colby Cooper Capital Inc. ("CCCI"), Colby Cooper Inc. ("CCI"), Pac West Minerals Limited ("Pac West") and John Douglas Lee Mason ("Mason"), (collectively the "Respondents"):

- (a) that the registration of Mason and CCCI be suspended or terminated, pursuant to paragraph 1 of section 127(1) of the Act;
- (b) that trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of section 127(1) of the Act;
- (c) that acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission, pursuant to paragraph 2.1 of section 127(1) of the Act;
- (d) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of section 127(1) of the Act;
- (e) that the Respondents be reprimanded, pursuant to paragraph 6 of section 127(1) of the Act;
- (f) that Mason resign one or more positions that he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of section 127(1) of the Act;
- (g) that Mason be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of section 127(1) of the Act;
- (h) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of section 127(1) of the Act;
- (i) that each Respondent pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law, pursuant to paragraph 9 of section 127(1) of the Act;
- (j) that each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law, pursuant to paragraph 10 of section 127(1) of the Act;
- (k) the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act;
- (l) the Respondents be prohibited to call at a residence or telephone from a location in Ontario to a residence located in or out of Ontario for the purpose of trading in any security or derivative or in any class of securities or derivatives, pursuant to section 37 of the Act; and
- (m) such other order as the Commission may deem appropriate.



**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission dated March 27, 2012 and such further 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 at the hearing;

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

**DATED** at Toronto this 27th day of March, 2012.

"John Stevenson"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
COLBY COOPER CAPITAL INC.  
COLBY COOPER INC.  
PAC WEST MINERALS LIMITED  
JOHN DOUGLAS LEE MASON**

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

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

**I. OVERVIEW**

1. This proceeding relates to, among other things, the fraudulent activities of Colby Cooper Capital Inc. ("CCCI"), Colby Cooper Inc. ("CCI"), Pac West Minerals Limited ("Pac West"), and John Douglas Lee Mason ("Mason") in relation to the sale of shares of CCI (the "Colby Securities") and the shares of Pac West (the "Pac West Securities"). Shares were sold to approximately 350 CCI investors and to 130 Pac West investors, in a number of provinces across Canada, from whom the Respondents raised approximately \$4,800,000. Between November 7, 2006 until March 1, 2012, (the "Relevant Period"), the Respondents breached sections 19, 25, 38, 53, 126.1, 126.2(1) and 129.2 of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act"), engaged in conduct contrary to sections 13.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and therefore acted in a manner that was contrary to Ontario securities law.

**II. THE RESPONDENTS**

2. CCI is a corporation incorporated in the province of Alberta on July 21, 2006. It has a registered head office at an address in Calgary which is, in fact, a virtual office with a post office box (the "Post Office Box"). CCI operated out of an office in Toronto, Ontario that it shared with the other respondent companies.

3. CCCI is a corporation incorporated in the province of Alberta on October 4, 2006 under another name, undergoing a name change to CCCI on October 18, 2007. Its registered head office is the Post Office Box in Calgary shared with CCI. CCCI operated from a principal office in Toronto, Ontario, which office it shared with the other respondent companies. In Ontario, CCCI was registered in the category of limited market dealer from January 31, 2008 to September 27, 2009. With the implementation of NI 31-103 on September 28, 2009, CCCI's category of registration was changed to exempt market dealer ("EMD"). CCCI was registered as an EMD from September 28, 2009 to January 31, 2012 when its registration was suspended.

4. Pac West is a corporation incorporated in the province of Alberta on March 10, 2009. It has a registered head office at the Post Office Box in Calgary. Pac West also operated out of an office in Toronto, Ontario that it shared with the other respondent companies.

5. Mason is a resident of Ontario. He is the President and CEO of CCI and Pac West and their major shareholder. He is CCCI's President and CEO, and he was registered initially as CCCI's designated compliance officer, officer and director (trading) until September 27, 2009. Subsequently, Mason was registered as CCCI's chief compliance officer, ultimate designated person and dealing representative. Mason's registrations as chief compliance officer and dealing representative were suspended on January 20, 2011, and his registration as ultimate designated person was suspended on January 31, 2012 with the suspension of CCCI's registration.

**III. FRAUDULENT AND PROHIBITED CONDUCT**

6. The Respondents engaged in a course of conduct relating to securities that they knew or reasonably ought to have known would result in a fraud on potential investors, and made prohibited representations and provided information to potential investors that was false, inaccurate and misleading, as follows:

**A) MISREPRESENTATIONS TO INVESTORS**

7. Between December 2006 to January 30, 2008, Mason and CCI sold the Colby Securities directly to the public. From January 31, 2008 until April 2010, Mason and CCCI sold the Colby Securities, together raising at least \$3.6 million from approximately 350 investors.

8. Between August 2009 and November 2010, Mason and CCCI sold the Pac West Securities, raising at least \$1.2 million from approximately 130 investors.

9. In the course of selling the Colby and PacWest Securities, the Respondents adopted a high pressure sales approach that included making representations and providing information to potential investors orally, in marketing materials and on their websites that was false, inaccurate and misleading, in an attempt to induce potential investors to purchase the Colby and Pac West Securities.

10. Significantly, the Respondents advised investors orally and/or in marketing materials that the funds raised by the distribution of the Colby and Pac West Securities had been invested in, and would be used to develop oil and gas properties in Texas and Alberta. In fact, up until the time that the Respondents ceased selling securities, only approximately \$50,000 of the \$4,800,000 raised had been invested in acquiring two very minor working interests in Texas that resulted in no returns on investment. Further, no investment was made in Alberta until mid 2011 when CCCI was the subject of a compliance review by Commission staff.

11. In addition, the Respondents' web sites and other marketing materials displayed maps and technical details of and about the oil and gas regions in Alberta and Texas, along with images of drilling machinery, creating the illusion that the Respondents had actual and significant investment in these areas, when they did not.

12. In particular, the Respondents:

- (a) misrepresented that Mason had considerable experience in the investment and oil and gas industries;
- (b) created and distributed a false magazine article and cover page on Pac West;
- (c) falsely indicated that a reputable mining consulting firm was associated with Pac West;
- (d) represented that CCI and Pac West would be traded on a public stock exchange in the future; and
- (e) represented that the future value of the Colby and Pac West Securities would appreciate significantly.

13. The Respondents made statements to investors that they knew or reasonably ought to have known were misleading or untrue in a material respect, and which would reasonably be expected to have a significant effect on the value of these securities. In so doing, the Respondents breached section 126.2(1) of the Act.

14. Additionally, in order to induce investors to invest in CCI and Pac West and with the intention of effecting trades in the Colby and Pac West Securities, Mason, CCI and CCCI made representations to potential investors regarding these shares being listed on a stock exchange, contrary to s. 38(3) of the Act. Mason has not taken any steps to take CCI or Pac West public.

## **B) MISAPPROPRIATION OF INVESTOR FUNDS**

15. The Respondents' only source of funds were funds obtained from investors. Once in possession of funds from investors, a significant portion of the funds raised were utilized for purposes other than as intended and disclosed to the investors, including to fund the Respondents' business operations and Mason's lifestyle.

16. Once in possession of funds from investors, the Respondents misappropriated those funds, in that:

- (a) CCI and Pac West made payments to CCCI who used the funds in a manner that was not disclosed to investors;
- (b) Mason commingled Pac West and CCI investor funds;
- (c) Mason used the funds to pay for personal expenses including trips to Las Vegas and Bahamas and to pay for his personal credit cards;
- (d) Mason made sizable cash withdrawals from Pac West, CCI and CCCI corporate bank accounts; and
- (e) The Respondents used bank drafts in an attempt to avoid detection by Staff and to avoid the application of freeze orders that had been obtained over bank and investment accounts held by CCI, CCCI, and Pac West.

17. In particular, of the approximately \$4,800,000 raised from investors,

- (a) less than 10% (approximately \$400,000) was used to purchase oil and gas working interest investments;

- (b) at least \$1,000,000 went to Mason to pay for personal expenses including personal taxes, personal credit card payments, cash withdrawals, payments to family members, groceries and condo rent; and
- (c) the balance was spent on purported business expenses including commissions to qualifiers, sales persons, administration staff, payments to oil and gas consultants who sat on the boards of CCI and Pac West, office rent, advertising, and marketing.

Requests from investors to return their investment have been ignored. As of March 15, 2012, all but \$615,000.00 of funds raised from investors had been expended, and this remaining amount is subject to freeze orders obtained over the Respondents' bank and investment accounts. The only asset held by any of the Respondents is a small investment by CCI in Alberta, purchased for \$360,000 in May 2011, which investment has not generated any meaningful return.

18. The Respondents therefore made misleading or fraudulent misrepresentations to investors and misappropriated investors' funds knowing or having reasonably ought to have known that these acts or course of conduct would result in a fraud on a person contrary to s.126.1 of the Act.

#### **IV. ILLEGAL DISTRIBUTION OF SHARES TO THE PUBLIC**

19. In order to sell the Colby and Pac West securities, Mason and several unregistered and commissioned sales persons hired by him contacted potential investors by telephone. All the investors were "cold called", most from lists purchased by CCI and/or CCCI.

20. The potential investors were provided with reports on the oil and gas industry copied from large newspapers or magazines, along with misleading information exaggerating the position of CCI and Pac West in those industries. As set out above, the investors were advised that CCI and Pac West were developing oil and gas properties in Texas and Alberta, and that investor funds would be used to generate revenues by extracting oil and gas from those properties.

21. Interested investors were encouraged to purchase securities comprised of one common share of either CCI or Pac West and a common share purchase warrant, exercisable into common shares before a specified closing date. Investors were told that only a limited number of units were available at the current price, and that future investment would be more costly. After agreeing to invest, subscription agreements were sent to investors setting out the quantity, unit price and total amount of investment. Many investors were contacted repeatedly and some made additional investments as a result of these further sales efforts.

22. Not all of the 350 CCI investors or 130 Pac West investors qualified as accredited investors or met the applicable prospectus exemptions. Further, Mason, CCI and CCCI failed to make any appropriate inquiries relating to investors' financial condition. The Respondents therefore traded in securities in circumstances where there were no prospectus exemptions available to them under the Act. Through these acts, CCCI acted outside the scope of its registration with the Commission as a limited market dealer and exempt market dealer, and CCI and Mason traded and engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25 of the Act.

23. The sales of Colby and Pac West Securities were trades in securities not previously issued and were therefore distributions. Contrary to section 53(1) of the Act, no prospectus or preliminary prospectus was filed with the Commission for these securities, and no prospectus receipt has ever been issued to qualify the sale of those shares. Consequently, Mason, CCI and CCCI traded in these securities without the required prospectus receipt or an exemption to compliance with section 53 that applied in the circumstances.

#### **V. FAILURE TO KEEP PROPER BOOKS AND RECORDS**

24. CCCI, CCI, and Mason also failed to keep books, records and other documents as are necessary for the proper recording of market participants' business transactions and financial affairs, contrary to section 19 of the Act. In addition, CCCI, CCI, and Mason violated the Know Your Client obligations as outlined in subsections 13.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103").

#### **VI. MASON'S NON-COMPLIANCE**

25. Mason authorized, permitted or acquiesced in the breaches by CCCI, CCI and Pac West of sections 19, 25, 38, 53, 126.1 and 126.2(1) of the Act, along with the breaches of NI 31-103, contrary to section 129.2 of the Act, and in so doing has engaged in conduct contrary to Ontario securities law.

**VII. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST**

26. The foregoing conduct engaged in by the Respondents constituted breaches of Ontario securities law. In particular:
- (a) The Respondents made misleading or fraudulent misrepresentations to investors and misappropriated investors funds knowing or having reasonably ought to have known that they would result in a fraud on a person, contrary to section 126.1 of the Act;
  - (b) The Respondents made statements to investors that were misleading or untrue in a material respect, in contravention of s. 126.2(1) of the Act;
  - (c) CCCI, CCI, and Mason made prohibited representations concerning the future listing of shares in order to effect sales of the Colby and Pac West Securities, contrary to s.38 of the Act;
  - (d) CCCI, CCI, and Mason traded and engaged in, or held themselves out as engaging in, the business of trading in securities without being registered to do so in circumstances in which no exemption was available, contrary to section 25(1)(a) of the Act as that section existed at the time the conduct at issue commenced in November 2006, contrary to section 25(1) of the Act, as subsequently amended on September 28, 2009;
  - (e) CCCI, CCI, and Mason traded in Colby Securities and Pac West Securities without the required prospectus receipt or appropriate exemption, contrary to section 53 of the Act;
  - (f) CCCI, CCI, and Mason failed to keep books, records and other documents as are necessary for the proper recording of market participants' business transactions and financial affairs, contrary to section 19 of the Act, s.13.2 of NI 31-103;
  - (g) Mason has authorized, permitted or acquiesced in the breaches by CCCI, CCI and Pac West of sections 19, 25, 38, 53, 126.1 and 126.2(1) of the Act, along with the breaches of NI 31-103, contrary to section 129.2 of the Act.
27. By reason of the foregoing, the Respondents violated the requirements of Ontario securities law and/or engaged in conduct contrary to the public interest.
28. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.
- Dated at Toronto this 27th day of March, 2012.

1.2.3 Normand Gauthier et al. – ss. 127(1), 127.1

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

AND

IN THE MATTER OF  
NORMAND GAUTHIER,  
GENTREE ASSET MANAGEMENT INC.,  
R.E.A.L. GROUP FUND III (CANADA) LP, AND  
CANPRO INCOME FUND I, LP

NOTICE OF HEARING  
(Sections 127(1) and 127.1)

**TAKE NOTICE** that the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O., 1990 c. S.5, as amended (the “Act”) at its offices at 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing on April 27, 2012 at 10:00 a.m. or as soon thereafter as the hearing can be held:

**TO CONSIDER** whether, in the Commission’s opinion, it is in the public interest for the Commission to make the following orders against Normand Gauthier (“Gauthier”), Gentree Asset Management Inc. (“Gentree”), R.E.A.L. Group Fund III (Canada) LP (“RIII”) and CanPro Income Fund I, LP (“CanPro”) (collectively the “Respondents”):

- (a) that the registration of Gauthier and Gentree be suspended or terminated, pursuant to paragraph 1 of section 127(1) of the Act;
- (b) that trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of section 127(1) of the Act;
- (c) that acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission, pursuant to paragraph 2.1 of section 127(1) of the Act;
- (d) that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of section 127(1) of the Act;
- (e) that the Respondents be reprimanded, pursuant to paragraph 6 of section 127(1) of the Act;
- (f) that Gauthier resign one or more positions that he holds as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 7, 8.1 and 8.3 of section 127(1) of the Act;
- (g) that Gauthier be prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager, pursuant to paragraphs 8, 8.2 and 8.4 of section 127(1) of the Act;
- (h) the Respondents be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter, pursuant to paragraph 8.5 of section 127(1) of the Act;
- (i) that each Respondent pay an administrative penalty of not more than \$1 million for each failure by that Respondent to comply with Ontario securities law, pursuant to paragraph 9 of section 127(1) of the Act;
- (j) that each of the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance by that Respondent with Ontario securities law, pursuant to paragraph 10 of section 127(1) of the Act;
- (k) the Respondents be ordered to pay the costs of the Commission investigation and the hearing, pursuant to section 127.1 of the Act; and
- (l) such other order as the Commission may deem appropriate.

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission dated March 27, 2012 and such further 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 at the hearing;

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

**DATED** at Toronto this 27th day of March, 2012.

"John Stevenson"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
NORMAND GAUTHIER,  
GENTREE ASSET MANAGEMENT INC.,  
R.E.A.L. GROUP FUND III (CANADA) LP, AND  
CANPRO INCOME FUND I, LP**

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

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

**I. OVERVIEW**

1. This proceeding relates to, among other things, the sale by Gentree Asset Management Inc. ("Gentree"), of securities in Gentree, R.E.A.L. Group Fund III (Canada) LP ("RIII") and CanPro Income Fund I, LP ("CanPro") involving misleading or inaccurate information being provided to investors, and the failure by Gentree and its principals to comply with their obligations as registrants in respect of record keeping, capital requirements and portfolio management. In particular, between December 1, 2004 until September 26, 2011, (the "Relevant Period"), the Respondents breached sections 19, 25, 53 and 126.2(1) of the *Securities Act*, R.S.O. 1990, c. S.5 (the "Act"), engaged in conduct contrary to sections 11.5(a), 13.2 and 13.3 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and therefore acted in a manner that was contrary to Ontario securities law.

**II. THE RESPONDENTS**

2. Gentree is a corporation with its head office in Mississauga, Ontario. Until August 17, 2011, Gentree was registered as a dealer in the category of exempt market dealer and as an adviser in the category of portfolio manager in Alberta, British Columbia, and Ontario<sup>1</sup>. In Manitoba, Gentree was registered as a dealer in the category of exempt market dealer, and in Québec it was registered as an adviser in the category of portfolio manager. In Ontario, the registration of Gentree as a dealer in the category of exempt market dealer was suspended on August 17, 2011, and its registration as a portfolio manager was suspended on September 26, 2011, as a result of Temporary Orders obtained on consent from the Commission.

3. Normand Gauthier ("Gauthier") is a resident of Mississauga, Ontario. Until Gentree's registration was suspended, Gauthier was registered as a dealing representative, chief compliance officer and ultimate designated person of Gentree. Gauthier was also the sole officer and director of RIII, and he controlled the general partner of CanPro.

4. RIII is a limited partnership existing pursuant to the laws of Alberta. The general partner of RIII is R.E.A.L. Group Fund III (Canada) GP Inc., which is solely owned by Gauthier, who is also its president.

5. CanPro is a limited partnership existing pursuant to the laws of the state of Texas, which was formed to operate a real estate development fund in the United States. The general partner of CanPro is CanPro Capital Management LLC, which is controlled by Gauthier.

**III. ILLEGAL DISTRIBUTION OF SHARES TO THE PUBLIC**

6. The exempt market dealer aspect of Gentree's business involved the distribution of securities including those of Real Group Fund I LLC ("RI") and of RIII, as well as shares in Gentree itself. RIII and Gentree are related issuers.

7. Between December 1, 2004 and May 31, 2011, Gauthier and Gentree sold common shares, warrants, and preferred shares of Gentree for at least \$1,700,000.00 (the "Gentree Securities") to approximately 60 Ontario investors, not all of whom qualified as accredited investors or met other applicable prospectus exemptions.

8. Gauthier and Gentree sold shares, between May 2009 and January 2011, in RIII and RI to approximately eight Ontario investors, not all of whom qualified as accredited investors or met other applicable prospectus exemptions.

---

<sup>1</sup> In Ontario, Gentree was registered as an investment counsel and portfolio manager, limited market dealer and commodity trading manager ("CTM") since October 2007. In September 2009, those categories of registration were transitioned to portfolio manager, exempt market dealer and CTM with the coming into force of NI 31-103. Gentree surrendered its CTM registration as at December 31, 2009.



9. Gauthier and Gentree sold the Gentree Securities and shares in RI to Ontario residents in circumstances where there were no prospectus exemptions available to them under the Act. Through these acts, Gentree acted outside the scope of its categories of registration with the Commission. Further, Gauthier traded and acted outside the scope of his categories of registration with the Commission. Consequently, Gauthier and Gentree breached s. 25(1) of the Act.

10. The sales by Gentree and Gauthier of Gentree Securities and shares in RI constituted trading and distributions of securities, contrary to section 53 of the Act. Neither Gentree nor RI have ever filed a preliminary prospectus or a prospectus with the Commission, and no prospectus receipt has ever been issued to qualify the sale of those shares.

#### **IV. MISREPRESENTATIONS TO INVESTORS**

11. During the sale of the shares of RIII, each of the Respondents made representations and provided information to potential investors that was inaccurate and misleading, and that the Respondents knew or reasonably ought to have known were misleading or untrue in a material respect, and which would reasonably be expected to have a significant effect on the value of these securities. In so doing, the Respondents breached section 126.2(1) of the Act.

12. Significantly, the Respondents made statements that the funds raised by the distribution of RIII securities would be used to invest in units of CanPro, which would in turn invest in real estate development projects in the United States. However, a significant portion of the funds raised from investors were utilized for purposes other than as intended and disclosed to the investors, including to fund Gentree's business operations. In particular, the Respondents:

- (a) transferred funds to Gentree that were not related to legitimate RIII expenses and which were not disclosed to RIII investors, such as a \$150,000 USD "syndication fee" that was not disclosed in RIII's offering documents;
- (b) recorded additional accounts receivable on Gentree's books due from RIII and CanPro that were not related to legitimate RIII or CanPro expenses; and
- (c) commingled RIII investor funds with RI funds in a RIII bank account.

13. This conduct was contrary to Ontario securities law.

#### **V. FAILURE TO KEEP PROPER BOOKS AND RECORDS**

14. Gentree and Gauthier also failed to keep books, records and other documents as are necessary for the proper recording of market participants' business transactions and financial affairs, contrary to section 19 of the Act.

#### **VI. GENTREE WAS INSUFFICIENTLY CAPITALIZED**

15. From at least June 2011, Gentree had solvency issues and was not meeting the minimum capital requirements as outlined in subsection 12.1(3) of NI 31-103. Gauthier proposed to rectify this capital deficiency by raising further funds from investors through the distribution of additional Gentree Securities.

16. Gentree was also funding its business operations with RIII investor funds, as described above.

#### **VII. GENTREE'S PORTFOLIO MANAGEMENT BUSINESS WAS DEFICIENT**

17. The portfolio management aspect of Gentree's business involved the management of approximately 127 accounts for 65 individual clients over which the firm had discretionary trading authority. The total assets under Gentree's management as of May 31, 2011 amounted to approximately \$7.6 million at that time. The securities contained in these client accounts were held by unaffiliated custodians.

18. In the months prior to its suspension as a portfolio manager, Gentree's portfolio management responsibilities were not being properly discharged or supervised by Gentree and Gauthier. Gentree violated the know your client and suitability obligations as outlined in subsections 13.2 and 13.3 of NI 31-103, as the advising representative failed to meet with clients and to ensure that sufficient information was on hand when making or approving all trades. Further, Gentree did not maintain written records of trade instructions and failed to maintain evidence of portfolio oversight, thereby failing to meet the general record requirements of subsection 11.5(1) of NI 31-103.

19. In addition, despite the fact that he is not registered as an advising representative, Gauthier has instructed trading in managed accounts of Gentree's clients without obtaining approval from the firm's advising representative, contrary to s. 25(3) of the Act.

**VIII. GAUTHIER'S NON-COMPLIANCE**

20. Gauthier authorized, permitted or acquiesced in the breaches by Gentree, RIII and CanPro, of sections 19, 25, 53, and 126.2(1) of the Act, along with the breaches of NI 31-103, contrary to section 129.2 of the Act, and in so doing has engaged in conduct contrary to Ontario securities law.

**IX. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST**

21. The foregoing conduct engaged in by the Respondents constituted breaches of Ontario securities law. In particular:

- (a) Gauthier and Gentree traded and acted outside the scope of their categories of registration with the Commission. In relation to the Gentree Securities, this conduct was contrary to section 25(1)(a) of the Act as that section existed at the time the conduct at issue commenced on December 1, 2004. Further, for the Gentree Securities and the shares in RI, this conduct was also contrary to section 25(1) of the Act, as subsequently amended on September 28, 2009;
- (b) Gauthier and Gentree traded in Gentree Securities and shares in RI without the required prospectus receipt or appropriate exemption, contrary to section 53 of the Act;
- (c) Gauthier and Gentree failed to keep books, records and other documents as are necessary for the proper recording of market participants' business transactions and financial affairs, contrary to section 19 of the Act;
- (d) The Respondents made statements to investors that were misleading or untrue in a material respect, in contravention of s. 126.2(1) of the Act;
- (e) Gentree was not meeting the minimum capital requirement in violation of subsection 12.1(3) of NI 31-103;
- (f) Gentree's portfolio management responsibilities were not properly discharged or supervised by Gentree and Gauthier in violation of subsections 11.5 (a), 13.2 and 13.3 of NI 31-103;
- (g) Gauthier engaged in, or held himself out as engaging in, the business of advising with respect to investing in securities without being registered to advise in securities, contrary to section 25 of the Act; and
- (h) Gauthier has authorized, permitted or acquiesced in the breaches by Gentree, RIII and CanPro, of sections 19, 25, 53, and 126.2(1) of the Act, along with the breaches of NI 31-103, contrary to section 129.2 of the Act.

22. By reason of the foregoing, the Respondents violated the requirements of Ontario securities law and/or engaged in conduct contrary to the public interest.

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

Dated at Toronto this 27th day of March, 2012.

1.2.4 Beryl Henderson – 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  
BERYL HENDERSON**

**NOTICE OF HEARING  
Sections 127 and 127.1**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 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, 17th Floor, on May 2, 2012 at 11:30 a.m., or as soon thereafter as the hearing can be held.

**AND TAKE NOTICE THAT** the purpose of the hearing is to consider whether it is in the public interest for the Commission, at the conclusion of the hearing, to make an order:

- (i) pursuant to clause 2 of subsection 127(1) of the Act that trading in any securities by Beryl Henderson (“Henderson”) cease permanently or for such period as is specified by the Commission;
- (ii) pursuant to clause 2.1 of subsection 127(1) of the Act that the acquisition of any securities by Henderson is prohibited permanently or for such period as is specified by the Commission;
- (iii) pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to Henderson permanently or for such period as is specified by the Commission;
- (iv) pursuant to clause 6 of subsection 127(1) of the Act that Henderson be reprimanded;
- (v) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act that Henderson resign all positions that she holds as a director or officer of any issuer, registrant, or investment fund manager;
- (vi) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act that Henderson be prohibited from becoming or acting as a director or officer of any issuer, registrant, or investment fund manager;
- (vii) pursuant to clause 8.5 of subsection 127(1) of the Act that Henderson be prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (viii) pursuant to clause 9 of subsection 127(1) of the Act that Henderson pay an administrative penalty of not more than \$1 million for each failure by her to comply with Ontario securities law;
- (ix) pursuant to clause 10 of subsection 127(1) of the Act that Henderson disgorge to the Commission any amounts obtained as a result of non-compliance by her with Ontario securities law;
- (x) pursuant to section 127.1 of the Act that Henderson be ordered to pay the costs of the Commission investigation and the hearing; and
- (xi) such further order as the Commission considers appropriate in the public interest.

**BY REASON OF** the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 30, 2012 and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 30th day of March, 2012.

“John Stevenson”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
BERYL HENDERSON**

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

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

**I. OVERVIEW**

1. This proceeding involves a course of conduct including unregistered trading in securities and an illegal distribution of securities by Beryl Henderson ("Henderson") which spanned from at least September 2004, and continued up to and including October 2006 (the "Relevant Period").
2. Henderson made prohibited representations regarding the listing of securities on a stock exchange, and regarding the future value of these securities.
3. Henderson engaged in fraudulent conduct by misleading investors about the nature of their investment, her investment expertise and background, their expected returns and the risk level associated with their investment.
4. During the Relevant Period, Henderson sold securities to investors in Ontario and elsewhere, purportedly in a number of enterprises including Go Sports Entertainment, Inc. ("Go Sports"), a Nevada corporation, as described herein.
5. Throughout the Relevant Period, Henderson directed, or engaged in personally, a course of conduct which resulted in the sale of trust agreements, as described below, totalling approximately \$400,000, to at least 10 investors in Ontario and elsewhere.

**II. THE RESPONDENTS**

6. Henderson is an Ontario resident who sold securities to investors in Ontario and elsewhere (the "Investors").
7. Henderson has never been registered to trade in securities in Ontario.
8. Henderson initially met a number of the Investors through her work as a real estate agent.
9. Henderson held herself out as a doctor, and represented to at least one of the Investors that she had obtained her doctorate in finance.
10. Henderson represented to at least one Investor that she had "so much money that she couldn't keep it at the bank at one time and she had to buy a vault to keep her money in the vault".
11. Henderson told Investors that they would never see their money if they involved lawyers or law enforcement officials.

**III. THE CONDUCT**

**i. Unregistered Trading and Illegal Distribution**

12. Henderson solicited the Investors to invest in various enterprises including Go Sports, building hospitals in Dubai, a goldmine in Dubai, and an online gaming company (collectively, the "Enterprises").
13. To represent the Investors' investment in the Enterprises, Henderson or an agent of Henderson (the "Agent") sold trust agreements to Investors (the "Trust Agreements"), which purported to evidence the purchase of shares in one of the Enterprises. Each of the Investors was sold one or more Trust Agreements purporting to evidence the purchase of shares in Go Sports.
14. Investors made the payments for their investments in the Trust Agreements payable to Henderson or the Agent.

15. Each of the Trust Agreements stated that the shares referred to therein initially would be purchased in the name of Henderson or in the name of the Agent, and that once the share certificates had been issued and received by Henderson or the Agent, then the shares referred to in the Trust Agreements would be transferred to an account in the name of the Investor. None of the Investors ever received shares in any one of the Enterprises.
16. Each of the Trust Agreements is a security as defined in clauses (g) and (n) of subsection 1(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").
17. Henderson's trading in the Trust Agreements constituted a distribution of securities. Go Sports was not a reporting issuer between September 21, 2004 and October 31, 2006. No preliminary prospectus or prospectus was filed, nor were receipts issued by the Director, between September 21, 2004 and October 31, 2006.

**ii. Prohibited Representations**

18. In an effort to convince Investors to invest in the Trust Agreements, Henderson approached at least one Investor with representations of "an IPO which will triple", claiming that it would be "listed soon".

**iii. Fraudulent Conduct**

19. Henderson represented to certain of the Investors that their investments would be used to build hospitals in Dubai or elsewhere, or to fund a goldmine in Dubai, yet their Trust Agreements referenced shares in Go Sports. There is no evidence that either of Henderson or Go Sports was involved in financing hospitals or goldmines in Dubai.
20. The majority of the Investors lost all of the funds they invested with Henderson.
21. Henderson and the Agent sold approximately \$400,000 in the Trust Agreements to the Investors.

**IV. BREACHES OF ONTARIO SECURITIES LAW and CONDUCT CONTRARY TO THE PUBLIC INTEREST**

22. Henderson's activities constituted trading in securities without registration, contrary to subsection 25(1)(a) of the Act, as it existed at the time.
23. Henderson undertook activities which constituted trades in securities which were distributions for which no preliminary prospectus or prospectus was filed or receipted by the Director, contrary to subsection 53(1) of the Act.
24. With the intention of effecting a trade in a security, Henderson made representations regarding listing on a stock exchange, contrary to subsection 38(3) of the Act.
25. With the intention of effecting a trade in a security, Henderson made representations regarding the future value or price of a security, contrary to subsection 38(2) of the Act.
26. Henderson directly or indirectly engaged or participated in an act, practice or course of conduct relating to securities which she knew, or reasonably ought to have known, perpetrated a fraud on Investors, contrary to subsection 126.1(b) of the Act.
27. Henderson's conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.
28. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto this 30th day of March, 2012.

1.2.5 Energy Syndications Inc. 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  
ENERGY SYNDICATIONS INC.  
GREEN SYNDICATIONS INC.,  
SYNDICATIONS CANADA INC.,  
DANIEL STRUMOS, MICHAEL BAUM  
AND DOUGLAS WILLIAM CHADDOCK

NOTICE OF HEARING  
(Sections 127 and 127.1)

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to sections 127 and 127.1 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, 17th Floor, on April 11, 2012 at 11:30 a.m., or as soon thereafter as the hearing can be held;

**AND TAKE NOTICE THAT** the purpose of the hearing is to consider whether it is in the public interest for the Commission, at the conclusion of the hearing, to make orders against Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Daniel Strumos (“Strumos”), Michael Baum (“Baum”), and Douglas William Chaddock (“Chaddock”) (collectively, the “Respondents”):

- (i) pursuant to clause 2 of subsection 127(1) of the Act, that trading in any securities by the Respondents cease permanently or for such period as is specified by the Commission;
- (ii) pursuant to clause 2.1 of subsection 127(1) of the Act, that the acquisition of any securities by the Respondents is prohibited permanently or for such other period as is specified by the Commission;
- (iii) pursuant to clause 3 of subsection 127(1) of the Act, that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission;
- (iv) pursuant to clause 6 of subsection 127(1) of the Act, that the Respondents be reprimanded;
- (v) pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act, that Strumos, Baum, and Chaddock resign all positions that they hold as directors or officers of any issuer, registrant, or investment fund manager;
- (vi) pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act, that Strumos, Baum, and Chaddock be prohibited from becoming or acting as directors or officers of any issuer, registrant, or investment fund manager;
- (vii) pursuant to clause 8.5 of subsection 127(1) of the Act, that Strumos, Baum, and Chaddock be prohibited from becoming or acting as registrants, as investment fund managers or as promoters;
- (viii) pursuant to clause 9 of subsection 127(1) of the Act, that the Respondents pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law;
- (ix) pursuant to clause 10 of subsection 127(1) of the Act, that the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law;
- (x) pursuant to section 127.1 of the Act, that the Respondents be ordered to pay the costs of the Commission investigation and the hearing; and
- (xi) such further order as the Commission considers appropriate in the public interest;

**BY REASON OF** the allegations as set out in the Statement of Allegations of Staff of the Commission dated March 30, 2012 and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 30th day of March, 2012  
"John Stevenson"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
ENERGY SYNDICATIONS INC.  
GREEN SYNDICATIONS INC.,  
SYNDICATIONS CANADA INC.,  
DANIEL STRUMOS, MICHAEL BAUM  
AND DOUGLAS WILLIAM CHADDOCK**

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

Staff of the Ontario Securities Commission ("Staff") make the following allegations:

**I. OVERVIEW**

1. This proceeding relates to the sale of securities in breach of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") by the respondent issuers, Energy Syndications Inc. ("Energy") and Syndications Canada Inc. ("SCI"), a related company, Green Syndications Inc. ("Green") (collectively, the "Corporate Respondents"), a directing mind of these entities, Douglas William Chaddock ("Chaddock"), and by the other individually named respondents, Michael Baum ("Baum") and Daniel Strumos ("Strumos"), who were employees and/or agents of the Corporate Respondents (collectively, the "Respondents").
2. Between October 2008 and April 2011 (the "Material Time"), securities of Energy and SCI were sold by the Respondents to approximately 114 persons and companies throughout Canada, raising a total of approximately \$3.75 million.
3. The Respondents solicited persons and companies to invest in securities offered by Energy and SCI, thereby engaging in unregistered trading, contrary to section 25 of the Act, and an illegal distribution of securities, contrary to section 53 of the Act.
4. Further, the Respondents made false, inaccurate or misleading statements and failed to disclose important facts to investors and potential investors with respect to the securities of Energy, contrary to subsection 44(2) of the Act.

**II. THE RESPONDENTS**

5. SCI was incorporated in October 2008 pursuant to the laws of Canada. SCI has never been a reporting issuer in Ontario and has never been registered with the Ontario Securities Commission (the "Commission") in any capacity. SCI has never filed a prospectus or preliminary prospectus with the Commission.
6. Energy was incorporated in August 2010 pursuant to the laws of Ontario. Energy has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity. Energy has never filed a prospectus or preliminary prospectus with the Commission.
7. Green was incorporated in August 2010 pursuant to the laws of Canada. Green has never been a reporting issuer in Ontario and has never been registered with the Commission in any capacity.
8. Chaddock is the sole director and officer of Energy and SCI and a director of Green. He was a directing mind of the Corporate Respondents at all material times. Chaddock is a resident of Toronto, Ontario. He has never been registered with the Commission in any capacity.
9. Strumos is a resident of Richmond Hill, Ontario. He has never been registered with the Commission in any capacity.
10. Baum is a resident of Toronto, Ontario. He has never been registered with the Commission in any capacity.



**II. BACKGROUND**

**A. Trading in Securities**

**(i) Solicitation of Investors**

11. Chaddock and the Corporate Respondents directly solicited Ontario investors to invest in securities offered by Energy and SCI.
12. Chaddock and the Corporate Respondents paid commissions to Baum and Strumos, who were employed by SCI and who solicited investors on behalf of Energy and SCI.
13. During the Material Time, the solicitation of investors by Chaddock and the Corporate Respondents included placing advertisements in major newspapers and disseminating promotional materials. Further, investors were solicited through the attendance of Green and SCI at investment trade shows. Chaddock and the Corporate Respondents accepted investor funds on behalf of Energy and SCI in exchange for securities.
14. Strumos began soliciting investors on behalf of Energy and SCI in or about October 2008. As a result of his promotional and trading activities he earned in excess of \$140,000 in commissions. His activities included communicating with existing investors to offer investment contracts, discussing the features of the investment contract with investors, and providing investors with promotional material. Strumos also provided blank investment agreements for investors to complete, completed parts of the agreements on behalf of investors, collected investor funds, and facilitated the payment of returns to investors.
15. Baum began soliciting investors on behalf of Energy and SCI in or about October 2008. As a result of his promotional and trading activities he earned in excess of \$155,000 in commissions. These activities included attending investment trade shows, placing newspaper ads to attract new investors, discussing the features of the investment contracts with investors, and providing investors with promotional material. Baum also provided blank investment agreements for investors to complete, completed parts of the agreements on behalf of investors, and collected investor funds.
16. During the Material Time, a total of approximately \$3.75 million was received from approximately 114 persons and companies (collectively, the "Investors") as a result of being solicited by the Respondents. The Investors were resident in several Canadian provinces.
17. The Respondents participated in acts, solicitations, conduct, or negotiations directly or indirectly in furtherance of the sale or disposition of securities for valuable consideration, in circumstances where there were no exemptions available to the Respondents under the Act.

**(ii) The Land Return Options Investment**

18. During the Material Time, SCI accepted funds from Ontario residents for an investment product offered by SCI, which included a transfer of title in a plot of land approximately 8'x8' in size to the investor plus a fixed return on the invested principal within a specified time period (the "Land Return Options Investment").
19. Investors entered into a written agreement with SCI with respect to their investment in the Land Return Options Investment. Once title to the plot of land was transferred to the investor, the investor would hold the land until planning permission for development was given or until the end of the investment term. The duration of the investment term was typically one year.
20. The Land Return Options Investment included an option that would allow SCI the right to buy-back the plot from the investor or would allow the investor the right to sell the plot of land back to SCI at the end of the term of the investment contract (the "Repurchase Option"). The repurchase price of the plot of land was fixed from the outset of the investment contract. Investors had the option to reinvest at the end of the investment term if product was available.
21. As part of the Repurchase Option, investors received a fixed return and were typically promised a guaranteed annual return of 12 to 25 percent on their invested principal.
22. The Land Return Options Investment was an "investment contract" within the definition of a "security" found in the Act.
23. During the Material Time, approximately 60 investors invested approximately \$2.75 million in the Land Return Options Investment. Return payments were made to investors totalling approximately \$525,000 during this period. Approximately \$2.2 million in investor principal has not been returned.

24. During the Material Time, Chaddock, SCI, Baum, and Strumos traded and engaged in, or held themselves out as engaging in, the business of trading in the Land Return Options Investment securities of SCI in circumstances where there were no exemptions available under the Act, contrary to sections 25 and 53 of the Act.

**(iii) The Solar Panel Return Options Investment**

25. Between June 2010 and November 2010, Energy accepted funds from Ontario residents for an investment product relating to the sale and manufacturing of solar panels that offered investors several options, including an option for fixed returns on the investment principal (the "Solar Panel Return Options Investment").
26. The Respondents told investors and potential investors in the Solar Panel Return Options Investment that at the end of the six-month investment term the investor could select one of the following options:
- (a) refund the purchase price plus interest (the "Refund Option");
  - (b) pay out the interest and enter into a new agreement (the "Renewal Option");
  - (c) deliver the solar panels (the "Delivery Option"); or
  - (d) pay out the interest and lease out the solar panels for a period of 20 years to earn 9 percent per year paid quarterly (the "Lease Option").
27. Investors entered into a written agreement with Energy with respect to their investment in the Solar Panel Return Options Investment. Investors were typically promised a fixed return of 9 to 20 percent on their invested principal for a six-month investment term.
28. The Solar Panel Return Options Investment was an "investment contract" within the definition of a "security" found in the Act.
29. Between June 2010 and November 2010, approximately 54 investors invested approximately \$1 million in the Solar Panel Return Options Investment. Return payments were made to investors totalling approximately \$200,000 during this period. Approximately \$800,000 in investor principal has not been returned.
30. Between June 2010 and November 2010, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading in the Solar Panel Returns Option Investment securities of Energy in circumstances where there were no exemptions available under the Act, contrary to sections 25 and 53 of the Act.

**B. Representations Prohibited**

31. Between June 2010 and the end of the Material Time, investors were told by the Respondents, expressly or impliedly, that Energy could fulfill its obligations to investors under the terms of the Solar Panel Return Options Investment by:
- (a) paying out interest and refunding the purchase price under the terms of the Refund Option and Renewal Option; or
  - (b) procuring solar panels for delivery to investors for or lease under the terms of the Delivery Option or Lease Option.
32. Further, investors were told that Energy was profitable and/or successful business. For example, it was advertised that:
- (a) Energy was "well funded" and had "the capacity to plan, build and implement small, medium and large scale solar PV farms"; and
  - (b) Energy had developed a "simple, clever business model" which allowed investors an opportunity to participate in and profit from the manufacture of solar panels, which, at the same time, gave Energy an opportunity to "expand rapidly and cost effectively".
33. Between June 2010 and the end of the Material Time, the Respondents failed to make the following information known to investors in circumstances in which it was necessary to prevent the above-noted statements to investors from being false, inaccurate, or misleading:
- (a) Energy was a start-up company with no established income source other than funds raised through the offering of the Solar Panel Return Options Investment;

- (b) neither Chaddock nor the Corporate Respondents had any significant source of funds other than funds generated through further sales of the Solar Return Options Investments or Land Return Options Investments;
  - (c) investor funds would be used either in whole or in part to pay interest or principal to other investors, pay for properties purchased by SCI, or pay for the business expenses of the Corporate Respondents and other related corporate entities;
  - (d) neither Chaddock nor the Corporate Respondents had any revenue stream to generate or repay the principal or rates of returns promised to investors;
  - (e) none of Chaddock or the Corporate Respondents had any binding agreements with manufacturers of solar panels to acquire or produce solar panels for distribution;
  - (f) none of Chaddock or the Corporate Respondents had actually purchased any solar panels for distribution to investors pursuant to the investment contract; and
  - (g) neither Chaddock nor the Corporate Respondents had sufficient funds to actually purchase solar panels for delivery to investors.
34. During the Material Time, the Respondents made statements about matters that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading relationship with Energy and the statements were untrue or omitted information necessary to prevent the statements from being false or misleading in the circumstances in which they were made, contrary to subsection 44(2) of the Act.

### III. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST

35. During the Material Time, the Respondents traded and engaged in, or held themselves out as engaging in, the business of trading securities of Energy and SCI without being registered to do so, contrary to subsection 25(1)(a) of the Act for the period before September 28, 2009 and contrary to subsection 25(a) of the Act for the period on and after September 28, 2009;
36. During the Material Time, the Respondents traded in securities of Energy and SCI when a preliminary prospectus and prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act;
37. During the Material Time, the Respondents made statements about matters that a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading relationship with Energy and the statements were untrue or omitted information necessary to prevent the statements from being or false or misleading in the circumstances in which they were made, contrary to subsection 44(2) of the Act;
38. During the Material Time, Chaddock, being an officer or director, authorized, permitted or acquiesced in the Corporate Respondents' non-compliance with Ontario securities law and accordingly failed to comply with Ontario securities law, contrary to section 129.2 of the Act; and
39. The Respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.
40. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

**DATED** at Toronto, March 30, 2012.

**1.2.6 Morgan Dragon Development Corp. et al. – ss. 127(1), 127(10)**

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

**AND**

**IN THE MATTER OF  
MORGAN DRAGON DEVELOPMENT CORP.,  
JOHN CHEONG (aka KIM MENG CHEONG),  
HERMAN TSE, DEVON RICKETTS  
AND MARK GRIFFITHS**

**NOTICE OF HEARING  
(Subsections 127(1) and 127(10))**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the “Act”) at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing at 10:00am on April 19, 2012, or as soon thereafter as the hearing can be held;

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

1. to make an order pursuant to clause 2 of subsection 127(1) of the Act that trading in any securities by Morgan Dragon Development Corp. (“MDDC”), John Cheong, also known as Kim Meng Cheong (“Cheong”), Herman Tse (“Tse”), Devon Ricketts (“Ricketts”) and Mark Griffiths (“Griffiths”) (collectively, the “Respondents”) be prohibited permanently or for such a period as the Commission may determine;
2. to make an order pursuant to clause 2.1 of subsection 127(1) of the Act that the acquisition of any securities by the Respondents cease permanently or for such period as the Commission may determine;
3. to make an order pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as the Commission may determine;
4. to make an order pursuant to clause 6 of subsection 127(1) of the Act that the Respondents are reprimanded;
5. to make an order pursuant to clause 7 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths resign any position any of them may hold as director or officer of an issuer;
6. to make an order pursuant to clause 8 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths be prohibited from becoming or acting as an officers or directors of any issuer permanently or for such period as the Commission may determine;
7. to make an order pursuant to clause 8.1 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths resign any positions any of them may hold as director or officer of a registrant;
8. to make an order pursuant to clause 8.2 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths be prohibited from becoming or acting as officers or directors of any registrant permanently or for such period as the Commission may determine;
9. to make an order pursuant to clause 8.3 of subsection 127(1) of the Act that The Respondents resign any position that he holds as director or officer of an investment fund manager;
10. to make an order pursuant to clause 8.4 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths be prohibited from becoming or acting as officers or directors of any investment fund manager permanently or for such period as the Commission may determine;
11. to make an order pursuant to clause 8.5 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths are prohibited from becoming or acting as registrants, as investment fund managers or as promoters;

12. to make an order pursuant to clause 9 of subsection 127(1) of the Act that the Respondents each pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law;
13. to make an order pursuant to clause 10 of subsection 127(1) that the Respondents each disgorge any amounts obtained as a result of their non-compliance with Ontario securities law; and,
14. to make such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff dated March 22, 2012, and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 22nd day of March, 2012.

“John Stevenson”  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
MORGAN DRAGON DEVELOPMENT CORP.,  
JOHN CHEONG (aka KIM MENG CHEONG),  
HERMAN TSE, DEVON RICKETTS  
AND MARK GRIFFITHS**

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

Staff of the Ontario Securities Commission ("Staff"; the "Commission") make the following allegations:

**I. OVERVIEW**

1. The allegations in this matter concern unregistered trading and the illegal distribution of limited partnership units ("LP Units"), from September 2007 through July 2011 (the "Material Time").
2. During the Material Time, John Cheong ("Cheong") and Herman Tse ("Tse") and their employees solicited the sale of LP Units, which constituted securities as defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), from Ontario to residents of Alberta, British Columbia, Saskatchewan and Alberta ("LP Investors"). The majority of the LP Units were sold through an Ontario corporation called Morgan Dragon Development Corp. ("MDDC"). The LP Units were sold in circumstances where no registration or prospectus exemption was available, and in some cases to LP Investors who were not accredited.
3. Although MDDC was registered with securities regulators during parts of the Material Time, the majority of the solicitation and sale of the LP Units was conducted through MDDC sales staff who were not registered with any regulator to engage in the business of trading in securities, but who sold securities for MDDC as their primary job function.

**II. THE RESPONDENTS**

4. MDDC is a company incorporated pursuant to the laws of Ontario with its head office in Markham, Ontario. MDDC is in the business of promoting and distributing units of limited partnerships that hold and develop interests in real estate in the Province of Saskatchewan. MDDC also has an office in Saskatoon, Saskatchewan.
5. On May 15, 2009, MDDC registered with the Commission as a Limited Market Dealer ("LMD"), and continued its registration with the Commission as an Exempt Market Dealer ("EMD") on September 28, 2009. On October 5, 2010, MDDC also became registered as an EMD with securities regulators in British Columbia, Alberta and Manitoba. MDDC has not been registered with any securities regulator in any capacity since January 27, 2012.
6. Cheong, also known as Kim Meng Cheong, is an Ontario resident and is the Secretary, the Treasurer, and a Director of MDDC, and also holds the title of Managing Director of the company. From May 15, 2009, until January 27, 2012, Cheong was designated as MDDC's Dealing Representative. Cheong was also designated as MDDC's Designated Compliance Officer while MDDC was registered as a Limited Market Dealer, but became the Chief Compliance Officer after MDDC's transition to the Exempt Market Dealer regime in September 2009. Cheong owns 50% of the shares of MDDC.
7. Tse is a Saskatchewan resident and is the President and a Director of MDDC. Tse operates MDDC's Saskatoon office. From May 15, 2009, until January 27, 2012, Tse was designated as MDDC's Ultimate Designated Person. Tse owns 50% of the shares of MDDC.
8. Cheong and Tse were the directing minds of MDDC from November 1, 2007, and thereafter throughout the Material Time.
9. Devon Ricketts ("Ricketts") is an Ontario resident. Ricketts has never been registered with the Commission in any capacity. Throughout the Material Time, Ricketts was employed by MDDC to sell and solicit the sale of LP Units on behalf of MDDC and to train and supervise a staff of unregistered telephone salespeople engaged in the same activity. Ricketts' job title at MDDC was "Area Sales Manager."

10. Mark Griffiths ("Griffiths") is an Ontario resident. From at least as early as April 2008 through at least July 2011, Griffiths was employed at MDDC selling LP Units with the job titles of "Senior Sales Representative" and "Senior Marketing Consultant." Griffiths has never been registered with the Commission in any capacity.

### III. PARTICULARS

#### Illegal Distribution and Trading Without Registration

11. The Respondents' distribution of LP Units was accomplished through an organized campaign of telephone solicitation conducted from MDDC's offices in Markham, Ontario. The distribution of LP Units was overseen by Cheong and managed by Ricketts. Sales calls were made by Ricketts, Griffiths and other MDDC sales staff, all of whom were employed to sell securities as their primary job function, and compensated on the basis of a commission of between 8% and 10% of the value of the securities they sold.

12. Ricketts and Griffiths both made cold calls to prospective and existing LP Investors for the sole purpose of selling them LP Units, as well as corresponding with them regarding the purchase of LP Units and coordinating the signing of subscription agreements and the receipt of investor funds by MDDC once LP Units were purchased. Cheong supervised this activity, and also spoke to and corresponded with potential and existing investors for the purpose of selling securities.

13. The Respondents sold units in three limited partnerships registered under the *Limited Partnerships Act*, R.S.O. 1990, c. L.16, as amended: MD Land Pool Limited Partnership ("Phase 1"), MD Land Pool Limited Partnership Phase 2 ("Phase 2"), and MD Land Pool Dundurn Limited Partnership ("Dundurn") (collectively referred to as the "Limited Partnerships").

14. From September 2007 through June 2008, the Respondents sold units of Phase 1 to at least 46 LP Investors and raised approximately \$2,236,000.

15. From July 2008 through March 2009, the Respondents sold units of Phase 2 to at least 43 LP Investors and raised approximately \$2,113,000.

16. From July 30, 2009, through December 31, 2010, the Respondents sold units of Dundurn to at least 40 LP Investors and raised a total of \$898,000.

17. In total, the Respondents raised approximately \$5,247,000 from the distribution of LP Units.

18. The solicitation and sale of LP Units by the Respondents constituted trading and acts in furtherance of trading, as defined in the Act.

19. The LP Units sold by the Respondents were not previously issued and the trading of such securities was a distribution, as defined in the Act.

20. No preliminary prospectus or prospectus was ever filed by any of the Limited Partnerships or by MDDC, nor was any receipt issued by the Director.

### IV. ALLEGATIONS

21. Staff make the following specific allegations:

- (a) During the Material Time, MDDC, Cheong, Ricketts and Griffiths engaged in or held themselves out as engaging in the business of trading in securities without being registered to do so, in circumstances in which no exemption was available, contrary to s. 25(1)(a) of the Act, as that section existed at the time the conduct commenced, and contrary to s. 25(1) of the Act, as subsequently amended on September 28, 2009;
- (b) During the period when MDDC and Cheong were registered to trade in securities, MDDC retained employees whose primary job function was to engage in or hold themselves out as engaging in the business of trading in securities without being registered to do so, in circumstances in which no exemption was available, contrary to s. 25(1)(a) of the Act, as that section existed at the time the conduct commenced, and contrary to s. 25(1) of the Act, as subsequently amended on September 28, 2009;
- (c) During the Material Time, MDDC, Cheong, Ricketts and Griffiths distributed securities without a preliminary prospectus and prospectus having been filed and receipts having been issued for them by the Director and without an exemption from the prospectus requirement, contrary to section 53(1) of the Act; and,

- (d) Cheong and Tse, being directors, officers and directing minds of MDDC, did authorize, permit or acquiesce in the commission of the violations of sections 25 and 53 of the Act, as set out above, by MDDC or by the employees, agents or representatives of MDDC, contrary to section 129.2 of the Act.

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

**DATED** at Toronto this 22nd day of March, 2012.



1.2.7 Morgan Dragon Development Corp. et al. – ss. 127(1), 127.1

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

**AND**

**IN THE MATTER OF  
MORGAN DRAGON DEVELOPMENT CORP.,  
JOHN CHEONG (aka KIM MENG CHEONG),  
HERMAN TSE, DEVON RICKETTS  
AND MARK GRIFFITHS**

**AMENDED NOTICE OF HEARING  
(Subsections 127(1) and 127.1)**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to subsections 127(1) and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the “Act”) at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing at 3:00pm on April 19, 2012, or as soon thereafter as the hearing can be held;

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

1. to make an order pursuant to clause 2 of subsection 127(1) of the Act that trading in any securities by Morgan Dragon Development Corp. (“MDDC”), John Cheong, also known as Kim Meng Cheong (“Cheong”), Herman Tse (“Tse”), Devon Ricketts (“Ricketts”) and Mark Griffiths (“Griffiths”) (collectively, the “Respondents”) be prohibited permanently or for such a period as the Commission may determine;
2. to make an order pursuant to clause 2.1 of subsection 127(1) of the Act that the acquisition of any securities by the Respondents cease permanently or for such period as the Commission may determine;
3. to make an order pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as the Commission may determine;
4. to make an order pursuant to clause 6 of subsection 127(1) of the Act that the Respondents are reprimanded;
5. to make an order pursuant to clause 7 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths resign any position any of them may hold as director or officer of an issuer;
6. to make an order pursuant to clause 8 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths be prohibited from becoming or acting as officers or directors of any issuer permanently or for such period as the Commission may determine;
7. to make an order pursuant to clause 8.1 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths resign any positions any of them may hold as director or officer of a registrant;
8. to make an order pursuant to clause 8.2 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths be prohibited from becoming or acting as officers or directors of any registrant permanently or for such period as the Commission may determine;
9. to make an order pursuant to clause 8.3 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths resign any position that any of them may hold as director or officer of an investment fund manager;
10. to make an order pursuant to clause 8.4 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths be prohibited from becoming or acting as officers or directors of any investment fund manager permanently or for such period as the Commission may determine;
11. to make an order pursuant to clause 8.5 of subsection 127(1) of the Act that Cheong, Tse, Ricketts and Griffiths are prohibited from becoming or acting as registrants, as investment fund managers or as promoters;

12. to make an order pursuant to clause 9 of subsection 127(1) of the Act that the Respondents each pay an administrative penalty of not more than \$1 million for each failure to comply with Ontario securities law;
13. to make an order pursuant to clause 10 of subsection 127(1) that the Respondents each disgorge any amounts obtained as a result of their non-compliance with Ontario securities law;
14. to make an order pursuant to section 127.1 of the Act that the Respondents, or any of them, pay the costs of Staff's investigation and the costs of, or related to, this proceeding, incurred by or on behalf of the Commission; and,
15. to make such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff dated March 22, 2012, and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 26th day of March, 2012.

"John Stevenson"

1.2.8 Frank Andrew Devcich and Gobinder Kular Singh – s. 127

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

**AND**

**IN THE MATTER OF  
FRANK ANDREW DEVCICH AND  
GOBINDER KULAR SINGH**

**NOTICE OF HEARING  
(Section 127)**

**TAKE NOTICE THAT** the Ontario Securities Commission (the “Commission”) will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5., as amended (the “Act”) at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario, commencing at 10:00 am on April 20, 2012, or as soon thereafter as the hearing can be held;

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

1. to make an order pursuant to clause 7 of subsection 127(1) of the Act that Frank Andrew Devcich and Gobinder Kular Singh (the “Respondents”) resign any position that the Respondents hold as director or officer of an issuer;
2. to make an order pursuant to clause 8 of subsection 127(1) of the Act that the Respondents be prohibited from becoming or acting as an officer or director of any issuer permanently or for such other duration as specified by the Commission; and
3. to make such other order or orders as the Commission considers appropriate.

**BY REASON** of the allegations set out in the Statement of Allegations of Staff dated March 22, 2012, and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 22nd day of March, 2012.

“John Stevenson”

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

**AND**

**IN THE MATTER OF  
FRANK ANDREW DEVCICH AND  
GOBINDER KULAR SINGH**

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

Staff of the Ontario Securities Commission ("Staff") allege:

**I. THE RESPONDENTS**

1. Frank Andrew Devcich ("Devcich") is a Chartered Accountant, residing in Alberta. At all material times Devcich was the Chief Financial Officer of Genesis Land Development Corp. ("Genesis").
2. Gobinder Kular Singh ("Singh") is a professional engineer, residing in Alberta. At all material times Singh was the President, Chief Executive Officer and a director of Genesis.

**II. OVERVIEW**

3. On August 29, 2011, Devcich and Singh agreed with the Alberta Securities Commission (the "ASC") to be made subject to sanctions and restrictions pursuant to the terms of a Settlement Agreement and Undertaking (the "Alberta Settlement"), in relation to conduct that took place during 2008 and 2009.
4. Genesis is an Alberta corporation with its head office in Calgary. It is a reporting issuer in both Ontario and Alberta. Genesis' securities are listed for trading on the Toronto Stock Exchange. Genesis carries on business as a real estate development company, with projects in Alberta and British Columbia.
5. In the Alberta Settlement Devcich and Singh each admitted to breaching Alberta's Securities Act (the "ASA") by authorizing, permitting, or acquiescing in Genesis' failure to provide prescribed disclosure, namely, interim financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").
6. Devcich and Singh further admitted that they failed to inform the Audit Committee of the Genesis Board of Directors (the "Audit Committee") and third party auditors reviewing the interim financial statements (the "Auditors") of all the material facts relating to the sale of certain lands (the "Lands") prior to the filing of the interim financial statements, and thereby acted contrary to the public interest.
7. Staff allege that on the basis of the admissions of Devcich and Singh in the Alberta Settlement, it is in the public interest for the Ontario Securities Commission (the "Commission") to make an order imposing sanctions on Devcich and Singh under s. 127(1) and s.127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

**III. ALLEGATIONS**

8. In the Alberta Settlement, Devcich and Singh each admitted to the following:
  - a. During the material time, GenCap Equity Inc. ("GenCap") was in a "very close" relationship with Genesis.
  - b. On September 29, 2008 GenCap paid \$4.5 million to Genesis as a deposit towards the purchase of the Lands (the "Deposit").
  - c. Devcich and Singh failed to inform the Genesis accounting staff, the Audit Committee, or the Auditors that the source of the GenCap funds to pay the Deposit was a loan that, through their efforts, had been fully guaranteed by Genesis (the "Loan Guarantee"). Further, Devcich and Singh informed some or all of these parties that the Lands transaction was an arm's length deal and they knew of no reason why the Deposit could not be recorded immediately as revenue.
  - d. Genesis recorded the Deposit as revenue in its interim financial statements for the third quarter of 2008, which it filed with the ASC (the "Q3 2008 Financials").

- e. The Audit Committee later determined the Q3 2008 Financials would have to be restated as, under GAAP, the Deposit should not have been recorded as revenue, and the Loan Guarantee should have been recorded as a debt.
- f. On February 4, 2009, Genesis filed restated interim financial statements for the third quarter of 2008 (the "Restated Q3 2008 Financials") in which the accounting of the Lands transaction was reversed and, among other things, the Deposit was removed from revenue and the Loan Guarantee was recorded as a debt.

**Agreement to be Subject to Sanctions**

- 9. Based on these facts and admissions, Devcich and Singh each undertook to the Executive Director of the ASC upon execution of the Alberta Settlement:
  - a. to each pay to the Commission the amount of \$100,000 in settlement;
  - b. to each pay to the Commission the amount of \$30,000 towards investigation and legal costs; and,
  - c. to each resign all positions as a director or officer of any issuer and to refrain from becoming or acting as a director or officer, or both, of any issuer, for 7 years from the date of the Agreement.

**Jurisdiction of the Ontario Securities Commission**

- 10. Devcich and Singh each agreed with the ASC to be made subject to the sanctions, conditions, restrictions or requirements set out in paragraph 9 above.
- 11. Devcich and Singh each admitted to the conduct described above. They further admitted that the conduct was contrary to Alberta securities law and contrary to the public interest.
- 12. Pursuant to subsection 127(10)5 of the Act, the extra-provincial conduct of the Respondents may form the basis of an order in the public interest in Ontario under subsection 127(1).
- 13. It is in the public interest to make orders against the Respondents.
- 14. Staff reserve the right to amend these allegations and to make such further and other allegations as they deem fit and the Commission may permit.

DATED at Toronto this 22nd day of March, 2012.

1.4 Notices from the Office of the Secretary

1.4.1 L. Jeffrey Pogachar et al.

**FOR IMMEDIATE RELEASE**  
March 29, 2012

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

**AND**

**IN THE MATTER OF  
L. JEFFREY POGACHAR, PAOLA LOMBARDI AND  
ALAN S. PRICE, NEW LIFE CAPITAL CORP.,  
NEW LIFE CAPITAL INVESTMENTS INC.,  
NEW LIFE CAPITAL ADVANTAGE INC.,  
NEW LIFE CAPITAL STRATEGIES INC.,  
2126375 ONTARIO INC., 2108375 ONTARIO INC.,  
2126533 ONTARIO INC., 2152042 ONTARIO INC.,  
2100228 ONTARIO INC., 2173817 ONTARIO INC.,  
AND 1660690 ONTARIO LTD.**

**TORONTO** – Following the hearing on the merits and the Oral Decision issued on January 26, 2012 in the above noted matter, the Panel released its Reasons For Decision.

A copy of the Reasons For Decision dated March 28, 2012 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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 Global Energy Group, Ltd. et al.

**FOR IMMEDIATE RELEASE**  
March 29, 2012

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

**AND**

**IN THE MATTER OF  
GLOBAL ENERGY GROUP, LTD., NEW GOLD  
LIMITED PARTNERSHIPS, CHRISTINA HARPER,  
VADIM TSATSKIN, MICHAEL SCHAUER, ELLIOT  
FEDER, ODED PASTERNAK, ALAN SILVERSTEIN,  
HERBERT GROBERMAN, ALLAN WALKER,  
PETER ROBINSON, VYACHESLAV BRIKMAN,  
NIKOLA BAJOVSKI, BRUCE COHEN AND  
ANDREW SHIFF**

**AND**

**IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN STAFF OF  
THE ONTARIO SECURITIES COMMISSION AND  
ELLIOT FEDER**

**TORONTO** – The Commission issued an Order in the above named matter.

A copy of the Order dated March 28, 2012 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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 Nicholas David Reeves**

**OR IMMEDIATE RELEASE  
March 29, 2012**

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

**AND**

**IN THE MATTER OF  
NICHOLAS DAVID REEVES**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 22, 2012 setting the matter down to be heard on April 23, 2012, at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 22, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 22, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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 Abitibowater Inc. doing business as  
Resolute Forest Products and Fibrek Inc.**

**FOR IMMEDIATE RELEASE  
March 29, 2012**

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

**AND**

**IN THE MATTER OF  
ABITIBOWATER INC. doing business as  
RESOLUTE FOREST PRODUCTS**

**AND**

**IN THE MATTER OF  
FIBREK INC.**

**TORONTO** – The Commission will hold a hearing on Friday, March 30, 2012 commencing at 3:00 p.m. in Hearing Room A at the offices of the Commission, 20 Queen Street West, Toronto, ON to consider as a preliminary matter whether the Application filed by Mercer International Inc. should be set down to be heard on its merits by the Commission.

A copy of the Application dated March 26, 2012 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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 Colby Cooper Capital Inc. et al.**

**FOR IMMEDIATE RELEASE  
March 29, 2012**

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

**AND**

**IN THE MATTER OF  
COLBY COOPER CAPITAL INC.  
COLBY COOPER INC.  
PAC WEST MINERALS LIMITED  
JOHN DOUGLAS LEE MASON**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 27, 2012 setting the matter down to be heard on April 23, 2012 at 11:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 27, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 27, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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 Normand Gauthier et al.**

**FOR IMMEDIATE RELEASE  
March 29, 2012**

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

**AND**

**IN THE MATTER OF  
NORMAND GAUTHIER,  
GENTREE ASSET MANAGEMENT INC.,  
R.E.A.L. GROUP FUND III (CANADA) LP, AND  
CANPRO INCOME FUND I, LP**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 27, 2012 at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 27, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 27, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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 North American Financial Group Inc. et al.

FOR IMMEDIATE RELEASE  
March 30, 2012

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

AND

IN THE MATTER OF  
NORTH AMERICAN FINANCIAL GROUP INC.,  
NORTH AMERICAN CAPITAL INC.,  
ALEXANDER FLAVIO ARCONTI, AND  
LUIGINO ARCONTI

**TORONTO** – The Commission issued an Order in the above named matter which provides that the hearing is adjourned to Thursday, April 19, 2012 at 3:00 p.m.

A copy of the Order dated March 29, 2012 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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 Firestar Capital Management Corp. et al.

FOR IMMEDIATE RELEASE  
March 30, 2012

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 (i) the hearing be adjourned to June 20, 2012 at 9:00 a.m. for the purposes of continuing the confidential pre-hearing conference, or such other date as agreed to by the parties and confirmed by the Office of the Secretary; and (ii) the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment are further continued until June 21, 2012, or until further order of the Commission.

A copy of the Order dated March 29, 2012 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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 Carmine Domenicucci**

**FOR IMMEDIATE RELEASE  
March 30, 2012**

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

**AND**

**IN THE MATTER OF  
CARMINE DOMENICUCCI**

**TORONTO** – Following a hearing held on March 29, 2012, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Carmine Domenicucci.

A copy of the Order dated March 29, 2012 and Settlement Agreement dated March 24, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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 Beryl Henderson**

**FOR IMMEDIATE RELEASE  
March 30, 2012**

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

**AND**

**IN THE MATTER OF  
BERYL HENDERSON**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 30, 2012 setting the matter down to be heard on May 2, 2012 at 11:30 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 30, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 30, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

Carolyn Shaw-Rimington  
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)

**1.4.11 Abitibowater Inc. doing business as  
Resolute Forest Product and Fibrek Inc.**

**FOR IMMEDIATE RELEASE  
March 30, 2012**

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

**AND**

**IN THE MATTER OF  
ABITIBOWATER INC. doing business as  
RESOLUTE FOREST PRODUCTS**

**AND**

**IN THE MATTER OF  
FIBREK INC.**

**TORONTO** – The Commission issued its Decision on the Application filed by Mercer International Inc. in connection with the above noted matter.

A copy of the Application dated March 28, 2012 and the Decision dated March 30, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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)

**1.4.12 Energy Syndications Inc. et al.**

**FOR IMMEDIATE RELEASE  
April 2, 2012**

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

**AND**

**IN THE MATTER OF  
ENERGY SYNDICATIONS INC.  
GREEN SYNDICATIONS INC. ,  
SYNDICATIONS CANADA INC.,  
DANIEL STRUMOS, MICHAEL BAUM  
AND DOUGLAS WILLIAM CHADDOCK**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing on March 30, 2012 setting the matter down to be heard on April 11, 2012 at 11:30 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 30, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 30, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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)

1.4.13 Rezwealth Financial Services Inc. et al.

FOR IMMEDIATE RELEASE  
April 2, 2012

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

AND

IN THE MATTER OF  
REZWEALTH FINANCIAL SERVICES INC.,  
PAMELA RAMOUTAR, JUSTIN RAMOUTAR,  
TIFFIN FINANCIAL CORPORATION, DANIEL TIFFIN,  
2150129 ONTARIO INC., SYLVAN BLACKETT,  
1778445 ONTARIO INC. AND WILLOUGHBY SMITH

**TORONTO** – The Commission issued an Order, which provides that the continuation of the pre-hearing conference is set down for Thursday, April 5, 2012 at 10:00 a.m. on a peremptory basis, to consider a request for an adjournment of the hearing on the merits, should Ms. Ramoutar decide to make such a request.

The pre-hearing conference will be held in camera.

A copy of the Order dated March 30, 2012 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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)

1.4.14 Morgan Dragon Development Corp. et al.

FOR IMMEDIATE RELEASE  
April 2, 2012

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

AND

IN THE MATTER OF  
MORGAN DRAGON DEVELOPMENT CORP.,  
JOHN CHEONG (aka KIM MENG CHEONG),  
HERMAN TSE, DEVON RICKETTS  
AND MARK GRIFFITHS

**TORONTO** – The Office of the Secretary issued an Amended Notice of Hearing dated March 26, 2012 setting the matter down to be heard on April 19, 2012, at 3:00 p.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Amended Notice of Hearing dated March 26, 2012, Notice of Hearing dated March 22, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 22, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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)

**1.4.15 Fibrek Inc. and the Toronto Stock Exchange**

**FOR IMMEDIATE RELEASE  
April 2, 2012**

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

**AND**

**IN THE MATTER OF  
FIBREK INC.**

**AND**

**IN THE MATTER OF  
A DECISION OF THE TORONTO STOCK EXCHANGE**

**TORONTO** – The Commission issued an Order which provides that the above named matter is adjourned to April 12, 2012 at 10:00 a.m.

A copy of the Order dated April 2, 2012 is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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)

**1.4.16 Frank Andrew Devcich and Gobinder Kular Singh**

**FOR IMMEDIATE RELEASE  
April 3, 2012**

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

**AND**

**IN THE MATTER OF  
FRANK ANDREW DEVCICH AND  
GOBINDER KULAR SINGH**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing setting the matter down to be heard on April 20, 2012, at 10:00 a.m. or as soon thereafter as the hearing can be held in the above named matter.

A copy of the Notice of Hearing dated March 22, 2012 and Statement of Allegations of Staff of the Ontario Securities Commission dated March 22, 2012 are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

For media inquiries:  
[media\\_inquiries@osc.gov.on.ca](mailto:media_inquiries@osc.gov.on.ca)

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)

This page intentionally left blank

## Chapter 2

# Decisions, Orders and Rulings

---

---

### 2.1. Decisions

#### 2.1.1 Futuemed Healthcare Products Corporation – 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).

March 29, 2012

Futuemed Healthcare Products Corporation  
277 Basaltic Road  
Concord, Ontario  
L4K 5V3

Dear Sirs/Mesdames:

**Re: Futuemed Healthcare Products Corporation (the Applicant) – application for a decision under the securities legislation of Ontario, Alberta, Quebec, Manitoba, Nova Scotia, New Brunswick, Prince Edward Island, Saskatchewan, Newfoundland and Labrador, Yukon, Nunavut and the Northwest Territories (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”  
Manager, Corporate Finance  
Ontario Securities Commission

2.1.2 Davis Distributors, LLC

Headnote

MI 11-102 – relief granted from margin rate applicable to U.S. money market mutual funds in calculation of market risk in Form 31-103F1 – margin rate for funds qualified for distribution in Canada is 5%, while funds qualified for distribution in U.S. is 100% – similar regulation of money market funds – NI 31-103 – unique set of facts represented by the applicant.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations, ss. 12.1, 15.

Multilateral Instrument 11-102 Passport System, s. 4.7.

March 29, 2012

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  
DAVIS DISTRIBUTORS, LLC  
(the Filer)

DECISION

Background

The Principal Regulator (as defined below) in the Principal Jurisdiction has received an application from the Filer for a decision under Subsection 15.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (**NI 31-103**) for relief from the requirement in section 12.1 of NI 31-103 that the Filer calculate its excess working capital using Form 31-103F1 (the **Form F1**) only to the extent that the Filer be permitted to apply the same margin rate to investments in money market mutual funds qualified for sale by prospectus in the United States of America as is the case for money market mutual funds qualified for sale in a province of Canada when calculating market risk pursuant to Line 9 of Form F1 (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 (the **OSC** or **Principal Regulator**) for this application, and

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

Interpretation

Defined terms contained in National Instrument 31-103 – *Registration Requirements and Exemptions* and MI 11-102 have the same meanings in this decision (the **Decision**) unless they are otherwise defined in this Decision.

Representations

This Decision is based on the following facts represented by the Filer.

1. The Filer is a limited liability company organized under the laws of the state of Delaware. The Filer's head office is located at 2949 E. Elvira Rd., Suite 101, Tucson, Arizona 85756.
2. The Filer is a wholly owned subsidiary of Davis Selected Advisers, LP (**DSA, LP**), a privately held U.S. investment adviser.
3. The Filer is registered with the U.S. Securities and Exchange Commission (**SEC**) as a broker-dealer and is a member of the Financial Industry Regulatory Authority (**FINRA**).
4. The Filer is registered in the category of exempt market dealer (**EMD**) in the provinces of Ontario and Alberta.
5. The Filer is not a reporting issuer in any jurisdiction of Canada and is not, to its knowledge, in default of securities regulation in any jurisdiction of Canada, other than as disclosed in this Decision.
6. The Filer's sole business is to serve as principal underwriter of collective investments/mutual funds that are advised by DSA, LP.
7. The Filer invests its cash balances in money market mutual funds advised by DSA, LP and qualified for sale by prospectus in the U.S., specifically money market mutual funds which are registered investment companies under the *Investment Company Act of 1940*, as amended (the **1940 Act**) and which comply with Rule 2a-7 thereunder (**Rule 2a-7**).
8. The Filer has a longstanding practice to invest its cash balances alongside clients in mutual funds advised by DSA, LP. DSA, LP, the Filer and their employees and directors have over \$2 billion USD invested alongside clients in the various mutual funds underwritten by the Filer and advised by DSA, LP.



9. The Filer has represented that it is not practicable for the Filer to invest its cash balances in money market mutual funds qualified for sale by prospectus in a province of Canada because: (i) the Filer has a longstanding practice to invest its cash balances alongside clients in mutual funds advised by DSA, LP; and (ii) there would be additional impediments that would limit or prevent entirely the Filer's investment in a money market mutual fund qualified for sale by prospectus in a province in Canada. These additional impediments include the possible disallowance by FINRA in calculation of the Filer's excess capital calculation, unfavorable tax treatment for the Filer, and the risk related to the fluctuation of the exchange rate between the Canadian and U.S. dollar.
10. Under Schedule 1 of Form F1 an investment in the securities of a money market mutual fund qualified for sale by prospectus only in the U.S. would be subject to a margin rate of 100% of the market value of such investments for the purposes of Line 9 of Form F1.
11. The Filer would have excess working capital as calculated using Form F1 of less than zero unless relief is granted, and could not meet the capital requirements under NI 31-103.
12. The margin rate required for a money market mutual fund qualified for sale by prospectus in a province of Canada is 5% of the market value of such investment, as opposed to 100% for the market value of investments in a money market mutual fund qualified for sale by prospectus in the U.S.
13. The regulatory oversight and the quality of investments held by a money market mutual fund qualified for sale by prospectus in each of the U.S. and a province of Canada is similar. In particular Rule 2a-7 sets out requirements dealing with portfolio maturity, quality, diversification and liquidity, which are similar to requirements under National Instrument 81-102 – *Mutual Funds (NI 81-102)*.
- under the 1940 Act and which complies with Rule 2a-7;
- (b) the requirements for money market mutual funds under Rule 2a-7 or any successor rule or legislation are similar to the requirements for Canadian money market mutual funds under NI 81-102 or any successor rule or legislation;
- (c) the Filer is registered with the SEC as a broker-dealer and is a member of FINRA; and
- (d) the Filer continues to maintain a practice of co-investment alongside clients.

“Marriane Bridge”  
Deputy Director, Compliance and Registrant Regulation  
Ontario Securities Commission

**Decision**

The Principal Regulator is satisfied that the Decision meets the test set out in the Legislation for the Principal Regulator to make the Decision.

The Decision of the Principal Regulator under the Legislation is that the Exemption Sought is granted so long as:

- (a) any money market mutual fund invested in by the Filer is qualified for sale by prospectus in the U.S. as a result of being a registered investment company

**2.1.3 Invesco Canada Ltd. and Invesco Intactive Strategic Capital Yield Portfolio Class**

**Headnote**

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from multi-layering prohibition in paragraph 2.5(2)(b) of NI 81-102 to permit certain top funds to invest or gain exposure for 100% of their assets in reference funds, which in turn are more than 10% invested in other mutual funds and ETFs – The three-tier fund structure is analogous to the current multi-layering exception in NI 81-102 – Transparent investment portfolio and accountability for portfolio management – National Instrument 81-102 Mutual Funds.

**Applicable Legislative Provisions**

National Instrument 81-102 Mutual Funds, ss. 2.5(2)(b), 19.1.

**March 30, 2012**

**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  
INVESCO CANADA LTD.  
(the “Filer”)**

**AND**

**IN THE MATTER OF  
INVESCO INTACTIVE STRATEGIC CAPITAL  
YIELD PORTFOLIO CLASS  
(“Strategic Class”)**

**DECISION**

**Background**

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of Strategic Class for a decision under the securities legislation of the Jurisdiction of the principal regulator (the “**Legislation**”) exempting Strategic Class and Future Strategic Classes from the restriction contained in section 2.5(2)(b) of National Instrument 81-102 – *Mutual Funds* (“**NI 81-102**”) that a fund not invest in another fund if the other fund holds more than 10% of the market value of its net assets in securities of other mutual funds (the “**Exemption Sought**”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions:

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

**Interpretation and Definitions**

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

“**cash**” means cash, and cash equivalents.

“**Future Strategic Class**” means all mutual funds now or in the future managed by the Filer in respect of which the representations relating to Strategic Class set out under “**Facts**” are applicable save that all references to Strategic Class and Strategic Portfolio shall be replaced with the applicable Future Strategic Class and Future Strategic Portfolio, respectively.

“**Future Strategic Portfolios**” means all mutual funds now or in the future managed by the Filer in respect of which the representations relating to Strategic Portfolio set out under “**Facts**” are applicable save that (i) all references to Strategic Portfolio shall be replaced with the applicable Future Strategic Portfolio and (ii) Future Strategic Portfolios’ objectives may differ from Strategic Portfolio’s objectives but each Future Strategic Portfolio will seek to achieve its objective through investment in various asset classes that may be represented by mutual funds.

“**gold**” means gold, certain permitted gold certificates and specified derivatives the underlying interest of which is gold on an unlevered basis.

“**Gold/Silver ETFs**” means exchanged traded funds whose securities trade on a stock exchange in Canada or the United States and which seek to replicate the performance of gold and/or silver on an unlevered basis or the value of a specified derivative the underlying interest of which is gold and/or silver on an unlevered basis.

“**IFS**” means Invesco Funds, SICAV that qualifies as a Société d’Investissement à Capital Variable governed by the laws of Luxembourg. IFS is registered as an undertaking for collective investment in transferable securities under the EU Council Directive 2009/65/EC of 13 July 2009 on the Coordination of Laws, Regulations and Administrative Provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS), as amended.

**"IFS2"** means Invesco Funds Series 2, a unit trust organized under the laws of Ireland. IFS2 is registered as an undertaking for collective investment in transferable securities under the EU Council Directive 2009/65/EC of 13 July 2009 on the Coordination of Laws, Regulations and Administrative Provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS), as amended.

**"Index ETFs"** means mutual funds that issue securities which qualify as an "index participation unit" as that term is defined in NI 81-102.

**"Money Market Funds"** means mutual funds that qualify as a "money market fund" as that term is defined in NI 81-102.

**"NI 81-102"** means National Instrument 81-102 – *Mutual Funds*.

**"UCIT Funds"** means Invesco Emerging Market Corporate Bond, a sub-fund of IFS and Invesco Emerging Market Bond Fund, a sub-fund of IFS2.

**"silver"** means silver, certain permitted silver certificates and specified derivatives the underlying interest of which is silver on an unlevered basis.

**"Strategic Portfolio"** means Invesco Intactive Strategic Yield Portfolio, a mutual fund to be formed and managed by the Filer.

**"Underlying Funds"** means mutual funds subject to NI 81-102 in which Strategic Portfolio or Future Strategic Portfolios invest, other than the Gold/Silver ETFs, Index ETFs, and Money Market Funds as defined above.

### Representations

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

### Facts

1. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is or will be the manager of Strategic Class, Strategic Portfolio and the Underlying Funds.
3. The Filer is not in default of securities legislation in any jurisdiction of Canada.
4. Strategic Class will be a class of shares of Invesco Corporate Class Inc. that seeks to achieve its investment objective of providing tax efficient returns (before fees and expenses) similar to those of the Strategic Portfolio primarily by entering into forward contracts or other derivative instruments. The reference fund invests in primarily in a diversified portfolio of global, fixed income, dividend-paying and other income-

oriented mutual funds or securities. It is anticipated that the performance of Strategic Class and Strategic Portfolio will only differ as a result of (a) costs associated with forward contracts; and (b) settlement delay as purchases by Strategic Class' investors may only be invested in Strategic Portfolio's securities when those purchases settle which is typically three business days following the trade date.

5. Strategic Portfolio will be a fund-of-funds that may invest in one or more of the following:
  - (a) Index ETFs;
  - (b) Underlying Funds;
  - (c) gold, silver and/or Gold/Silver ETFs;
  - (d) the UCIT Funds;
  - (e) securities of issuers that are corporations or a government entity; and
  - (f) cash;
  - (g) Money Market Funds

The objective of the Strategic Portfolio is to generate current income with the potential for capital appreciation. It achieves its objective through investment in various asset classes that may be represented by mutual funds.

6. An Underlying Fund invests mainly in securities of issuers that are corporations or a government entity.
7. An Index ETF may invest in securities of other Index ETFs or issuers that are corporations or a government entity.
8. On August 10, 2010, the Filer, on behalf of its existing mutual funds and mutual funds that it may in the future manage which are subject to NI 81-102 has obtained relief from the restrictions contained in sections 2.3(f), 2.3(h), 2.5(2)(a), 2.5(2)(b) and 2.5(2)(c) of NI 81-102 to permit such funds to invest up to 10% of their net assets, taken at market value at the time of the transaction, in Gold/Silver ETFs, gold and/or silver ("**Gold/Silver Relief**").
9. In March 2012, the Filer has, on behalf of the Strategic Portfolio, obtained relief from the restrictions contained in section 2.5(2)(a) and 2.5(2)(c) of NI 81-102 to permit it to invest up to 10% of its net assets, taken at market value at the time of the transaction, in the UCIT Funds (the "**UCIT Relief**").
10. Strategic Portfolio's investment in securities of Index ETFs may result in a multiple tier fund

- structure which structure is permitted under section 2.5(4)(b)(ii).
11. Strategic Class' investment in securities of Strategic Portfolio may result in:
    - (a) Multi-tier structures with respect to Strategic Portfolio's investment in Index ETFs which structures are permitted under section 2.5(4)(b)(ii);
    - (b) A multi-tier structure with respect to Strategic Portfolio's investment in money market funds which structure is permitted under section 2.5(4)(b)(i); and
    - (c) A multi-tier structure with respect to Strategic Portfolio's investment in Underlying Funds, Gold/Silver ETFs and UCIT Funds which is contrary to the multi-layering restriction in section 2.5(2)(b) of NI 81-102.
  12. A preliminary simplified prospectus and annual information form dated February 23, 2012 for Strategic Class and Strategic Portfolio was filed in all provinces and territories of Canada under SEDAR project #01862627.
  13. Strategic Class, Strategic Portfolio and each Underlying Fund is or will be (a) an open-end mutual fund established under the laws of Ontario; (b) a reporting issuer under the securities laws of each of the provinces and territories of Canada; and (c) qualified for distribution in all provinces and territories of Canada.
  14. An investment by Strategic Class in securities of Strategic Portfolio will be made in accordance with the provisions of section 2.5 of NI 81-102, except for the requirements in section 2.5(2)(b).
  15. An investment by Strategic Portfolio in securities of:
    - (a) an Underlying Fund and a money market fund will be made in accordance with the provisions of section 2.5 of NI 81-102;
    - (b) an Index ETF will be made in accordance with the provisions of section 2.5 of NI 81-102, except for the requirement in section 2.5(2)(e) from which the Filer has received exemptive relief on May 8, 2008 to pay arm's length third party brokers brokerage commissions for executing trades in securities of Index ETFs (the "**May 8, 2008 Relief**");
    - (c) a Gold/Silver ETF will be made in accordance with the provisions of the Gold/Silver Relief; and
  - (d) UCIT Funds will be made in accordance with the provisions of the UCIT Relief.
- Accordingly, there will be no duplication of fees between each tier of the multi-tier fund structure except as permitted under the May 8, 2008 Relief.
16. The multi-tier fund structure will be akin to, and no more complex than, the three-tier fund structure currently permitted under sections 2.5(4)(a) and 2.5(4)(b)(ii) of NI 81-102.
  17. The simplified prospectus of Strategic Class will disclose that it will link its returns to Strategic Portfolio through the use of forward contracts and that it may invest directly in securities of Strategic Portfolio. It will also disclose that Strategic Portfolio may invest in other funds, including Underlying Funds, Index ETFs, Gold/Silver ETFs, the UCIT Funds and money market funds. It will also disclose that the Index ETFs may invest in other Index ETFs. It will therefore be clear to investors that accountability for portfolio management is at the level of the Strategic Portfolio. In addition, the Filer will comply with the requirements under National Instrument 81-106 – *Investment Fund Continuous Disclosure* relating to top 25 disclosure in the Management Report of Fund Performance as if the Strategic Class were invested directly in the Index ETFs and Underlying Funds. This will provide transparency to investors relating to the investment portfolio.
  18. An investment by:
    - (a) Strategic Class in securities of Strategic Portfolio represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of Strategic Class;
    - (b) Strategic Portfolio in securities of other investment funds including Underlying Funds, Index ETFs, Gold/Silver ETFs, the UCIT Funds and money market funds represent the business judgment of responsible persons uninfluenced by considerations other than the best interests of Strategic Portfolio; and
    - (c) An Index ETF in securities of another Index ETF represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of that Index ETF.

**Decision**

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

The decision of the principal regulator under the Legislation is that the Exemption Sought is granted to allow Strategic Class and the Future Strategic Classes to link their returns to Strategic Portfolio and Future Strategic Portfolios, respectively, provided that:

- a) Such investments are made in compliance with all other requirements of section 2.5 of NI 81-102, except to the extent that discretionary relief has been granted from any such requirements.
- b) The only mutual funds that the Underlying Funds will invest more than 10% of their net assets in are Money Market Funds.
- c) The Strategic Portfolio and Future Strategic Portfolios will not invest directly or indirectly more than 10 percent of its net assets, at the time of investment, in UCIT Funds.
- d) No more than 10 percent of the net assets of a UCIT Fund held by the Strategic Portfolio or Future Strategic Portfolios will be invested in other mutual funds.

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

**2.1.4 AbitibiBowater Inc. doing business as Rolute Forest Product and Fibrek Inc.**

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

**AND**

**IN THE MATTER OF  
ABITIBIBOWATER INC. doing business as  
RESOLUTE FOREST PRODUCTS**

**AND**

**IN THE MATTER OF  
FIBREK INC.**

**DECISION**

After considering all of the submissions made to us, we dismiss the application (the “Application”) made by Mercer International Inc. (“Mercer”) for a hearing on the merits before the Ontario Securities Commission based on Mercer’s application dated March 28, 2012. The Bureau de Décision et de Révision (the “Bureau”) is properly seized of matters related to the take-over bids made by AbitibiBowater Inc. (“AbitibiBowater”) and Mercer, respectively, for all of the shares of Fibrek Inc. (“Fibrek”). The Bureau has (i) previously held a hearing on the merits related to the application by AbitibiBowater to cease trade the issue of special warrants by Fibrek to Mercer, and (ii) has scheduled a hearing for 9:30 a.m. on Monday, April 2, 2012 to consider an application by Mercer on substantially the same terms as the Application. While in our view we have jurisdiction to hear the Application on the merits, we do not believe that the public interest is served in these circumstances by holding a simultaneous hearing with the Bureau on the Application.

**DATED** at Toronto this 30th day of March, 2012.

“James E. A. Turner”

“Mary G. Condon”

“Judith N. Robertson”

2.1.5 Mawer Investment Management Ltd.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from s. 4.2(1) of NI 81-102 to permit inter-fund trades between public mutual funds and pooled funds – inter-fund trades will comply with conditions in subsection 6.1(2) of NI 81-107 including IRC approval – relief subject to pricing and transparency conditions.

Applicable Legislative Provisions

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

National Instrument 81-102 Mutual Funds, s. 4.2(1).

Citation: Mawer Investment Management Ltd., Re, 2012 ABASC 97

March 13, 2012

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  
MAWER INVESTMENT MANAGEMENT LTD.  
(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**) for an exemption from the restriction in section 4.2 of National Instrument 81-102 *Mutual Funds* (**NI 81-102**) to permit the purchase or sale of debt securities (each purchase or sale, an **Inter-Fund Trade**) between an NI 81-102 Fund (as defined below) and a Pooled Fund (as defined below) (the **Exemption Sought**).

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

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

- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (**MI 11-102**) is intended to be relied upon in all of the provinces and territories of Canada; 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 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, NI 81-102 and National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) have the same meanings if used in this decision, unless otherwise defined herein.

The following terms have the following meanings:

**NI 81-102 Funds** means the existing mutual funds and future mutual funds to which NI 81-102 applies, of which the Filer, or an affiliate of the Filer, is the investment fund manager and/or portfolio adviser.

**Pooled Funds** means the existing and future investment funds of which the Filer, or an affiliate of the Filer, is the investment fund manager and/or portfolio adviser, the securities of which are distributed pursuant to exemptions from the prospectus requirement.

**Funds** means collectively, the NI 81-102 Funds and the Pooled Funds.

Certain other defined terms have the meanings given to them below under Representations.

Representations

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

*The Filer*

1. The Filer is a corporation organized under the laws of Alberta, with its head office in Calgary, Alberta.
2. The Filer is registered in:
  - (a) Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Northwest Territories as an adviser in the category of portfolio manager;
  - (b) Alberta as an investment fund manager; and

(c) Alberta, British Columbia, Saskatchewan, Manitoba and Ontario as a mutual fund dealer.

The Filer is not a member of the Mutual Fund Dealers Association of Canada.

3. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and/or the portfolio adviser of each of the NI 81-102 Funds and the Pooled Funds (defined above as the **Funds**).
4. The Filer is not a reporting issuer in any jurisdiction of Canada.
5. The NI 81-102 Funds are reporting issuers and as a result the Filer has established an independent review committee (**IRC**) under NI 81-107 with respect to each of the NI 81-102 Funds.
6. The Filer, or an affiliate of the Filer, as investment fund manager of a Pooled Fund, will either expand the mandate of the IRC of the NI 81-102 Funds to include the review and approval of the Inter-Fund Trades on behalf of each Pooled Fund, or establish a new IRC for some or all of the Pooled Funds.
7. None of the Filer, an affiliate of the Filer, the NI 81-102 Funds or the Pooled Funds are in default of securities legislation in any jurisdiction of Canada.

**The Pooled Funds**

8. Each Pooled Fund is, or will be, an investment fund established under the laws of Alberta or another jurisdiction of Canada.
9. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and/or portfolio adviser of each of the Pooled Funds.
10. The Pooled Funds are not, and will not be, reporting issuers in any jurisdiction of Canada.
11. Securities of the Pooled Funds are, or will be, distributed in some or all of the jurisdictions of Canada pursuant to exemptions from the prospectus requirement in those jurisdictions.

**The NI 81-102 Funds**

12. Each NI 81-102 Fund is, or will be, an investment fund established under the laws of Alberta or another jurisdiction of Canada.
13. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and/or portfolio adviser of each of the NI 81-102 Funds.

14. The NI 81-102 Funds are, and will be, reporting issuers in some or all of the jurisdictions of Canada.

15. Securities of the NI 81-102 Funds are, or will be, distributed pursuant to a simplified prospectus and annual information form in some or all of the jurisdictions of Canada.

**Inter-Fund Trades**

16. As the portfolio adviser, the Filer may desire to cause an NI 81-102 Fund to engage in an Inter-Fund Trade with a Pooled Fund.

17. When the Filer, or an affiliate of the Filer, engages in an Inter-Fund Trade, it will generally follow the following procedures or other procedures approved by the applicable IRC:

- (a) the portfolio adviser of the Filer, or an affiliate of the Filer, will request the approval of the chief compliance officer of the Filer, or an affiliate of the Filer, or his or her designated alternate, or of another designated individual, to execute a purchase or a sale of a security by a Fund as an Inter-Fund Trade;
- (b) upon receipt of the required approval, the portfolio adviser of the Filer, or an affiliate of the Filer, will either place the trade directly or deliver the trade instructions to a trader on a trading desk of the Filer, or an affiliate of the Filer;
- (c) upon receipt of the approved trade instructions, the trader on the trading desk will have the discretion to execute the trade as an Inter-Fund Trade in accordance with the requirements of paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107;
- (d) the policies applicable to the trading desk of the Filer, or an affiliate of the Filer, will require that all orders are to be executed on a timely basis; and
- (e) the trader will advise the Filer of the price at which the Inter-Fund Trade occurred.

18. The Inter-Fund Trades of debt securities will be executed through a registered dealer or otherwise be subject to market integrity requirements as defined in subsection 6.1(1) of NI 81-107

19. At the time of an Inter-Fund Trade, the Filer will have in place policies and procedures to enable the Funds to engage in the Inter-Fund Trades.

20. As noted above, the Filer, or an affiliate of the Filer, as investment fund manager of a Pooled

Fund, will either expand the mandate of the IRC of the NI 81-102 Funds to include the review and approval of the Inter-Fund Trades on behalf of each Pooled Fund, or establish a new IRC for some or all of the Pooled Funds. In any event, in its review of the Inter-Fund Trades on behalf of a Pooled Fund, the applicable IRC will comply with the standard of care set out in section 3.9 of NI 81-107. The IRC will not approve an Inter-Fund Trade on behalf of a Pooled Fund unless the IRC has made the determination set out in section 5.2(2) of NI 81-107.

21. The Inter-Fund Trades involving a Fund will be referred to the IRC under subsection 5.2(1) of NI 81-107 and the Filer, as investment fund manager and/or portfolio adviser of such Fund, will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade.
22. Section 4.3(2) of NI 81-102 states that the restriction in section 4.2 of NI 81-102 does not apply with respect to a purchase or sale of a class of debt securities by a mutual fund from or to, another mutual fund managed by the same manager or an affiliate of the manager, if, at the time of the transaction, among other things, the mutual fund is purchasing from, or selling to, another mutual fund to which NI 81-107 applies and the transaction complies with section 6.1(2) of NI 81-107. The Filer is unable to rely on the exemption from section 4.2(1) of NI 81-102 for Inter-Fund Trades in debt securities codified in subsection 4.3(2) of NI 81-102 because the Pooled Funds are not subject to NI 81-107.
23. As the Filer, or its affiliate, is, or will be, the investment fund manager of a Fund, the Fund may be considered an "associate" of the Filer, or its affiliate, within the meaning of the applicable provisions of the Legislation; accordingly, absent the granting of the Exemption Sought, the Filer, or its affiliate, would be restricted from engaging in the Inter-Fund Trades.
24. The Filer is of the view that where the portfolio securities of the selling Fund are compatible with the investment objectives and strategies of the purchasing Fund, it may be in the best interests of the applicable Funds to engage in Inter-Fund Trades involving the sale of portfolio securities from the selling Fund to the purchasing Fund. The Filer will only engage in Inter-Fund Trades between Funds if, in its view, engaging in an Inter-Fund trade as opposed to similar open-market trades is in the best interests of each of the parties to the trade.
25. Due to the various investment objectives and investment strategies utilized by the Funds, it may be appropriate for different investment portfolios to acquire or dispose of the same securities through

the same trading system; the Filer has determined that there are benefits to be achieved from expanding the potential counterparties to include other Funds; these benefits include lower trading costs, reduced market disruption and quicker execution, as well as simpler and more reliable compliance procedures.

#### Decision

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

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

- (a) the Inter-Fund Trade is consistent with the investment objective of each of the Funds involved in the trade;
- (b) the Filer refers the Inter-Fund Trade to the IRC in the manner contemplated by section 5.1 of NI 81-107 and the Filer and the applicable IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;
- (c) the IRC of each Fund has approved the Inter-Fund Trade in respect of that Fund in accordance with the terms of subsection 5.2(2) of NI 81-107; and
- (d) the Inter-Fund Trade of debt securities complies with paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107.

"Blaine Young"  
Associate Director, Corporate Finance



## 2.1.6 Invesco Canada Ltd. and Invesco Intactive Strategic Yield Portfolio

### Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from requirements contained in paragraphs 2.5(2)(a) and 2.5(2)(c) of National Instrument 81-102 Mutual Funds – Top Funds permitted to invest up to 10% of net assets, in aggregate, in securities of mutual funds governed by the laws of Luxembourg or the Republic of Ireland that are sub-funds of an affiliate and managed by the same manager – Relief subject to certain conditions – Top Funds are required to divest if laws applicable to Luxembourg or Irish mutual funds cease to be materially consistent with Part 2 of NI 81-102.

### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.5(2)(a), 2.5(2)(c), 19.1.

March 30, 2012

**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  
INVESCO CANADA LTD.  
(the "Filer")**

**AND**

**INVESCO INTACTIVE STRATEGIC  
YIELD PORTFOLIO  
("Strategic Portfolio")**

**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 exemptive relief (the "**Exemption Sought**") for Strategic Portfolio from the following provisions of National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**"):

- (i) subsection 2.5(2)(a) that prohibits a mutual fund from investing in another mutual fund that is not subject to NI 81-102 and National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* ("**NI 81-101**"); and
- (ii) subsection 2.5(2)(c) that prohibits a mutual fund from investing in securities of another mutual that is not qualified for distribution in the local jurisdiction.

Paragraphs (i) through (iii) are collectively referred to as the **Exemption Sought**.

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

- (i) the Ontario Securities Commission is the principal regulator for this application; and
- (ii) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is 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.

## Interpretation

Defined terms contained in NI 81-102, National Instrument 14-101 *Definitions* 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 on behalf of the Strategic Portfolio:

## Facts

1. The head office of the Filer is located in Toronto, Ontario.
2. The Filer is or will be the manager of the Strategic Portfolio.
3. The Filer is an indirect wholly-owned subsidiary of Invesco Ltd.
4. The Filer is not in default of securities legislation in any province or territory of Canada.
5. The Strategic Portfolio will:
  - (a) be an open-end mutual fund established under the laws of Ontario;
  - (b) comply with NI 81-102;
  - (c) have a simplified prospectus and annual information form prepared in accordance with NI 81-101 and NI 81-102;
  - (d) be a reporting issuer under the securities laws of each of the provinces and territories of Canada;
  - (e) be qualified for distribution in all provinces and territories of Canada; and
  - (f) not be in default of securities legislation in any province or territory of Canada.
4. A preliminary simplified prospectus and annual information form dated February 23, 2012 for Strategic Portfolio was filed in all provinces and territories of Canada under SEDAR project #01862627.
5. Invesco Management S.A. ("**IMSA**"), the manager of Invesco Funds, SICAV ("**IFS**"), is a wholly-owned indirect subsidiary of Invesco Ltd. and as of October 31, 2011, IMSA managed approximately US\$14.574 billion.
6. IFS is an open-ended investment company that qualifies as a Société d'Investissement à Capital Variable governed by the laws of Luxembourg. IFS is registered as an undertaking for collective investment in transferable securities ("**UCIT**") under the EU Council Directive 2009/65/EC of 13 July 2009 on the Coordination of Laws, Regulations and Administrative Provisions relating to Undertakings for Collective Investment in Transferable Securities (UCITS), as amended.
7. The Invesco Emerging Market Corporate Bond Fund (the "**EM Corporate Fund**") is a sub-fund of IFS that is distributed in certain European countries pursuant to the EU Directives. The EM Corporate Fund has also issued a prospectus and a simplified prospectus which contains disclosure pertaining to the fund, IFS and IMSA.
8. Invesco Global Asset Management Limited ("**IGAML**"), the manager of Invesco Series 2 ("**IS2**"), is a wholly-owned indirect subsidiary of Invesco Ltd. and as of October 31, 2011, IGAML managed approximately US\$7.1 billion.
9. IS2 is an opened-ended umbrella fund constituted as a unit trust under trust deed in Ireland. IS2 is authorized by The Central Bank of Ireland as a UCIT under The European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (as amended) of Ireland (together with the EU Council Directive 2009/65/EC of 13 July 2009, the "EU Directives").
10. The Invesco Emerging Markets Bond Fund ("**EM Bond Fund**") is a sub-fund of IS2 that is distributed in certain European countries pursuant to the EU Directives. The EM Bond Fund has also issued a prospectus and a simplified prospectus which contains disclosure pertaining to the fund, IS2 and IGAML.

## Decisions, Orders and Rulings

---

11. Each of the EM Corporate Fund and EM Bond Fund (collectively, the “**EM Funds**”) is subject to investment restrictions and practices that are substantially similar to those applicable to the Strategic Portfolio. The EM Funds are available for purchase by the public and are generally not considered hedge funds.
12. Strategic Portfolio will be a fund-of-funds that mainly invests in securities of issuers that are corporations, government or investment funds, including mutual funds governed by NI 81-102 and exchange traded funds (“**ETFs**”) that seek to track the performance of market indices, gold and/or silver.
13. The investment objective of Strategic Portfolio is to seek to generate a high level of income with the potential for capital appreciation. The Fund invests in a diversified portfolio of mutual funds that are managed by the Manager or one of its affiliates or associates and one or more Invesco PowerShares ETFs or ETFs which may be managed by a third party. The Fund will invest primarily in underlying funds and ETFs that invest in fixed income securities and/or dividend-paying securities.
14. The investment objectives of EM Corporate Fund is to achieve a high income yield and long-term capital appreciation by investing primarily in debt securities of emerging market corporate issuers.
15. The investment objectives of EM Bond Fund is to achieve a high income yield and long-term capital appreciation by investing in debt securities and loan instruments of issuers in emerging market countries.
16. Neither of the EM Funds invest more than 10% of their net assets in other investment funds.
17. Sections 2.1(2) and 2.5(2) of NI 81-102 would permit the Strategic Portfolio to invest in the EM Funds but for the fact that the EM Funds are not subject to NI 81-101 and NI 81-102 and are not distributed in Canada under a simplified prospectus.
18. The Filer believes that it is in the best interests of the Strategic Portfolio that it be permitted to invest in the EM Funds as such investments will allow the Strategic Portfolio to achieve greater diversification in an economically viable way.
19. While it may be possible for the Filer to:
  - a) qualify funds similar to the EM Funds in Canada, it is not, at this point desirable, to do so as, in the Filer’s opinion, the market for funds similar to the EM Funds in Canada is not sufficiently large such that the fund will be economically viable; and
  - b) invest directly in the securities in which the EM Fund invests, it is not, at this point, desirable to do so as given the Strategic Portfolio’s limited investment in the Strategic Portfolio, it would be more economical from a trading costs and liquidity perspective to invest in securities of the EM Funds than directly in debt securities of emerging market companies.
20. The Strategic Portfolio will otherwise comply fully with section 2.5 of NI 81-102 in its investment in the EM Funds and will provide all disclosure mandated for mutual funds investing in other mutual funds.

### 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 Exemption Sought is granted provided that:

- a) The EM Funds qualify as UCITs and are distributed in accordance with the EU Directives, which subject the EM Funds to investment restrictions and practices that are substantially similar to those that govern the Strategic Portfolio;
- b) The investment of the Strategic Portfolio in the EM Funds otherwise complies with section 2.5 of NI 81-102 and the Strategic Portfolio provides the disclosure contemplated for fund-of-fund investments in NI 81-101. Specifically, the investment by the Strategic Portfolio in the EM Funds is disclosed in its simplified prospectus;
- c) The Strategic Portfolio will not invest in the EM Funds if, immediately after the investment, more than 10% of its net assets, in aggregate, taken at market value at the time of the investment, would consist of investments in the EM Funds;

## Decisions, Orders and Rulings

---

- d) The Strategic Portfolio shall not acquire any additional securities of an EM Fund and shall dispose of the securities of an EM Fund then held in an orderly and prudent manner, after the date that an EM Fund engages in any of the following investment strategies:
  - (i) purchases partly paid or nil paid securities; and
  - (ii) engages in leveraging any assets in its portfolio that is inconsistent with NI 81-102.
  
- e) The Strategic Portfolio shall not acquire any additional securities of an EM Fund and shall dispose of the securities of an EM Fund then held in an orderly and prudent manner, after the date that the laws applicable to that EM Fund that are at the date of this decision substantially similar to Part 2 of NI 81-102, change to be materially inconsistent with Part 2 of NI 81-102.

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

2.1.7 Mawer Investment Management Ltd.

Headnote

National Policy 11-203 – Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted from paragraph 13.5(2)(b) of NI 31-103 to permit inter-fund trades between public mutual funds, pooled funds and managed accounts – inter-fund trades will comply with conditions in subsection 6.1(2) of NI 81-107 including IRC approval or client consent – trades involving exchange-traded securities are permitted to occur at last sale price as defined in the Universal Market Integrity Rules – relief subject to pricing and transparency conditions – exemption also granted from conflict of interest trading prohibition in paragraph 13.5(2)(b) of Ni 31-103 to permit in-specie subscriptions and redemptions by separately managed accounts, public mutual fund sand pooled funds.

Applicable Legislative Provisions

National Instrument 31-103 Registration Requirements and Exemptions, ss. 13.5(2)(b), 15.1.

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

Citation: Mawer Investment Management Ltd., Re, 2012 ABASC 116

March 21, 2012

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  
MAWER INVESTMENT MANAGEMENT LTD.  
(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**) for relief from the prohibition in section 13.5(2)(b) of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* against a registered adviser knowingly causing an investment portfolio managed by it, including an investment fund for which it acts as an adviser, to purchase or sell a security from or to

the investment portfolio of: (i) a responsible person (ii) an associate of a responsible person or (iii) an investment fund for which a responsible person acts as an adviser, to permit:

1. the purchase and sale of securities of any issuer within a portfolio of an NI 81-102 Fund (defined below), a Pooled Fund (defined below) and a Managed Account (defined below):
  - (a) between an NI 81-102 Fund and (i) another NI 81-102 Fund, or (ii) a Pooled Fund;
  - (b) between a Pooled Fund and (i) another Pooled Fund, or (ii) an NI 81-102 Fund; or
  - (c) between a Managed Account and (i) an NI 81-102 Fund, or (ii) a Pooled Fund

(the purchases and sales in 1.(a), (b), and (c) are collectively referred to as the **Inter-Fund Trades**);

2. the Inter-Fund Trades to occur at the last sale price, as defined in the Market Integrity Rules of the Investment Industry Regulatory Organization of Canada, prior to the execution of the trade (the **Last Sale Price**) in lieu of the closing sale price contemplated by the definition of “current market price” as defined in subparagraph 6.1(1)(a)(i) of National Instrument 81-107 *Independent Review Committee for Investment Funds (NI 81-107)* on that trading day (the **Closing Sale Price**); and

(1.(a)(b) and (c), 2. are collectively the **Inter-Fund Trade Relief**);

3. the purchase by a Managed Account of securities of an NI 81-102 Fund or a Pooled Fund, and the redemption of securities of an NI 81-102 Fund or a Pooled Fund (each a **Fund** and collectively, the **Funds**) held by a Managed Account, and as payment:

(a) for such purchase, in whole or in part, by the Managed Account making good delivery of portfolio securities to the Fund; and

(b) for such redemption, in whole or in part, by the Fund making good delivery of portfolio securities to the Managed Account; and

4. the purchase by an NI 81-102 Fund or a Pooled Fund of securities of a Pooled Fund, the purchase by a Pooled Fund of securities of an NI 81-102 Fund, the redemption of securities held by an NI-81-102 Fund or a Pooled Fund in a Pooled Fund, and the redemption of securities held by a Pooled Fund in an NI 81-102 Fund, and as payment for

such purchase or redemption, in whole or in part, by making good delivery of portfolio securities that are consistent with the investment objective of that Fund;

(the purchases and redemptions in 3. and 4. are collectively referred to as the **In Specie Transactions**);

(3. and 4. are collectively the **In Specie Relief**); and

(the In Specie Relief and the Inter-Fund Trade Relief, collectively the **Exemption Sought**).

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

- (a) the Alberta Securities Commission is the principal regulator for this application;
- (b) the Filer has provided notice that 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 and Northwest Territories; 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 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*, National Instrument 81-102 *Mutual Funds (NI 81-102)* and NI 81-107 have the same meanings if used in this decision, unless otherwise defined herein.

The following terms have the following meanings:

**Managed Account** means an account over which the Filer, or an affiliate of the Filer, has discretionary authority.

**NI 81-102 Funds** means the existing mutual funds and future mutual funds to which NI 81-102 applies, of which the Filer, or an affiliate of the Filer, is the investment fund manager and/or portfolio adviser.

**Pooled Funds** means the existing and future investment funds of which the Filer, or an affiliate of the Filer, is the investment fund manager and/or portfolio adviser, the securities of which are distributed pursuant to exemptions from the prospectus requirement.

Certain other defined terms have the meanings given to them below under Representations.

### Representations

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

#### The Filer

1. The Filer is a corporation organized under the laws of Alberta, with its head office in Calgary, Alberta.
2. The Filer is registered in:
  - (a) Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Northwest Territories as an adviser in the category of portfolio manager;
  - (b) Alberta as an investment fund manager; and
  - (c) Alberta, British Columbia, Saskatchewan, Manitoba and Ontario as a mutual fund dealer.

The Filer is not a member of the Mutual Fund Dealers Association of Canada.

3. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and/or the portfolio adviser of each of the NI 81-102 Funds and the Pooled Funds (defined above as the **Funds**).
4. The Filer is not a reporting issuer in any jurisdiction of Canada.
5. The NI 81-102 Funds are reporting issuers and as a result the Filer has established an independent review committee (**IRC**) under NI 81-107 with respect to each of the NI 81-102 Funds.
6. The Filer, or an affiliate of the Filer, as investment fund manager of a Pooled Fund, will either expand the mandate of the IRC of the NI 81-102 Funds to include the review and approval of the Inter-Fund Trades on behalf of each Pooled Fund, or establish a new IRC for some or all of the Pooled Funds.
7. None of the Filer, an affiliate of the Filer, the NI 81-102 Funds or the Pooled Funds are in default of securities legislation in any jurisdiction of Canada.

#### The Pooled Funds

8. Each Pooled Fund is, or will be, an investment fund established under the laws of Alberta or another jurisdiction of Canada.
9. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and/or portfolio adviser of each of the Pooled Funds.

10. The Pooled Funds are not, and will not be, reporting issuers in any jurisdiction of Canada.
11. Securities of the Pooled Funds are, or will be, distributed in some or all of the jurisdictions of Canada pursuant to exemptions from the prospectus requirement in those jurisdictions.

**The NI 81-102 Funds**

12. Each NI 81-102 Fund is, or will be, an investment fund established under the laws of Alberta or another jurisdiction of Canada.
13. The Filer, or an affiliate of the Filer, is, or will be, the investment fund manager and/or portfolio adviser of each of the NI 81-102 Funds.
14. The NI 81-102 Funds are, and will be, reporting issuers in some or all of the jurisdictions of Canada.
15. Securities of the NI 81-102 Funds are, or will be, distributed pursuant to a simplified prospectus and annual information form in some or all of the jurisdictions of Canada.

**The Managed Accounts**

16. The Filer, or an affiliate of the Filer, is, or will be, the portfolio adviser of each of the Managed Accounts.
17. Each client of the Filer, or its affiliate, wishing to receive the investment management services of the Filer, or its affiliate, has entered into, or will enter into, a written investment management agreement (or other similar agreement) whereby the client appoints the Filer, or its affiliate, to act as portfolio adviser in connection with an investment portfolio of the client with full discretionary authority to trade in securities for the Managed Account without obtaining the specific consent of the client to execute the trade.
18. Investments in individual securities may not be appropriate in certain circumstances for a client; consequently, the Filer, or its affiliate, may, where authorized under the investment management agreement or other documentation in respect of a Managed Account, from time to time, invest the client's assets in securities of any one or more of the Funds in order to give the client the benefit of asset diversification and economies of scale regarding minimum commission charges on portfolio trades, and generally to facilitate portfolio management.
19. Each investment management agreement or other documentation in respect of a Managed Account contains, or will contain, the authorization of the client to engage in the Inter-Fund Trades and In Specie Transactions.

**Inter-Fund Trades**

20. As the portfolio adviser, the Filer may desire to cause:
  - (a) an NI 81-102 Fund to engage in an Inter-Fund Trade with (i) another NI 81-102 Fund, or (ii) a Pooled Fund;
  - (b) a Pooled Fund to engage in an Inter-Fund Trade with (i) another Pooled Fund, or (ii) an NI 81-102 Fund; or
  - (c) a Managed Account to engage in an Inter-Fund Trade with (i) an NI 81-102 Fund, or (ii) a Pooled Fund.
21. When the Filer, or an affiliate of the Filer, engages in an Inter-Fund Trade, it will generally follow the following procedures or other procedures approved by the applicable IRC:
  - (a) the portfolio adviser of the Filer, or an affiliate of the Filer, will request the approval of the chief compliance officer of the Filer, or an affiliate of the Filer, or his or her designated alternate, or of another designated individual, to execute a purchase or a sale of a security by a Fund or Managed Account as an Inter-Fund Trade;
  - (b) upon receipt of the required approval, the portfolio adviser of the Filer, or an affiliate of the Filer, will either place the trade directly or deliver the trade instructions to a trader on a trading desk of the Filer, or an affiliate of the Filer;
  - (c) upon receipt of the approved trade instructions, the trader on the trading desk will have the discretion to execute the trade as an Inter-Fund Trade in accordance with the requirements of paragraphs (c) to (g) of subsection 6.1(2) of NI 81-107, provided that, for exchange-traded securities, the Inter-Fund Trade may be executed at the Last Sale Price or the Current Market Price of the security;
  - (d) the policies applicable to the trading desk of the Filer, or an affiliate of the Filer, will require that all orders are to be executed on a timely basis; and
  - (e) the trader will advise the Filer of the price at which the Inter-Fund Trade occurred.
22. The Inter-Fund Trades will be effected through a registered dealer or otherwise be subject to market integrity requirements.

23. At the time of an Inter-Fund Trade, the Filer will have in place policies and procedures to enable the Funds and Managed Accounts to engage in the Inter-Fund Trades.
24. As noted above, the Filer, or an affiliate of the Filer, as investment fund manager of a Pooled Fund, will either expand the mandate of the IRC of the NI 81-102 Funds to include the review and approval of the Inter-Fund Trades on behalf of each Pooled Fund, or establish a new IRC for some or all of the Pooled Funds. In any event, in its review of the Inter-Fund Trades on behalf of a Pooled Fund, the applicable IRC will comply with the standard of care set out in section 3.9 of NI 81-107. The IRC will not approve an Inter-Fund Trade on behalf of a Pooled Fund unless the IRC has made the determination set out in subsection 5.2(2) of NI 81-107.
25. The Inter-Fund Trades involving a Fund will be referred to the IRC under subsection 5.2(1) of NI 81-107 and the Filer, as investment fund manager and/or portfolio adviser of such Fund, will comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade.
26. As the Filer, or its affiliate, is, or will be, the portfolio adviser of a Fund and of the Managed Accounts, the Filer, or its affiliate, would be considered a "responsible person" within the meaning of the applicable provisions of the Legislation; accordingly, absent the granting of the Exemption Sought, the Filer, or its affiliate, would be restricted from engaging in the Inter-Fund Trades.
27. The Filer cannot rely on the exemption from the trading prohibition in subsection 6.1(4) of NI 81-107 unless the parties to the Inter-Fund Trade are both reporting issuers and the Inter-Fund Trade occurs at the current market price, which in the case of exchange-traded securities, includes the Closing Sale Price but not the Last Sale Price.
28. The Filer has determined that it would be in the interests of the Funds and the Managed Accounts to receive the Inter-Fund Trade Relief.
29. Due to the various investment objectives and investment strategies utilized by the Funds and the Managed Accounts, it may be appropriate for different investment portfolios to acquire or dispose of the same securities through the same trading system; the Filer has determined that there are benefits to be achieved from expanding the potential counterparties to include other Funds and Managed Accounts; these benefits include lower trading costs, reduced market disruption and quicker execution, as well as simpler and more reliable compliance procedures.

***In Specie Transactions***

30. The Filer desires to be able to enter into an In Specie Transaction between a Fund and a Managed Account or between an NI 81-102 Fund or a Pooled Fund and a Pooled Fund, that permits payment, in whole or in part, for securities of a Fund purchased by a Managed Account, for securities of a Pooled Fund purchased by an NI 81-102 Fund or another Pooled Fund, or for securities of an NI 81-102 Fund purchased by a Pooled Fund, to be made by making good delivery of portfolio securities held by such Managed Account to a Fund, of portfolio securities held by such NI 81-102 Fund or Pooled Fund to a Pooled Fund, or of portfolio securities held by such Pooled Fund to an NI 81-102 Fund, in any case provided these portfolio securities meet the investment criteria of the Fund.
31. Similarly, following a redemption of securities of a Fund by a Managed Account, the redemption of securities held by an NI 81-102 Fund or a Pooled Fund in a Pooled Fund, or the redemption of securities held by a Pooled Fund in an NI 81-102 Fund, the Filer desires to be able to enter into an In Specie Transaction that permits payment, in whole or in part, of redemption proceeds to be satisfied by making good delivery of portfolio securities held in the investment portfolio of a Fund to such Managed Account, of portfolio securities held in the investment portfolio of a Pooled Fund to an NI 81-102 Fund or another Pooled Fund, or of portfolio securities held in the investment portfolio of an NI 81-102 Fund to a Pooled Fund.
32. Each In Specie Transaction involving an NI 81-102 Fund will be referred to the IRC for approval in accordance with the requirements of NI 81-107. The IRC will not approve such transaction unless it has made the determination set out in subsection 5.2(2) of NI 81-107.
33. The Filer, or its affiliate, will value the portfolio securities under an In Specie Transaction using the same values that are used to calculate the net asset value for the purpose of the issue price or redemption price of securities of the Fund.
34. The portfolio securities transferred in an In Specie Transaction will be consistent with the investment criteria of the Fund or Managed Account, as the case may be, acquiring the portfolio securities.
35. None of the portfolio securities which are the subject of an In Specie Transaction will be securities of related issuers of the Filer.
36. The Funds will keep written records of each In Specie Transaction, including records of each purchase and redemption of portfolio securities and the terms thereof for a period of five years



commencing after the end of the financial year in which the trade occurred, the most recent two years in a reasonably accessible place.

37. The only cost which will be incurred by a Fund or a Managed Account for an In Specie Transaction is a nominal administrative charge levied by the custodian of the Fund in recording the trades and/or any commission charged by the dealer executing the trade.

38. The Filer has obtained or will obtain the prior written consent of the relevant client before it engages in any In Specie Transactions in connection with the purchase or redemption of securities of the Funds for a Managed Account.

39. At the time of an In Specie Transaction, the Filer, or its affiliate, will have in place policies and procedures to enable the Funds and Managed Accounts to engage in the In Specie Transactions with Funds and Managed Accounts.

40. As the Filer, or its affiliate, is, or will be, the portfolio adviser of the Funds and the portfolio adviser of the Managed Accounts, the Filer, or its affiliate, would be considered a "responsible person" within the meaning of the applicable provisions of the Legislation; accordingly, absent the granting of the Exemption Sought, the Filer, or its affiliate, would be prohibited from engaging in the In Specie Transactions.

41. The Filer has determined that it would be in the interests of the Funds and the Managed Accounts to receive the In Specie Relief.

42. The Filer has determined that effecting the In Specie Transactions of securities between a Fund and a Managed Account or between a Fund and another Fund will allow the Filer to manage each asset class more effectively and reduce transaction costs for the client, as applicable, and the Funds; for example, the In Specie Transactions reduce market impact costs, which can be detrimental to clients and/or the Funds; the In Specie Transactions also allow a portfolio adviser to retain within its control institutional-size blocks of securities that otherwise would need to be broken and re-assembled.

**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 is that the Exemption Sought is granted provided that:

**Inter-Fund Trades**

1. in connection with Inter-Fund Trades:

(a) the Inter-Fund Trade is consistent with the investment objective of the Fund or the Managed Account, as applicable;

(b) the Filer refers the Inter-Fund Trade to the IRC in the manner contemplated by section 5.1 of NI 81-107 and the Filer and the applicable IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the IRC provides in connection with the Inter-Fund Trade;

(c) the IRC of each Fund has approved the Inter-Fund Trade in respect of that Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(d) if the transaction is with a Managed Account, the investment management agreement or other documentation in respect of the Managed Account contains the authorization of the client for the Filer to engage in the Inter-Fund Trades; and

(e) for exchange-traded securities, the Inter-Fund Trade is executed at the Last Sale Price or the Current Market Price of the security and the Inter-Fund Trade complies with paragraphs (c), (d), (f) and (g) of subsection 6.1(2) of NI 81-107;

**In Specie Transactions**

2. in connection with an In Specie Transaction where a Managed Account acquires securities in a Fund:

(a) if the transaction involves the purchase of securities in an NI 81-102 Fund the IRC of the NI 81-102 Fund has approved the In Specie Transaction on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;

(b) the Filer and the applicable IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the applicable IRC provides in connection with the In Specie Transaction;

(c) the Filer obtains the prior written consent of the client of the Managed Account before it engages in any In Specie Transaction;

(d) the Fund would, at the time of payment, be permitted to purchase the portfolio securities;

(e) the portfolio securities are acceptable to the portfolio adviser of the Fund and are consistent with the investment criteria of the Fund;

- (f) the value of the portfolio securities is equal to the issue price of the securities in the Fund for which they are used as payment, valued as if the securities were portfolio assets of that Fund;
- (g) none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of the Filer;
- (h) the account statement next prepared for the Managed Account will describe the portfolio securities delivered to the Fund and the value assigned to such securities; and
- (i) the Fund will keep written records of each In Specie Transaction in a financial year of the Fund, reflecting details of the portfolio securities delivered to the Fund and the value assigned to such portfolio securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
3. in connection with an In Specie Transaction where a Managed Account redeems securities in a Fund:
- (a) if the transaction involves the redemption of securities in an NI 81-102 Fund, the IRC of the NI 81-102 Fund has approved the In Specie Transaction on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;
- (b) the Filer and the applicable IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the applicable IRC provides in connection with the In Specie Transaction;
- (c) the Filer obtains the prior written consent of the client of the Managed Account before it engages in an In Specie Transaction and such consent has not been revoked;
- (d) the portfolio securities are consistent with the investment criteria of the Managed Account acquiring the portfolio securities and are acceptable to the Filer;
- (e) the value of the portfolio securities is equal to the amount at which those securities were valued by the Fund in calculating the net asset value per security used to establish the redemption price;
- (f) none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of the Filer;
- (g) the account statement next prepared for the Managed Account will describe the portfolio securities received from the Fund and the value assigned to such securities in the Fund; and
- (h) the Fund will keep written records of each In Specie Transaction in a financial year of the Fund, reflecting details of the portfolio securities delivered by the Fund and the value assigned to such securities, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;
4. in connection with an In Specie Transaction where an NI 81-102 Fund or a Pooled Fund acquires portfolio securities of a Pooled Fund, or a Pooled Fund acquires portfolio securities of an NI 81-102 Fund:
- (a) if the transaction involves the purchase of securities in an NI 81-102 Fund, the IRC of the NI 81-102 Fund has approved the In Specie Transaction on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;
- (b) the Filer and the applicable IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the applicable IRC provides in connection with the In Specie Transaction;
- (c) the Fund acquiring the securities would, at the time of payment, be permitted to purchase the portfolio securities;
- (d) the portfolio securities are acceptable to the portfolio adviser of the Fund and are consistent with the investment criteria of the Fund acquiring the security;
- (e) the value of the portfolio securities is equal to the issue price of the securities in the Fund for which they are used as payment, valued as if the portfolio securities were portfolio assets of that Fund;
- (f) none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of the Filer; and
- (g) the Fund will keep written records of each In Specie Transaction in a financial year of the Fund, reflecting details of the portfolio securities delivered to the Fund and the value assigned to such securities;

ties, for five years after the end of the financial year, the most recent two years in a reasonably accessible place;

5. in connection with an In Specie Transaction where an NI 81-102 Fund or a Pooled Fund redeems securities of a Pooled Fund, or a Pooled Fund redeems securities in an NI 81-102 Fund:
- (a) if the transaction involves the redemption of securities in an NI 81-102 Fund, the IRC of the NI 81-102 Fund has approved the In Specie Transaction on behalf of the NI 81-102 Fund in accordance with the terms of subsection 5.2(2) of NI 81-107;
  - (b) the Filer and the applicable IRC comply with section 5.4 of NI 81-107 in respect of any standing instructions the applicable IRC provides in connection with the In Specie Transaction;
  - (c) the portfolio securities are acceptable to the portfolio advisor of the Fund and are consistent with the investment criteria of the Fund acquiring the security;
  - (d) the value of the portfolio securities is equal to the amount at which those securities were valued by the Fund in calculating the net asset value per security used to establish the redemption price;
  - (e) none of the portfolio securities which are the subject of the In Specie Transaction will be securities of related issuers of the Filer; and
  - (f) the Fund will keep written records of each In Specie Transaction in a financial year of the Fund, reflecting details of the portfolio securities delivered by the Fund and the value assigned to such securities, for five years after the end of the Financial year, the most recent two years in a reasonably accessible place; and
6. the Filer does not receive any compensation in respect of any In Specie Transaction and, in respect of any delivery of portfolio securities further to an In Specie Transaction, the only charges paid by the Managed Account or the applicable Fund is the commission charged by the dealer executing the trade (if any) and/or any administrative charges levied by the custodian.

“Lynn Tsutsumi”  
Director, Market Regulation

## 2.1.8 NB Split Corp. – s. 1(10)

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Fund deemed to have ceased to be a reporting issuer – Fund meets requirements set out in CSA Staff Notice 12-307.

### Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(10).  
CSA Staff Notice 12-307 – Applications for a Decision that an Issuer is not a Reporting Issuer.

March 20, 2012

NB Split Corp.  
c/o Blake, Cassels & Graydon LLP  
199 Bay Street  
Suite 4000, Commerce Court West  
Toronto, ON  
M5L 1A9

Dear Sirs/Mesdames:

**Re: NB Split Corp. (the Applicant) – Application for a decision under the securities legislation of all the provinces and territories of Canada (other than British Columbia) (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.

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

## 2.1.9 Anvil Mining Limited – 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.

### Applicable Legislative Provisions

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

### *Translation*

March 29, 2012

Anvil Mining Limited  
Davies Ward Phillips & Vineberg LLP  
44th Floor, 1 First Canadian Place  
Toronto (Ontario)  
M5X 1B1

Attention to: Mr. Gilles R. Comeau

Dear Sir:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

"Josée Deslauriers"  
Director, Investment Funds and Continuous Disclosure  
Autorité des marchés financiers

**2.1.10 CANMARC Real Estate Investment Trust – 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.

**Applicable Legislative Provisions**

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

*Translation*

March 27, 2012

CANMARC Real Estate Investment Trust  
1, Place Alexis Nihon  
Suite 1010  
Montréal (Québec)  
H3Z 3B8

Attention to: Mr. Michel Dallaire

Dear Mr. Dallaire:

**Re: CANMARC Real Estate Investment Trust (the Applicant) – application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon (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's status as a reporting issuer is revoked.

"Josée Deslauriers"  
Director, Investment Funds and Continuous Disclosure  
Autorité des marchés financiers

## 2.1.11 Desjardins Investments Inc. and the Desjardins Completion Investments Fund

### Headnote

Regulation 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to a speciality fund to invest more than 10 percent of its net asset value, taken at market value at the time of the transaction, in debt securities issued by a foreign government or a permitted supranational agency, subject to certain conditions – Regulation 81-102 Mutual Funds.

### Applicable Legislative Provisions

Regulation 81-102 Mutual Funds, s. 2.1(1).

[Translation]

March 30, 2012

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  
DESJARDINS INVESTMENTS INC.  
(THE FILER)

AND

THE DESJARDINS COMPLETION  
INVESTMENTS FUND  
(the Fund)

**DECISION**

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer on the behalf of the Fund for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption under section 19.1 of *Regulation 81-102 respecting Mutual Funds* (Regulation 81-102) from the concentration restriction in subsection 2.1(1) of Regulation 81-102 in order to permit the Fund to invest more than 10% of its net asset value, taken at market value at the time of the transaction, in evidences of indebtedness of permitted supranational agencies or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America (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 *Regulation 11-102 respecting passport system* (Regulation 11-102) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, Nunavut, Northwest Territories and Yukon Territory (collectively, the Other 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 *Regulation 14-101 respecting Definitions*, Regulation 11-102 and Regulation 81-102 have the same meaning if used in this decision, unless otherwise defined.

## Representations

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

1. The Filer is a corporation established under the *Business Corporation Act* (Québec) and is registered as an investment fund manager in Quebec. The filer is not in default of securities legislation in any of the Jurisdictions or the Other Jurisdictions.
2. The Filer is the investment fund manager, promoter, registrar and transfer agent of the Fund.
3. The Fund is a mutual fund and its securities of which are qualified for distribution in each Jurisdiction and the Other Jurisdictions, under a simplified prospectus and annual information form filed with applicable securities regulatory authorities.
4. The Fund is a reporting issuer and is not in default of securities legislation in any Jurisdiction or Other Jurisdictions.
5. The Fund's investment objective is to provide both income and long-term capital appreciation. The Fund aims to provide investors with improved diversification by focusing on asset classes that complement a portfolio made up of traditional asset classes.
6. To achieve its investment objective, the Fund invests primarily, either directly or by investing in units of other mutual funds, in fixed-income securities and income-oriented equity securities of issuers located throughout the world. The Fund's Portfolio Advisor will determine the relative weight for each of the following asset classes and investment strategies based on its predictions of future market developments and its view of the relative potential of each strategy and asset class. As of December 31, 2011, the Fund invested approximately 40% of its net asset value in bonds and 20% of its net asset value in international bonds.
7. The Filer would like the Fund to have the flexibility to invest up to:
  - (a) 20% of the Fund's net asset value, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are (i) issued, or guaranteed fully as to principal and interest, by a permitted supranational agency or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America, and (ii) rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations; and
  - (b) 35% of the Fund's net asset value, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are (i) issued, or guaranteed fully as to principal and interest, by a permitted supranational agency or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America, and (ii) rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations,(such evidences of indebtedness are collectively referred to as Foreign Government Securities).
8. Subsection 2.1(1) of Regulation 81-102 prohibits the Fund from purchasing a security of an issuer if, immediately after the transaction, more than 10% of the net asset value of the Fund, taken at market value at the time of the transaction, would be invested in securities of any issuer (the Concentration Restriction).
9. The Concentration Restriction does not apply to a purchase of, among other things, a "government security" which, under Regulation 81-102, means an evidence of indebtedness that is issued, or fully and unconditionally guaranteed as to principal and interest, by any of the government of Canada, the government of a jurisdiction or the government of the United States of America.
10. Foreign Government Securities do not meet the definition of "government security", as such term is defined in Regulation 81-102.



11. The Exemption Sought, which relaxes the limitations in the Concentration Restriction, will enhance the ability of the Fund to pursue and achieve its investment objective.
12. Standard & Poor's uses two general categories to derive a credit rating for government debt, namely economic risk and political risk. The first category is a quantitative assessment of a government's ability to meet its debt obligations. The second is the government's preparedness to meet its obligations, for a government may be able to pay, but be unwilling to do so for policy reasons. Standard & Poor's rates issuers on a scale from the highest credit rating of AAA to a lowest rating of D. The Requested Relief contemplates only investing in the two highest rating levels of investment grade debt. Other approved credit rating organizations have similar practices.
13. Higher concentration limits may allow the Fund to benefit from investment efficiencies and reduced transaction costs as certain foreign government treasury offerings are more readily available for investment and trades can be completed faster in certain markets that are more readily accessible to foreign investment.
14. The risks and liquidity characteristics of the Foreign Government Securities are similar to the risks and liquidity characteristics of the types of securities that fall within the meaning of "government security" in Regulation 81-102. As such, a limited increase in the maximum percentage of the net asset value of the Fund that can be invested in the Foreign Government Securities will not result in a material increase in risks related to the Fund.
15. The Filer believes that the Exemption Sought is not contrary to the public interest, is in the best interest of the Fund and represents the business judgement of responsible persons uninfluenced by considerations other than the best interests of the Fund.

**Decision**

Each of 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 provided that:

- (a) the Fund may only invest up to:
  - (i) 20% of the Fund's net asset value, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are (1) issued, or guaranteed fully as to principal and interest, by a permitted supranational agency or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America, and (2) rated "AA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations (as defined in Regulation 81-102);
  - (ii) 35% of the Fund's net asset value, taken at market value at the time of purchase, in evidences of indebtedness of any one issuer if those evidences of indebtedness are (1) issued, or guaranteed fully as to principal and interest, by a permitted supranational agency or governments other than the government of Canada, the government of a jurisdiction or the government of the United States of America, and (2) rated "AAA" by Standard & Poor's, or have an equivalent rating by one or more other approved credit rating organizations (as defined in Regulation 81-102);
- (b) subparagraphs (i) and (ii) above cannot be combined for any one issuer;
- (c) the securities that are purchased pursuant to this Decision are traded on a mature and liquid market;
- (d) the acquisition of the evidences of indebtedness pursuant to this Decision is consistent with the fundamental investment objective of the Fund;
- (e) the simplified prospectus of the Fund discloses any additional risks associated with the concentration of net assets of the Fund in securities of fewer issuers, such as the potential additional exposure to the risk of default of the issuer in which the Fund has so invested and the risks, including foreign exchange risks, of investing in the country in which that issuer is located; and
- (f) the simplified prospectus or annual information form of the Fund discloses the details of the exemption granted along with the conditions imposed and the type of securities covered by this Decision.

"Josée Deslauriers"  
Director, Investment Funds and Continuous Disclosure  
Autorité des marchés financiers

## 2.1.12 Fiera Sceptre Inc. and the Pooled Funds

### Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Relief granted to pooled funds not subject to NI 81-102 to purchase securities of a related entity over a stock exchange and to purchase debt securities of a related entity under primary offerings of the related entity and in the secondary market – future oriented relief – relief subject to conditions including IRC approval, pricing requirements, and limits on the amount of the primary offering the funds can purchase.

### Applicable Legislative Provisions

Securities Act (Ontario), ss. 111(2)(a), 111(3), 113.

March 30, 2012

**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  
FIERA SCEPTRE INC.  
(the Filer)**

**AND**

**IN THE MATTER OF  
THE POOLED FUNDS (as defined below)**

**DECISION**

### Background

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of existing mutual funds listed in Schedule A and future mutual funds of which the Filer is the manager and adviser and to which National Instrument 81-102 *Mutual Funds* (NI 81-102) does not apply (each, a **Pooled Fund** and collectively, the **Pooled Funds**) for a decision under the securities legislation of the Jurisdiction of the principal regulator (the **Legislation**) exempting the Pooled Funds (the **Requested Relief**) from the prohibitions in the Legislation that prohibit 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 (**Related Shareholder**).

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

- (a) the Ontario Securities Commission (OSC) 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 also intended to be relied upon in Alberta (the **Passport Jurisdiction**).

### Interpretation

Terms defined in MI 11-102 and National Instrument 14-101 *Definitions*, NI 81-102, National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) and National Instrument 31-103 *Registration Requirements and Exemptions* (NI 31-103) 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:

### *The Filer*

1. The Filer is a corporation existing under the laws of the Province of Ontario with its head office is located in Montréal, Québec and an office located in Toronto, Ontario.
2. The Filer is registered with the OSC as a portfolio manager, an investment fund manager and an exempt market dealer and is also registered as a commodity trading manager. The Filer is also registered with the Autorité des marchés financiers as a portfolio manager, an investment fund manager, and an exempt market dealer and a derivatives portfolio manager. In Manitoba, the Filer is registered as an exempt market dealer portfolio manager and adviser under the *Commodity Futures Act* (Manitoba). In each of the other provinces and territories of Canada the Filer is registered as an exempt market dealer and a portfolio manager.
3. The Requested Relief is not being sought under the securities legislation of Québec. The Filer also has an office, assets and operations located in Toronto, Ontario. As well, each Pooled Fund has been formed under the laws of Ontario and has its head office in Ontario, and each Future Pooled Fund will be formed under the laws of Ontario and will have its head office in Ontario.
4. The Filer is, or will be, the manager and/or portfolio adviser to the Funds.

### *The Acquisition*

5. On April 2, 2012, the Filer will acquire all assets of Natcan Investment Management Inc. (**Natcan**), a subsidiary of the National Bank of Canada (**National Bank**). In return, National Bank, through Natcan, will receive class A subordinate voting shares of the Filer representing 35% of the issued and outstanding shares of the Filer along with an option to increase its stake to 40% (the **Acquisition**). Pursuant to the Legislation, National Bank will be a Related Shareholder of the Filer.
6. Upon completion of the Acquisition, the Filer will change its name to Fiera Capital Corporation.

### *The Pooled Funds*

7. Each of the Pooled Funds is or will be a mutual fund established under the laws of Ontario.
8. The Filer and the Pooled Funds are not in default of securities legislation in any jurisdiction.
9. The securities of the Pooled Funds are or will be offered for sale only on an exempt basis pursuant to available prospectus and registration exemptions from the prospectus requirements in the provinces of Alberta and Ontario as well as in other Canadian provinces. None of the Pooled Funds is or will be a reporting issuer.
10. The investment strategies of each of the Pooled Funds that relies on the Requested Relief permit, or will permit, it to invest in the securities purchased.
11. The manager of the Pooled Funds will establish an independent review committee (**IRC**) in respect of each Pooled Fund (in accordance with section 3.7 of NI 81-107).
12. The purchase of securities of Related Shareholders by a Pooled Fund will be referred to the IRC of such Pooled Fund.
13. Section 6.2 of NI 81-107 provides mutual funds managed by the Filer and governed by NI 81-102 (**NI 81-102 Funds**) with an exemption from the prohibitions comprising the Requested Relief in respect of purchasing exchange-traded securities, such as common shares, in the secondary market.
14. NI 81-107 does not apply to the Pooled Funds as they are not reporting issuers. Accordingly, in the absence of the Requested Relief, the Pooled Funds may not purchase or hold exchange-traded securities of a Related Shareholder (**Listed Securities**).
15. The Filer is seeking the Requested Relief to permit the Pooled Funds to purchase and hold Listed Securities.

## Decisions, Orders and Rulings

---

16. In addition, as National Bank or other Related Shareholder is or may be an issuer of non listed and non exchange-traded securities such as debt securities, the Filer is also seeking the Requested Relief to permit the Pooled Funds to purchase and hold such debt securities (**NET debt securities**).
17. The Filer has determined that it would be in the best interests of the Pooled Funds to receive the Requested Relief.
18. The Filer considers that the Pooled Funds should have access to the NET debt securities for the following reasons:
  - (a) there is limited supply of highly rated corporate debt;
  - (b) diversification is reduced to the extent that a Pooled Fund is limited with respect to investment opportunities; and
  - (c) to the extent that a Pooled Fund seeks to track or outperform a benchmark it is important for the Pooled Fund to be able to purchase any securities included in the benchmark. Debt securities of the Related Shareholders of the Filer are included in most of the Canadian debt indices.
19. Where the NET debt security is purchased by a Pooled Fund in a primary distribution or treasury offering (Primary Offering),
  - (a) the debt security, other than an asset backed commercial paper security, will have a term to maturity of 365 days or more and will be issued by a Related Shareholder that has been given and continues to have, at the time of purchase, an "approved credit rating" by an approved credit rating organization; and
  - (b) the terms of the Primary Offering, such as the size and the pricing, will be a matter of public record as evidenced in a prospectus, offering memorandum, press release or other public document.

### 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 to permit the Filer to purchase and hold NET debt securities on behalf of the Pooled Funds on condition that:

- (a) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Pooled Fund;
- (b) at the time of the purchase the IRC of the Pooled Fund has approved the transaction in accordance with Section 5.2(2) of NI 81-107;
- (c) the manager of the Pooled Fund complies with section 5.1 of NI 81-107 and the manager and the IRC of the Pooled Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;
- (d) in the case of NET debt securities to be purchased in a Primary Offering:
  - (i) the size of the Primary Offering is at least \$100 million;
  - (ii) at least 2 purchasers who are independent, arm's length purchasers, which may include "independent underwriters" within the meaning of National Instrument 33-105 Underwriting Conflicts, collectively purchase at least 20% of the Primary Offering;
  - (iii) no Pooled Fund shall participate in the Primary Offering if following its purchase the Pooled Fund together with related funds will hold more than 20% of the securities issued in the Primary Offering;
  - (iv) no Pooled Fund shall participate in the Primary Offering if following its purchase the Pooled Fund would have more than 5% of its net assets invested in NET debt securities of a Related Shareholder;
  - (v) the price paid for the securities by a Pooled Fund in the Primary Offering shall be no higher than the lowest price paid by any of the arm's length purchasers who participate in the Primary Offering;

- (e) in the case of NET debt securities to be purchased in the secondary market:
  - (i) the security has been given and continues, at the time of the purchase, to have an "approved credit rating" by an "approved credit rating organization" within the meaning of those terms in NI 81-102;
  - (ii) the price payable for the security is not more than the ask price of the security;
  - (iii) the ask price of the security is determined as follows:
    - (1) If the purchase occurs on a marketplace, the price payable is determined in accordance with the requirements of that marketplace; or
    - (2) If the purchase does not occur on a marketplace,
      - (A) the Pooled 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 Pooled Fund does not purchase the security from an independent, arm's length seller, the Pooled 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;
  - (iv) the transaction complies with any applicable "market integrity requirements" as defined in NI 81-107;
- (f) on or before the 90th day after the end of each financial year of a Pooled Fund, the Filer files with the securities regulatory authority or regulator the particulars of any investments made in reliance on this relief;
- (g) the IRC of the Pooled Fund complies with section 4.5 of NI 81-107 in connection with any instance that it becomes aware that the Filer did not comply with any of the conditions of this decision; and
- (h) the decision with respect to NET debt securities purchased pursuant to a Primary Offering or in the secondary market will expire on the coming into force of any securities legislation relating to fund purchases of NET debt securities purchased pursuant to a Primary Offering or in the secondary market.

The decision of the principal regulator under the Legislation is that the Requested Relief is granted to permit the Filer to purchase and hold Listed Securities on behalf of the Pooled Funds on condition that:

- (a) the purchase or holding is consistent with, or is necessary to meet, the investment objective of the Pooled Fund;
- (b) at the time of the purchase the IRC of the Pooled Fund has approved the transaction in accordance with Section 5.2(2) of NI 81-107;
- (c) the manager of the Pooled Fund complies with section 5.1 of NI 81-107 and the manager and the IRC of the Pooled Fund comply with section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the transactions;
- (d) the purchase is made in the secondary market on an exchange on which the Listed Securities are listed and traded;
- (e) on or before the 90th day after the end of each financial year of a Pooled Fund, the Filer files with the securities regulatory authority or regulator the particulars of any investments made in reliance on this relief;
- (f) the IRC of the Pooled Fund complies with section 4.5 of NI 81-107 in connection with any instance that it becomes aware that the Filer did not comply with any of the conditions of this decision; and
- (g) the decision with respect to purchases of Listed Securities by the Pooled Funds will expire on the coming into force of any securities legislation relating to purchases of exchange-traded securities of a related party by mutual funds not governed by NI 81-102.

**Decisions, Orders and Rulings**

---

“Vern Krishna”  
Commissioner  
Ontario Securities Commission

“Margot Howard”  
Commissioner  
Ontario Securities Commission

**Schedule A**

**Pooled Funds**

Fiera Sceptre Pooled Funds  
Money Market Section  
Small Capitalization Section  
Bond Section  
International Equity Section  
Canadian Equity Section  
EFT Section  
Foreign Equity Section  
Equity Section  
Balanced Section  
Balanced Core Section  
Sceptre 130/30 Canadian Equity Fund

Fiera Private Wealth Opportunities Fund  
Fiera Private Wealth Income Fund  
Fiera Canadian High Yield Bond Fund  
Fiera Active Fixed Income Fund  
Fiera Short Term Investment Fund  
Fiera Balanced Fund  
Fiera Canadian Equity Value Fund  
Fiera International Equity Fund  
Fiera Private Wealth US Equity Fund  
Fiera North American Market Neutral Fund  
Fiera Market Neutral Equity Fund  
Fiera Global Macro Fund  
Fiera Private Wealth Canadian Equity Fund  
Fiera Long/Short Equity Fund  
Fiera Absolute Bond Yield Fund  
Fiera Multi-Manager Fund  
Fiera Canadian High Income Equity Fund  
Fiera Private Wealth Moderate Fund  
Fiera Private Wealth Growth Fund  
Fiera Private Wealth Conservative Fund

**2.1.13 Grande Cache Coal Corporation – s. 1(10)(a)(ii)**

**Headnote**

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

**Statues Cited**

Securities Act, R.S.O. 1990, c. S.5, s. 1(10)(a)(ii).

**Citation:** Grande Cache Coal Corporation, Re, 2012 ABASC 132

March 30, 2012

Osler, Hoskin & Harcourt LLP  
2500 TransCanada Tower  
450 - 1 Street SW  
Calgary, AB T2P 5H1

Attention: Josh Almario

Dear Sir:

**Re: Grande Cache Coal Corporation (the Applicant) – Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

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

“Blaine Young”  
Associate Director, Corporate Finance



**2.1.14 Toreador Resources Corporation – s. 1(10)**

**Headnote**

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

**Ontario Statutes**

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

March 30, 2012

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, ON M5L 1B9

Attention: Amy Hu

Dear Madam:

**Re: Toreador Resources Corporation (the Applicant) – Application for a decision under the securities legislation of Alberta, Ontario, Québec and Newfoundland and Labrador (the Jurisdictions) that the Applicant is not a reporting issuer**

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

As the Applicant has represented to the Decision Makers that:

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

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have

ceased to be a reporting issuer and that the Applicant's status as a reporting issuer is revoked.

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

2.2 Orders

2.2.1 Global Energy Group, Ltd. et al. – ss. 127(2), 144

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

AND

IN THE MATTER OF  
GLOBAL ENERGY GROUP, LTD., NEW GOLD  
LIMITED PARTNERSHIPS, CHRISTINA HARPER,  
VADIM TSATSKIN, MICHAEL SCHAUER, ELLIOT  
FEDER, ODED PASTERNAK, ALAN SILVERSTEIN,  
HERBERT GROBERMAN, ALLAN WALKER,  
PETER ROBINSON, VYACHESLAV BRIKMAN,  
NIKOLA BAJOVSKI, BRUCE COHEN AND  
ANDREW SHIFF

AND

IN THE MATTER OF  
A SETTLEMENT AGREEMENT BETWEEN STAFF OF  
THE ONTARIO SECURITIES COMMISSION AND  
ELLIOT FEDER

ORDER  
(Section 144 and subsection 127(2))

**WHEREAS** by Notice of Hearing dated June 8, 2010, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on June 14, 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 Global Energy Group, Ltd., New Gold Limited Partnerships ("New Gold"), Christina Harper, Vadim Tsatskin, Michael Schauer, Elliot Feder ("Feder"), Oded Pasternak, Alan Silverstein, Herbert Groberman, Allan Walker, Peter Robinson, Vyacheslav Brikman, Nikola Bajovski, Bruce Cohen and Andrew Shiff. The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated June 8, 2010;

**AND WHEREAS** Feder entered into a settlement agreement with Staff dated January 18 and 19, 2012 (the "Settlement Agreement") in which Feder agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated June 8, 2010, subject to the approval of the Commission;

**AND WHEREAS** the Settlement Agreement was approved by the Commission on January 20, 2012;

**AND WHEREAS** on January 20, 2012, the Commission issued an order (the "January 20, 2012 Order") which provided, among other things, that:

(a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Feder cease permanently with the exception that Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation (iii) Genesis Rare Diamonds (U.K.) Ltd. and (iv) their subsidiaries, none of which is a reporting issuer, or their counsel and to discuss/explore the potential for the sale of Feder's shares in those corporations to any or all of their existing shareholders and/or the purchase of Feder's shares in those corporations by the respective corporations for cancellation, provided that Feder's shares are not actually sold and/or purchased without Feder first obtaining a further exemption/order from the Commission that permits such sale(s) and/or purchase(s);

**AND WHEREAS** the January 20, 2012 Order also requires that Feder disgorge to the Commission the amount of \$230,447 obtained as a result of his non-compliance with Ontario securities law (the "Disgorgement Order");

**AND WHEREAS** on March 12, 2012, Feder brought an application pursuant to section 144 of the Act to vary the January 20, 2012 Order to permit Feder to sell shares he currently holds in (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation (iii) Genesis Rare Diamonds (U.K.) Ltd. and (iv) their subsidiaries, to those corporations for cancellation or redemption (the "Application");

**AND WHEREAS** as part of the Application, Feder consents to the Commission imposing terms and conditions pursuant to subsection 127(2) of the Act that the proceeds from the sale of the shares shall be paid directly to Aird & Berlis LLP in trust and shall not be disbursed until a further order of the Commission in order to permit Staff and Feder to make submissions on the appropriate amount to be paid in satisfaction of the Disgorgement Order;

**AND WHEREAS** Staff consents to the Application;

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

**IT IS HEREBY ORDERED** that the January 20, 2012 Order be varied to permit Feder to sell shares he currently holds in (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation (iii) Genesis Rare Diamonds (U.K.) Ltd. and (iv) their subsidiaries, to those corporations for cancellation or redemption;

**IT IS FURTHER ORDERED** that this variance of the January 20, 2012 Order is conditioned upon the proceeds from the sale of the shares being paid directly to Aird & Berlis LLP in trust and not being disbursed by Aird & Berlis LLP until a further order of the Commission.

**DATED** at Toronto this 28th day of March, 2012.

"James E. A. Turner"

2.2.2 Rencore Resources Ltd. – s. 1(10)(a)(ii)

Headnote

Application for an order that the issuer is not a reporting issuer under applicable securities laws – requested relief granted.

Applicable Legislative Provisions

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

March 29, 2012

Gardiner Roberts LLP  
40 King Street West, Suite 3100  
Toronto, Ontario M5H 3Y2

Dear William R. Johnstone,

**Re: RENCORE RESOURCES LTD. (the Applicant) – Application for an Order under Clause 1(10)(a)(ii) of the Securities Act (Ontario) that the Applicant is not a reporting issuer**

The Applicant has applied to the Ontario Securities Commission for an order under clause 1(10)(a)(ii) of the Act that the Applicant is not a reporting issuer.

As the Applicant has represented to the Commission that:

- (a) The outstanding securities of the Applicant, including debt securities are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders 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 not in default of any of its obligations under the Act as a reporting issuer; and
- (d) The Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is not a reporting issuer.

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

2.2.3 North American Financial Group Inc. et al. – s. 127

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

AND

IN THE MATTER OF  
NORTH AMERICAN FINANCIAL GROUP INC.,  
NORTH AMERICAN CAPITAL INC.,  
ALEXANDER FLAVIO ARCONTI, AND  
LUIGINO ARCONTI

ORDER  
(Section 127)

**WHEREAS** on December 28, 2011, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (the “Notice of Hearing”) pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), accompanied by a Statement of Allegations dated December 28, 2011 filed by Staff of the Commission (“Staff”) with respect to North American Financial Group Inc. (“NAFG”), North American Capital Inc. (“NAC”), Alexander Flavio Arconti (“Flavio”) and Luigino Arconti (“Gino”);

**AND WHEREAS** the Notice of Hearing set a hearing in this matter for January 16, 2012 at 10:00 a.m.;

**AND WHEREAS** on January 16, 2012, the Commission ordered that the hearing be adjourned to February 27, 2012 at 10:00 a.m.;

**AND WHEREAS** on February 27, 2012, the Commission ordered that the hearing be adjourned to March 29, 2012 at 11:00 a.m.;

**AND WHEREAS** on March 29, 2012, Staff of the Commission sought to set a pre-hearing conference date in this matter and Flavio, who appeared before the Commission on behalf of himself and his brother, Gino, sought a one month adjournment of the hearing in order to retain counsel;

**AND WHEREAS** Staff and Flavio represented that NAFG and NAC were served with notice of this hearing;

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

**IT IS ORDERED** that the hearing is adjourned to Thursday, April 19, 2012 at 3:00 p.m.

**DATED** at Toronto this 29th day of March, 2012.

“Mary G. Condon”

**2.2.4 Firestar Capital Management Corp. et al. – s.  
127**

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

**AND**

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

**TEMPORARY ORDER  
(Section 127)**

**WHEREAS** on December 10, 2004, 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”) 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. (“Firestar Capital”), Kamposse Financial Corp. (“Kamposse”), Firestar Investment Management Group (“Firestar Investment”), Michael Mitton (“Mitton”), and Michael Ciavarella (“Ciavarella”) (collectively, the “Respondents”) 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** Ciavarella and 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 of the Commission ("Staff") advised that on March 22, 2007, 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 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** on May 31, 2011, Staff appeared before the Commission and no one appeared for any of the remaining Respondents;

**AND WHEREAS** on May 31, 2011, the Temporary Orders were continued until July 28, 2011 and the hearing to consider whether to continue the Temporary Orders was adjourned until July 27, 2011;

**AND WHEREAS** on July 27, 2011, Staff appeared before the Commission and no one appeared for any of the remaining Respondents;

**AND WHEREAS** Staff requested that the hearing be adjourned for one month for the purpose of exploring settlement with certain Respondents;

**AND WHEREAS** Staff further requested that the Temporary Orders be extended for the same period;

**AND WHEREAS** the Commission ordered that the Temporary Orders currently in place as against Firestar Capital, Kamposse, Firestar Investment, and Mitton be further continued until August 30, 2011 and the hearing to consider whether to continue the Temporary Orders be adjourned to August 29, 2011;

**AND WHEREAS** on August 29, 2011, Staff and counsel for Firestar Investment and Firestar Capital appeared before the Commission and no one appeared on behalf of the remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the Respondents with notice of the hearing;

**AND WHEREAS** counsel for Firestar Investment and Firestar Capital advised the Panel that he had only recently been retained and requested additional time to consider his client's position;

**AND WHEREAS** Staff did not oppose a short adjournment;

**AND WHEREAS** on August 29, 2011, the Commission ordered that the Temporary Orders currently in place as against Firestar Capital, Kamposse, Firestar Investment, and Mitton be further continued until October 4, 2011 and the hearing to consider whether to continue the Temporary Orders was adjourned to October 3, 2011;

**AND WHEREAS** on October 3, 2011, Staff and counsel for Firestar Investment and Firestar Capital appeared before the Commission and no one appeared on behalf of the remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the Respondents with notice of the hearing;

**AND WHEREAS** Staff requested that the hearing be adjourned to November 23, 2011, for the purpose of continuing to explore settlement with certain Respondents;

**AND WHEREAS** Staff further requested that the Temporary Orders be extended for the same period;

**AND WHEREAS** on October 3, 2011, the Commission ordered that the Temporary Orders currently in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until November 24, 2011, and the hearing to consider whether to continue the Temporary Orders was adjourned to November 23, 2011;

**AND WHEREAS** on November 23, 2011, Staff and counsel for Firestar Capital and Firestar Investment appeared before the Commission and no one appeared on behalf of the remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the Respondents with notice of the hearing;

**AND WHEREAS** Staff requested that the Temporary Orders be extended to January 30, 2012 and counsel for Firestar Capital and Firestar Investment consented to this extension;

**AND WHEREAS** on November 23, 2011, the Commission ordered that the Temporary Orders currently in place as against Firestar Capital, Kamposse, Firestar Investment and Mitton be further continued until January 31, 2012, and the hearing to consider whether to continue the Temporary Orders was adjourned to January 30, 2012;

**AND WHEREAS** on December 9, 2011, a settlement agreement between Staff and Mitton was approved by the Commission;

**AND WHEREAS** on January 30, 2012, Staff appeared before the Commission and no one appeared on behalf of the remaining Respondents;

**AND WHEREAS** the Commission was satisfied that Staff took reasonable efforts to serve the Respondents with notice of the hearing;

**AND WHEREAS** on January 30, 2012, the Commission ordered that the hearing be adjourned to March 29, 2012 at 10:00 a.m. for a confidential pre-hearing conference and that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment were further continued until March 30, 2012;

**AND WHEREAS** on March 29, 2012, Staff and counsel to Firestar Capital and Firestar Investment appeared before the Commission and Staff and counsel to Firestar Capital and Firestar Investment requested that the matter be adjourned to June 20, 2012 at 9:00 a.m. for the purpose of continuing the pre-hearing conference;

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

**IT IS HEREBY ORDERED** that the hearing be adjourned to June 20, 2012 at 9:00 a.m. for the purposes of continuing the confidential pre-hearing conference, or such other date as agreed to by the parties and confirmed by the Office of the Secretary;

**IT IS FURTHER ORDERED** that the Temporary Orders currently in place as against Firestar Capital, Kamposse, and Firestar Investment are further continued until June 21, 2012, or until further order of the Commission.

**DATED** at Toronto this 29th day of March, 2012.

“James E. A. Turner”

**2.2.5 Carmine Domenicucci – ss. 128(1), 127.1(1)**

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

**AND**

**IN THE MATTER OF  
CARMINE DOMENICUCCI**

**ORDER**

**(Subsections 127(1) and 127.1(1))**

**WHEREAS** on March 23, 2012, 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 the allegations set out in the Statement of Allegations of Staff of the Commission (“Staff”) dated March 23, 2012;

**AND WHEREAS** Domenicucci entered into a Settlement Agreement with Staff dated March 24, 2012 (the “Settlement Agreement”) in which Domenicucci agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

**AND WHEREAS** on March 26, 2012, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and Domenicucci;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from Staff and Domenicucci;

**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 Domenicucci shall cease permanently from the date of this Order, with the exception that once the entire amount of payments set out in paragraphs (h), (i) and (j) are paid in full, Domenicucci shall be permitted to trade securities for the account of his registered retirement savings plan as defined in the *Income Tax Act*, 1985, c.1 as amended (the “*Income Tax Act*”) 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; or (b) any security issued by a mutual fund that is a reporting issuer;

- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of securities by Domenicucci is prohibited permanently from the date of this Order, with the exception that once the entire amount of payments set out in paragraphs (h), (i) and (j) are paid in full, Domenicucci shall be permitted to acquire securities for the account of his registered retirement savings plan as defined in the *Income Tax Act*, in accordance with the exception requirements as set out in paragraph (b) above;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Domenicucci permanently from the date of this Order;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Domenicucci is reprimanded;
- (f) pursuant to clauses 8 and 8.2 of subsection 127(1) of the Act, Domenicucci is prohibited for a period of fifteen (15) years from the date of this Order from becoming or acting as a director or officer of any reporting issuer or registrant;
- (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Domenicucci is prohibited permanently from the date of this Order from becoming or acting as a registrant;
- (h) pursuant to clause 9 of subsection 127(1) of the Act, Domenicucci shall pay to the Commission an administrative penalty in the amount of \$50,000 for his failure to comply with Ontario securities law to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;
- (i) pursuant to clause 10 of subsection 127(1) of the Act, Domenicucci shall disgorge to the Commission the amount of \$100,000 obtained as a result of his non-compliance with Ontario securities law to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;
- (j) pursuant to section 127.1 of the Act, Domenicucci shall pay costs to the Commission in the amount of \$5,000 payable by way of certified cheque on the date of this Order;
- (k) with respect to the amounts ordered to be paid above at paragraphs (h) and (i), Domenicucci shall make a payment of \$17,000 by certified cheque or bank draft on the date of this Order and at least \$19,000 by way of certified cheque or bank draft every three months thereafter until the amounts

set out in paragraphs (h) and (i) are paid in full; and

- (l) until the entire amount of payments set out in paragraphs (h), (i) and (j) are paid in full, the order in paragraph (f) above shall continue in force without any limitation as to time period.

**DATED** at Toronto this 29th day of March, 2012.

“James E. A. Turner ”

2.2.6 Rezwealth Financial Services Inc. et al. – s. 127

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

**AND**

**IN THE MATTER OF  
REZWEALTH FINANCIAL SERVICES INC.,  
PAMELA RAMOUTAR, JUSTIN RAMOUTAR,  
TIFFIN FINANCIAL CORPORATION, DANIEL TIFFIN,  
2150129 ONTARIO INC., SYLVAN BLACKETT,  
1778445 ONTARIO INC. AND WILLOUGHBY SMITH**

**ORDER  
(Section 127)**

**WHEREAS** on January 24, 2011, 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”), accompanied by a Statement of Allegations dated January 24, 2011 issued by Staff of the Commission (“Staff”), with respect to Rezwealth Financial Services Inc. (“Rezwealth”), Pamela Ramoutar (“Ms. Ramoutar”), Justin Ramoutar, Tiffin Financial Corporation (“Tiffin Financial”), Daniel Tiffin (“Tiffin”), 2150129 Ontario Inc. (“215 Inc.”), Sylvan Blackett (“Blackett”), 1778445 Ontario Inc. (“177 Inc.”) and Willoughby Smith (“Smith”) (collectively, the “Respondents”);

**AND WHEREAS** the Notice of Hearing set a hearing in this matter for March 16, 2011;

**AND WHEREAS** the Commission ordered on March 16, 2011 that the hearing of this matter be adjourned to June 16, 2011 for a pre-hearing conference and that the Amended Temporary Order in this matter be extended to the conclusion of the hearing on the merits;

**AND WHEREAS** the Commission ordered on June 16, 2011 that the hearing of this matter be adjourned to August 16, 2011 for a continued pre-hearing conference;

**AND WHEREAS** the Commission ordered on August 16, 2011 that the hearing of this matter be adjourned to March 30, 2012 for a continued pre-hearing conference, and that the hearing on the merits commence on April 30, 2012 and continue until May 25, 2012 inclusive, with the exception of May 8, May 21 and May 22, 2012;

**AND WHEREAS** on January 24, 2012, the Commission issued an Amended Notice of Hearing pursuant to sections 127 and 127.1 of the Act, accompanied by an Amended Statement of Allegations dated January 24, 2012 issued by Staff, with respect to the Respondents;

**AND WHEREAS** the Commission held a pre-hearing conference on March 30, 2012;

**AND WHEREAS** the Commission heard submissions from counsel for Staff, counsel for Tiffin and Tiffin Financial, and Ms. Ramoutar on her own behalf and on behalf of Justin Ramoutar and Rezwealth;

**AND WHEREAS** no one appeared at the pre-hearing conference on behalf of Smith, 177 Inc., Blackett or 215 Inc.;

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

**IT IS ORDERED** that the continuation of the pre-hearing conference is set down for Thursday, April 5, 2012 at 10:00 a.m. on a peremptory basis, to consider a request for an adjournment of the hearing on the merits, should Ms. Ramoutar decide to make such a request.

Dated at Toronto this 30th day of March, 2012.

“Christopher Portner”



2.2.7 Fibrek Inc. and the Toronto Stock Exchange –  
s. 21.7

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

AND

IN THE MATTER OF  
FIBREK INC.

AND

IN THE MATTER OF  
A DECISION OF THE TORONTO STOCK EXCHANGE

ORDER  
(Section 21.7)

**WHEREAS** the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing on March 23, 2012 pursuant to section 21.7 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, to consider an Application made by Fairfax Financial Holdings Corporation for a review of decision of the Toronto Stock Exchange in respect of Fibrek Inc. made March 19, 2012;

**AND WHEREAS** on March 28, 2012, the Commission issued an order adjourning the hearing to April 3, 2012;

**AND WHEREAS** the Commission has been advised that the parties and proposed intervenors consent to the further adjournment of this matter;

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

**IT IS ORDERED** that this matter is adjourned to April 12, 2012 at 10:00 a.m.

**DATED** at Toronto this 2nd day of April, 2012.

“James Turner”

**2.2.8 Investment Industry Regulatory Organization of Canada – s. 147 of the Act and s. 80 of the CFA**

**Headnote**

Application under section 147 of the *Securities Act* (Ontario) and under section 80 of the *Commodity Futures Act* (Ontario) from section 9 of the recognition order in connection with the distribution of settlement funds and interest earned on these funds paid to IIROC by three member firms under settlement agreements that resolved proposed proceedings related to the sale of third-party asset-backed commercial paper.

**Applicable Legislative Provisions**

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

Commodity Futures Act, R.S.O. 1990, c. 20, as am., s. 80.

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

**AND**

**IN THE MATTER OF  
THE COMMODITY FUTURES ACT,  
R.S.O. 1990, CHAPTER C.20, AS AMENDED  
(the "CFA")**

**AND**

**IN THE MATTER OF  
INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA  
("IIROC")**

**ORDER**

**(Section 147 of the Act and Section 80 of the CFA)**

**UPON** the application ("the Application") of Investment Industry Regulatory Organization of Canada ("IIROC") to the Ontario Securities Commission (the "Commission") for an order pursuant to section 147 of the *Securities Act* (Ontario) (the "Act") and to section 80 of the *Commodity Futures Act* (Ontario) (the "CFA") exempting IIROC from the requirements of Section 9 of Appendix A ("Section 9") of the Commission's Order dated May 16, 2008, effective June 1, 2008, as varied and restated by an Order of the Commission dated May 28, 2010, recognizing IIROC as a self-regulatory organization ("SRO") pursuant to section 21.1 of the Act and subsection 16(1) of the CFA, in connection with the proposed distribution by IIROC of funds (including interest earned on those funds, the "Settlement Funds") paid to it by three member firms (the "Settling Firms") under settlement agreements accepted by IIROC hearing panels on December 21, 2009 (the "Settlement Agreements") that resolved proposed proceedings related to the sale of third-party asset-backed commercial paper ("ABCP") by the Settling Firms to clients of the Settling Firms who purchased ABCP from or through the Settling Firms in the circumstances described in the Settlement Agreements;

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

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

1. IIROC has been recognized as an SRO under the Act and the CFA and under similar legislation in all other provinces of Canada.
2. On December 21, 2009, the Autorité des marchés financiers ("AMF"), the Commission and IIROC announced that they had reached settlements that resulted from investigations into the Canadian ABCP market providing for the payment of administrative penalties and investigation costs.
3. The Settling Firms were Scotia Capital Inc. ("Scotia"), Canaccord Financial Ltd. (now Canaccord Genuity Corp.) ("Canaccord") and Credential Securities Inc. ("Credential").
4. Under the Settlement Agreements, Scotia paid IIROC \$28,950,000, Canaccord paid \$3,100,000 and Credential paid \$200,000 in Settlement Funds.

5. Subsequent to the settlements, IIROC determined, with the approval of its Corporate Governance Committee, to allocate the Settlement Funds to investors who purchased ABCP from the Settling Firms.

**Scotia Settlement Funds**

6. IIROC wishes to distribute the Settlement Funds received from Scotia to investors who purchased ABCP issued by Coventree Inc. ("Coventree ABCP") from Scotia between July 25 and August 10, 2007, inclusive, who continued to hold this ABCP on August 13, 2007, the date the third-party ABCP market froze, and who were not aware of the fact that a number of Coventree conduits contained significant U.S. subprime exposure, as disclosed in an email sent to Scotia by Coventree on July 24, 2007.
7. Each such investor will receive a proportionate amount of the Settlement Funds paid by Scotia, based on the purchase price paid by the investor, less any cash amounts received by the investor with respect to its Coventree ABCP on or before January 12, 2009 or subsequently from a registered dealer, other than Scotia, from or through whom the investor purchased its Coventree ABCP.
8. IIROC will publish a news release jointly with the Commission announcing its proposed distribution and the terms on which investors are eligible to obtain their proportionate amount of the Settlement Funds paid by Scotia and will send a joint Commission-IIROC notice (the "Joint Notice") to all such investors, describing the eligibility criteria and the method of calculating the funds to be distributed to them.
9. As Canaccord and Credential purchased Coventree ABCP directly or indirectly from Scotia during the relevant period, Canaccord and Credential will be entitled to participate in the distribution on behalf of their clients who purchased this Coventree ABCP through or from them and who satisfy the eligibility criteria contained in the Joint Notice, but neither Canaccord nor Credential will be entitled to participate in the distribution of these Settlement Funds on their own behalf.

**Canaccord & Credential Settlement Funds**

10. Canaccord and Credential each established relief programs under which they returned to their clients a substantial amount of their losses from the purchase of third-party ABCP.
11. Clients of Canaccord and Credential who purchased third-party ABCP from one of them, other than Coventree ABCP purchased directly or indirectly from Scotia after July 24, 2007, and who continued to hold this ABCP on August 13, 2007 will receive a proportionate share of the Settlement Funds paid to IIROC by Canaccord or Credential, as applicable, based on the purchase price paid by the client for the third-party ABCP held on August 13, 2007, less any cash amounts received by the client with respect to the ABCP from Canaccord or Credential or otherwise.
12. IIROC will publish a news release announcing its proposed distribution and the terms on which investors are eligible to obtain their proportionate amount of the Settlement Funds paid by Canaccord and Credential and will send a notice (the "IIROC Notice") to all such investors, describing the eligibility criteria and the method of calculating the funds to be distributed to them.
13. None of Scotia, Canaccord or Credential will be permitted to receive any of the Settlement Funds, directly or indirectly.
14. IIROC and the Commission have agreed jointly to retain an administrator (the "Administrator") to administer the distribution of the Settlement Funds paid by the Settling Firms and of settlement funds paid by the other firms that entered into settlement agreements approved by the Commission on December 21, 2009 and have agreed to share the costs of the administration of all the settlement funds, in particular, the Administrator's fees and expenses, on a proportionate basis; IIROC wishes to pay its share of the Administrator's fees and expenses from the Settlement Funds.
15. Section 9 restricts the use of the Settlement Funds to specified purposes that benefit investors; it permits IIROC to use payments made under settlement agreements for the administration of its disciplinary hearing panels or, subject to approval by IIROC's Corporate Governance Committee, the development of systems and other non-recurring capital expenditures necessary to address emerging regulatory issues and education about and research into investing and similar matters, but these purposes do not permit it to use the Settlement Funds to benefit investors by distributing the Settlement Funds or paying the costs of administration relating to distribution of the Settlement Funds.

**AND UPON** the Commission being satisfied that it would not be prejudicial to the public interest for the Commission to grant the requested exemption:

**IT IS ORDERED** pursuant to section 147 of the Act and section 80 of the CFA that IIROC is exempt from Section 9 with respect to the distribution of the Settlement Funds to investors and/or clients of the Settling Firms who satisfy the eligibility criteria in the Joint Notice and the IIROC Notice, as applicable, including the costs of administration of the distribution.

**DATED** at Toronto this 23rd day of March, 2012.

“James D. Carnwath”

“Edward P. Kerwin”

## Chapter 3

# Reasons: Decisions, Orders and Rulings

---

---

### 3.1 OSC Decisions, Orders and Rulings

#### 3.1.1 L. Jeffrey Pogachar 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  
L. JEFFREY POGACHAR, PAOLA LOMBARDI AND  
ALAN S. PRICE, NEW LIFE CAPITAL CORP.,  
NEW LIFE CAPITAL INVESTMENTS INC.,  
NEW LIFE CAPITAL ADVANTAGE INC.,  
NEW LIFE CAPITAL STRATEGIES INC.,  
2126375 ONTARIO INC., 2108375 ONTARIO INC.,  
2126533 ONTARIO INC., 2152042 ONTARIO INC.,  
2100228 ONTARIO INC., 2173817 ONTARIO INC.,  
AND 1660690 ONTARIO LTD.

REASONS FOR DECISION  
(Sections 127 and 127.1 of the Act)

**Hearing:** December 5, 7-9, and 12, 2011  
January 20, 2012

**Decision:** March 28, 2012

**Panel:** Edward P. Kerwin – Commissioner and Chair of the Panel  
Paulette L. Kennedy – Commissioner

**Appearances:** Matthew Britton – For Staff of the Commission

No one appeared – Jeffrey Pogachar  
for the Respondents: – Paola Lombardi

TABLE OF CONTENTS

- I. BACKGROUND
  - A. HISTORY OF THE PROCEEDING
  - B. PRELIMINARY ISSUES
    - (i) Motion to adjourn *sine die*
    - (ii) Failure of the Respondents to Appear
  - C. THE HEARING ON THE MERITS
- II. OVERVIEW OF THE HEARING
- III. THE PARTIES
  - A. THE INDIVIDUALS
  - B. THE NEW LIFE CORPORATIONS
  - C. OTHER RELEVANT ENTITIES
- IV. THE ALLEGATIONS
  - A. TRADING WITHOUT REGISTRATION
  - B. FRAUDULENT CONDUCT
  - C. DIRECTOR AND OFFICER ACCOUNTABILITY
  - D. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND THE PUBLIC INTEREST
- V. ISSUES
- VI. EVIDENCE AND FINDINGS
  - A. EVIDENCE SUBMITTED AT THE HEARING
  - B. HEARSAY
  - C. SUMMARY OF FINDINGS
- VII. THE LAW AND ANALYSIS
  - A. STANDARD OF PROOF
  - B. TRADING WITHOUT REGISTRATION
  - C. FRAUDULENT CONDUCT
  - D. DIRECTOR AND OFFICER ACCOUNTABILITY
- VIII. CONCLUSION

## REASONS FOR DECISION

### I. BACKGROUND

#### A. History of the Proceeding

[1] This was a hearing before the Ontario Securities Commission (the “**Commission**”) pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c., S.5, as amended (the “**Act**”) to consider whether the respondents, L. Jeffrey Pogachar (“**Pogachar**”) and Paola Lombardi (“**Lombardi**”) (collectively, the “**Respondents**”) breached certain provisions of the Act and/or acted contrary to the public interest.

[2] A temporary cease trade order was first issued against the Respondents in this matter on August 6, 2008 and was subsequently varied and extended from time to time. On December 5, 2008, the temporary cease trade order was extended until the conclusion of the hearing on the merits.

[3] A Statement of Allegations was filed by Staff on August 7, 2008 in connection with a Notice of Hearing issued by the Commission on the same day, which were served on the Respondents. An Amended Statement of Allegations was filed by Staff on June 23, 2010 and an Amended Notice of Hearing was issued on June 30, 2010, which were served on the Respondents.

[4] New Life Capital Corp. (“**NLCC**”), New Life Capital Investments Inc. (“**NLCI**”), New Life Capital Advantage Inc. (“**NLCA**”), New Life Capital Strategies Inc. (“**NLCS**”), 1660690 Ontario Ltd. (“**1660690**”), 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., and 2173817 Ontario Inc. (together, the “**Numbered Companies**”) (NLCC, NLCI, NLCA, NLCS, 1660690, and the Numbered Companies collectively referred to herein as “**New Life**”), all of which were named in the title of proceeding, entered into a settlement agreement dated January 18, 2011 by and through KPMG Inc. in its capacity as the Court-appointed Receiver and Manager of New Life (the “**Receiver**”) with Enforcement Staff of the Commission (“**Staff**”), which was approved by the Commission on January 25, 2011.

[5] Alan S. Price (“**Price**”), who was named in the title of proceeding, entered into a settlement agreement with Staff dated October 29, 2010, which was approved by the Commission on November 10, 2010.

[6] This matter was adjourned on several occasions prior to the hearing on the merits. On March 25, 2011, the Commission ordered that the hearing on the merits in this matter would commence on December 5, 2011.

#### B. Preliminary Issues

##### (i) Motion to adjourn *sine die*

[7] On December 5, 2011, Lombardi attended before the Commission represented by her counsel, Eric Freedman, who requested that the hearing on this matter be adjourned *sine die* as a result of a decision dated November 30, 2011 rendered by Justice K. Neville Adderley of the Common Law & Equity Division of the Supreme Court of the Commonwealth of the Bahamas (the “**Bahamian Order**”) in respect of the New Life receivership proceedings, which had been brought against New Life by the Commission under section 129 of the Act. Pursuant to the Bahamian Order, Adderley J. granted a motion brought by the Respondents for, among other things, the provision of a reasonable living allowance and reasonable conduct money out of the funds that are the subject of the receivership proceedings. Counsel for Lombardi submitted that the “conduct money” awarded by Adderley J. would afford her the ability to retain and pay for counsel to represent her before the Commission on the hearing on the merits. Accordingly, counsel for Lombardi requested an adjournment of the hearing on the merits *sine die* to await the outcome of the Receiver’s appeal of the Bahamian Order and, should the appeal be denied, to permit Lombardi to retain counsel in Ontario with the conduct money awarded in the Bahamas.

[8] After reading the reasons of Adderley J., hearing submissions from the parties, taking into account the particulars of this matter, and considering all relevant factors including the factors set forth in rule 9.2 of the Commission’s *Rules of Procedure*, this panel denied Lombardi’s request for an adjournment and ordered the hearing on the merits to commence on December 7, 2011 for the following reasons:

- a) The panel was not satisfied that the term “conduct money” provided for in the Bahamian Order was meant to include legal fees for Lombardi to participate in this proceeding in Ontario. Nothing was provided to the panel to indicate that “conduct money” is something other than the money usually paid to a person under the compulsion of a summons to witness to pay for their expenses to attend in court;
- b) Lombardi did not provide sufficient reasons to support her request for an adjournment;

- c) This matter has been adjourned on several occasions including at the prior request of the Respondents. On March 25, 2011, Commissioner Carnwath, upon granting an adjournment at that time, ordered that this hearing would commence on December 5, 2011, peremptory to the Respondents with or without counsel;
- d) The request was opposed by Staff and was not supported by Pogachar, the other remaining Respondent in this proceeding;
- e) Lombardi had available to her all documentation pertaining to this hearing since no later than August 23, 2011 by way of Staff's communication to her in respect of the hearing brief of documentation. There had been ample time for her to prepare;
- f) The panel perceived that to proceed with the hearing would not be of significant prejudice to Lombardi who had more than 13 months to retain new counsel and more than three months to access and review the hearing brief. To the contrary, the panel believed that granting the request for an adjournment would be of prejudice to the Commission and the investors;
- g) It would be costly to reschedule the hearing for the Commission and the other parties affected by the hearing;
- h) Lombardi did not provide evidence that she had made reasonable efforts to avoid the need for the request for an adjournment;
- i) The panel did not believe the adjournment was necessary to provide an opportunity for a fair hearing; and
- j) The panel determined that an adjournment would not be in the public interest.

**(ii) Failure of the Respondents to Appear**

[9] Although Lombardi attended before the Commission with counsel on December 5, 2011 for her motion to adjourn, on December 6, 2011, Lombardi advised the Secretary's Office in writing that neither she nor Pogachar would attend the hearing on the merits.

[10] By letter dated December 7, 2011 to the Commission, Pogachar also confirmed in writing that he would not attend the hearing on the merits in this matter.

[11] Section 7(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 (the "SPPA") provides that:

Where notice of an oral hearing has been given to a party to a proceeding in accordance with this Act and the party does not attend at the hearing, the tribunal may proceed in the absence of the party and the party is not entitled to any further notice in the proceeding.

[12] The dates for the hearing on the merits of this matter were scheduled by Order of the Commission dated March 25, 2011, more than 8 months prior to the commencement of the hearing. Lombardi attended before the panel on the first day scheduled for the hearing on the merits. The Respondents both communicated in writing of their decision not to attend the hearing. It is with certainty that the panel finds that the Respondents were well aware of the hearing dates in this matter and were provided with sufficient time to prepare.

[13] We are satisfied that we were entitled to proceed in their absence in accordance with section 7(1) of the SPPA.

**C. The Hearing on the Merits**

[14] We heard evidence on the merits in this matter on December 7, 8, 9 and 12, 2011. At the conclusion of the hearing, we scheduled dates for the parties to file written submissions and to re-attend before the panel to make oral closing submissions. On January 20, 2012, we heard closing submissions by Staff. The Respondents did not attend the hearing on the merits and did not provide any closing submissions either in writing or in person.

[15] In light of the uncontroverted evidence presented at the hearing, the panel rendered its decision at the close of oral submissions on January 20, 2012. The panel found that the evidence shows on a balance of probabilities that the Respondents have breached sections 25(1)(a), 126.1(b), and 129.2 of the Act and acted contrary to the public interest. A copy of our Oral Decision dated January 26, 2012 is available at (2012), 35 O.S.C.B. 1131. Upon rendering our decision, we advised that we would set out our specific findings of fact in our reasons to be issued in due course. These are our reasons.



## II. OVERVIEW OF THE HEARING

[16] New Life is a group of companies that carried on business in the viatical and life settlement industry. A viatical or life settlement is the sale of the benefits under a life insurance policy by a viator or life settlor of that policy (the “**Seller**”) to a purchaser for an amount greater than the cash surrender value of the policy but lower than the face amount of that policy. By selling the benefits under a policy, the Seller receives an immediate cash payment to use as he or she wishes. The purchaser (in this case, New Life) becomes the irrevocable beneficiary of the policy, pays the premiums of the policy going forward, and receives the full face value of the death benefit of the policy when the Seller passes away.

[17] This proceeding relates to the sale of securities in New Life to approximately 600 investors in Canada for a total amount of approximately \$22 million raised in investor funds. The securities of New Life were sold pursuant to offering documents which provided that 80% to 85% of the proceeds of the sale of securities would be used to purchase life insurance policies.

[18] Staff allege that from 2006 to 2008 (the “**relevant time**”), the Respondents, who were the principals of New Life, improperly engaged in trades or acts in furtherance of trades of securities of New Life without being registered under the required provisions of the Act. Staff further allege that the Respondents fraudulently enticed investors by causing NLCI to declare and pay dividends at a time when NLCI was not profitable, paying dividends from investor funds, and using investor funds for personal purposes, contrary to the representations made to the New Life investors. Staff also allege that, as the directors and officers of New Life, the Respondents authorized, permitted and acquiesced in the commission of breaches of the Act by New Life contrary to the public interest.

[19] Staff’s specific allegations against the Respondents are set out in further detail below.

## III. THE PARTIES

### A. The Individuals

[20] Pogachar and Lombardi were married to one another and were directors and officers of the New Life companies at the relevant time.

[21] Since July 30, 2007, Pogachar has been registered as a trading officer and the designated compliance officer of NLCC.

[22] From July 30, 2007 to August 10, 2007, Lombardi was approved as a non-trading officer of NLCC and was subsequently registered as a trading officer of NLCC on August 10, 2007 and thereafter.

[23] Price is a lawyer and was a director of NLCI and an officer of 1660690 during the relevant time. There is no record of Price having been registered under the Act.

[24] There were no other directors or officers of New Life.

### B. The New Life Corporations

[25] NLCC was incorporated under the Ontario *Business Corporations Act*, R.S.O. 1990, c. B.16 (the “**OBCA**”) on November 7, 2005. NLCC did not carry on any active operations during the relevant time other than payment of expenses related to its subsidiaries. NLCC has been registered in the category of limited market dealer since July 30, 2007.

[26] NLCI was incorporated under the OBCA on December 22, 2005 and is a subsidiary of NLCC. NLCI purchased life insurance policies from U.S. residents to create an ownership interest in a pool of policies. NLCI issued and sold its shares to Canadian public investors. There is no record of NLCI having been registered under the Act at any time.

[27] NLCA was incorporated under the OBCA on December 19, 2005. It is a subsidiary of NLCC. NLCA purchased life insurance policies from U.S. residents and established the Numbered Companies to create multiple ownership interests in individual policies rather than a single interest in a pool of policies (as in the case of NLCI). NLCA issued and sold its shares to Canadian public investors. There is no record of NLCA having been registered under the Act at any time.

[28] The Numbered Companies were incorporated under the OBCA on various dates during the relevant time for the purpose of facilitating NLCA’s investors’ acquisitions of ownership interests in individual policies. The Numbered Companies issued and sold their non-voting shares to Canadian public investors. NLCA owned all of the voting shares of the Numbered Companies. There is no record of any of the Numbered Companies having been registered under the Act at any time.

[29] NLCS was incorporated under the OBCA on January 4, 2006 and is a subsidiary of NLCC. NLCS sourced and purchased life insurance policies in the United States and then transferred its ownership interest in the insurance policies to 1660690, designating NLCI as the beneficiary under the policies. NLCS did not issue shares to the public at any time.

[30] 1660690 was incorporated under the OBCA on July 29, 2005 and ultimately became a subsidiary of NLCI. 1660690 is listed as the owner of numerous policies with NLCI as the named beneficiary of such policies. 1660690 did not issue shares to the public at any time.

[31] None of the New Life companies has ever been a reporting issuer, filed a prospectus, or filed an offering memorandum with the Commission at any time.

### **C. Other Relevant Entities**

[32] Lexington Consulting Inc. ("**Lexington**") was incorporated in the Commonwealth of the Bahamas on August 17, 2005. Lexington established a bank account with FirstCaribbean International Bank (Bahamas) Ltd. ("**FirstCaribbean**") in the Bahamas. Pogachar and Lombardi are Lexington's sole shareholders and the sole authorized signatories for Lexington's bank account at FirstCaribbean (the "**Lexington Account**"). The Lexington Account bank documents describe the business of Lexington as consulting in real estate and the life settlement industry.

[33] Amarcord International Inc. ("**Amarcord**") was incorporated in the Commonwealth of the Bahamas on October 9, 2007. Amarcord established a bank account with FirstCaribbean in the Bahamas (the "**Amarcord Account**"). Pogachar and Lombardi are the sole shareholders of Amarcord and are the sole authorized signatories for the Amarcord account.

## **IV. THE ALLEGATIONS**

### **A. Trading Without Registration**

[34] In the Amended Statement of Allegations, Staff allege that NLCI, NLCA and the Numbered Companies engaged in trading in securities and as such were required to be registered under the Act.

[35] Staff also allege that Pogachar and Lombardi engaged in acts in furtherance of trades of securities of NLCI, NLCA, and the Numbered Companies and as a result were required to be registered under the Act.

[36] Staff allege that in light of the failure of NLCI, NLCA, the Numbered Companies, and the Respondents to be registered, the Respondents' trading activities were contrary to section 25(1)(a) of the Act.

### **B. Fraudulent Conduct**

[37] Staff allege that the Respondents engaged in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors that were contrary to the public interest in breach of section 126.1(b) of the Act by:

- a) Causing New Life to use investor funds to pay dividends both in cash and through a dividend reinvestment program (a "**DRIP**") in order to attract new investors to New Life; and
- b) Using New Life funds raised from the sale of securities for their own personal purposes, including:
  - (i) Transferring funds from New Life to Lexington and from Lexington to Amarcord for the purchase of real estate in the Bahamas and Ontario, luxury automobiles, a USD \$1 million Bahamian government bond, and various personal effects;
  - (ii) Borrowing approximately CAD \$1.1 million and USD \$43,500 from New Life in the form of shareholder loans that were not repaid; and
  - (iii) Using the New Life funds to pay CAD \$1.1 million of credit card debt on their personal credit cards.

### **C. Director and Officer Accountability**

[38] Staff allege that the Respondents, in their capacity as directors and officers of New Life, authorized, permitted or acquiesced in New Life's commission of violations of the Act contrary to section 129.2 of the Act.

**D. Conduct Contrary to Ontario Securities Law and the Public Interest**

[39] Staff allege that all of the Respondents' actions were in breach of Ontario securities law and contrary to the public interest.

**V. ISSUES**

[40] This matter raises the following issues for our consideration:

- a) Did the Respondents trade in securities of New Life without being registered to do so, contrary to section 25(1)(a) of the Act?
- b) Did the Respondents engage or participate in acts, practices or courses of conduct relating to New Life securities that the Respondents knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to section 126.1(b) of the Act?
- c) Did the Respondents, in their capacity as directors and officers of New Life, authorize, permit or acquiesce in the commission of violations of sections 25(1)(a) and 126.1(b) of the Act contrary to section 129.2 of the Act?

**VI. EVIDENCE AND FINDINGS**

**A. Evidence Submitted at the Hearing**

[41] At the outset of the hearing, Staff tendered exhibits which consisted of 30 volumes of documents and transcripts plus an additional 10 documentary exhibits. Staff called only one witness during the hearing, namely, Stephanie Collins, a senior forensic accountant with the enforcement branch of the Commission ("**Collins**"). Collins testified that she has had primary carriage of the New Life matter since May 2007.

[42] The exhibits tendered into evidence included, in part:

- TD Canada Trust bank records for New Life's CAD and USD accounts;
- TD Canada Trust bank records for the personal accounts of Pogachar and Lombardi;
- Personal visa statements for Pogachar and Lombardi from American Express, RBC Visa, and TD Visa (which were used for both business and personal purchases);
- Corporate documents and registration certificates for all relevant individuals and entities;
- Investor documents;
- Transcripts of voluntary interviews with investors;
- Policy documents;
- Documents from the Receiver which included, among other things, copies of the bank records from FirstCaribbean of the Lexington Account and Amarcord Account; and
- Tables prepared by Collins and the Receiver summarizing the source, movement, and application of funds recorded in the New Life, Lexington, and Amarcord bank accounts and the Respondents' bank accounts and credit card statements.

[43] Collins determined that the only source of potential profit for New Life was the maturation of the purchased policies. Once an insured subject of a purchased policy died, the policy would mature and the beneficiary, New Life, would receive payment. Collins concluded that from New Life's inception up until the time the Receiver was appointed in December 2008, none of the policies purchased by New Life had matured and thus New Life had not earned any profit.

[44] As noted above, Collins prepared summary tables which she included at the front of the New Life CAD and USD TD Canada Trust bank records (the "**TD Accounts**") and the TD Canada Trust, RBC and American Express credit card statements, summarizing the source and application of incoming and outgoing funds. During the hearing she reviewed in detail the tables that she had prepared and brought the panel's attention to the supporting documents behind them.

[45] Collins also testified that once the Receiver was appointed in December 2008, she received copies of their reports and court materials for the related court proceedings in both Ontario and the Bahamas, which helped her trace the funds that were transferred out of the TD Accounts. The Receiver provided Collins with copies of the FirstCaribbean bank documents for the Lexington Account and the Amarcord Account and Collins used these documents in her analysis of the flow of the New Life investor funds. As a result of her ongoing communications with the Receiver regarding its investigation in Ontario and the Bahamas, Collins was able to speak to the findings set out in the Receiver's affidavit and supporting documents that were submitted as evidence at the hearing.

[46] From her review of all of the bank and credit card statements described above and in further detail below, Collins determined that CAD \$22,508,607 was raised from the sale of securities in NLCI, NLCA, and the Numbered Companies to public investors, and that 80% to 85% of the funds were not used for the purpose of carrying on business by New Life as represented in the NLCI offering memorandum. To the contrary, she determined that over 40% of the investors' funds were used for Pogachar's and Lombardi's personal purchases.

## B. Hearsay

[47] Of the many volumes of documentary evidence tendered as exhibits, 20 of them contained business and bank records of New Life and the Respondents. With respect to these records and the hearsay evidence given by Collins about the Respondents' explanation of their expenses as documented therein, Staff directed the panel to the relevant provisions of the SPPA and the *Evidence Act*, R.S.O. 1990, c. E.23 (the "**Evidence Act**") as follows:

[48] Section 15(1) of the SPPA states:

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.

[49] Staff referred us to the case of *Re Maple Leaf Investment Fund Corp.* (2011), 34 OSCB 11551 at para. 46 ("**Maple Leaf**");

Although hearsay evidence is admissible under the SPPA, we must determine the appropriate weight to be given to that evidence. A careful approach must be taken to avoid placing undue reliance on uncorroborated evidence that lacks sufficient indicia of reliability. (see *Starson v Swayze*, [2003] 1 S.C.R. 722 at para. 115; and *Sunwide, supra*, at para. 22.).

[50] We further note that in *The Law of Evidence in Canada*, it is stated that hearsay evidence is admissible and its weight is a matter for the tribunal to decide:

In proceedings before most administrative tribunals and labour arbitration boards, hearsay evidence is freely admissible and its weight is a matter for the tribunal or board to decide, unless its receipt would amount to a clear denial of natural justice. So long as such hearsay evidence is relevant it can serve as the basis for the decision, whether or not it is supported by other evidence which would be admissible in a court of law.

(John Sopinka, Sidney N. Lederman & Alan W. Bryant, *The Law of Evidence in Canada*, 2d ed. (Markham, Ont: LexisNexis Butterworths, 1999) at p.308)

[51] With respect to the bank and business records of New Life and the Respondents, section 33 of the *Evidence Act* provides as follows:

(2) Subject to this section, a copy of an entry in a book or record kept in a bank is in any action to which the bank is not a party proof in the absence of evidence to the contrary of such entry and of the matters, transactions and accounts therein recorded.

(3) A copy of an entry in such book or record shall not be received in evidence under this section unless it is first proved that the book or record was at the time of making the entry one of the ordinary books or records of the bank, that the entry was made in the usual and ordinary course of

business, that the book or record is in the custody or control of the bank, or its successor, and that such copy is a true copy thereof, and such proof may be given by the manager or accountant, or a former manager of the bank or its successor, and may be given orally or by affidavit.

[52] Although Staff chose not to provide proof of the business and bank records as suggested in section 33(3) of the *Evidence Act*, we are satisfied of the authenticity of these documents. There is sufficient evidence that the books and records of the Respondents and New Life were made in the usual course of business as such records were either given to Collins by the Respondents themselves or obtained by way of summons. Further, we note that there is no evidence to suggest anything to the contrary.

[53] In consideration of the foregoing, we accept the validity of the documentary and hearsay evidence tendered by Staff subject to our consideration of the weight to be given to such evidence.

### C. Summary of Findings

[54] The only New Life companies that issued and sold securities to the public were NLCI, NLCA, and the Numbered Companies. Overall, these New Life companies sold securities to approximately 600 investors in Canada.

[55] The corporate records and other evidence also indicate that either one or both of Pogachar and Lombardi were the sole directors and officers of all of the New Life companies between them, other than Price, who was not a controlling or directing mind and who is no longer a party to this proceeding.

[56] With respect to the use of investor funds received by New Life, the NLCI offering memorandum dated December 2005 (amended September 2006), which was one of various copies submitted into evidence, disclosed under "USE OF PROCEEDS" as follows:

From the net proceeds of the offering, we expect to use between 80% and 85% to purchase and maintain the policy premiums of life insurance policies with MULEs from one to ten years and between 5% and 10% for marketing. We expect to use the remaining net proceeds (approximately 5% to 15%) for working capital and general corporate purposes.

[57] From the evidence submitted at the hearing and referred to herein, it is clear that New Life did not use investor funds as represented in the NLCI offering memorandum.

#### (i) The Dividend Payments

[58] The New Life promotional materials show that, among other things, the promise of an annual 8% dividend to be paid quarterly was a highlighted feature of the New Life securities for potential investors. The dividend was offered as either a cash return or as part of the DRIP.

[59] The transcripts of Staff's interviews with New Life investors show that the potential for dividends was a significant reason for such investors to invest in New Life. Under the heading "Description of Share Capital" the NLCI Offering memorandum dated December 2005 (amended September 2006) provided as follows:

Our authorized share capital consists of an unlimited number of Class A Common Shares and an unlimited number of Class B Common Shares. All of the issued and outstanding Class B Common Shares are owned by New Life Capital Corp., a company which is wholly-owned by our President and Chief Executive Officer.

The Class A Common Shares and Class B Shares are identical in all respects except for their dividend features. Holders of class A Common Shares are entitled to a non-cumulative annual dividend of 8% calculated on the stated capital thereof *if, as and when* declared by our board of directors. Holders of Class B Common Shares are also entitled to receive dividends *if, as and when* declared by our board of directors provided that the dividends payable on the Class A Common Shares have been declared and paid. ... (emphasis in original)

[60] The NLCI corporate records show that the Class A Common Shares were the shares that were sold to the New Life investors. The NLCI offering memorandum dated October 31, 2007, under the heading "Dividends" provided as follows:

To date, the board of directors of the Company has declared and paid an 8% dividend on the Class A Shares at the end of each quarter ...

[61] Further, in a letter sent to investors titled "Message from the President and CEO of New Life Capital Investments Inc." dated November 9, 2007, Pogachar stated as follows:

Since inception, we have issued approximately 1,176,300 units of the Company (consisting of one class A share and one-half of one class A share purchase warrant) for gross proceeds of approximately \$5.8 million. We are pleased to note that the board of directors of the Company has consistently declared and paid dividends to its class A shareholders on a quarterly basis.

[62] The corporate records of NLCI contain resolutions declaring dividends on a quarterly basis from July 2006 until July 2008 for a total sum of approximately CAD \$1,106,660.61 notwithstanding that, as noted above, none of the policies had matured and as such New Life had not made any profit during that time. Of that amount, Collins testified that she was able to determine that approximately CAD \$600,000 in dividend payments was paid to investors in cash and concluded that the balance of the dividend payments were likely intended to have been directed to the proposed issuance of shares through the DRIP.

**(ii) Transfer of Funds to Accounts in Bahamas**

[63] The records from the TD Accounts show that there were large withdrawals from the TD Accounts during the relevant time. Collins testified that Pogachar explained to her that these transfers were for the purpose of purchasing new insurance policies but he did not provide any supporting documents to substantiate his explanation. Collins was unable to reconcile Pogachar's explanation of the large withdrawals with the purchase of any of New Life's policies. The Lexington Account bank records, however, do reconcile with the withdrawals from the TD Accounts.

[64] The bank records submitted into evidence show that the large withdrawals from the TD Accounts were deposited into the Lexington Account in the Bahamas. In the Lexington opening account records there is a letter dated August 26, 2005 wherein Pogachar indicated to FirstCaribbean, in part, as follows:

The reason for the aforementioned account is to facilitate Paola and my initiatives in personal wealth building.

The account will be funded as a direct result from the professional consulting services that are provided to Lexington's already growing client base. All monies received will be directly from clients and paid to the account of Lexington Consulting Inc.

[65] The Lexington records show that from November 2007 to July 2008 amounts aggregating approximately USD \$7,092,597 were transferred from the TD Accounts to the Lexington Account at FirstCaribbean and that the majority of those funds were ultimately transferred to the Amarcord Account.

[66] On the Amarcord opening bank account documents, Pogachar indicated that the purpose of the Amarcord Account at FirstCaribbean was for "personal wealth accumulation" and that the source of its initial deposit was Lexington. The Amarcord records show that from November 2007 to July 2008, amounts aggregating approximately USD \$6,872,752 were transferred from the Lexington Account to the Amarcord Account.

**(iii) Luxury Expenses**

[67] As noted above, the bank records from the Amarcord Account show that amounts aggregating approximately USD \$6,872,752 were transferred from the Lexington Account to the Amarcord Account, which amount was almost entirely spent on personal luxury goods and expenses for the Respondents.

[68] In particular, the Amarcord Account records show that of the funds deposited into the Amarcord Account, the Respondents withdrew funds for the following expenses:

- a) USD \$181,633.17 to Little Switzerland for jewellery;
- b) USD \$1,029,956 to purchase Bahamian government bonds;
- c) CAD \$784,305.38 to Maranello Sports Inc. for two Ferrari automobiles purchased in Ontario;
- d) CAD \$605,155.45 and USD \$48,125.48 paid in trust to the law firm of Gowlings in Ontario for what was ultimately determined by the Receiver to be for the purchase of land near Fort Erie, Ontario; and
- e) USD \$2,600,200 paid in trust to the law firm of Lennox Paton in the Bahamas for what was ultimately determined by the Receiver to be for the purchase of a condominium in the Bahamas.

[69] Collins verified these transactions by following the large transfers made from the TD Accounts to the Lexington Account and ultimately to the Amarcord Account. Although we did not see any documentary evidence showing the actual purchases of the properties, we are satisfied that Collins' evidence, combined with the corresponding Receiver's evidence, the TD Canada Trust and FirstCaribbean bank records, and the circumstantial evidence establish that these purchases were, on a balance of probabilities, likely to have occurred.

**(iv) The Shareholder Loans and Credit Card Payments**

[70] Collins testified that during her investigation of the New Life financial records, including the TD Accounts and the Respondents' personal credit card statements, the Respondents advised her that they took shareholder loans from New Life in the amounts of approximately CAD \$1,094,463 and USD \$43,500.00; however, the correspondence submitted into evidence between the Respondents and Aird & Berlis LLP, counsel for New Life, clearly shows that there was no corporate documentation in regard to these loans.

[71] Collins also determined that the Respondents used approximately CAD \$1,238,736.33 to pay their personal credit cards balances. Upon request, the Respondents provided copies of their credit card statements to Staff; however, the Respondents redacted any charges on the statements that they claimed were "personal." Ultimately, Staff obtained unredacted copies of the credit card statements directly from the banks by way of summons. The unredacted credit card statements show that the charges incurred were a combination of cash advances, New Life business expenses, and personal expenses. The TD Account records and the Respondents' credit card statements together show that the Respondents used CAD \$769,996.33 from NLCI and CAD \$468,740.00 from NLCC to pay a total amount of CAD \$1,238,736.33 for charges incurred on their credit cards.

[72] In addition to the application of the New Life funds noted above, the Receiver determined that approximately USD \$1 million was paid from the Amarcord funds for personal purposes as follows:

- a) Advances to Lombardi in the amount of USD \$145,872.50;
- b) Advances to Pogachar in the amount of USD \$519,071.63;
- c) Payment to RBC visa in the amount of USD \$248,841.86; and
- d) Payment to TD visa in the amount of USD \$113,095.55.

**(v) Overall use of Investor Funds**

[73] At the conclusion of the hearing, Collins provided the panel with a breakdown of what the New Life, Lexington and Amarcord records show to be the use of proceeds of the New Life investor funds. She testified that amounts aggregating CAD \$22,508,607 were received from investors and of that amount the funds were used approximately as follows:

- a) 30% of investors' funds were spent on purchasing insurance policies and paying premiums and agent fees;
- b) 15.5% of investors' funds were used for business expenses;
- c) 3% of investors' funds were used to pay dividends in cash;
- d) 5% of investors' funds were used to pay credit card bills which included both personal and business expenses;
- e) 10% of investors' funds remained in the New Life accounts when the accounts were frozen in August 2008;
- f) 5% of investors' funds were paid to the Respondents personally; and
- g) 31.5% of investors' funds were transferred to Lexington.

[74] In the panel's view, the evidence presented at the hearing was uncontroverted and well corroborated.

**VII. THE LAW AND ANALYSIS**

**A. Standard of Proof**

[75] The panel needs to assess each of the issues before it by scrutinizing the evidence with care in determining whether, on a balance of probabilities, it is more likely than not that the alleged event occurred. The Supreme Court of Canada has held

that the evidence must be sufficiently clear, convincing and cogent to satisfy this standard. (*F.H. v. McDougall*, [2008] 3 S.C.R. 41 at paras. 40 and 46.)

[76] As noted above, we have the discretion to admit relevant evidence that might not otherwise be admissible as evidence in a court such as hearsay evidence. In determining what weight, if any, to assign to evidence in this matter, we have considered the sources of the evidence and whether the parties had an opportunity to cross examine on that evidence.

## B. Trading without Registration

### Did the Respondents engage in unregistered trading of securities contrary to section 25(1)(a) of the Act?

[77] Staff allege that the Respondents breached section 25(1)(a) of the Act in the period from 2006 to 2008. During that time, the Act provided as follows:

25. (1) No person or company shall,

(a) trade in a security or act as an underwriter unless the person or company is registered as a dealer, or is registered as a salesperson or as a partner or as an officer of a registered dealer and is acting on behalf of the dealer...

and the registration has been made in accordance with Ontario securities law and the person or company has received written notice of the registration from the Director and, where the registration is subject to terms and conditions, the person or company complies with such terms and conditions.

[78] Section 1(1) of the Act during that time provided the following relevant definitions:

“dealer” means a person or company who trades in securities in the capacity of principal or agent.

...

“trade” or “trading” includes,

(a) any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, installment or otherwise, but does not include a purchase of a security or, except as provided in clause (d), a transfer, pledge or encumbrance of securities for the purpose of giving collateral for a debt made in good faith,

...

(e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing;

[79] This Commission has held that the inclusion of the word “indirectly” in the definition of “trade” or “trading” reflects the intention by the Legislature to capture conduct which seeks to avoid registration requirements by doing indirectly that which is prohibited directly (*Re Momentas Corp.* (2006), 29 O.S.C.B. 7408 at para. 79 (“*Momentas*”). It has also held that a respondent who accepts investors’ funds for the purpose of an investment carries out an act in furtherance of a trade (*Re Lett* (2004), 27 O.S.C.B. 3215 at paras. 48-51 and 64 (“*Lett*”).

[80] An act is also in furtherance of a trade if there is a sufficient proximate connection between the act and the trade in securities:

There is no bright line separating acts, solicitations and conduct indirectly in furtherance of a trade from acts, solicitations and conduct not in furtherance of a trade. Whether a particular act is in furtherance of an actual trade is a question of fact that must be answered in the circumstances of each case. A useful guide is whether the activity in question had a sufficient proximate connection to an actual trade. (*Re Costello* (2003), 26 O.S.C.B. 1617 at para. 47)

[81] Examples of activities that have fallen within the scope of “acts in furtherance of a trade” are set out in *Momentas* at paragraph 80 and include:

- a) Providing potential investors with subscription agreements to execute;



- b) Distributing promotional materials concerning potential investments;
- c) Issuing and signing share certificates;
- d) Preparing and disseminating materials describing investment programs;
- e) Preparing and disseminating forms of agreements for signature of the investors;
- f) Conducting information sessions with groups of investors; and
- g) Meeting with individual investors.

[82] The Commission's records indicate that NLCC has been registered as a limited market dealer since July 2007 and that Pogachar and Lombardi have been registered as trading officers of NLCC under the category of limited market dealer since July and August 2007, respectively. NLCC, however, did not issue and sell shares to investors.

[83] The corporations involved in issuing and selling shares in this matter are NLCI, NLCA, and the Numbered Companies, none of which was registered under the Act at any time according to the section 139 certificates. Further, neither Pogachar nor Lombardi was registered as a trading officer of NLCI, NLCA, or the Numbered Companies at any time according to their section 139 certificates.

[84] After reviewing all of the evidence previously referred to herein, as well as evidence of New Life's promotional materials, documents that were sent directly to investors by New Life, and transcripts of interviews of investors, we find that the Respondents engaged in the following activities with respect to NLCI, NLCA, and the Numbered Companies, which constitute acts in furtherance of a trade:

- a) Provided subscription agreements for execution by potential investors for the purchase of New Life securities;
- b) Distributed the NLCI offering memorandum concerning potential investment in New Life securities;
- c) Issued and signed warrant and share certificates in respect of New Life securities;
- d) Maintained control over the TD Accounts and received and deposited investor funds into such accounts;
- e) Caused the declaration and payment of dividends to New Life investors;
- f) Conducted presentations at seminars to promote New Life and New Life securities;
- g) Promoted and operated the DRIP in respect of New Life securities;
- h) Disseminated advertising and marketing materials promoting New Life and New Life securities as an investment program; and
- i) Met with potential individual investors.

[85] In *Letf* at paragraphs 54-64, the Commission held that where investors transferred, deposited or caused to be deposited significant funds into the accounts of the corporations which had been opened by the individual respondent, by accepting investors' funds, the respondent had carried out acts in furtherance of a trade. In this matter, the Respondents had sole control over the New Life TD Accounts and the evidence clearly shows that the Respondents opened the TD Accounts and accepted investors' funds in the total amount of approximately CAD \$22,508,607.

[86] The Commission has found that it must adopt a contextual approach to determine whether non-registered individuals or companies have engaged in acts in furtherance of a trade by looking at the totality of the conduct and the setting in which the acts have occurred, the primary consideration of which is the effects the acts had on those to whom they were directed (*Momentas* at para. 77).

[87] In light of our acceptance of the evidence referred to above, we find that the Respondents have acted in breach of section 25(1)(a) of the Act (as it then was) by engaging in acts in furtherance of the trade of securities of NLCI, NLCA and the Numbered Companies without being registered in accordance with Ontario securities law.

## C. Fraudulent Conduct

### Did the Respondents engage in fraudulent conduct contrary to section 126.1(b) of the Act?

[88] Section 126.1(b) of the Act provides as follows:

126.1 A person or company shall not, directly or indirectly, engage or participate in any act, practice or course of conduct relating to securities, derivatives or the underlying interest of a derivative that the person or company knows or reasonably ought to know,

...

(b) perpetrates a fraud on any person or company.

[89] This Commission has adopted the interpretation of fraud as enunciated by the British Columbia Court of Appeal in *Anderson v. British Columbia (Securities Commission)* (2004) BCCA 7 at para. 27 ("**Anderson**") leave to appeal denied at [2004] S.C.C.A. No.81, wherein the Court dealt with a similar provincial securities fraud provision. In *Anderson* at paragraph 26, Justice Mackenzie notes, and this Commission has agreed, that such a fraud provision includes a prohibition against participation in transactions where participants know or ought to know that fraud is being perpetrated by others as well as against those who participate in perpetrating the fraud itself. Mackenzie J. cites the reasons of Madam Justice McLachlin in *R. v. Théroux*, [1993] 2 S.C.R. 5 at 20 ("**Théroux**"), where she summarizes the elements of fraud as follows:

...the *actus reus* of the offence of fraud will be established by proof of:

1. the prohibited act, be it an act of deceit, a falsehood or some other fraudulent means; and
2. deprivation caused by the prohibited act, which may consist in actual loss or the placing of the victim's pecuniary interests at risk.

Correspondingly, the *mens rea* of fraud is established by proof of:

1. subjective knowledge of the prohibited act; and
2. subjective knowledge that the prohibited act could have as a consequence the deprivation of another (which deprivation may consist in knowledge that the victim's pecuniary interests are put at risk).

[90] Accordingly, the *actus reus* part of the offence requires proof of two elements: a dishonest act and a deprivation.

[91] With respect to the dishonest act of fraud, the term "other fraudulent means" has been held to include the use of corporate funds for personal purposes, non-disclosure of important facts, exploiting the weakness of another, unauthorized diversion of funds, and unauthorized arrogation of funds or property (*Théroux* at para. 18).

[92] The second element, deprivation, is established by proof that the dishonest act caused detriment, prejudice, or risk of prejudice to the economic interests of the victim (*Théroux* at para. 27). Actual economic loss is not required; rather, proof of prejudice or the risk of prejudice to an economic interest is sufficient to establish this element of fraud. "Risk of prejudice" includes the act of inducing an alleged victim through dishonesty and taking some form of economic action, even if that action did not cause economic loss: *Maple Leaf* at paras. 314 and 315. It is not necessary to prove that a respondent received an economic benefit or gain from the conduct (*Théroux* at para. 19).

[93] With respect to *mens rea*, Mackenzie J. notes in *Anderson* at paragraph 27 as follows:

McLachlin J. also cited with approval at 23 the words of Taggard J.A. who stated in *R. v. Long* 1990 CanLII 5405 (BC CA), (1990), 51 B.C.L.R. (2d) 42, 61 C.C.C. (3d) 156 at 174:

...the mental element of the offence of fraud must not be based on what the accused thought about the honesty or otherwise of his conduct and its consequences. Rather, it must be based on what the accused knew were the facts of the transaction, the circumstances in which it was undertaken and what the consequences might be of carrying it to a conclusion. [underlining in original]

[94] The first element of *mens rea* required to establish fraud, subjective knowledge of a prohibited act, can be inferred from the totality of the evidence. This element does not require direct evidence of the respondent's knowledge at the time of the

alleged fraud. The second element, proof of the subjective knowledge that the prohibited act could cause deprivation, requires proof that the respondent was reckless or willfully blind to the consequence of his or her conduct. A sincere belief that no risk or deprivation would materialize does not vitiate fraud: *Maple Leaf* at paras. 318-321.

[95] With respect to a corporation, it is sufficient to show that its directing minds knew or reasonably ought to have known that the acts of the corporation perpetrated a fraud to prove a breach of subsection 126.1(b) of the Act: *Re Al-Tar Energy Corp.* (2010) 33 OSCB 5535 at para. 221.

[96] Applying the principles set out above, we believe that the Respondents are guilty of committing fraud as set out in section 126.1(b) of the Act. The *actus reus* of the offence is clearly established. The Respondents committed deliberate falsehoods. Those falsehoods caused or gave rise to deprivation. Examples of the *actus reus* of fraud are as follows:

- a) The Respondents had sole control of the TD Accounts and did not use the proceeds of the sale of securities in New Life for the purposes set out in the NLCI offering memorandum;
- b) The Respondents transferred over 40% of the funds raised from investors to entities in the Bahamas and to themselves personally; and
- c) The Respondents deceived investors by representing that they were earning dividends from their investment in New Life when in fact the source of any paid dividends was new investor funds as New Life had not earned any profit.

[97] As a result of the foregoing, the investors' funds were put at significant risk – a risk which ultimately materialized. Although the Respondents used a portion of the investor funds for business purposes, the remaining 40% of investor funds were put at risk when the Respondents chose to transfer these funds to the Bahamas and then proceeded to take steps to misappropriate these funds for personal luxuries. This, we believe, is sufficient to establish deprivation.

[98] With respect to *mens rea*, we find examples of the *mens rea* of fraud as follows:

- a) The Respondents knew that they were causing New Life to use investor funds in a manner that was inconsistent with the representations made in the NLCI offering memorandum;
- b) The Respondents knew that causing New Life to use funds for purposes other than those represented in the NLCI offering memorandum would put investors' funds at risk;
- c) The Respondents knew that diverting approximately 30% of the funds to themselves for personal luxury purchases put investors' funds at risk; and
- d) The Respondents knew that causing New Life to make fictitious DRIP declarations and cash dividend payments to investors at a time when New Life had not earned a profit would attract new investors on false representations.

[99] The Respondents knew their actions to be false when they transferred New Life funds to the Lexington and Amarcord accounts in the Bahamas and used such funds for personal purchases. The Respondents knew that their actions were depriving investors of something they thought they had – security in New Life's ownership of life insurance policies. Although it appears that New Life did purchase some life insurance policies, it is clear that the proportion of investors' funds used to purchase policies fell significantly short of the 80% to 85% as represented in the NLCI offering memorandum. Instead, the Respondents, as the sole signatories on the New Life, Lexington and Amarcord bank accounts, knowingly transferred investor funds into their hands for personal gain. The Respondents knew that they were placing investor funds at risk.

[100] We find that the Respondents deliberately lied to investors by means of written misrepresentations with respect to the use of proceeds in the NLCI Offering Memorandum. They further misrepresented the profitability of New Life by purporting to pay dividends when in fact these amounts were paid from investors' funds. The Respondents' lies were told to induce potential investors to purchase securities of New Life. We find that the Respondents knew at the time they made these misrepresentations that investors' funds were not being used for the purposes as set out in the Offering Memorandum and that the information disseminated about the declaration and payment of dividends including the DRIP was entirely a falsehood as no profits had been earned that would have permitted such dividends.

[101] Accordingly, for all of the reasons set out above, we find that Pogachar and Lombardi have contravened section 126.1(b) of the Act.

**D. Director and Officer Accountability**

**Did the Respondents authorize, permit or acquiesce in New Life violating the Act?**

[102] Staff allege that the Respondents, being directors and officers of the New Life companies, should be held accountable pursuant to section 129.2 of the Act, which provides as follows:

For the purposes of this Act, if a company or a person other than an individual has not complied with Ontario securities law, a director or officer of the company or person who authorized, permitted or acquiesced in the non-compliance shall be deemed to also have not complied with Ontario securities law, whether or not any proceeding has been commenced against the company or person under Ontario securities law or any order has been made against the company or person under section 127.

[103] In *Momentas* at paragraph 118, this Commission has determined that the threshold for finding a director or officer liable pursuant to section 129.2 of the Act is low:

Although these terms have been interpreted to include some form of knowledge or intention, the threshold for liability under section 122 and 129.2 is a low one, as merely acquiescing the conduct or activity in question will satisfy the requirement of liability. The degree of knowledge of intention found in each of the terms “authorize”, “permit” and “acquiesce” varies significantly. “Acquiesce” means to agree or consent quietly without protest. “Permit” means to allow, consent, tolerate, give permission, particularly in writing. “Authorize” means to give official approval or permission, to give power or authority or to give justification.

[104] The Respondents were involved in all aspects of the New Life companies. They engaged in New Life’s marketing activities, were the sole signatories on all of the New Life bank accounts, used their personal credit cards for all of New Life’s business purchases, directed the distribution of investor funds, and were the primary signatories on all of the documents under the New Life letterhead. It is difficult to conclude anything other than that the Respondents authorized, permitted, and acquiesced in all aspects of the New Life business.

[105] In light of the evidence referred to herein, we find that Pogachar and Lombardi, as directors, officers and principal directing minds of New Life, authorized, permitted and acquiesced in the commission of the violations of sections 25(1)(a) and 126.1(b) of the Act by New Life, contrary to section 129.2 of the Act.

**VIII. CONCLUSION**

[106] Accordingly, we find that the Respondents acted contrary to the public interest and contravened Ontario securities law through the following breaches of the Act:

- a) The Respondents traded in securities of NLCI, NLCA and the Numbered Companies without being registered to trade in securities in accordance with Ontario securities law, contrary to section 25(1)(a) of the Act;
- b) The Respondents engaged in acts relating to securities that they knew or reasonably ought to have known perpetrated a fraud on investors contrary to section 126.1(b) of the Act; and
- c) The Respondents, in their capacity as directors and officers of New Life, authorized, permitted and acquiesced in New Life’s non-compliance with Ontario securities law contrary to section 129.2 of the Act.

[107] The Respondents are directed to contact the Office of the Secretary within 15 days to set a date for a sanctions and costs hearing, failing which a date will be set by the Office of the Secretary.

Dated at Toronto this 28th day of March, 2012.

“Edward P. Kerwin”

“Paulette L. Kennedy”

3.1.2 Carmine Domenicucci

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

AND

IN THE MATTER OF  
CARMINE DOMENICUCCI

SETTLEMENT AGREEMENT BETWEEN  
STAFF AND CARMINE DOMENICUCCI

**PART I – INTRODUCTION**

1. The Commission will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 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 Carmine Domenicucci (“Domenicucci”).

**PART II – JOINT SETTLEMENT RECOMMENDATION**

2. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing dated March 23, 2012 against Domenicucci (the “Proceeding”) in accordance with the terms and conditions set out below. Domenicucci 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**

3. Domenicucci is a resident of Ottawa, Ontario. Domenicucci was registered as a trading officer in the category of limited market dealer with Oasis Park Investments Ltd. (“Oasis”) from July 18, 2006 to August 25, 2009. Domenicucci was also a shareholder and the designated compliance officer of Oasis.

4. From May 10, 2006 to July 1, 2009, Domenicucci was the sole officer and director of G8 Resorts Management Inc. (“G8 Resorts”). G8 Resorts is an Ontario company incorporated on May 10, 2006 and was formerly named 1686980 Ontario Ltd.

5. G8 Resorts was the general partner for Minas Investments Limited Partnership (“Minas”), a limited partnership registered under the *Limited Partnerships Act*, R.S.O. 1990, c. L.16 (the “*Limited Partnerships Act*”) on June 3, 2008.

6. G8 Resorts was also the de facto general partner for GEMS Capital Limited Partnership II (“GEMS II”), a limited partnership registered under the *Limited Partnerships Act* on January 6, 2009. G8 Resorts was identified as the general partner for GEMS II in the GEMS II Offering Memorandum (the “GEMS II OM”) that was delivered to investors.

7. Ciccone Group Inc. is an Ontario company incorporated on August 18, 1992 that was formerly named 990509 Ontario Inc. (collectively referred to as “Ciccone Group”). During the Material Time, Vincent Ciccone, a resident of Cambridge, Ontario and a childhood friend of Domenicucci, was the sole officer and director of Ciccone Group. Ciccone Group purported to be one of the fastest growing niche financial venture companies in Canada.

8. 990509 Ontario Inc. (now known as Ciccone Group) was identified as the fund manager (the “GEMS II Fund Manager”) in the GEMS II OM.

9. Ciccone Group was assigned into bankruptcy on November 30, 2010, at which time it owed over \$17 million to investors.

10. None of G8 Resorts, Minas or GEMS II was registered with the Commission in any capacity during the period September 2008 to June 2009 (the “Material Time”).

**A. Trading without Registration and Distribution of Securities without a Prospectus**

**(i) Minas**

11. During the period October 2008 to May 2009, Minas raised approximately \$1.9 million from the issuance and sale of Minas limited partnership units ("Minas securities") to approximately 43 investors.

12. Commencing in or about September 2008 to May, 2009, G8 Resorts and Domenicucci engaged in acts in furtherance of trades of Minas securities and thereby traded in Minas securities. In particular, as the General Partner and the sole officer and director of the General Partner, G8 Resorts and Domenicucci respectively caused Minas to trade in its securities. In addition, Domenicucci prepared the Offering Memorandum used in connection with the sale of Minas securities to investors (the "Minas OM").

13. Domenicucci traded in Minas securities when no exemption was available which was contrary to the scope of his registration. G8 Resorts traded in Minas securities without registration.

14. The sale of Minas securities were trades in securities not previously issued and were therefore distributions. Domenicucci and G8 Resorts traded in Minas securities when a preliminary prospectus and a prospectus had not been filed for Minas and receipts had not been issued for them by the Director.

**(ii) GEMS II**

15. During the period February 2009 to October 2009, GEMS II raised approximately \$6.2 million from the issuance and sale of GEMS II limited partnership units ("GEMS II securities") to approximately 30 investors.

16. Commencing in or about January 2009 to June 2009, G8 Resorts and Domenicucci engaged in acts in furtherance of the trades in GEMS II securities and thereby traded in GEMS II securities. In particular, as the General Partner and the sole officer and director of the General Partner, G8 Resorts and Domenicucci respectively caused GEMS II to trade in its securities. In addition, Domenicucci prepared the GEMS II OM used in connection with the sale of GEMS II securities to investors.

17. Domenicucci traded in GEMS II securities when no exemption was available which was contrary to the scope of his registration. G8 Resorts traded in GEMS II securities without registration.

18. The sale of GEMS II securities were trades in securities not previously issued and were therefore distributions. Domenicucci and G8 Resorts traded in GEMS II securities when a preliminary prospectus and a prospectus had not been filed for GEMS II and receipts had not been issued for them by the Director.

**B. Misleading and Untrue Statements in Minas OM and GEMS II OM**

**(i) The Minas OM**

19. The Minas OM contained statements which Domenicucci knew or reasonably ought to have known, were, in a material respect and at the time and in light of the circumstances under which they were made, misleading and did not state a fact that was required to be stated or was necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act and contrary to the public interest. In particular:

- (a) Domenicucci knew at the time of the drafting of the Minas OM that the funds raised from the Minas distribution were to be invested with Gordon Driver ("Driver"), the principal of Axxess Automation LLC ("Axxess"). However, neither Driver's name nor Axxess's name appears anywhere in the Minas OM. Instead the Minas OM includes details about three investment advisors to the fund manager and that these advisors were being supported by a network of traders, analysts and operations staff when Domenicucci knew or reasonably ought to have known that this network did not exist;
- (b) During the period in which the Minas OM was being provided to investors, Domenicucci was sending Minas investor funds to Ciccone Group in exchange for Ciccone Group Promissory Notes on the basis that Ciccone Group would be investing the money in Axxess. However, there is no mention of any of this in the Minas OM;
- (c) The Minas OM states that the General Partner of the Fund Manager is an experienced computer scientist, which statement was not true at the time it was made. There was no General Partner to the Fund Manager. The only other General Partner involved in the Minas distribution was G8 Resorts. Domenicucci was the sole officer and director of G8 Resorts at the time of the Minas distribution and he knew that G8 Resorts was not an experienced computer scientist; and

- (d) Domenicucci signed a Certificate to the Minas OM to the effect that the Minas OM contained no misrepresentations when he knew or reasonably ought to have known that this statement was not true.

20. The misleading statements referred to above would reasonably be expected to have a significant effect on the market price or value of the Minas securities.

**(ii) The GEMS II OM**

21. The GEMS II OM contained statements which Domenicucci knew or reasonably ought to have known, were, in a material respect and at the time and in light of the circumstances under which they were made, misleading and did not state a fact that was required to be stated or was necessary to make the statements not misleading, contrary to subsection 126.2(1) of the Act and contrary to the public interest. In particular:

- (a) Domenicucci is referred to in the GEMS II OM as an investment advisor to the GEMS II Fund Manager. This reference remained in the GEMS II OM which continued to be distributed to investors when Domenicucci knew or reasonably ought to have known that he was not fulfilling that function;
- (b) The GEMS II OM also stated that three investment advisors to the fund were supported by an experienced network of traders, analysts and operations staff when Domenicucci knew or reasonably ought to have known that this statement was not true; and
- (c) The GEMS II OM contained a certificate signed by Domenicucci to the effect that the GEMS II OM contained no misrepresentations. Domenicucci knew or reasonably ought to have known that this statement was not true.

22. The misleading statements referred to above would reasonably be expected to have a significant effect on the market price or value of the GEMS II securities.

**C. Advising in Securities without Registration**

23. Domenicucci is listed in the GEMS II OM as one of three principal advisors to the fund manager. Based on the investment strategy of GEMS II which included buying and selling long and short positions in securities and the description of Domenicucci in the GEMS II OM, Domenicucci held himself out in the GEMS II OM as engaging in the business of advising others as to investing in or the buying or selling of securities without being registered with the Commission to advise in securities.

**D. Benefits received by Domenicucci**

24. Minas and GEMS II investor funds were used, in part, to pay management fees and/or professional fees to G8 Resorts and/or Linkline International Ltd ("Linkline"), an Ontario corporation owned and controlled by Domenicucci and, of the amounts paid to G8 Resorts and Linkline, Domenicucci personally received approximately \$100,000 as draws.

**E. Breach of Ontario Securities Law**

25. By engaging in the conduct described above, Domenicucci admits and acknowledges that he contravened Ontario securities law during the Material Time in the following ways:

- (a) Domenicucci traded in Minas and GEMS II securities when no exemption was available and thereby traded outside the scope of his registration, contrary to subsection 25(1)(a) of the Act (as that subsection existed during the Material Time) and contrary to the public interest;
- (b) G8 Resorts traded in Minas and GEMS II securities without being registered to trade in securities, contrary to subsection 25(1)(a) of the Act (as that subsection existed during the Material Time) and contrary to the public interest;
- (c) Domenicucci and G8 Resorts traded in Minas securities when a preliminary prospectus and a prospectus had not been filed for Minas and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act and contrary to the public interest;
- (d) Domenicucci and G8 Resorts traded in GEMS II securities when a preliminary prospectus and a prospectus had not been filed and receipts had not been issued for them by the Director, contrary to subsection 53(1) of the Act and contrary to the public interest;

- (e) The Minas OM contained statements which Domenicucci and G8 Resorts knew or reasonably ought to have known, were, in a material respect and at the time and in light of the circumstances under which they were made, misleading and did not state a fact that was required to be stated or was necessary to make the statements not misleading and which would reasonably be expected to have a significant effect on the market price or value of Minas securities, contrary to subsection 126.2(1) of the Act and contrary to the public interest;
- (f) The GEMS II OM contained statements which Domenicucci and G8 Resorts knew or reasonably ought to have known, were, in a material respect and at the time and in light of the circumstances under which they were made, misleading and did not state a fact that was required to be stated or was necessary to make the statements not misleading and which would reasonably be expected to have a significant effect on the market price or value of GEMS II securities, contrary to subsection 126.2(1) of the Act and contrary to the public interest;
- (g) Domenicucci engaged in advising without being registered to advise in securities contrary to subsection 25(1)(c) of the Act (as that subsection existed during the Material Time) and contrary to the public interest; and
- (h) Domenicucci, as a director and officer of G8 Resorts during the Material Time, authorized, permitted or acquiesced in the commission of the violations of subsections 25(1)(a), 53(1) and 126.2(1) of the Act, as set out above, by G8 Resorts pursuant to section 129.2 of the Act and contrary to the public interest.

**F. Conduct contrary to the public interest**

26. Domenicucci admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out above.

**G. Additional Facts**

27. Domenicucci did not directly solicit investors or sell Minas or GEMS II securities to investors, other than in relation to a sale of Minas securities to his brother as the initial partner in Minas.

28. Domenicucci has advised Staff that he intends on paying the amounts referred to in subparagraphs 31(h), (i) and (j) in full and has agreed to a payment plan designed to enable him to make full payment.

**PART IV – RESPONDENT’S POSITION**

29. The Respondent requests that the settlement hearing panel also consider the following:
- (a) The majority of Minas investor funds were paid to Ciccone Group in exchange for Ciccone Group Promissory Notes on the basis that Ciccone Group would be investing the money in Axxess;
  - (b) Domenicucci states he erroneously believed that the distribution of Minas securities qualified for the Offering Memorandum exemption applicable in Manitoba, where all of the Minas investors resided with the exception of Domenicucci’s brother. However, Domenicucci now understands that this exemption was not available in view of the misrepresentations contained in the Minas OM; and
  - (c) Domenicucci states that he was not involved in the administration of the funds received from GEMS II investors, other than in opening the initial bank accounts.

**PART V – TERMS OF SETTLEMENT**

30. Domenicucci agrees to the terms of settlement listed below.
31. The Commission will make an order, pursuant to subsection 127(1) of the Act, that:
- (a) the Settlement Agreement is approved;
  - (b) trading in any securities by Domenicucci shall cease permanently from the date of the order approving this Settlement Agreement (the “Order”);
  - (c) the acquisition of any securities by Domenicucci is prohibited permanently from the date of this Order;



- (d) any exemptions contained in Ontario securities law do not apply to Domenicucci permanently from the date of this Order;
- (e) Domenicucci is reprimanded;
- (f) Domenicucci is prohibited for a period of fifteen (15) years from the date of this Order from becoming or acting as a director or officer of any reporting issuer or registrant;
- (g) Domenicucci is prohibited permanently from the date of this Order from becoming or acting as a registrant;
- (h) Domenicucci shall pay to the Commission an administrative penalty in the amount of \$50,000 for his failure to comply with Ontario securities law, to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;
- (i) Domenicucci shall disgorge to the Commission the amount of \$100,000 obtained as a result of his non-compliance with Ontario securities law, to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;
- (j) Domenicucci shall pay costs to the Commission in the amount of \$5,000 payable by way of certified cheque on the date of this Order; and
- (k) Until the entire amount of payments set out in paragraphs (h), (i) and (j) are paid in full, the provisions of paragraph (f) shall continue in force without any limitation as to time period.

32. In regards to the payments referred to in sub-paragraphs 31(h) and (i) above, Domenicucci agrees to make a payment of \$17,000 by certified cheque or bank draft on the date of this Order. Domenicucci further agrees to pay at least \$19,000 every three months thereafter by way of certified cheque or bank draft until the amounts set out in sub-paragraphs 31(h) and (i) are paid in full.

33. Domenicucci 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(b) to (g) above.

#### **PART VI – STAFF COMMITMENT**

34. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Domenicucci in relation to the facts set out in Part III herein, subject to the provisions of paragraph 35 below.

35. If this Settlement Agreement is approved by the Commission, and at any subsequent time Domenicucci fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Domenicucci based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement. In addition, if this Settlement Agreement is approved by the Commission and Domenicucci fails to honour the financial terms of the Settlement Agreement, the Commission is entitled to bring any proceedings necessary to recover the amounts set out in subparagraphs 31(h), (i) and (j) above.

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

36. 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 Domenicucci for the scheduling of the hearing to consider the Settlement Agreement.

37. Staff and Domenicucci agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Domenicucci's conduct, unless the parties agree that further facts should be submitted at the settlement hearing.

38. If this Settlement Agreement is approved by the Commission, Domenicucci agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

39. 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.

40. Whether or not this Settlement Agreement is approved by the Commission, Domenicucci 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**

41. 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 Domenicucci and leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and Domenicucci; and
- (b) Staff and Domenicucci 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.

42. 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 the commencement of the public hearing to obtain 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 Domenicucci and Staff or as may be required by law.

**PART IX – EXECUTION OF SETTLEMENT AGREEMENT**

43. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement

44. A facsimile copy of any signature will be as effective as an original signature.

Dated this 24th day of March, 2012.

Signed in the presence of:

“Chantal Gobeil”  
\_\_\_\_\_  
Witness

“Carmine Domenicucci”  
\_\_\_\_\_  
Carmine Domenicucci

STAFF OF THE ONTARIO SECURITIES COMMISSION  
“Tom Atkinson”  
\_\_\_\_\_  
Tom Atkinson  
Director, Enforcement Branch

Dated this 23rd day of March, 2012.

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

**AND**

**IN THE MATTER OF  
CARMINE DOMENICUCCI**

**SETTLEMENT AGREEMENT BETWEEN  
STAFF AND CARMINE DOMENICUCCI**

**ORDER  
(Subsections 127(1) and 127.1(1))**

**WHEREAS** on March 23, 2012, 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 the allegations set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 23, 2012;

**AND WHEREAS** Domenicucci entered into a Settlement Agreement with Staff of the Commission dated March 24, 2012 (the "Settlement Agreement") in which Domenicucci agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

**AND WHEREAS** on March 26, 2012, the Commission issued a Notice of Hearing pursuant to section 127 of the Act to announce that it proposed to hold a hearing to consider whether it is in the public interest to approve a settlement agreement entered into between Staff and Domenicucci;

**AND UPON** reviewing the Settlement Agreement, the Notice of Hearing, and the Statement of Allegations of Staff, and upon hearing submissions from Staff and Domenicucci;

**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 Domenicucci cease permanently from the date of this Order;
- (c) pursuant to clause 2.1 of subsection 127(1) of the Act, the acquisition of securities by Domenicucci is prohibited permanently from the date of this Order;
- (d) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Domenicucci permanently from the date of this Order;
- (e) pursuant to clause 6 of subsection 127(1) of the Act, Domenicucci is reprimanded;
- (f) pursuant to clauses 8 and 8.2 of subsection 127(1) of the Act, Domenicucci is prohibited for a period of fifteen (15) years from the date of this Order from becoming or acting as a director or officer of any reporting issuer or registrant;
- (g) pursuant to clause 8.5 of subsection 127(1) of the Act, Domenicucci is prohibited permanently from the date of this Order from becoming or acting as a registrant;
- (h) pursuant to clause 9 of subsection 127(1) of the Act, Domenicucci shall pay to the Commission an administrative penalty in the amount of \$50,000 for his failure to comply with Ontario securities law to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;
- (i) pursuant to clause 10 of subsection 127(1) of the Act, Domenicucci shall disgorge to the Commission the amount of \$100,000 obtained as a result of his non-compliance with Ontario securities law to be paid to or for the benefit of third parties in accordance with subsection 3.4(2) of the Act;

**Reasons: Decisions, Orders and Rulings**

---

- (j) pursuant to section 127.1 of the Act, Domenicucci shall pay costs to the Commission in the amount of \$5,000 payable by way of certified cheque on the date of this Order;
- (k) with respect to the amounts ordered to be paid above at paragraphs (h) and (i), Domenicucci shall make a payment of \$17,000 by certified cheque or bank draft on the date of this Order and at least \$19,000 by way of certified cheque or bank draft every three months thereafter until the amounts set out in paragraphs (h) and (i) are paid in full; and
- (l) until the entire amount of payments set out in paragraphs (h), (i) and (j) are paid in full, the order in paragraph (f) above shall continue in force without any limitation as to time period.

**DATED AT TORONTO** this \_\_\_\_\_ day of March, 2012.

\_\_\_\_\_

## 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
Pacrim International Capital Inc.	22 Mar 12	03 Apr 12	03 Apr 12	

### 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
Higher River Gold Mines Ltd	15 Mar 12	27 Mar 12	27 Mar 12		

This page intentionally left blank

## Chapter 5

# Rules and Policies

---

---

### 5.1.1 Amendments to NI 81-102 Mutual Funds and Companion Policy NI-81-102CP

#### AMENDMENTS TO NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS

1. *National Instrument 81-102 Mutual Funds is amended by this Instrument.*

2. *Section 1.1 is amended by:*

(a) *adding the following definition:*

“borrowing agent” means any of the following:

- (a) a custodian or sub-custodian that holds assets in connection with a short sale of securities by a mutual fund;
- (b) a qualified dealer from whom a mutual fund borrows securities in order to sell them short;;

(b) *replacing the definition of “cash cover” with the following:*

“cash cover” means any of the following assets of a mutual fund that are held by the mutual fund, have not been allocated for specific purposes and are available to satisfy all or part of the obligations arising from a position in specified derivatives held by the mutual fund or from a short sale of securities made by the mutual fund:

- (a) cash;
- (b) cash equivalents;
- (c) synthetic cash;
- (d) receivables of the mutual fund arising from the disposition of portfolio assets, net of payables arising from the acquisition of portfolio assets;
- (e) securities purchased by the mutual fund in a reverse repurchase transaction under section 2.14, to the extent of the cash paid for those securities by the mutual fund;
- (f) each evidence of indebtedness that has a remaining term to maturity of 365 days or less and an approved credit rating;
- (g) each floating rate evidence of indebtedness if
  - (i) the floating interest rate of the indebtedness is reset no later than every 185 days, and
  - (ii) the principal amount of the indebtedness will continue to have a market value of approximately par at the time of each change in the rate to be paid to the holders of the evidence of indebtedness;
- (h) securities issued by a money market fund;;

(c) *adding the following definitions:*

“clone fund” means a mutual fund that has adopted a fundamental investment objective to track the performance of another mutual fund;

“fixed portfolio ETF” means an exchange-traded mutual fund not in continuous distribution that

- (a) has fundamental investment objectives which include holding and maintaining a fixed portfolio of publicly traded equity securities of one or more issuers the names of which are disclosed in its prospectus, and
- (b) trades the securities referred to in paragraph (a) only in the circumstances disclosed in its prospectus;

“floating rate evidence of indebtedness” means an evidence of indebtedness that has a floating rate of interest determined over the term of the obligation by reference to a commonly used benchmark interest rate and that satisfies any of the following:

- (a) if the evidence of indebtedness was issued by a person or company other than a government or a permitted supranational agency, it has an approved credit rating;
- (b) if the evidence of indebtedness was issued by a government or a permitted supranational agency, it has its principal and interest fully and unconditionally guaranteed by any of the following:
  - (i) the government of Canada or the government of a jurisdiction of Canada;
  - (ii) the government of the United States of America, the government of one of the states of the United States of America, the government of another sovereign state or a permitted supranational agency, if, in each case, the evidence of indebtedness has an approved credit rating;

“IIROC” means the Investment Industry Regulatory Organization of Canada;

“manager-prescribed number of units” means, in relation to an exchange-traded mutual fund that is in continuous distribution, the number of units determined by the manager from time to time for the purposes of subscription orders, exchanges, redemptions or for other purposes;

“MFDA” means the Mutual Fund Dealers Association of Canada;;

**(d) replacing the definition of “money market fund” with the following:**

“money market fund” means a mutual fund that invests its assets in accordance with section 2.18;;

**(e) adding the following definitions:**

“mutual fund rating entity” means an entity

- (a) that rates or ranks the performance of mutual funds or asset allocation services through an objective methodology that is
  - (i) based on quantitative performance measurements,
  - (ii) applied consistently to all mutual funds or asset allocation services rated or ranked by it, and
  - (iii) disclosed on the entity’s website,
- (b) that is not a member of the organization of any mutual fund, and
- (c) whose services to assign a rating or ranking to any mutual fund or asset allocation service are not procured by the promoter, manager, portfolio adviser, principal distributor or participating dealer of any mutual fund or asset allocation service, or any of their affiliates;

“overall rating or ranking” means a rating or ranking of a mutual fund or asset allocation service that is calculated from standard performance data for one or more performance measurement periods, which includes the longest period for which the mutual fund or asset allocation service is required under securities



legislation to calculate standard performance data, other than the period since the inception of the mutual fund;;

**(f) replacing the definition of “permitted supranational agency” with the following:**

“permitted supranational agency” means the African Development Bank, the Asian Development Bank, the Caribbean Development Bank, the European Bank for Reconstruction and Development, the European Investment Bank, the Inter-American Development Bank, the International Bank for Reconstruction and Development and the International Finance Corporation;;

**(g) adding the following definition:**

“redemption payment date” means, in relation to an exchange-traded mutual fund that is not in continuous distribution, a date specified in the prospectus or annual information form of the exchange-traded mutual fund on which redemption proceeds are paid;;

**(h) repealing the definition of “RSP clone fund”; and**

**(i) deleting “simplified” wherever it occurs in paragraph (b) of the definition of “sales communication”.**

**3. Section 1.2 is amended by deleting “simplified” wherever it occurs.**

**4. Subsection 1.3(3) is repealed.**

**5. Section 2.1 is amended:**

**(a) in subsection (1) by replacing “the net assets of the mutual fund, taken at market value at the time of the transaction,” with “its net asset value”;**

**(b) by replacing subsection (2) with the following:**

(2) Subsection (1) does not apply to the purchase of any of the following:

- (a) a government security;
- (b) a security issued by a clearing corporation;
- (c) a security issued by a mutual fund if the purchase is made in accordance with the requirements of section 2.5;
- (d) an index participation unit that is a security of a mutual fund;
- (e) an equity security if the purchase is made by a fixed portfolio ETF in accordance with its investment objectives.; **and**

**(c) in subsection (5) by replacing “its simplified prospectus” with “its prospectus”.**

**6. Subsection 2.2(1.1) is replaced with the following:**

(1.1) Subsection (1) does not apply to the purchase of any of the following:

- (a) a security issued by a mutual fund if the purchase is made in accordance with section 2.5;
- (b) an index participation unit that is a security of a mutual fund..

**7. Paragraphs 2.3(c) and (e) are amended by replacing “the net assets of the mutual fund, taken at market value at the time of the purchase, would consist” with “its net asset value would be made up”.**

**8. Section 2.4 is amended:**

**(a) in subsection (1) by replacing “the net assets of the mutual fund, taken at market value at the time of the purchase, would consist” with “its net asset value would be made up”;**

- (b) **in subsection (2) by replacing** “net assets, taken at market value,” **with** “net asset value”; **and**
- (c) **in subsection (3) by replacing** “net assets of a mutual fund, taken at market value, are” **with** “net asset value of a mutual fund is made up of”, **and replacing** “its net assets” **with** “its net asset value”.

**9. Section 2.5 is amended:**

- (a) **by replacing paragraph (2)(a) with the following:**
  - (a) the other mutual fund is subject to this Instrument and offers or has offered securities under a simplified prospectus in accordance with National Instrument 81-101 *Mutual Fund Prospectus Disclosure*;
- (b) **in paragraph (2)(b) by replacing** “the market value of its net assets” **with** “its net asset value”;
- (c) **by replacing paragraph (2)(c) with the following:**
  - (c) the mutual fund and the other mutual fund are reporting issuers in the local jurisdiction;
- (d) **in paragraph (4)(a) by deleting** “RSP”; **and**
- (e) **in subsection (5) by replacing** “Paragraph (2)(f) does” **with** “Paragraphs (2)(e) and (f) do”.

**10. Section 2.6 is amended:**

- (a) **in subparagraph (a)(i) by replacing** “the net assets of the mutual fund taken at market value” **with** “its net asset value”;
- (b) **by replacing subparagraph (a)(ii) with the following:**
  - (ii) the security interest is required to enable the mutual fund to effect a specified derivative transaction or short sale of securities under this Instrument, is made in accordance with industry practice for that type of transaction and relates only to obligations arising under the particular specified derivatives transaction or short sale;
- (c) **by replacing** “,” **at the end of subparagraph (a)(iii) with** “, or”;
- (d) **by adding the following subparagraph:**
  - (iv) in the case of an exchange-traded mutual fund that is not in continuous distribution, the transaction is to finance the acquisition of its portfolio securities and the outstanding amount of all borrowings is repaid on the closing of its initial public offering; **and**
- (e) **by replacing paragraph (c) with the following:**
  - (c) sell securities short other than in compliance with section 2.6.1, unless permitted by section 2.7 or 2.8;.

**11. The Instrument is amended by adding the following section:**

**2.6.1 Short Sales – (1) A mutual fund may sell a security short if**

- (a) the security sold short is sold for cash;
- (b) the security sold short is not any of the following:
  - (i) a security that the mutual fund is otherwise not permitted by securities legislation to purchase at the time of the short sale transaction;
  - (ii) an illiquid asset;
  - (iii) a security of an investment fund other than an index participation unit; **and**

- (c) at the time the mutual fund sells the security short
  - (i) the mutual fund has borrowed or arranged to borrow from a borrowing agent the security that is to be sold under the short sale;
  - (ii) the aggregate market value of all securities of the issuer of the securities sold short by the mutual fund does not exceed 5% of the net asset value of the mutual fund; and
  - (iii) the aggregate market value of all securities sold short by the mutual fund does not exceed 20% of the net asset value of the mutual fund.

(2) A mutual fund that sells securities short must hold cash cover in an amount that, together with portfolio assets deposited with borrowing agents as security in connection with short sales of securities by the mutual fund, is at least 150% of the aggregate market value of all securities sold short by the mutual fund on a daily mark-to-market basis.

(3) A mutual fund must not use the cash from a short sale to enter into a long position in a security, other than a security that qualifies as cash cover..

**12. Section 2.7 is amended:**

**(a) by replacing subsection (1) with the following:**

**2.7 Transactions in Specified Derivatives for Hedging and Non-hedging Purposes** – (1) A mutual fund must not purchase an option or a debt-like security or enter into a swap or a forward contract unless, at the time of the transaction, any of the following apply:

- (a) in the case of an option, the option is a clearing corporation option;
- (b) the option, debt-like security, swap or contract, has an approved credit rating;
- (c) the equivalent debt of the counterparty, or of a person or company that has fully and unconditionally guaranteed the obligations of the counterparty in respect of the option, debt-like security, swap or contract, has an approved credit rating.; **and**

**(b) in subsection (4) by replacing “net assets” with “net asset value”.**

**13. Paragraph 2.8(1)(a) is amended by replacing “the net assets of the mutual fund, taken at market value at the time of the purchase, would consist” with “its net asset value would be made up”.**

**14. Section 2.11 is replaced with the following:**

**2.11 Commencement of Use of Specified Derivatives and Short Selling by a Mutual Fund** – (1) A mutual fund that has not used specified derivatives must not begin using specified derivatives, and a mutual fund that has not sold a security short in accordance with section 2.6.1 must not sell a security short unless

- (a) its prospectus contains the disclosure required for a mutual fund intending to engage in the activity; and
- (b) the mutual fund has provided to its securityholders, not less than 60 days before it begins the intended activity, written notice that discloses its intent to engage in the activity and the disclosure required for mutual funds intending to engage in the activity.

(2) A mutual fund is not required to provide the notice referred to in paragraph (1)(b) if each prospectus of the mutual fund since its inception has contained the disclosure referred to in paragraph (1)(a)..

**15. Section 2.17 is amended by deleting “simplified” wherever it occurs.**

**16. The Instrument is amended by adding the following section:**

**2.18 Money Market Fund** – (1) A mutual fund must not describe itself as a “money market fund” in its prospectus, a continuous disclosure document or a sales communication unless

- (a) it has all of its assets invested in one or more of the following:
  - (i) cash,
  - (ii) cash equivalents,
  - (iii) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and an approved credit rating,
  - (iv) a floating rate evidence of indebtedness if
    - (A) the floating interest rate of the indebtedness is reset no later than every 185 days, and
    - (B) the principal amount of the indebtedness will continue to have a market value of approximately par at the time of each change in the rate to be paid to the holders of the evidence of indebtedness, or
  - (v) securities issued by one or more money market funds,
- (b) it has a portfolio of assets, excluding a security described in subparagraph (a)(v), with a dollar-weighted average term to maturity not exceeding
  - (i) 180 days, and
  - (ii) 90 days when calculated on the basis that the term of a floating rate obligation is the period remaining to the date of the next rate setting,
- (c) not less than 95% of its assets invested in accordance with paragraph (a) are denominated in a currency in which the net asset value per security of the mutual fund is calculated, and
- (d) it has not less than
  - (i) 5% of its assets invested in cash or readily convertible into cash within one day, and
  - (ii) 15% of its assets invested in cash or readily convertible into cash within one week.

(2) Despite any other provision of this Instrument, a mutual fund that describes itself as a “money market fund” must not use a specified derivative or sell securities short..

**17. Subsection 3.1(1) and sections 3.2 and 3.3 are amended by deleting “simplified” wherever it occurs.**

**18. Section 3.3 is amended by renumbering it as subsection 3.3(1) and by adding the following subsection:**

(2) Subsection (1) does not apply to an exchange-traded mutual fund unless the fund is in continuous distribution..

**19. Section 4.1 is amended by adding the following subsection:**

(4.1) In paragraph (4)(b), “approved rating” has the meaning ascribed to it in National Instrument 44-101 – *Short Form Prospectus Distributions*..

**20. Section 5.3 is amended:**

- (a) **in subsection (1) by replacing “paragraph 5.1(a)” in the portion before paragraph (a) with “paragraphs 5.1(a) and (a.1)”;**
- (b) **in subparagraph (1)(a)(i) by replacing “paragraph 5.1(a) that is changed” with “paragraphs 5.1(a) and (a.1)”;** and
- (c) **in subparagraphs (1)(a)(ii) and (b)(ii) and paragraph (2)(d) by deleting “simplified”.**

**21. Paragraph 5.3.1(b) is amended by deleting “simplified”.**

22. **Paragraph 5.4(2)(a) is amended by replacing “paragraph 5.1(a)” with “paragraphs 5.1(a) or (a.1)”.**
23. **Subsection 5.6(1) is amended:**
- (a) **in subparagraph (a)(iv) by deleting “simplified”;**
  - (b) **by replacing subparagraph (e)(i) with the following:**
    - (i) by the securityholders of the mutual fund in accordance with paragraph 5.1(f), unless subsection 5.3(2) applies, and; **and**
  - (c) **in subparagraphs (f)(ii) and (iii) by deleting “simplified”.**
24. **Paragraph 5.7(1)(d) is amended by deleting “simplified”.**
25. **In the following provisions, “sections 6.8 and 6.9” is replaced with “sections 6.8, 6.8.1 and 6.9”:**
- (a) **subsections 6.1(1) and (2);**
  - (b) **subsection 6.5(1).**
26. **Subsection 6.8(1) and paragraph 6.8(2)(c) are amended by replacing “net assets of the mutual fund, taken at market value” with “net asset value of the mutual fund”.**
27. **The Instrument is amended by adding the following section:**
- 6.8.1 Custodial Provisions relating to Short Sales** – (1) Except where the borrowing agent is the mutual fund’s custodian or sub-custodian, if a mutual fund deposits portfolio assets with a borrowing agent as security in connection with a short sale of securities, the market value of portfolio assets deposited with the borrowing agent must not, when aggregated with the market value of portfolio assets already held by the borrowing agent as security for outstanding short sales of securities by the mutual fund, exceed 10% of the net asset value of the mutual fund at the time of deposit.
- (2) A mutual fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer in Canada unless the dealer is a registered dealer and is a member of IIROC.
- (3) A mutual fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer outside of Canada unless that dealer
- (a) is a member of a stock exchange and is subject to a regulatory audit; and
  - (b) has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million..
28. **The following provisions are amended by deleting “simplified”:**
- (a) **paragraph 7.1(c);**
  - (b) **paragraph 8.1(a).**
29. **Part 9 is amended by adding the following section:**
- 9.0.1 Application** – This Part does not apply to an exchange-traded mutual fund unless the fund is in continuous distribution..
30. **Section 9.1 is amended by adding the following subsection:**
- (0.1) This section does not apply to an exchange-traded mutual fund..
31. **Paragraph 9.2(c) is amended by deleting “simplified”.**

**32. Section 9.4 is amended:**

**(a) in subsection (1) by**

- (i) adding “or securities” after the first occurrence of “cash”, and**
- (ii) replacing “arrives” with “or securities arrive”; and**

**(b) by replacing subsection (2) with the following:**

(2) Payment of the issue price of securities of a mutual fund must be made to the mutual fund on or before the third business day after the pricing date for the securities by using any or a combination of the following methods of payment:

- (a) by paying cash in a currency in which the net asset value per security of the mutual fund is calculated;
- (b) by making good delivery of securities if
  - (i) the mutual fund would at the time of payment be permitted to purchase those securities,
  - (ii) the securities are acceptable to the portfolio adviser of the mutual fund and consistent with the mutual fund’s investment objectives, and
  - (iii) the value of the securities is at least equal to the issue price of the securities of the mutual fund for which they are payment, valued as if the securities were portfolio assets of the mutual fund..

**33. Section 10.2 is amended by adding the following subsection:**

(0.1) This section does not apply to an exchange-traded mutual fund.

**34. Section 10.3 is amended by renumbering it as subsection 10.3(1), by replacing “net asset value of a security” with “net asset value per security”, and by adding the following subsections:**

(2) Despite subsection (1), the redemption price of a security of an exchange-traded mutual fund that is not in continuous distribution may be a price that is less than the net asset value of the security and that is determined on a date specified in the exchange-traded mutual fund’s prospectus or annual information form.

(3) Despite subsection (1), the redemption price of a security of an exchange-traded mutual fund that is in continuous distribution may, if a securityholder redeems fewer than the manager-prescribed number of units, be a price that is calculated by reference to the closing price of the security on the stock exchange on which the security is listed and posted for trading, next determined after the receipt by the exchange-traded mutual fund of the redemption order..

**35. Section 10.4 is amended:**

**(a) in subsection (1) by:**

**(i) replacing the portion of subsection (1) before paragraph (a) with the following:**

**10.4 Payment of Redemption Proceeds** – (1) Subject to subsection 10.1(1) and to compliance with any requirements established by the mutual fund under paragraph 10.1(2)(b), a mutual fund must pay the redemption proceeds for securities that are the subject of a redemption order, **and**

**(ii) replacing the portion of paragraph (b) before subparagraph (i) with the following:**

(b) if payment of the redemption proceeds was not made at the time referred to in paragraph (a) because a requirement established under paragraph 10.1(2)(b) or a requirement of subsection 10.1(1) had not been satisfied, within three business days of;

**(b) by adding the following subsection:**

(1.1) Despite subsection (1), an exchange-traded mutual fund that is not in continuous distribution must pay the redemption proceeds for securities that are the subject of a redemption order no later than the redemption payment date that next follows the valuation date on which the redemption price was established.;

**(c) by replacing subsection (2) with the following:**

(2) The redemption proceeds for a redeemed security, less any applicable investor fees, must be paid to or to the order of the securityholder of the security.;

**(d) by replacing subsection (3) with the following:**

(3) A mutual fund must pay the redemption proceeds for a redeemed security by using any or a combination of the following methods of payment:

- (a) by paying cash in the currency in which the net asset value per security of the redeemed security was calculated;
- (b) with the prior written consent of the securityholder for a redemption other than an exchange of a manager-prescribed number of units, by making good delivery to the securityholder of portfolio assets, the value of which is equal to the amount at which those portfolio assets were valued in calculating the net asset value per security used to establish the redemption price.; **and**

**(e) in subsection (5) by replacing “redemption price of a security is” with “redemption proceeds for a redeemed security are”.**

**36. Section 10.6 is amended:**

**(a) by replacing subsection (1) with the following:**

**10.6 Suspension of Redemptions** – (1) A mutual fund may suspend the right of securityholders to request that the mutual fund redeem its securities for the whole or any part of a period during which either of the following occurs:

- (a) normal trading is suspended on a stock exchange, options exchange or futures exchange within or outside Canada on which securities are listed and posted for trading, or on which specified derivatives are traded, if those securities or specified derivatives represent more than 50% by value, or underlying market exposure, of the total assets of the mutual fund without allowance for liabilities and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the mutual fund;
- (b) in the case of a clone fund, the mutual fund whose performance it tracks has suspended redemptions.; **and**

**(b) in subsection (2) by replacing “redemption price” with “redemption proceeds”.**

**37. Subsection 11.2(2) is amended by adding “in” immediately after “referred to”.**

**38. Section 11.4 is amended:**

**(a) in subsection (1) by replacing “members of the Investment Dealers Association of Canada” with “a member of IIROC”;**

**(b) by adding the following subsections:**

(1.1) Except in Québec, sections 11.1 and 11.2 do not apply to a member of the MFDA.

(1.2) In Québec, sections 11.1 and 11.2 do not apply to a mutual fund dealer.; **and**

- (c) **in subsection (2) by**
  - (i) **adding** “or (1.1) or, in Québec, that is a mutual fund dealer,” **after** “subsection (1)”, **and**
  - (ii) **adding** “, or the requirements applicable to the mutual fund dealer under the regulations in Québec,” **after** “association or exchange”.

**39. Section 12.1 is amended:**

- (a) **in subsection (1) by adding** “, other than an exchange-traded mutual fund that is not in continuous distribution,” **after** “A mutual fund”;
- (b) **by replacing subsection (4) with the following:**
  - (4) Subsections (2) and (3) do not apply to a member of IIROC.; **and**
- (c) **by adding the following subsections:**
  - (4.1) Except in Québec, subsections (2) and (3) do not apply to a member of the MFDA.
  - (4.2) In Québec, subsections (2) and (3) do not apply to a mutual fund dealer..

**40. Part 14 is amended by adding the following section:**

14.0.1 **Application** - This Part does not apply to an exchange-traded mutual fund..

**41. Paragraph 15.2(1)(b) is amended by deleting** “simplified” **wherever it occurs.**

**42. Section 15.3 is amended:**

- (a) **by replacing subsection (4) with the following:**
  - (4) A sales communication must not refer to a performance rating or ranking of a mutual fund or asset allocation service unless
    - (a) the rating or ranking is prepared by a mutual fund rating entity;
    - (b) standard performance data is provided for any mutual fund or asset allocation service for which a performance rating or ranking is given;
    - (c) the rating or ranking is provided for each period for which standard performance data is required to be given, except the period since the inception of the mutual fund;
    - (d) the rating or ranking is based on a published category of mutual funds that
      - (i) provides a reasonable basis for evaluating the performance of the mutual fund or asset allocation service, and
      - (ii) is not established or maintained by a member of the organization of the mutual fund or asset allocation service;
    - (e) the sales communication contains the following disclosure:
      - (i) the name of the category within which the mutual fund or asset allocation service is rated or ranked, including the name of the organization that maintains the category,
      - (ii) the number of mutual funds in the applicable category for each period of standard performance data required under paragraph (c),
      - (iii) the name of the mutual fund rating entity that provided the rating or ranking,



- (iv) the length of the period or the first day of the period on which the rating or ranking is based, and its ending date,
  - (v) a statement that the rating or ranking is subject to change every month,
  - (vi) the criteria on which the rating or ranking is based, and
  - (vii) if the rating or ranking consists of a symbol rather than a number, the meaning of the symbol, and
- (f) the rating or ranking is to the same calendar month end that is
- (i) not more than 45 days before the date of the appearance or use of the advertisement in which it is included, and
  - (ii) not more than three months before the date of first publication of any other sales communication in which it is included.; **and**

**(b) by adding the following subsection:**

(4.1) Despite paragraph (4)(c), a sales communication may refer to an overall rating or ranking of a mutual fund or asset allocation service in addition to each rating or ranking required under paragraph (4)(c) if the sales communication otherwise complies with the requirements of subsection (4)..

**43. The following provisions are amended by deleting “simplified” wherever it occurs:**

- (a) subsection 15.4(9);**
- (b) paragraphs 15.5(1)(b) and 15.5(1)(c);**
- (c) subparagraph 15.6(a)(i) and paragraph 15.6(d);**
- (d) paragraphs 15.8(2)(a) and 15.8(3)(a);**
- (e) section 15.12;**
- (f) subsections 19.2(2) and 19.2(3);**
- (g) paragraph 20.4(b).**

44. (1) Subject to subsection (2), this Instrument comes into force on April 30, 2012.
- (2) Paragraph 2(d) and section 16 of this Instrument come into force on the day that is six months after the day referred to in subsection (1).

## SCHEDULE 1

CHANGES TO  
COMPANION POLICY 81-102CP – TO NATIONAL INSTRUMENT 81-102  
MUTUAL FUNDS

1. **Changes made to Companion Policy 81-102CP – To National Instrument 81-102 Mutual Funds are set out in this Schedule 1.**
2. **Subsection 2.5(4) is deleted.**
3. **Section 3.1 is changed:**
  - (a) **in subsection (1) by replacing** “the net assets of the mutual fund, taken at market value at the time of purchase,” **with** “their net asset value”;
  - (b) **in paragraphs 1 and 2 of subsection (4) by replacing** “net assets, taken at market value at the time of purchase” **with** “net asset value”;
  - (c) **by deleting subsection (6); and**
  - (d) **in subsection (7) by**
    - (i) **replacing** “In addition to the limitation described in subsection (6), the” **with** “The”;
    - (ii) **replacing** “subsections (4) and (6)” **in paragraph (a) with** “subsection (4)”;
    - (iii) **replacing** “net assets” **in paragraph (c) with** “net asset value”.
4. **Subsection 3.2(3) is changed by deleting** “simplified”.
5. **Section 3.4 is amended by:**
  - (a) **deleting subsection (1); and**
  - (b) **replacing subsection (2) with the following:**

(2) Subsection 2.5(7) of the Instrument provides that certain investment restrictions and reporting requirements do not apply to investments in other mutual funds made in accordance with section 2.5. In some cases, a mutual fund’s investments in other mutual funds will be exempt from the requirements of section 2.5 because of an exemption granted by the regulator or securities regulatory authority. In these cases, assuming the mutual fund complies with the terms of the exemption, its investments in other mutual funds would be considered to have been made in accordance with section 2.5. It is also noted that subsection 2.5(7) applies only with respect to a mutual fund’s investments in other mutual funds, and not for any other investment or transaction..
6. **The following section is added:**

**3.7.1 Money Market Funds** – Section 2.18 of the Instrument imposes daily and weekly liquidity requirements on money market funds. Specifically, money market funds must keep 5% of their assets invested in cash or readily convertible into cash within one day, and 15% of their assets invested in cash or readily convertible into cash within one week. Assets that are “readily convertible to cash” would generally be short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Such assets can be sold in the ordinary course of business within one business day (in the case of the daily liquidity requirement) or within five business days (in the case of the weekly liquidity requirement) at approximately the value ascribed to them by the money market fund. The CSA note that the securities do not have to mature within the one and five business day periods. For example, direct obligations of the Canadian or U.S. government, or of a provincial government, that mature after one or five business days but that can be readily converted to cash within one or five business days, would likely be eligible for the 5% and 15% liquidity requirements..
7. **Subsection 6.2(3) is changed by deleting** “simplified”.

8. **Section 13.1 is changed:**
  - (a) **in subsection (3) by deleting “simplified” wherever it occurs; and**
  - (b) **in subsection (5) by deleting “simplified”.**
9. **Subsection 13.2(5) is changed by replacing “a simplified prospectus” wherever it occurs with “a prospectus”.**
10. These changes become effective on April 30, 2012.

5.1.2 Amendments to NI 81-106 Investment Fund Continuous Disclosure

**AMENDMENTS TO  
NATIONAL INSTRUMENT 81-106  
INVESTMENT FUND CONTINUOUS DISCLOSURE**

1. ***National Instrument 81-106 - Investment Fund Continuous Disclosure is amended by this Instrument.***
2. ***Subsections 3.5(4) and (5) are repealed.***
3. ***Subsection 3.6(1) is amended by replacing paragraph 3 with the following:***
  3. to the extent the amount is ascertainable, the portion of the total client brokerage commissions, as defined in National Instrument 23-102 – *Use of Client Brokerage Commissions*, paid or payable to dealers by the investment fund for the provision of goods or services by the dealers or third parties, other than order execution.
4. ***Section 14.2 is amended:***
  - (a) ***by replacing subsection (3) with the following:***
    - (3) An investment fund must calculate its net asset value at least as frequently as the following:
      - (a) if the investment fund does not use specified derivatives or sell securities short, once a week;
      - (b) if the investment fund uses specified derivatives or sells securities short, once every business day.;
  - (b) ***by adding the following subsection:***
    - (6.1) An investment fund must, upon calculating the net asset value of the investment fund under this section, make the following information available to the public at no cost:
      - (a) the net asset value of the investment fund;
      - (b) the net asset value per security of the investment fund unless the investment fund is a scholarship plan.; ***and***
  - (c) ***in subsection (7) by adding “or net asset value per security” after “net asset value”, wherever it occurs.***
5. This Instrument comes into force on April 30, 2012.

5.1.3 Amendments to NI 81-101 Mutual Fund Prospectus Disclosure

**AMENDMENTS TO  
NATIONAL INSTRUMENT 81-101  
MUTUAL FUND PROSPECTUS DISCLOSURE**

1. **National Instrument 81-101 – Mutual Fund Prospectus Disclosure is amended by this instrument.**

2. **Form 81-101F1 – Contents of Simplified Prospectus is amended:**

(a) **in Item 5 of Part B by repealing paragraph (e);**

(b) **in Item 7 of Part B by:**

(i) **replacing** “if the mutual fund may hold other mutual funds,” **in paragraph (1)(c) with** “if the mutual fund may hold securities of other mutual funds.”;

(ii) **replacing** “net assets” **in subparagraph (1)(c)(iii) with** “the net asset value”;

(iii) **replacing subsection (4) with the following:**

(4) State whether any, and if so what proportion, of the assets of the mutual fund may or will be invested in foreign securities.;

(iv) **adding the following subsection:**

(10) If the mutual fund intends to sell securities short under section 2.6.1 of National Instrument 81-102 *Mutual Funds*,

(a) state that the mutual fund may sell securities short; and

(b) briefly describe

(i) the short selling process, and

(ii) how short sales of securities are or will be entered into in conjunction with other strategies and investments of the mutual fund to achieve the mutual fund’s investment objectives.;

(c) **in Item 9 of Part B by:**

(i) **replacing** “If more than 10% of the securities of a mutual fund” **in subsection (1.1) with** “If securities of a mutual fund representing more than 10% of the net asset value of the mutual fund”;

(ii) **replacing** “securities held by the securityholder” **in paragraph (1.1)(a) with** “the net asset value of the mutual fund that those securities represent”;

(iii) **replacing** “net assets” **in subsection (5) with** “net asset value”;

(iv) **adding** “that is 30 days before the date” **after** “preceding the date”, **in subsection (6);**

(v) **replacing** “net assets” **with** “net asset value” **in subsection (6), wherever the expression occurs;**

(vi) **replacing subsection (7) with the following:**

(7) As applicable, describe the risks associated with the mutual fund entering into

(a) derivative transactions for non-hedging purposes;

(b) securities lending, repurchase or reverse repurchase transactions; and

(c) short sales of securities.; **and**

(vii) *repealing Instruction (5).*

3. **Form 81-101F2 - Contents of Annual Information Form is amended:**

(a) *in Item 4 by:*

(i) *repealing paragraph 3 of subsection (4);*

(ii) *adding “ or” at the end of paragraph (5)(a);*

(iii) *replacing “, or” at the end of paragraph (5)(b) with “.”; and*

(iv) *repealing paragraph (5)(c);*

(b) *in Item 7 by adding the following subsection:*

(2.1) Describe the manner in which the net asset value and net asset value per security of the mutual fund will be made available to the public and state that the information will be available at no cost to the public.; **and**

(c) *in Item 12 by:*

(i) *replacing subsection (2) with the following:*

(2) If the mutual fund intends to use derivatives or sell securities short, describe the policies and practices of the mutual fund to manage the risks associated with engaging in those types of transactions.;

(ii) *replacing paragraph (3)(a) with the following:*

(a) whether there are written policies and procedures in place that set out the objectives and goals for derivatives trading and short selling and the risk management procedures applicable to those transactions; ; **and**

(iii) *replacing paragraph (3)(c) with the following:*

(c) whether there are trading limits or other controls on derivative trading or short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;.

4. This Instrument comes into force on April 30, 2012.

5.1.4 Amendments to NI 41-101 General Prospectus Requirements

**AMENDMENTS TO  
NATIONAL INSTRUMENT 41-101  
GENERAL PROSPECTUS REQUIREMENTS**

1. ***National Instrument 41-101 – General Prospectus Requirements is amended by this Instrument.***

2. ***The Instrument is amended by adding the following section:***

14.8.1 **Custodial provisions relating to short sales** – (1) For the purposes of subsection (2), “borrowing agent” has the same meaning as in NI 81-102 except that each reference in that definition to “a mutual fund” must be read as “an investment fund”.

(2) Except where the borrowing agent is the investment fund’s custodian or sub-custodian, if an investment fund deposits portfolio assets with a borrowing agent as security in connection with a short sale of securities, the market value of portfolio assets deposited with the borrowing agent must not, when aggregated with the market value of portfolio assets already held by the borrowing agent as security for outstanding short sales of securities by the investment fund, exceed 10% of the net asset value of the investment fund at the time of deposit.

(3) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer in Canada unless that dealer is a registered dealer and is a member of the Investment Industry Regulatory Organization of Canada.

(4) An investment fund must not deposit portfolio assets as security in connection with a short sale of securities with a dealer outside Canada unless that dealer

(a) is a member of a stock exchange and is subject to a regulatory audit, and

(b) has a net worth, determined from its most recent audited financial statements that have been made public, in excess of the equivalent of \$50 million..

3. ***Form 41-101F2 - Information Required in an Investment Fund Prospectus is amended:***

(a) ***in Item 6.1 by adding the following subsection:***

(6) If the investment fund intends to sell securities short

(a) state that the investment fund may sell securities short; and

(b) briefly describe

(i) the short selling process, and

(ii) how short sales of securities are or will be entered into in conjunction with other strategies and investments of the investment fund to achieve the investment fund’s investment objectives. ;

(b) ***in Item 12.1 by replacing subsection (4) with the following:***

(4) As applicable, describe the risks associated with the investment fund entering into

(a) derivative transactions for non-hedging purposes,

(b) securities lending, repurchase or reverse repurchase transactions; and

(c) short sales of securities.; ***and***

(c) ***in Item 20.3 by adding “and net asset value per security” after “net asset value” in paragraphs (a) and (b).***

4. This Instrument comes into force on April 30, 2012.

This page intentionally left blank



## Chapter 7

# Insider Reporting

---

---

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

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

To obtain Insider Reporting information, please visit the SEDI website ([www.sedi.ca](http://www.sedi.ca)).



## Chapter 8

# Notice of Exempt Financings

---



---

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price (\$)	No. of Securities Distributed
01/30/2012	1	3MV Energy Corp. - Common Shares	100,000.00	54,054.00
02/03/2012	9	Achelios therapeutics, LLC - Preferred Shares	1,080,128.44	1,086,102.00
03/09/2012	9	AgriMarine Holdings Inc. - Units	4,705,000.00	23,525,000.00
03/06/2012	27	Amarc Resources Ltd. - Flow-Through Shares	16,342,494.25	5,300,000.00
03/06/2012	42	American Consolidated Minerals Corp. - Common Shares	533,000.00	10,310,000.00
03/19/2012	10	American Solar Direct Holdings Inc. - Preferred Shares	2,124,200.00	1,075,000.00
01/31/2011 to 06/30/2011	49	Amethyst Arbitrage Fund - Units	16,455,995.07	60,880.91
03/16/2012	21	Annidis Corporation - Units	2,020,000.00	5,050,000.00
01/01/2011 to 12/31/2011	83	Anson Investments Offshore Fund Ltd. - Common Shares	18,280,878.44	18,566.59
03/19/2012	4	AppZero Software Corp. - Debentures	2,010,400.00	2,010,400.00
02/28/2012	47	Argus Metals Corp. - Units	510,100.00	5,101,000.00
06/01/2011	1	Aspect Diversified Fund - Common Shares	341,075.00	1,041.80
03/19/2012	1	Bank of Montreal - Note	4,940,000.00	1.00
03/02/2012	13	Beaufield Resources Inc. - Units	2,000,000.00	7,500,000.00
01/01/2011 to 12/31/2011	18	Bellwether Canadian Performance Fund - Units	394,078.00	35,353.36
01/01/2011 to 12/31/2011	13	Bellwether Canadian Stock Fund - Units	275,703.30	28,676.04
01/01/2011 to 12/31/2011	20	Bellwether US Stock Fund - Units	637,858.82	90,375.73
02/23/2012	1	Belmont Resources Inc. - Common Shares	7,500.00	18,750.00
06/30/2011 to 08/31/2011	3	Black Creek Focus Fund - Units	1,050,000.00	9,406.02
03/15/2012	31	Blackbird Energy Inc. - Warrants	2,079,960.00	N/A
03/15/2012	2	BNP Paribas Arbitrage Issuance B.V. - Certificates	110,380.01	107,000.00
01/31/2011 to 12/30/2011	29	Bodnar Canadian Equity Fund - Units	507,119.78	5,349,844.00
06/30/2011 to 12/30/2011	33	Bodnar Fixed Income Fund - Units	1,609,898.19	37,891.21

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/28/2011 to 12/30/2011	4	Bodnar Money Market Fund - Units	8,966.59	896.66
03/12/2012	51	BonTerra Resources Inc. - Units	1,156,549.50	7,710,330.00
03/05/2012	1	BPA Laboratories Inc. - Notes	5,961,600.00	6,225.00
01/31/2012	1	Braeval Mining Corporation - Common Shares	3,000,000.00	6,000,000.00
01/03/2011 to 11/01/2011	13	Broadview Dark Horse LP - Limited Partnership Units	1,445,000.00	9,356.30
01/01/2011 to 12/31/2011	2	Canadian Dollar Liquidity Fund - Units	836,897,353.00	836,897,353.00
03/15/2012	15	Canadian Imperial Bank of Commerce - Notes	990,000.00	9,900.00
03/01/2012	6	Capital Direct I Income Trust - Trust Units	119,000.00	11,900.00
01/01/2012	6	Capital Direct I Income Trust - Trust Units	716,000.00	71,600.00
02/14/2012	38	Carbon Friendly Solutions Inc. - Units	1,918,740.00	6,395,766.00
03/15/2012	27	Caribe Oil & Gas Ltd. - Common Shares	700,690.00	7,006,090.00
10/05/2011 to 12/31/2011	12	Cascadero Copper Corporation - Units	483,000.00	N/A
10/01/2011	2	Chalkstream Investment Fund (International), Ltd. - Common Shares	1,301,875.00	1,250.00
01/30/2012	15	Chemaphor Inc. - Common Shares	356,000.00	7,120,000.00
03/21/2012	4	CHS/Community Health Systems, Inc. - Notes	5,204,649.99	7,500,000.00
02/23/2012 to 02/29/2012	23	Clearview Resources Ltd. - Common Shares	4,243,840.00	424,384.00
02/27/2012	14	Cline Mining Corporation - Warrants	28,112,500.00	1,250,000.00
03/15/2012	12	Commonwealth Silver and Gold Mining Inc. - Common Shares	258,000.00	258,000.00
03/05/2012	1	Continental Resources, Inc. - Notes	1,987,200.00	2,000.00
01/01/2011 to 12/31/2011	10	Crestpoint Real Estate Investments Limited Partnership - Trust Units	17,975,020.00	1,761,455.00
03/15/2012 to 03/23/2012	52	Crocodile Gold Corp. - Common Shares	34,500,000.00	69,100,000.00
01/01/2012	2	Davidson Kempner International (BVI), Ltd. - Common Shares	5,085,000.00	50,000.00
02/17/2012	5	Delavaco Properties Inc. - Common Shares	1,650,000.00	1,650,000.00
02/27/2012	38	Drako Capital Corp. - Common Shares	1,633,000.00	8,165,000.00
02/17/2012	2	Eileme 1 AB - Notes	5,483,500.00	2.00
02/16/2012	15	EL NINO VENTURES INC. - Units	442,450.00	N/A
03/20/2012	4	Empower Technologies Corporation - Common Shares	134,400.00	2,688,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2011 to 12/01/2011	8	Epic Canadian Long Short Opportunistic Fund LP - Limited Partnership Interest	1,053,600.00	340.84
01/01/2011 to 12/01/2011	6	Epic Income Fund - Trust Units	500,000.00	25,541.74
12/08/2011	12	Exploration Aurtois Inc. - Common Shares	244,000.00	2,406,369.00
03/15/2012	47	Fairmount Resources Inc. - Units	516,500.00	3,443,333.00
02/28/2011	1	FI Capital Canadian Small Cap Equity Fund - Units	11,800.00	1,085.26
12/30/2011	4	FI Capital SRI Canadian Equity Fund - Units	95,088.70	10,555.79
12/30/2011	3	FI Capital SRI Enhanced Income Fund - Units	51,427.04	5,169.22
01/01/2011 to 12/31/2011	74	Fiera Absolute Bond Yield Fund - Units	45,664,756.00	4,511,385.14
01/01/2011 to 12/31/2011	21	Fiera Active Fixed Income Fund - Units	7,295,927.00	687,075.13
01/01/2011 to 12/31/2011	37	Fiera Balanced Fund - Units	28,719,113.00	2,705,972.00
01/01/2011 to 12/31/2011	56	Fiera Canadian Bond Fund - Ethical - Units	81,023,115.00	1,929,002.45
01/01/2011 to 12/31/2011	52	Fiera Canadian Equity Ethical Fund - Units	125,114,719.84	10,540,016.00
01/01/2011 to 12/31/2011	138	Fiera Canadian Equity Growth Fund - Units	28,532,531.78	3,674,525.04
01/01/2011 to 12/31/2011	38	Fiera Canadian Equity Value Fund - Units	38,160,204.00	2,978,408.04
01/01/2011 to 12/31/2011	48	Fiera Canadian High Income Equity Fund - Units	30,914,806.05	3,144,164.61
01/01/2011 to 12/31/2011	93	Fiera Diversified Balanced Fund - Units	19,357,002.45	1,834,978.87
01/01/2011 to 12/31/2011	84	Fiera Diversified Lending Fund - Units	33,557,852.74	3,330,633.58
01/01/2011 to 12/31/2011	156	Fiera Global Equity Fund - Units	238,046,818.60	29,547,577.84
01/01/2011 to 12/31/2011	42	Fiera Infrastructure Fund I - Units	8,621,998.98	880,101.02
01/01/2011 to 12/31/2011	193	Fiera International Equity Fund - Units	92,893,628.00	6,716,565.26
01/01/2011 to 12/31/2011	4	Fiera International Equity Fund - Units	2,254,500.00	204,147.53
01/01/2011 to 12/31/2011	5	Fiera Long Bond Fund - Units	32,904,210.00	3,116,136.15
01/01/2011 to 12/31/2011	168	Fiera Money Market Fund - Units	53,860,764.79	4,114,024.19
01/01/2011 to 12/31/2011	15	Fiera Multi-Manager Fund - Units	72,694,400.89	7,269,507.87

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/01/2011 to 12/31/2011	88	Fiera North American Market Neutral Fund - Units	16,571,365.43	1,657,340.73
01/01/2011 to 12/31/2011	168	Fiera Private Wealth Canadian Equity Fund - Units	10,695,411.00	847,450.99
01/01/2011 to 12/31/2011	363	Fiera Private Wealth Income Fund - Units	51,756,155.00	6,763,180.06
01/01/2011 to 12/31/2011	49	Fiera Private Wealth US Equity Fund - Units	7,184,769.00	2,007,289.60
01/01/2011 to 12/31/2011	1	Fiera Sceptre Tactical Bond Fund - Units	14,595,000.00	1,458,036.39
01/01/2011 to 12/31/2011	142	Fiera Short Term Investment Fund - Units	139,930,677.52	13,993,067.74
01/01/2011 to 12/31/2011	175	Fiera Tactical Fixed Income Fund - Units	141,956,268.13	13,006,644.38
01/01/2011 to 12/31/2011	40	Fiera US Equity Ethical Fund - Units	40,562,275.51	5,330,434.14
01/01/2011 to 12/31/2011	69	Fiera US Equity Fund - Units	4,082,739.00	64,779.64
03/14/2012	26	Firstar Sports Inc. - Debentures	670,000.00	670,000.00
01/01/2012	1	Flatiron Market Neutral LP - Limited Partnership Units	1,000,000.00	649.26
03/14/2012	43	Focus Metals Inc. - Flow-Through Shares	10,000,900.00	7,693,000.00
02/01/2012	33	Focus Ventures Ltd. - Units	1,055,550.00	7,037,000.00
01/10/2012	2	GC-Global Capital Corp. - Common Shares	400,000.00	1,333,332.00
06/03/2011	25	Golden Venture Partners Fund, LP - Limited Partnership Interest	10,650,001.00	25.00
03/31/2011 to 12/31/2011	25	Grafton Energy Growth Fund - Investment Trust Interests	11,896,012.00	28.00
03/02/2012	4	Green Swan Capital Corp. - Common Shares	60,000.00	300,000.00
06/30/2011	4	GSR Ventures IV, L.P. - Limited Partnership Interest	43,440,740.70	4.00
01/27/2012 to 03/02/2012	3	Hard Creek Nickel Corporation - Units	171,999.90	N/A
03/02/2012	25	Heatherdale Resources Ltd. - Units	478,000.00	1,062,222.00
03/12/2012 to 03/16/2012	32	IGW Real Estate Investment Trust - Units	850,288.04	N/A
01/03/2012	14	Investeco Sustainable Food Fund, L.P. - Limited Partnership Units	2,675,000.00	2,675.00
02/14/2012	3	Investeco Sustainable Food Fund, L.P. - Limited Partnership Units	1,050,000.00	1,050.00
03/07/2012	120	KingSett Canadian Real Estate Income Fund LP - Units	59,722,441.27	49,257.25

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
01/15/2012	7	Kingwest Avenue Portfolio - Units	321,196.17	11,500.00
01/31/2012	2	Kingwest Avenue Portfolio - Units	154,000.89	5,426.77
02/15/2012	2	Kingwest Avenue Portfolio - Units	34,000.00	1,187.09
02/29/2012	4	Kingwest Avenue Portfolio - Units	207,000.00	7,106.05
02/15/2012	2	Kingwest Canadian Equity Portfolio - Units	75,000.00	6,498.01
03/15/2012	1	Kingwest Canadian Equity Portfolio - Units	30,000.00	2,520.06
01/15/2012	1	Kingwest High Income Fund - Units	70,000.00	12,335.02
02/15/2012	1	Kingwest High Income Fund - Units	150,000.00	26,006.00
03/15/2012	3	Kingwest High Income Fund - Units	360,000.00	61,318.34
02/29/2012	2	Kingwest High Income Fund - Units	170,000.00	29,119.56
01/31/2012	1	Kingwest US Equity Portfolio - Units	115,327.45	7,986.44
02/15/2012	2	Kingwest US Equity Portfolio - Units	109,730.29	7,429.72
03/15/2012	2	Kingwest US Equity Portfolio - Units	49,769.00	3,200.09
02/29/2012	2	Kingwest U.S. Equity Portfolio - Units	41,021.85	2,784.45
03/02/2012	1	KWG Resources Inc. - Units	195,000.00	3,000,000.00
02/28/2012	154	Linn Energy, LLC. - Notes	1,791,204,219.75	1,800,006.00
07/31/2011 to 12/31/2011	175	Lionscrest TailPro - US Equity Fund - Units	2,109,669.00	224,919.45
03/01/2012	12	Lomiko Metals Inc. - Common Shares	903,320.00	9,033,200.00
02/29/2012	37	Majescor Resources Inc. - Units	2,585,000.00	10,340,000.00
01/01/2011 to 12/31/2011	41	Manion, Wilkins & Associates Ltd. - Units	284,038,001.00	1,457,293.00
01/06/2012 to 01/10/2012	2	Manning & Napier Global Equity Pooled Fund - Units	12,480,699.67	1,295,574.49
02/24/2012	9	Maple Leaf Reforestation Inc. - Units	130,000.00	2,600,000.00
02/24/2012	2	Mariana Resources Limited - Common Shares	308,404.00	1,639,339.00
02/13/2012	1	McNally Capital Mezzanine Fund II, L.P. - Limited Partnership Interest	6,997,200.00	1.00
01/13/2012	1	Merrill Lynch International & Co. C.V. - Warrants	2,903,637.00	475.00
03/15/2012	1	Merrill Lynch International & Co. C.V. - Warrants	1,071,085.00	178.00
02/28/2012	4	Micromem Technologies Inc. - Common Shares	184,406.00	770,832.00
02/23/2012	1	Mineral Mountain Resources Ltd. - Common Shares	87,750.00	325,000.00
12/20/2011	1	Mineral Mountain Resources Ltd. - Common Shares	72,000.00	150,000.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
03/31/2011 to 11/02/2011	10	Miralta Capital L.P. - Limited Partnership Units	2,160,000.00	2,160.00
03/08/2012	78	Mondak Petroleum Inc. - Units	29,025,000.00	193,500,000.00
03/20/2012	24	Mood Media Corporation - Common Shares	32,824,000.80	9,117,778.00
01/21/2011 to 12/23/2011	45	Norrep Market Neutral Income Fund - Units	2,966,450.00	284,944.00
02/28/2011 to 12/30/2011	27	Norrep Yield Fund - Units	1,532,710.00	148,340.57
03/15/2012	38	Northern Graphite Corporation - Common Shares	10,550,840.90	6,206,377.00
02/01/2012	2	Northern Shield Resources Inc. - Warrants	2,935,999.88	13,345,454.00
01/01/2011 to 11/01/2011	144	Noumena Multi-Strategy Fund - Units	1,086,157.00	202,931.00
03/05/2012	2	Omega Healthcare Investors, Inc. - Notes	8,942,400.00	9,000,000.00
01/01/2011 to 12/31/2011	132	Owemanco Mortgage Trust - Trust Units	20,158,943.00	20,158,943.00
03/08/2012	19	Parta Dialogue Inc. - Common Shares	2,335,000.00	9,340,000.00
11/28/2011	1	Parthenon Investors IV, L.P. - Limited Partnership Interest	51,636,889.39	1.00
02/24/2012	50	PC Gold Inc. - Common Shares	1,312,900.00	4,102,812.00
03/15/2012	54	Petro One Energy Corp. - Units	2,450,000.00	4,083,333.00
03/12/2012	9	Phillips 66 Company - Notes	9,898,218.00	10,000,000.00
01/02/2011 to 12/30/2011	12	PIMCO Canada Canadian CorePLUS Bond Trust - Units	189,660,916.49	1,858,783.17
01/02/2011 to 12/29/2011	4	PIMCO Canada Canadian CorePLUS Long Bond Trust - Units	34,804,000.00	348,939.54
03/12/2012 to 03/16/2012	9	Place Trans Canadienne Comercial Limited Partnership - Notes	615,000.00	615,000.00
03/08/2012	2	Plains Creek Phosphate Corporation - Units	1,625,000.00	20,312,500.00
01/30/2012	6	Polar Star Mining Corporation - Common Shares	764,999.70	2,549,999.00
03/05/2012	1	PriceMetrix Inc. - Common Shares	490,500.00	109,000.00
02/29/2012	2	Proto Labs, Inc. - Common Shares	633,600.00	40,000.00
03/21/2012	45	Pure Living Media Inc. - Units	425,000.00	8,500,000.00
03/14/2012	3	PurGenesis Technologies Inc. - Notes	138,383.41	3.00
11/25/2011	13	PYXIS innovation inc. - Common Shares	309,818.88	2,212,992.00
03/20/2012	2	Rainy River Resources Ltd. - Common Shares	57,800.00	10,000.00
12/23/2011	5	RB Gold Inc. - Units	172,803.96	16.80
03/06/2012	58	Regulus Resources Inc. - Receipts	26,673,323.70	23,194,238.00



**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
02/23/2012	4	Return On Innovation Capital Ltd. - Units	14,500,000.00	14,500,000.00
01/01/2011 to 12/31/2011	48	Richmond Equity Management Ltd. - Units	14,088,542.00	1,132,353.00
03/16/2012	1	Rockcliff Resources Inc. - Common Shares	270,000.00	2,727,273.00
02/15/2012	1	ROI Advisors Ltd. - Units	3,330,000.00	25,150.13
02/15/2012	1	ROI Advisors Ltd. - Units	1,200,000.00	9,145.51
01/30/2012	1	ROI Advisors Ltd. - Units	13,000,000.00	103,904.65
01/03/2012	1	Root Global Opportunities I, L.P. - Limited Partnership Interest	500,000.00	1.00
03/06/2012	1	Sanatana Resources Inc. - Common Shares	315,000.00	1,500,000.00
01/01/2011 to 12/31/2011	33	Sceptre Money Market Fund - Units	130,710,691.01	887,562.88
01/01/2011 to 12/31/2011	40	Sceptre Pooled Investment Fund Balanced Core Section - Units	479,759,546.00	4,043,941.35
01/01/2011 to 12/31/2011	36	Sceptre Pooled Investment Fund Balanced Section - Units	27,990,842.00	241,408.50
01/01/2011 to 12/31/2011	16	Sceptre Pooled Investment Fund Bond Section - Units	34,467,723.91	49,053.54
01/01/2011 to 12/31/2011	41	Sceptre Pooled Investment Fund Canadian Equity - Units	52,206,414.25	177,783.19
01/01/2011 to 12/31/2011	3	Sceptre Pooled Investment Fund EFT Section (Endowment, Foundation & Trust) - Units	9,329,263.08	26,959.98
01/01/2011 to 12/31/2011	1	Sceptre Pooled Investment Fund Equity Section - Units	990,369.77	1,413.89
01/01/2011 to 12/31/2011	11	Sceptre Pooled Investment Fund Foreign Equity Section - Units	10,991,157.23	165,032.11
01/01/2011 to 12/31/2011	3	Sceptre Pooled Investment Fund International Equity Section - Units	1,033,637.00	3,925.70
01/01/2011 to 12/31/2011	21	Sceptre Pooled Investment Fund Small Capitalization Section - Units	77,689,717.80	547,413.07
03/14/2012	1	Sheltered Oak Resources Corp. - Common Shares	150,000.00	3,000,000.00
02/16/2012 to 02/21/2012	46	Shoal Point Energy Ltd. - Units	6,811,800.08	N/A
02/15/2012	12	Skyline Apartment Real Estate Investment Trust - Units	1,004,267.00	91,297.00
03/01/2012	8	Snipp Interactive Inc. - Units	2,956,499.65	N/A
03/06/2012	1	Softrock Minerals Ltd. - Units	140,000.00	2,000,000.00
03/01/2012	65	Source Exploration Corp. - Units	2,990,000.00	11,500,000.00
01/01/2012	1	Stacey Muirhead Limited Partnership - Limited Partnership Units	50,000.00	1,575.45

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
02/01/2012	2	Stacey Muirhead Limited Partnership - Limited Partnership Units	52,000.00	1,610.74
03/01/2012	2	Stacey Muirhead Limited Partnership - Limited Partnership Units	52,000.00	1,583.07
02/01/2012	4	Stacey Muirhead RSP Fund - Trust Units	53,506.00	6,275.78
03/01/2012	4	Stacey Muirhead RSP Fund - Trust Units	45,327.40	5,228.20
05/26/2011	1	Tandem Fund II, L.P. - Limited Partnership Interest	255,545.30	1.00
02/28/2012	2	Teck Resources Limited - Notes	6,946,928.43	N/A
03/31/2011 to 12/31/2011	45	The Absolute Resource Fund L.P. - Limited Partnership Interest	22,272,354.50	46.00
01/03/2011 to 12/01/2011	48	The Vantage Fund - Units	4,559,916.26	455,991.60
12/15/2011 to 12/23/2011	11	Thundermin Resources Inc. - Units	1,219,140.00	9,378,000.00
02/01/2007 to 08/01/2011	2	TIAA-CREF Asset Management Core Property Fund LP - Limited Partnership Interest	240,997,333.68	377,453.62
01/04/2011	3	Timbercreek Mortgage Investment Corporation - Common Shares	7,500,000.00	750,000.00
02/21/2012 to 02/24/2012	30	UBS AG, Jersey Branch - Certificates	7,537,128.88	30.00
03/12/2012 to 03/16/2012	32	UBS AG, Jersey Branch - Certificates	8,669,516.44	N/A
02/21/2012	1	UBS AG, London Branch - Certificate	63,633.17	1.00
02/21/2012 to 02/23/2012	10	UBS AG, Zurich - Certificates	2,138,585.66	10.00
03/14/2012	1	UEX Corporation - Common Shares	799,055.04	951,256.00
03/14/2012	2	UEX Corporation - Flow-Through Shares	2,999,999.48	3,260,869.00
03/12/2012	2	United States Steel Corporation - Notes	3,974,000.00	2.00
03/09/2012	12	UR Financing Escrow Corporation - Notes	15,478,364.00	12.00
01/31/2012	40	Vertex Fund - Trust Units	10,586,344.51	262,294.60
02/29/2012	57	Vertex Fund - Trust Units	8,042,110.81	210,039.85
02/29/2012	7	Vertex Managed Value Portfolio - Trust Units	1,362,627.24	96,242.69
03/14/2012	28	Videotron Ltee - Notes	835,090,875.00	800,000,000.00
03/13/2012	2	Virgin Media Finance PLC - Notes	7,924,000.00	N/A
01/31/2011 to 02/28/2011	4	Vision Opportunity Fund Limited Partnership - Limited Partnership Units	4,500,000.00	2,068.17
01/31/2011 to 12/30/2011	42	Vision Opportunity Fund Limited Partnership II - Limited Partnership Units	7,411,547.00	4,167.34

**Notice of Exempt Financings**

---

<b>Transaction Date</b>	<b>No. of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Purchase Price (\$)</b>	<b>No. of Securities Distributed</b>
02/28/2011 to 07/31/2011	10	Vision Opportunity Fund Trust - Trust Units	5,036,771.00	537,242.84
01/04/2011 to 12/01/2011	208	Waratah Income Fund Trust - Units	21,571,805.50	215,718.06
01/04/2011 to 12/01/2011	211	Waratah One Trust - Units	15,880,498.30	158,804.99
01/04/2011 to 12/01/2011	374	Waratah Performance Trust - Units	51,211,811.70	512,015.41
06/15/2011 to 12/29/2011	13	Water Power Group Limited Partnership - Units	1,250,000.00	N/A
03/14/2012	25	Wealth Minerals Ltd. - Common Shares	1,200,000.00	4,000,000.00
03/16/2012	7	Wesgold Minerals Inc. - Units	1,799,999.25	2,399,999.00
03/14/2012	1	WhoPlusYou Inc. - Common Shares	50,000.00	11,876.00
12/31/2011	34	Wine Investment Fund Canada (2011 BIN 1) Growth L.P. - Limited Partnership Units	515,000.00	51,500.00

This page intentionally left blank

## Chapter 11

# IPOs, New Issues and Secondary Financings

---

**Issuer Name:**

Canada Dominion Resources 2012 II Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 27, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$50,000,000.00 (Maximum) - 2,000,000 Limited  
Partnership Units Price per Unit: \$25.00  
Minimum Subscription: \$5,000 (200 Units)

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

RBC DOMINION SECURITIES INC.

**Promoter(s):**

CANADA DOMINION RESOURCES 2012 II  
CORPORATION  
DUNDEE SECURITIES LTD.

Project #1878733

---

**Issuer Name:**

Dundee International Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 2, 2012  
NP 11-202 Receipt dated April 2, 2012

**Offering Price and Description:**

\$80,800,000.00 - 8,000,000 Units PRICE: \$10.10 per Unit

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

TD SECURITIES INC.  
SCOTIA CAPITAL INC.  
CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
BMO NESBITT BURNS INC.  
CANACCORD GENUITY CORP.  
DUNDEE SECURITIES LTD.  
BROOKFIELD FINANCIAL CORP.  
GMP SECURITIES L.P.  
HSBC SECURITIES (CANADA) INC.  
NATIONAL BANK FINANCIAL INC.

**Promoter(s):**

-  
Project #1885855

---

**Issuer Name:**

GLG Emerging Markets Income Portfolio II Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 28, 2012  
NP 11-202 Receipt dated April 2, 2012

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-  
Project #1885074

---

**Issuer Name:**

Tamarack Valley Energy Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus (NI 44-101) dated  
March 30, 2012  
NP 11-202 Receipt dated April 2, 2012

**Offering Price and Description:**

\$16,500,000.00 - 66,000,000 Subscription Receipts each  
representing the right to receive one Common Share Price:  
\$0.25 per Subscription Receipt

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

DUNDEE SECURITIES LTD.  
ALTACORP CAPITAL INC.  
CANACCORD GENUITY CORP.  
PETERS & CO. LIMITED

**Promoter(s):**

-

Project #1885470

---

**Issuer Name:**

Omega Advisors U.S. Capital Appreciation Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 30, 2012  
NP 11-202 Receipt dated April 2, 2012

**Offering Price and Description:**

Warrants to Subscribe for up to 2,854,151 Class A Units at  
a Subscription Price of \$\*

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

-

**Promoter(s):**

ARTEMIS INVESTMENT MANAGEMENT LIMITED  
Project #1885701

---

**Issuer Name:**

Canadian 50 Advantaged Preferred Share Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 27, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

Maximum \$\* (\* Class A and/or Class F Units) Price: \$25.00  
per Unit - Minimum purchase: 100 Units

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

BMO NESBITT BURNS INC.  
CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
TD SECURITIES INC.  
NATIONAL BANK FINANCIAL INC.  
GMP SECURITIES L.P.  
MACQUARIE PRIVATE WEALTH INC.  
CANACCORD GENUITY CORP.  
RAYMOND JAMES LTD.  
MACKIE RESEARCH CAPITAL CORPORATION

**Promoter(s):**

Connor, Clark & Lunn Capital Markets Inc.

**Project #1879094**

---

**Issuer Name:**

CC&L Equity Income and Growth Fund  
CC&L High Yield Bond Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectuses dated March 27, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

Series A, Series F, and Series I Units

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

-

**Promoter(s):**

Connor, Clark & Lunn Funds Inc.

**Project #1878587**

---

**Issuer Name:**

Celtic Exploration Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 28, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$150,000,000.00 - 5.00% Convertible Unsecured  
Subordinated Debentures Due April 30, 2017  
Price: \$1,000 per Debenture

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

RBC DOMINION SECURITIES INC.  
PETERS & CO. LIMITED  
CIBC WORLD MARKETS INC.  
FIRSTENERGY CAPITAL CORP.  
CANACCORD GENUITY CORP.  
CORMARK SECURITIES INC.  
MACQUARIE CAPITAL MARKETS CANADA LTD.  
NATIONAL BANK FINANCIAL INC.  
STIFEL NICOLAUS CANADA INC.  
GMP SECURITIES L.P.  
SCOTIA CAPITAL INC.  
PARADIGM CAPITAL INC.  
TD SECURITIES INC.

**Promoter(s):**

-

**Project #1879550**

---

**Issuer Name:**

Clear Mountain Resources Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated Preliminary Prospectus dated  
March 28, 2012  
NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

\$750,000.00 - 5,000,000 Common Shares Price: \$0.15 per  
Offered Share

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

WOODSTONE CAPITAL INC.

**Promoter(s):**

Patrick Morris

**Project #1820983**

---

**Issuer Name:**

CMP 2012 II Resource Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 27, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$100,000,000.00 (Maximum) 100,000 Limited Partnership  
Units Price per Unit: \$1,000 Minimum Subscription: \$5,000  
(Five Units)

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

RBC DOMINION SECURITIES INC.

**Promoter(s):**

CMP 2012 II CORPORATION  
DUNDEE SECURITIES LTD.

**Project #1878730**

---

**Issuer Name:**

Deveron Resources Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 30, 2012  
NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

Up To \$750,000.00 - Up To 3,000,000 Common Shares  
Price: \$0.25 Per Common Share

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

Leede Financial Markets Inc.

**Promoter(s):**

Greencastle Resources Ltd.

**Project #1882899**

---

**Issuer Name:**

East Coast Investment Grade Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 27, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$\* (\* Units) Maximum Price: \$12.00 per Unit Minimum  
Purchase: 100 Units

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

RBC DOMINION SECURITIES INC.

CIBC WORLD MARKETS INC.

TD SECURITIES INC.

BMO NESBITT BURNS INC.

SCOTIA CAPITAL INC.

CANACCORD GENUITY CORP.

GMP SECURITIES L.P.

MACQUARIE PRIVATE WEALTH INC.

RAYMOND JAMES LTD.

MANULIFE SECURITIES INCORPORATED

**Promoter(s):**

ARROW CAPITAL MANAGEMENT INC.

**Project #1878382**

**Issuer Name:**

Energy Leaders Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Long Form Prospectus dated March 28, 2012  
NP 11-202 Receipt dated March 29, 2012

**Offering Price and Description:**

Maximum: \$\* (\* Units) Price: \$12.00 per Unit Minimum  
Purchase: 200 Units

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

CIBC WORLD MARKETS INC.

RBC DOMINION SECURITIES INC.

SCOTIA CAPITAL INC.

NATIONAL BANK FINANCIAL INC.

TD SECURITIES INC.

CANACCORD GENUITY CORP.

DESJARDINS SECURITIES INC.

GMP SECURITIES L.P.

MACQUARIE PRIVATE WEALTH INC.

RAYMOND JAMES LTD.

BURGEONVEST BICK SECURITIES LIMITED

DUNDEE SECURITIES LTD.

INDUSTRIAL ALLIANCE SECURITIES INC.

**Promoter(s):**

Harvest Portfolios Group Inc.

**Project #1879982**

---

**Issuer Name:**

Online Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 30, 2012  
NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

UP TO \$2,500,050 - 8,333,500 FLOW-THROUGH  
SHARES PRICE: \$0.30 PER FLOW-THROUGH SHARE

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

CASIMIR CAPITAL LTD.

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

**Promoter(s):**

-

**Project #1883693**

---

**Issuer Name:**

Royal Sapphire Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Long Form Prospectus dated March 26, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$1,000,000.00 (Maximum Offering); \$800,000 (Minimum  
Offering) Maximum of 5,000,000 Common Shares and a  
Minimum of 4,000,000 Common Shares Price: \$0.20 per  
Common Share

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

Macquarie Private Wealth Inc.

**Promoter(s):**

Balbir Johal

**Project #1879204**

**Issuer Name:**

Talisman Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 28, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$3,500,000,000.00:

Debt Securities  
Common Shares  
Preferred Shares  
Subscription Receipts  
Warrants  
Units

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

-

**Promoter(s):**

-

**Project #1879042**

---

**Issuer Name:**

Talisman Energy Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Base Shelf Prospectus dated March 28, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$1,000,000,000.00:

Medium Term Note Debentures  
(unsecured)  
Rates on Application

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

BMO NESBITT BURNS INC.  
CIBC WORLD MARKETS INC.  
DESJARDINS SECURITIES INC.  
RBC DOMINION SECURITIES INC.  
SCOTIA CAPITAL INC.  
TD SECURITIES INC.

**Promoter(s):**

-

**Project #1879043**

---

**Issuer Name:**

Alexandra Capital Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final CPC Prospectus dated March 28, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$200,000.00 - 2,000,000 common shares at \$0.10 per share

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

Canaccord Genuity Group

**Promoter(s):**

Suzanne Wood

**Project #1849137**

**Issuer Name:**

Allied Properties Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 28, 2012  
NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$90,350,000.00 - 3,475,000 Units Price: \$26.00 per Unit

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

SCOTIA CAPITAL INC.  
RBC DOMINION SECURITIES INC.  
CIBC WORLD MARKETS INC.  
BMO NESBITT BURNS INC.  
TD SECURITIES INC.  
MACQUARIE CAPITAL MARKETS CANADA LTD.  
NATIONAL BANK FINANCIAL INC.  
CANACCORD GENUITY CORP.  
DESJARDINS SECURITIES INC.  
DUNDEE SECURITIES LTD.

**Promoter(s):**

-

**Project #1874730**

---

**Issuer Name:**

BNP Paribas Global Equity Exposure Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated March 23, 2012  
NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

Mutual Fund Units @ Net Asset Value

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

BNP Paribas Investment Partners Canada Ltd.

**Promoter(s):**

BNP Paribas Investment Partners Canada Ltd.

**Project #1859228**



**Issuer Name:**

Canadian Convertibles Plus Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 29, 2012  
NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

Maximum \$19,470,000.00 (2,200,000 Units) Price: \$8.85  
per Unit

Minimum Purchase: 200 Units

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

BMO NESBITT BURNS INC.  
CIBC WORLD MARKETS INC.  
RBC DOMINION SECURITIES INC.  
NATIONAL BANK FINANCIAL INC.  
GMP SECURITIES L.P.  
SCOTIA CAPITAL INC.  
TD SECURITIES INC.  
CANACCORD GENUITY CORP.  
DESJARDINS SECURITIES INC.  
RAYMOND JAMES LTD.  
DUNDEE SECURITIES LTD.  
MACQUARIE PRIVATE WEALTH INC.  
MANULIFE SECURITIES INCORPORATED

**Promoter(s):**

PROPEL CAPITAL CORPORATION

Project #1875777

---

**Issuer Name:**

Cen-ta Real Estate Ltd.  
Gro-Net Financial Tax & Pension Planners Ltd.

**Type and Date:**

Final Long Form Prospectus dated March 29, 2012  
Received on March 30, 2012

**Offering Price and Description:**

-

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

-

**Promoter(s):**

-

Project #1862441; 1862446

---

**Issuer Name:**

Coxe Global Agribusiness Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated March 29, 2012  
NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

\$9,603,750.00 - 975,000 Units - \$9.85 per Unit No  
minimum

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

BMO NESBITT BURNS INC.

**Promoter(s):**

BMO NESBITT BURNS INC.

Project #1875230

---

**Issuer Name:**

Dynamic Strategic Income Portfolio (formerly, Dynamic  
Strategic All Income Portfolio) (Series A, F  
and I securities)

Dynamic Strategic Growth Portfolio (Series A, F, G and I  
securities)

Dynamic Dollar-Cost Averaging Fund (Series A and F  
securities)

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 14, 2012 to the Simplified  
Prospectuses and Annual Information Form dated January  
27, 2012

NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

-

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

GCIC Ltd.

**Promoter(s):**

GCIC LTD.

Project #1824809; 1843955

---

**Issuer Name:**

Series A, Series B and Series F shares (unless otherwise indicated) of:  
Fidelity Canadian Disciplined Equity Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Canadian Growth Company Class  
Fidelity Canadian Large Cap Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Canadian Opportunities Class  
Fidelity Dividend Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Greater Canada Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Special Situations Class  
Fidelity True North Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity American Disciplined Equity Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity American Disciplined Equity Currency Neutral Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity American Opportunities Class  
Fidelity Growth America Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Small Cap America Class  
Fidelity AsiaStar Class  
Fidelity China Class  
Fidelity Emerging Markets Class  
Fidelity Europe Class  
Fidelity Far East Class  
Fidelity Global Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Disciplined Equity Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Disciplined Equity Currency Neutral Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Dividend Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Large Cap Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Large Cap Currency Neutral Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Small Cap Class  
Fidelity International Disciplined Equity Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity International Disciplined Equity Currency Neutral Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Japan Class  
Fidelity NorthStar Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity NorthStar Currency Neutral Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Consumer Industries Class  
Fidelity Global Financial Services Class  
Fidelity Global Health Care Class  
Fidelity Global Natural Resources Class  
Fidelity Global Real Estate Class (Series T5, T8, S5 and S8 shares also available)  
Fidelity Global Technology Class  
Fidelity Global Telecommunications Class

Fidelity Canadian Asset Allocation Class (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Canadian Balanced Class (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Monthly Income Class (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Income Class Portfolio (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Global Income Class Portfolio (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Balanced Class Portfolio (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Global Balanced Class Portfolio (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Growth Class Portfolio (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Global Growth Class Portfolio (Series T5, T8, S5, S8, F5 and F8 shares also available)  
Fidelity Canadian Short Term Income Class  
Fidelity Corporate Bond Capital Yield Class (Series T5, S5 and F5 shares also available)  
(of Fidelity Capital Structure Corp.)  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 28, 2012  
NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

Series A, B, F, T5, T8, S5, S8, F5 and F8 Shares @ Net Asset Value

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

-

**Promoter(s):**

-

**Project #1857813**

---

**Issuer Name:**

Global Iman Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated March 20, 2012  
NP 11-202 Receipt dated March 29, 2012

**Offering Price and Description:**

Series A and F Units @ Net Asset Value

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

Global Prosperata Funds Inc.

**Promoter(s):**

Global Growth Assets Inc.

**Project #1856866**

---

**Issuer Name:**

Manulife Diversified Income Portfolio (Advisor Series, Series F, Series I, Series IT and Series T6 Securities)  
Manulife Preferred Income Fund (Advisor Series, Series F and Series I Securities)  
Manulife Global Infrastructure Fund (Advisor Series, Series F and Series I Securities)  
Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated March 16, 2012 to the Simplified Prospectuses and Annual Information Form dated August 19, 2011

NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

Advisor Series, Series F, I, IT and T6 securities @ net asset value

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

Manulife Asset Management Limited  
Elliott & Page Limited

**Promoter(s):**

Manulife Asset Management Limited

**Project #1771558**

---

**Issuer Name:**

Ridgewood Canadian Bond Fund  
Ridgewood Tactical Yield Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 28, 2012

NP 11-202 Receipt dated March 29, 2012

**Offering Price and Description:**

mutual fund units @ net asset value

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

Ridgewood Capital Asset Management Inc.

**Promoter(s):**

-

**Project #1862094**

---

**Issuer Name:**

Slate U.S. Opportunity (No. 1) Realty Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Long Form Prospectus dated March 29, 2012

NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

-

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

CIBC WORLD MARKETS INC.  
BMO NESBITT BURNS INC.  
RBC DOMINION SECURITIES INC.  
GMP SECURITIES L.P.  
RAYMOND JAMES LTD.  
SCOTIA CAPITAL INC.  
CANACCORD GENUITY CORP.  
MACQUARIE PRIVATE WEALTH INC.  
DESJARDINS SECURITIES INC.  
DUNDEE SECURITIES LTD.

**Promoter(s):**

SLATE PROPERTIES INC.

**Project #1862356**

---

**Issuer Name:**

Spartan Oil Corp.  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated March 30, 2012

NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

\$57,501,840.00 - 13,068,600 Common Shares issuable on exercise of 13,068,600 outstanding Special Warrants Price: \$4.40 per Special Warrant

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

CLARUS SECURITIES INC.  
GMP SECURITIES L.P.  
PETERS & CO. LIMITED  
ALTACORP CAPITAL INC.  
SCOTIA CAPITAL INC.

**Promoter(s):**

-

**Project #1874802**

---

**Issuer Name:**

Sprott Enhanced Equity Class\* (Series A, Series A1, Series F, Series F1 and Series I Securities)  
Sprott Enhanced Balanced Fund (Series A, Series A1, Series F, Series F1, Series I, Series T and Series FT Securities)

(\*A class of shares of Sprott Corporate Class Inc.)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 27, 2012

NP 11-202 Receipt dated March 29, 2012

**Offering Price and Description:**

Series A, A1, F, F1, I, T and FT Securities @ net asset value

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

-

**Promoter(s):**

SPROTT ASSET MANAGEMENT LP

Project #1864534

---

**Issuer Name:**

Sprott Gold Bullion Fund

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated March 28, 2012

NP 11-202 Receipt dated March 29, 2012

**Offering Price and Description:**

Series A, F and I units @ net asset value

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

-

**Promoter(s):**

-

Project #1862164

---

**Issuer Name:**

Sun Life MFS Global Growth Fund

(Series A, T5, T8, F, I Units)

Sun Life MFS International Growth Fund

(Series A, T5, T8, F, I Units)

Sun Life Money Market Fund

(Series A, D, F, I Units)

Principal Regulator - Ontario

**Type and Date:**

Amendment #2 dated March 23, 2012 to the Simplified Prospectuses and Annual Information Form dated August 24, 2011

NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

Series A, D, T5, T8, F, I @ Net Asset Value

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

-

**Promoter(s):**

Sunlife Global Investments (Canada) Inc.

Project #

---

**Issuer Name:**

TD Private Canadian Bond Income Fund  
TD Private Canadian Bond Return Fund  
TD Private Canadian Corporate Bond Fund  
TD Private Bond Capital Yield Fund  
TD Private U.S. Corporate Bond Fund  
TD Private Canadian Diversified Yield Fund  
TD Private Canadian Blue Chip Dividend Fund  
TD Private Canadian Blue Chip Equity Fund  
TD Private Canadian Value Fund  
TD Private Canadian Equity Plus Fund  
TD Private Canadian Strategic Opportunities Fund  
TD Private U.S. Blue Chip Equity Fund  
TD Private U.S. Blue Chip Equity Currency Neutral Fund  
TD Private U.S. Large-Cap Value Fund  
TD Private U.S. Mid-Cap Equity Fund  
TD Private Global Low Volatility Fund  
TD Private International Equity Fund  
TD Private International Stock Fund  
TD Private Target Return Fund  
TD Private Target Return Plus Fund (Units)

Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 27, 2012

NP 11-202 Receipt dated March 30, 2012

**Offering Price and Description:**

Mutual Fund Units @ Net Asset Value

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

-

**Promoter(s):**

TD Asset Management Inc.

Project #1858742

---

**Issuer Name:**

WB II Acquisition Corp.

Principal Regulator - Ontario

**Type and Date:**

Final CPC Prospectus dated March 28, 2012

NP 11-202 Receipt dated March 28, 2012

**Offering Price and Description:**

\$250,000.00 (2,500,000 Common Shares) Price: \$0.10 per Common Share

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

Macquarie Private Wealth Inc.

**Promoter(s):**

Ronald D. Schmeichel

Project #1868922

---

**Issuer Name:**

Westline Resources Ltd.  
Principal Regulator - British Columbia

**Type and Date:**

Amended and Restated Long Form Prospectus dated  
March 28, 2012

NP 11-202 Receipt dated March 29, 2012

**Offering Price and Description:**

-

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

Union Securities Ltd.

**Promoter(s):**

George J. Nejedlo

Project #1813767

---

**Issuer Name:**

Sunshine Silver Mines Corporation  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Long Form PREP Prospectus dated July 8,  
2011; and

Amended and Restated Preliminary Long Form and PREP  
Prospectus dated December 28, 2011

Withdrawn on March 28, 2012

**Offering Price and Description:**

US\$ \* - \*Shares of Common Stock - Price: US\$ \* per  
Share of Common Stock

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

MORGAN STANLEY CANADA LIMITED

RBC DOMINION SECURITIES INC.

BMO NESBITT BURNS INC.

CITIGROUP GLOBAL MARKETS CANADA, INC.

**Promoter(s):**

THE ELECTRUM GROUP LLC

Project #1771826

---

This page intentionally left blank

## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Patrimonica Asset Management Inc.	Portfolio Manager	March 30, 2012
New Registration	Solium Financial Inc.	Investment Dealer	March 30, 2012
Change in Registration Category	Abria Alternative Investments Inc.	From: Portfolio Manager and Exempt Market Dealer To: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager	March 30, 2012
New Registration	PFSL Fund Management Ltd.	Investment Fund Manager	March 30, 2012
Voluntary Surrender of Registration	Twilight Capital Inc.	Exempt Market Dealer	April 2, 2012

This page intentionally left blank



## Chapter 13

# SROs, Marketplaces and Clearing Agencies

---

---

### 13.2 Marketplaces

#### 13.2.1 Omega ATS – Notice of Proposed Changes and Request for Comment

##### OMEGA ATS

##### NOTICE OF PROPOSED CHANGES AND REQUEST FOR COMMENT

Omega ATS has announced its plans to implement the changes described below in Q3 2012. We are publishing this Notice of Proposed Changes in accordance with the requirements set out in OSC Staff Notice 21-703 “Transparency of the Operations of Stock Exchanges and Alternative Trading Systems.” Pursuant to OSC Staff Notice 21-703, market participants are invited to provide the Commission with comment on the proposed changes.

Comment on the proposed changes should be in writing and submitted by May 7<sup>th</sup>, 2012 to:

Market Regulation Branch  
Ontario Securities Commission  
Suite 1903, Box 55  
20 Queen Street West  
Toronto, ON M5H 3S8  
Fax 416 595 8940  
email: [marketregulation@osc.gov.ca](mailto:marketregulation@osc.gov.ca)

And to

Richard J. Millar  
Chief Compliance Officer  
Omega ATS  
100 Lombard St. Suite 101  
Toronto, ON M5C 1M3  
email: [Richard.millar@omegaats.com](mailto:Richard.millar@omegaats.com)

Comments received will be made public on the OSC website. Upon completion of the Review by OSC staff, and in the absence of any regulatory concerns, notice will be published to confirm the completion of Commission staff’s review and to outline the intended implementation date of the changes.

**OMEGA ATS**

**NOTICE OF PROPOSED CHANGES**

Omega ATS has announced plans to implement the change described below Q3 2012 unless otherwise noted.

If you have any question concerning the information below please contact Richard J. Millar CCO for Omega ATS, at 416 646 2764.

**Description of Proposed Changes**

Omega intends to introduce an Iceberg order type to its functionality. Iceberg orders are limit orders that allow our subscribers to enter the full quantity of their limit order, but exposes to the market book only a fraction of the full order (minimum one board lot). The iceberg order will refresh the fractional quantity selected automatically until the full quantity of the order is completed. The undisclosed volume will have no priority over disclosed volumes at a given price. The “refreshed volume” created after the fulfilling of a disclosed fraction of the complete order will take its natural place in time sequence at a given price as any new order.

Market participants will be able to avoid interacting with the undisclosed volumes by using a fully functioning BYPASS function on Omega.

**Expectant Impact of Changes**

This order type protects both the large and small volume participant, allowing the large volume limit order to participate in the order book without causing the disruption of exposing a large volume, nor creating a volume barrier that smaller players would have to trade above or below if the full volume exposed. With this order type a smaller participant can trade at the same price as the large seller and only have the exposed volume to compete with.

**Consultations**

Omega is undertaking this project at the request of its subscriber base, the majority of who now consider the ability to maintain the ICEBERG order type part of the base functionality of any modern trading venue.

**Proposed Changes Currently in the Canadian Marketplace**

All other open outcry marketplaces in Canada have the ability to maintain the iceberg type of trade; over the last decade it has become part of the standard suite of trading tools. It is in fact more of a threat to the good functioning of the market, and to our clients for Omega not to offer this function.

# Index

---

<b>1660690 Ontario Ltd.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1.....	3389	
<b>1778445 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3340	
Order – s. 127 .....	3384	
<b>2100228 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1.....	3389	
<b>2108375 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1.....	3389	
<b>2126375 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1.....	3389	
<b>2126533 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1.....	3389	
<b>2150129 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3340	
Order – s. 127 .....	3384	
<b>2152042 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1.....	3389	
<b>2173817 Ontario Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1.....	3389	
<b>Abitibowater Inc.</b>		
Notice from the Office of the Secretary .....	3335	
Notice from the Office of the Secretary .....	3339	
Decision .....	3349	
<b>Abria Alternative Investments Inc.</b>		
Change in Registration Category .....	3569	
<b>Anvil Mining Limited</b>		
Decision – s. 1(10).....	3364	
<b>Arconti, Alexander Flavio</b>		
Notice from the Office of the Secretary .....	3337	
Order – s. 127 .....	3379	
<b>Arconti, Luigino</b>		
Notice from the Office of the Secretary .....	3337	
Order – s. 127 .....	3379	
<b>Bajovski, Nikola</b>		
Notice from the Office of the Secretary .....	3334	
Order – ss. 127(2), 144 .....	3378	
<b>Balanced Core Section</b>		
Decision.....	3370	
<b>Balanced Section</b>		
Decision.....	3370	
<b>Baum, Michael</b>		
Notice of Hearing – ss. 127, 127.1 .....	3318	
Notice from the Office of the Secretary .....	3339	
<b>Blackett, Sylvan</b>		
Notice from the Office of the Secretary .....	3340	
Order – s. 127 .....	3384	
<b>Bond Section</b>		
Decision.....	3370	
<b>Brikman, Vyacheslav</b>		
Notice from the Office of the Secretary .....	3334	
Order – ss. 127(2), 144 .....	3378	
<b>Canadian Equity Section</b>		
Decision.....	3370	
<b>CANMARC Real Estate Investment Trust</b>		
Decision – s. 1(10) .....	3365	
<b>Canpro Income Fund I, LP</b>		
Notice of Hearing – ss. 127(1), 127.1.....	3310	
Notice from the Office of the Secretary .....	3336	
<b>Chaddock, Douglas William</b>		
Notice of Hearing – ss. 127, 127.1 .....	3318	
Notice from the Office of the Secretary .....	3339	
<b>Cheong, John</b>		
Notice of Hearing – ss. 127(1), 127(10) .....	3324	
Amended Notice of Hearing – ss. 127(1), 127.1.....	3329	
Notice from the Office of the Secretary .....	3340	
<b>Cheong, Kim Meng</b>		
Notice of Hearing – ss. 127(1), 127(10) .....	3324	
Amended Notice of Hearing – ss. 127(1), 127.1.....	3329	
Notice from the Office of the Secretary .....	3340	
<b>Ciavarella, Michael</b>		
Notice from the Office of the Secretary .....	3337	
Temporary Order – s. 127 .....	3380	
<b>Cohen, Bruce</b>		
Notice from the Office of the Secretary .....	3334	
Order – ss. 127(2), 144 .....	3378	

---

<b>Colby Cooper Capital Inc.</b>		<b>Fiera Canadian High Income Equity Fund</b>	
Notice of Hearing – ss. 37, 127(1), 127.1 .....	3304	Decision.....	3370
Notice from the Office of the Secretary .....	3336	<b>Fiera Canadian High Yield Bond Fund</b>	
<b>Colby Cooper Inc.</b>		Decision.....	3370
Notice of Hearing – ss. 37, 127(1), 127.1 .....	3304	<b>Fiera Global Macro Fund</b>	
Notice from the Office of the Secretary .....	3336	Decision.....	3370
<b>Companion Policy 81-102CP</b>		<b>Fiera International Equity Fund</b>	
Notice.....	3296	Decision.....	3370
Rules and Policies .....	3415	<b>Fiera Long/Short Equity Fund</b>	
<b>Davis Distributors, LLC</b>		Decision.....	3370
Decision .....	3344	<b>Fiera Market Neutral Equity Fund</b>	
<b>Desjardins Completion Investments Fund</b>		Decision.....	3370
Decision .....	3367	<b>Fiera Multi-Manager Fund</b>	
<b>Desjardins Investments Inc.</b>		Decision.....	3370
Decision .....	3367	<b>Fiera North American Market Neutral Fund</b>	
<b>Devcich, Frank Andrew</b>		Decision.....	3370
Notice of Hearing – s. 127.....	3331	<b>Fiera Private Wealth Canadian Equity Fund</b>	
Notice from the Office of the Secretary .....	3341	Decision.....	3370
<b>Domenicucci, Carmine</b>		<b>Fiera Private Wealth Conservative Fund</b>	
Notice from the Office of the Secretary .....	3338	Decision.....	3370
Order – ss. 128(1), 127.1(1).....	3382	<b>Fiera Private Wealth Growth Fund</b>	
Settlement Agreement .....	3405	Decision.....	3370
<b>EFT Section</b>		<b>Fiera Private Wealth Income Fund</b>	
Decision .....	3370	Decision.....	3370
<b>Energy Syndications Inc.</b>		<b>Fiera Private Wealth Moderate Fund</b>	
Notice of Hearing – ss. 127, 127.1 .....	3318	Decision.....	3370
Notice from the Office of the Secretary .....	3339	<b>Fiera Private Wealth Opportunities Fund</b>	
<b>Equity Section</b>		Decision.....	3370
Decision .....	3370	<b>Fiera Private Wealth US Equity Fund</b>	
<b>Feder, Elliot</b>		Decision.....	3370
Notice from the Office of the Secretary .....	3334	<b>Fiera Sceptre Inc.</b>	
Order – ss. 127(2), 144.....	3378	Decision.....	3370
<b>Fibrex Inc.</b>		<b>Fiera Sceptre Pooled Funds</b>	
Notice from the Office of the Secretary .....	3335	Decision.....	3370
Notice from the Office of the Secretary .....	3339	<b>Fiera Short Term Investment Fund</b>	
Notice from the Office of the Secretary .....	3341	Decision.....	3370
Decision .....	3349	<b>Firestar Capital Management Corp.</b>	
Order – s. 21.7 .....	3385	Notice from the Office of the Secretary .....	3337
<b>Fiera Absolute Bond Yield Fund</b>		Temporary Order – s. 127 .....	3380
Decision .....	3370	<b>Firestar Investment Management Group</b>	
<b>Fiera Active Fixed Income Fund</b>		Notice from the Office of the Secretary .....	3337
Decision .....	3370	Temporary Order – s. 127 .....	3380
<b>Fiera Balanced Fund</b>		<b>Fiera Sceptre Pooled Funds</b>	
Decision .....	3370	Decision.....	3370
<b>Fiera Canadian Equity Value Fund</b>		<b>Fiera Short Term Investment Fund</b>	
Decision .....	3370	Decision.....	3370

<b>Foreign Equity Section</b>		
Decision .....	3370	
<b>Futuremed Healthcare Products Corporation</b>		
Decision – s. 1(10) .....	3343	
<b>Gauthier, Normand</b>		
Notice of Hearing – ss. 127(1), 127.1 .....	3310	
Notice from the Office of the Secretary .....	3336	
<b>Gentree Asset Management Inc.</b>		
Notice of Hearing – ss. 127(1), 127.1 .....	3310	
Notice from the Office of the Secretary .....	3336	
<b>Global Energy Group, Ltd.</b>		
Notice from the Office of the Secretary .....	3334	
Order – ss. 127(2), 144 .....	3378	
<b>Grande Cache Coal Corporation</b>		
Decision – s. 1(10)(a)(ii) .....	3376	
<b>Green Syndications Inc.</b>		
Notice of Hearing – ss. 127, 127.1 .....	3318	
Notice from the Office of the Secretary .....	3339	
<b>Griffiths, Mark</b>		
Notice of Hearing – ss. 127(1), 127(10) .....	3324	
Amended Notice of Hearing – ss. 127(1), 127.1 .....	3329	
Notice from the Office of the Secretary .....	3340	
<b>Groberman, Herbert</b>		
Notice from the Office of the Secretary .....	3334	
Order – ss. 127(2), 144 .....	3378	
<b>Harper, Christina</b>		
Notice from the Office of the Secretary .....	3334	
Order – ss. 127(2), 144 .....	3378	
<b>Henderson, Beryl</b>		
Notice of Hearing – ss. 127, 127.1 .....	3315	
Notice from the Office of the Secretary .....	3338	
<b>Higher River Gold Mines Ltd.</b>		
Cease Trading Order .....	3413	
<b>International Equity Section</b>		
Decision .....	3370	
<b>Invesco Canada Ltd.</b>		
Decision .....	3346	
Decision .....	3353	
<b>Invesco Intactive Strategic Capital Yield Portfolio Class</b>		
Decision .....	3346	
<b>Invesco Intactive Strategic Yield Portfolio</b>		
Decision .....	3353	
<b>Investment Industry Regulatory Organization of Canada</b>		
Order – s. 147 of the Act and s. 80 of the CFA .....	3386	
<b>Kamposse Financial Corp.</b>		
Notice from the Office of the Secretary .....	3337	
Temporary Order – s. 127 .....	3380	
<b>Lombardi, Paola</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1 .....	3389	
<b>Mason, John Douglas Lee</b>		
Notice of Hearing – ss. 37, 127(1), 127.1 .....	3304	
Notice from the Office of the Secretary .....	3336	
<b>Mawer Investment Management Ltd.</b>		
Decision .....	3350	
Decision .....	3357	
<b>Memorandum of Understanding on the Cooperation of Competent Authorities for the Supervision of Credit Rating Agencies</b>		
Notice .....	3295	
<b>Memorandum of Understanding with Australian Securities and Investments Commission Concerning Consultation, Cooperation and the Exchange Of Information Related to the Supervision of Cross-Border Regulated Entities</b>		
Notice .....	3297	
<b>Mitton, Michael</b>		
Notice from the Office of the Secretary .....	3337	
Temporary Order – s. 127 .....	3380	
<b>Money Market Section</b>		
Decision .....	3370	
<b>Morgan Dragon Development Corp.</b>		
Notice of Hearing – ss. 127(1), 127(10) .....	3324	
Amended Notice of Hearing – ss. 127(1), 127.1 .....	3329	
Notice from the Office of the Secretary .....	3340	
<b>NB Split Corp.</b>		
Decision – s. 1(10) .....	3363	
<b>New Gold Limited Partnerships</b>		
Notice from the Office of the Secretary .....	3334	
Order – ss. 127(2), 144 .....	3378	
<b>New Life Capital Advantage Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1 .....	3389	
<b>New Life Capital Corp.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1 .....	3389	
<b>New Life Capital Investments Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1 .....	3389	
<b>New Life Capital Strategies Inc.</b>		
Notice from the Office of the Secretary .....	3334	
OSC Reasons– ss. 127, 127.1 .....	3389	

<b>NI 25-101 Designated Rating Organizations</b>		<b>Pogachar, L. Jeffrey</b>	
Notice.....	3294	Notice from the Office of the Secretary .....	3334
		OSC Reasons– ss. 127, 127.1 .....	3389
<b>NI 41-101 General Prospectus Requirements</b>		<b>Price, Alan S.</b>	
Notice.....	3294	Notice from the Office of the Secretary .....	3334
Notice.....	3296	OSC Reasons– ss. 127, 127.1 .....	3389
Rules and Policies .....	3431		
<b>NI 44-101 Short Form Prospectus Distributions</b>		<b>R.E.A.L. Group Fund III (Canada) LP</b>	
Notice.....	3294	Notice of Hearing – ss. 127(1), 127.1 .....	3310
		Notice from the Office of the Secretary .....	3336
<b>NI 51-102 Continuous Disclosure Obligations</b>		<b>Ramoutar, Justin</b>	
Notice.....	3294	Notice from the Office of the Secretary .....	3340
		Order – s. 127 .....	3384
<b>NI 81-101 Mutual Fund Prospectus Disclosure</b>		<b>Ramoutar, Pamela</b>	
Notice.....	3296	Notice from the Office of the Secretary .....	3340
Rules and Policies .....	3429	Order – s. 127 .....	3384
<b>NI 81-102 Mutual Funds</b>		<b>Reeves, Nicholas David</b>	
Notice.....	3296	Decision – ss. 127(1), 127(10) .....	3300
Rules and Policies .....	3415	Notice from the Office of the Secretary .....	3335
<b>NI 81-106 Investment Fund Continuous Disclosure</b>		<b>Rencore Resources Ltd.</b>	
Notice.....	3296	Order – s. 1(10)(a)(ii).....	3379
Rules and Policies .....	3428		
<b>North American Capital Inc.</b>		<b>Resolute Forest Products</b>	
Notice from the Office of the Secretary .....	3337	Notice from the Office of the Secretary .....	3335
Order – s. 127 .....	3379	Notice from the Office of the Secretary .....	3339
		Decision.....	3349
<b>North American Financial Group Inc.</b>		<b>Rezwealth Financial Services Inc.</b>	
Notice from the Office of the Secretary .....	3337	Notice from the Office of the Secretary .....	3340
Order – s. 127 .....	3379	Order – s. 127 .....	3384
<b>NP 11-205 Process for Designation of Credit Rating Organizations in Multiple Jurisdictions</b>		<b>Ricketts, Devon</b>	
Notice.....	3294	Notice of Hearing – ss. 127(1), 127(10) .....	3324
		Amended Notice of Hearing – ss. 127(1), 127.1.....	3329
<b>Omega ATS – Notice of Proposed Changes and Request for Comment</b>		Notice from the Office of the Secretary .....	3340
Marketplaces.....	3571		
<b>OSC Staff Notice 11-739 (Revised) – Policy Reformulation Table of Concordance and List of New Instruments</b>		<b>Robinson, Peter</b>	
Notice.....	3298	Notice from the Office of the Secretary .....	3334
		Order – ss. 127(2), 144 .....	3378
<b>Pac West Minerals Limited</b>		<b>Sceptre 130/30 Canadian Equity Fund</b>	
Notice of Hearing – ss. 37, 127(1), 127.1 .....	3304	Decision.....	3370
Notice from the Office of the Secretary .....	3336		
<b>Pacrim International Capital Inc.</b>		<b>Schaumer, Michael</b>	
Cease Trading Order .....	3413	Notice from the Office of the Secretary .....	3334
		Order – ss. 127(2), 144 .....	3378
<b>Pasternak, Oded</b>		<b>Shiff, Andrew</b>	
Notice from the Office of the Secretary .....	3334	Notice from the Office of the Secretary .....	3334
Order – ss. 127(2), 144 .....	3378	Order – ss. 127(2), 144 .....	3378
<b>Patrimonica Asset Management Inc.</b>		<b>Silverstein, Alan</b>	
New Registration.....	3569	Notice from the Office of the Secretary .....	3334
		Order – ss. 127(2), 144 .....	3378
<b>PFSL Fund Management Ltd.</b>		<b>Singh, Gobinder Kular</b>	
New Registration.....	3569	Notice of Hearing – s. 127 .....	3331
		Notice from the Office of the Secretary .....	3341

**Small Capitalization Section**

Decision ..... 3370

**Smith, Willoughby**

Notice from the Office of the Secretary ..... 3340  
Order – s. 127 ..... 3384

**Solium Financial Inc.**

New Registration..... 3569

**Strumos, Daniel**

Notice of Hearing – ss. 127, 127.1 ..... 3318  
Notice from the Office of the Secretary ..... 3339

**Syndications Canada Inc.**

Notice of Hearing – ss. 127, 127.1 ..... 3318  
Notice from the Office of the Secretary ..... 3339

**Tiffin Financial Corporation,**

Notice from the Office of the Secretary ..... 3340  
Order – s. 127 ..... 3384

**Tiffin, Daniel**

Notice from the Office of the Secretary ..... 3340  
Order – s. 127 ..... 3384

**Toreador Resources Corporation**

Decision – s. 1(10)..... 3377

**Toronto Stock Exchange**

Notice from the Office of the Secretary ..... 3341  
Order – s. 21.7 ..... 3385

**Tsatskin, Vadim**

Notice from the Office of the Secretary ..... 3334  
Order – ss. 127(2), 144 ..... 3378

**Tse, Herman**

Notice of Hearing – ss. 127(1), 127(10) ..... 3324  
Amended Notice of Hearing – ss. 127(1), 127.1 ..... 3329  
Notice from the Office of the Secretary ..... 3340

**Twilight Capital Inc.**

Voluntary Surrender of Registration ..... 3569

**Walker, Allan**

Notice from the Office of the Secretary ..... 3334  
Order – ss. 127(2), 144 ..... 3378

This page intentionally left blank