

The Ontario Securities Commission

OSC Bulletin

May 2, 2013

Volume 36, Issue 18

(2013), 36 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

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Published under the authority of the Commission by:

Carswell, a Thomson Reuters business

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Toronto, Ontario
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Outside North America	\$400

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ISSN 0226-9325
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Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

May 2, 2013

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

Ontario Securities Commission
Cadillac Fairview Tower
20 Queen Street West, 17th Floor
Toronto, Ontario
M5H 3S8

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Vern Krishna	—	VK
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Alan J. Lenczner	—	AJL
Christopher Portner	—	CP
Judith N. Robertson	—	JNR
AnneMarie Ryan	—	AMR
Charles Wesley Moore (Wes) Scott	—	CWMS

May 6 and May 8-10, 2013	10:00 a.m.	North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti
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s. 127

M. Vaillancourt in attendance for Staff

Panel: JDC

May 9, 2013	10:00 a.m.	New Solutions Capital Inc., New Solutions Financial Corporation, New Solutions Financial (II) Corporation, New Solutions Financial (III) Corporation, New Solutions Financial (VI) Corporation and Ron Ovenden
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s. 127

Y. Chisholm in attendance for Staff

Panel: EPK

May 10, 2013	10:00 a.m.	Children's Education Funds Inc.
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s. 127

D. Ferris in attendance for Staff

Panel: JEAT

May 14, 2013	10:00 a.m.	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 Basingdale
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s. 127

H. Craig/C. Watson in attendance for Staff

Panel: VK/EPK

<p>May 14-17 and May 22-24, 2013 10:00 a.m.</p>	<p>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: AJL</p>	<p>May 22, 2013 9:45 a.m.</p>	<p>Global Consulting and Financial Services, Global Capital Group, Crown Capital Management Corp., Michael Chomica, Jan Chomica and Lorne Banks s. 127 C. Rossi in attendance for Staff Panel: AJL</p>
<p>May 15, 2013 10:00 a.m.</p>	<p>Quadrex Asset Management Inc., Quadrex Secured Assets Inc., Offshore Oil Vessel Supply Services LP, Quibik Income Fund and Quibik Opportunities Fund s. 127 D. Ferris in attendance for Staff Panel: JEAT</p>	<p>May 22, 2013 10:00 a.m.</p>	<p>FactorCorp Inc., FactorCorp Financial Inc. and Mark Twerdun s. 127 C. Price in attendance for Staff Panel: CP</p>
<p>May 15-16 and May 30, 2013 10:00 a.m.</p>	<p>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 Corp., (aka Liquid Gold International Inc.) and Nanotech Industries Inc. s. 127 J. Feasby in attendance for Staff Panel: JDC</p>	<p>May 22-31, 2013 10:00 a.m.</p>	<p>2196768 Ontario Ltd carrying on business as Rare Investments, Ramadhar Dookhie, Adil Sunderji and Evgueni Todorov s. 127 D. Campbell in attendance for Staff Panel: EPK</p>
<p>May 17, 2013 10:00 a.m.</p>	<p>Blackwood & Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay) s. 37, 127 and 127.1 C. Rossi in attendance for Staff Panel: JEAT</p>	<p>May 27, 2013 10:00 a.m.</p>	<p>AMTE Services Inc., Osler Energy Corporation, Ranjit Grewal, Phillip Colbert and Edward Ozga s. 127 C. Rossi in attendance for Staff Panel: JEAT</p>
<p>May 17, 2013 10:00 a.m.</p>	<p>Blackwood & Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay) s. 37, 127 and 127.1 C. Rossi in attendance for Staff Panel: JEAT</p>	<p>May 27, 2013 11:00 a.m.</p>	<p>Heritage Education Funds Inc. s. 127 D. Ferris in attendance for Staff Panel: JEAT</p>
<p>May 17, 2013 10:00 a.m.</p>	<p>Blackwood & Rose Inc., Steven Zetchus and Justin Kreller (also known as Justin Kay) s. 37, 127 and 127.1 C. Rossi in attendance for Staff Panel: JEAT</p>	<p>May 28-31, June 5-6, 10-12, 14-17, 19-21 and July 22-26, 2013 10:00 a.m.</p>	<p>Jowdat Waheed and Bruce Walter s. 127 J. Lynch in attendance for Staff Panel: CP/SBK/PLK</p>

June 5, 2013
9:00 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

C. Rossi in attendance for Staff

Panel: CP

June 5-17 and
June 19-25,
2013

David Charles Phillips and John Russell Wilson

s. 127

10:00 a.m.

Y. Chisholm in attendance for Staff

Panel: JDC/EPK/CWMS

June 6, 2013

10:00 a.m.

New Hudson Television Corporation, New Hudson Television L.L.C. & James Dmitry Salganov

s. 127

C. Watson in attendance for Staff

Panel: MGC

June 6, 2013

10:00 a.m.

New Hudson Television LLC & Dmitry James Salganov

s. 127

C. Watson in attendance for Staff

Panel: MGC

June 6, 2013

11:00 a.m.

Ground Wealth Inc., Armadillo Energy Inc., Paul Schuett, Doug DeBoer, James Linde, Susan Lawson, Michelle Dunk, Adrion Smith, Bianca Soto and Terry Reichert

s. 127

J. Feasby in attendance for Staff

Panel: MGC

June 6, 2013

11:00 a.m.

Ground Wealth Inc., Michelle Dunk, Adrion Smith, Joel Webster, Douglas DeBoer, Armadillo Energy Inc., Armadillo Energy, Inc., and Armadillo Energy LLC

s. 127

J. Feasby in attendance for Staff

Panel: MGC

June 14, 2013

10:00 a.m.

Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)

s. 127 and 127.1

D. Ferris in attendance for Staff

Panel: VK

June 19, 2013

11:00 a.m.

Knowledge First Financial Inc.

s. 127

D. Ferris in attendance for Staff

Panel: JEAT

June 27, 2013

10:00 a.m.

Nest Acquisitions and Mergers, IMG International Inc., Caroline Myriam Frayssignes, David Pelcowitz, Michael Smith, and Robert Patrick Zuk

s. 37, 127 and 127.1

C. Price in attendance for Staff

Panel: JDC

July 3, 2013

10:00 a.m.

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

s. 127

J. Feasby in attendance for Staff

Panel: VK

July 31, 2013 10:00 a.m.	Oversea Chinese Fund Limited Partnership, Weizhen Tang and Associates Inc., Weizhen Tang Corp., and Weizhen Tang s. 127 and 127.1 H. Craig in attendance for Staff Panel: MGC	November 4 and November 6-18, 2013 10:00 a.m.	Systematech Solutions Inc., April Vuong and Hao Quach s. 127 D. Ferris in attendance for Staff Panel: TBA
September 4, 2013 11:00 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: EPK	January 13, January 15-27, January 29 – February 10, February 12-14 and February 18-21, 2014 10:00 a.m.	International Strategic Investments, International Strategic Investments Inc., Somin Holdings Inc., Nazim Gillani and Ryan J. Driscoll. s. 127 C. Watson in attendance for Staff Panel: TBA
September 16-23, September 25 – October 7, October 9-21, October 23 – November 4, November 6-18, November 20 – December 2, December 4-16 and December 18-20, 2013 10:00 a.m.	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 U. Sheikh in attendance for Staff Panel: JDC	May 5-16 and May 20 – June 20, 2014 10:00 a.m.	Paul Azeff, Korin Bobrow, Mitchell Finkelstein, Howard Jeffrey Miller and Man Kin Cheng (a.k.a. Francis Cheng) s. 127 T. Center/D. Campbell in attendance for Staff Panel: TBA
October 15-21, October 23-29, 2013 10:00 a.m.	Normand Gauthier, Gentree Asset Management Inc., R.E.A.L. Group Fund III (Canada) LP, and CanPro Income Fund I, LP s. 127 B. Shulman in attendance for Staff Panel: EPK	In writing TBA	Morgan Dragon Development Corp., John Cheong (aka Kim Meng Cheong), Herman Tse, Devon Ricketts and Mark Griffiths s. 127 J. Feasby in attendance for Staff Panel: EPK Yama Abdullah Yaqeen s. 8(2) J. Superina in attendance for Staff Panel: TBA

TBA	<p>Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell</p> <p>s. 127</p> <p>Panel: TBA</p>	TBA	<p>Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan</p> <p>s. 127</p> <p>H. Craig/C.Rossi in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Frank Dunn, Douglas Beatty, Michael Gollogly</p> <p>s. 127</p> <p>Panel: TBA</p>	TBA	<p>Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt</p> <p>s. 127</p> <p>M. Vaillancourt in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric</p> <p>s. 127 & 127(1)</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>David M. O'Brien</p> <p>s. 37, 127 and 127.1</p> <p>B. Shulman in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Gold-Quest International and Sandra Gale</p> <p>s. 127</p> <p>C. Johnson in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Bunting & Waddington Inc., Arvind Sanmugam, Julie Winget and Jenifer Brekelmans</p> <p>s. 127</p> <p>M. Britton/A. Pelletier in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Beryl Henderson</p> <p>s. 127</p> <p>Panel: TBA</p>
		TBA	<p>Crown Hill Capital Corporation and Wayne Lawrence Pushka</p> <p>s. 127</p> <p>A. Perschy/A. Pelletier in attendance for Staff</p> <p>Panel: TBA</p>

TBA	<p>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</p> <p>s. 127</p> <p>H Craig in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung and David Horsley</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>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</p> <p>s. 127 & 127.1</p> <p>D. Campbell in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho and Simon Yeung</p> <p>s. 127</p> <p>H. Craig in attendance for Staff</p> <p>Panel: TBA</p>
		TBA	<p>Fawad UI Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus</p> <p>s. 60 and 60.1 of the <i>Commodity Futures Act</i></p> <p>T. Center in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Ernst & Young LLP</p> <p>s. 127 and 127.1</p> <p>A. Clark in attendance for Staff</p> <p>Panel: TBA</p>	TBA	<p>Global RESP Corporation and Global Growth Assets Inc.</p> <p>s. 127</p> <p>D. Ferris in attendance for Staff</p> <p>Panel: TBA</p>
TBA	<p>Newer Technologies Limited, Ryan Pickering and Rodger Frey</p> <p>s. 127 and 127.1</p> <p>B. Shulman in attendance for staff</p> <p>Panel: TBA</p>	TBA	<p>Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh</p> <p>s. 127 and 127.1</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>

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

s. 127(1) & (5)

A. Heydon/Y. Chisholm in attendance for Staff

Panel : TBA

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

s. 127

T. Center in attendance for Staff

Panel: EPK

TBA **Garth H. Drabinsky, Myron I. Gottlieb and Gordon Eckstein**

s. 127

A. Clark/J. Friedman in attendance for Staff

Panel: TBA

TBA **Portfolio Capital Inc., David Rogerson and Amy Hanna-Rogerson**

s. 127

J. Lynch in attendance for Staff

Panel: TBA

TBA **Heritage Management Group and Anna Hrynysak**

s. 127

C. Rossi in attendance for Staff

Panel: TBA

TBA **Ronald James Ovenden, New Solutions Capital Inc., New Solutions Financial Corporation and New Solutions Financial (li) Corporation**

s. 127

Y. Chisholm in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

TBA **Vincent Ciccone and Cabo Catoche Corp. (a.k.a. Medra Corp. and Medra Corporation)**

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

Global Privacy Management Trust and Robert Cranston

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

TBA **Onix International Inc. and Tyrone Constantine Phipps**

s. 127

C. Rossi in attendance for Staff

Panel: TBA

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

1.2 Notices of Hearing

1.2.1 Fawad Ul Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus– Rule 6.7 of the OSC Rules of Procedure

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

AND

IN THE MATTER OF
FAWAD UL HAQ KHAN and
KHAN TRADING ASSOCIATES INC.
carrying on business as MONEY PLUS

NOTICE OF HEARING
(Rule 6.7 of the Commission's Rules of Procedure
(2012), 35 O.S.C.B. 10071)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant Rule 6.7 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 ("*Rules of Procedure*") at the offices of the Commission located at 20 Queen Street West, 17th Floor (the "Offices of the Commission"), on June 24, 2013 at 11:30 a.m. to hear a motion application by the respondents;

AND TAKE NOTICE the Commission will hold a further hearing pursuant Rule 6.7 of the *Rules of Procedure* at the Offices of the Commission on August 14, 2013 at 11:00 a.m. to hear a motion application by the respondents;

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

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

DATED at Toronto this 26th day of April, 2013.

"John Stevenson"

1.3 News Releases

1.3.1 Ontario Securities Commission Publishes Proposed Amendments on Disclosure Required for Foreign Offerings

FOR IMMEDIATE RELEASE
April 25, 2013

**ONTARIO SECURITIES COMMISSION PUBLISHES
PROPOSED AMENDMENTS ON DISCLOSURE REQUIRED FOR FOREIGN OFFERINGS**

Toronto – The Ontario Securities Commission (OSC) announced today that it is publishing for a 90-day comment period proposed rule amendments that will remove certain Canadian-specific disclosure requirements for offerings of foreign securities made in Ontario on a private placement basis to sophisticated investors. Broadly speaking, the primary purpose of the proposed amendments is to eliminate the need to prepare a “wrapper” for an offering document in these circumstances.

The OSC expects that the related proposed rule amendments will facilitate foreign securities offerings being made in Canada on a private placement basis to sophisticated investors.

Today’s announcement is made in conjunction with the publication of a decision on an application made in Ontario and certain other jurisdictions by a group of Canadian and foreign dealers for exemptive relief to address these issues.

To ensure that dealers outside of the applicant group are not put at a disadvantage in the marketplace for foreign offerings, the decision will have a 60-day period of delayed effectiveness in order to allow other parties sufficient time to apply for similar relief.

The comment period on the proposed amendments runs until Wednesday July 24, 2013 and the document is available on the OSC’s website: www.osc.gov.on.ca.

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1.3.2 New Service Provider for the Operation of the CSA National Systems



FOR IMMEDIATE RELEASE
April 25, 2013

NEW SERVICE PROVIDER FOR THE OPERATION OF THE CSA NATIONAL SYSTEMS

TORONTO – The Canadian Securities Administrators (CSA) are pleased to announce that a new service agreement has been entered into with CGI Information Systems and Management Consultants Inc. (CGI) pursuant to which CGI will take over the hosting, operation and maintenance of the System for Electronic Documents Analysis and Retrieval (SEDAR), the System for Electronic Disclosure by Insiders (SEDI) and the National Registration Database (NRD) (collectively, the CSA National Systems) later this year when the agreements with the current service provider expire.

The new arrangements with CGI are expected to decrease the operating costs of the CSA National Systems and provide opportunities to pass along savings to market participants. Moreover, at the time CGI takes over operation of the CSA National Systems, overall systems fees to market participants are expected to be reduced when proposed National Instrument 13-102 Systems Fees for SEDAR and NRD comes into effect.

Under the terms of the new agreement, CGI will provide data centre, data network, service desk, application management, user and billing, disaster recovery and certain other services. The new agreement has an initial term of five years commencing from the time CGI takes over the operation of the CSA National Systems and is extendible for up to three additional years.

CGI was the successful respondent to a request for proposals, which was publicly issued in July 2012.

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

For more information:

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

Richard Gilhooley
British Columbia Securities Commission
604-899-6713

1.3.3 Canadian Securities Regulators Undertake Review Following Loss of Personal Information



FOR IMMEDIATE RELEASE
April 26, 2013

CANADIAN SECURITIES REGULATORS UNDERTAKE REVIEW FOLLOWING LOSS OF PERSONAL INFORMATION

TORONTO – The Canadian Securities Administrators (CSA) announced that, as part of its ongoing oversight, it is reviewing the Investment Industry Regulatory Organization of Canada's (IIROC) policies, procedures and controls as a result of the recent accidental loss of a portable device containing personal information about clients of some IIROC member firms.

The CSA is responsible for the regulatory oversight of IIROC, which is a self-regulatory organization that regulates investment dealers and trading activities on debt and equity marketplaces in Canada. IIROC must, subject to applicable legislation, collect, use and disclose personal information only to the extent reasonably necessary to carry out its regulatory activities and mandate. IIROC is also required to adopt policies and procedures designed to ensure that confidential information about the operations of its dealer members is maintained in confidence and is not shared inappropriately with other persons.

The CSA is reviewing the facts surrounding this incident, including a review of IIROC's current policies, procedures and controls relating to information security, the encryption of data, and the collection and storage of personal information for regulatory purposes.

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

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Ainsley Cunningham
The Manitoba Securities Commission
204-945-4733

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

Tanya Wiltshire
Nova Scotia Securities Commission
902-424-8586

Daniela Machuca
Financial and Consumer Affairs
Authority of Saskatchewan
306-798-4160

Janice Callbeck
The Office of the Superintendent of
Securities, P.E.I.
902-368-6288

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

Rhonda Horte
Office of the Yukon Superintendent
of Securities
867-667-5466

Louis Arki
Nunavut Securities Office
867-975-6587

Donn MacDougall
Northwest Territories Securities Office
867-920-8984

1.4 Notices from the Office of the Secretary

1.4.1 Colby Cooper Capital Inc. et al.

FOR IMMEDIATE RELEASE
April 24, 2013

**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 Commission issued an Order in the above named matter which provides that the date of April 24, 2013 scheduled for a confidential prehearing conference is vacated.

A copy of the Order dated April 24, 2013 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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SECRETARY

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

1.4.2 Colby Cooper Capital Inc. et al.

FOR IMMEDIATE RELEASE
April 24, 2013

**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**

AND

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

TORONTO – Following a hearing held today, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Colby Cooper Capital Inc., Colby Cooper Inc., Pac West Minerals Limited, and John Douglas Lee Mason.

A copy of the Order dated April 24, 2013 and Settlement Agreement dated April 18, 2013 are available at www.osc.gov.on.ca.

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1.4.3 Myron Sullivan II et al.

FOR IMMEDIATE RELEASE
April 25, 2013

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

AND

**IN THE MATTER OF
MYRON SULLIVAN II formerly known as FRED MYRON
GEORGE SULLIVAN, GLOBAL RESPONSE GROUP
(GRG) CORP., and IMC – INTERNATIONAL
MARKETING OF CANADA CORP.**

TORONTO – The Commission issued an Order in the above noted matter which provides that:

- (a) Staff's application to proceed by way of written hearing is granted;
- (b) Staff's materials in respect of the written hearing shall be filed no later than May 9, 2013;
- (c) The Respondents' responding materials, if any, shall be served and filed no later than May 23, 2013; and
- (d) Staff's reply materials, if any, shall be served and filed no later than May 30, 2013.

A copy of the Order dated April 25, 2013 is available at www.osc.gov.on.ca.

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1.4.4 Global Energy Group, Ltd. et al.

FOR IMMEDIATE RELEASE
April 26, 2013

**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, 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**

TORONTO – The Commission issued an Order in the above named matter which provides that:

- (i) the oral hearing scheduled for April 26, 2013 proceed in writing and the hearing date scheduled for April 26, 2013 is vacated;
- (ii) the Temporary Order is extended against Rash until September 5, 2013; and
- (iii) the hearing is adjourned to September 4, 2013 at 11:00 a.m.

A copy of the Order dated April 26, 2013 is available at www.osc.gov.on.ca.

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1.4.5 Fawad Ul Haq Khan and Khan Trading Associates Inc. carrying on business as Money Plus

FOR IMMEDIATE RELEASE
April 26, 2013

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

AND

**IN THE MATTER OF
FAWAD UL HAQ KHAN and
KHAN TRADING ASSOCIATES INC.
carrying on business as MONEY PLUS**

TORONTO – The Office of the Secretary issued a Notice of Hearing pursuant to Rule 6.7 of the Commission's *Rules of Procedure* in the above named matter.

A copy of the Notice of Hearing dated April 26, 2013 is available at www.osc.gov.on.ca.

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1.4.6 David Charles Phillips and John Russell Wilson

FOR IMMEDIATE RELEASE
April 26, 2013

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

AND

IN THE MATTER OF
DAVID CHARLES PHILLIPS AND
JOHN RUSSELL WILSON

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations dated April 25, 2013 with the Office of the Secretary in the above noted matter.

A copy of the Amended Statement of Allegations dated April 25, 2013 is available at www.osc.gov.on.ca.

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

AND

**IN THE MATTER OF
DAVID CHARLES PHILLIPS AND
JOHN RUSSELL WILSON**

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

1. This case revolves around David Charles Phillips, a founder and the directing mind of the First Leaside Group, who intentionally deceived investors by selling and overseeing the sales of almost \$19 million in securities while withholding important information.

Overview

2. David Charles Phillips ("Phillips") was a founder and the directing mind of a group of at least 161 companies (the "First Leaside Group"). Phillips directed all significant aspects of the business and growth of the First Leaside Group from its inception in the late 1980s until at least November 2011. John Russell Wilson ("Wilson") was a senior salesperson employed by First Leaside Securities Inc. ("FLSI"), an investment dealer and one of the companies in the First Leaside Group. Wilson worked closely with and reported directly to Phillips.
3. Between August 22 and October 28, 2011 (the "Sales Period"), Phillips directed and oversaw sales of First Leaside Group equity and debt offerings which raised about \$18.76 million from investors. Phillips and Wilson were directly responsible for about 66% of the sales. Phillips sold about \$3.38 million directly to investors, and Wilson sold about \$8.95 million directly to investors.
4. Phillips and Wilson effected these sales knowing that an independent accounting firm, Grant Thornton Limited ("Grant Thornton"), had conducted an extensive six month review of the First Leaside Group and had delivered a report on August 19, 2011 (the "Grant Thornton Report"). The Grant Thornton Report included findings that the future viability of the First Leaside Group was contingent on its ability to raise new capital and that there was a significant equity deficit.
5. The fact that Grant Thornton was reviewing the First Leaside Group, the existence of the Grant Thornton Report and the Grant Thornton Report were important facts investors should have known. During the Sales Period, Phillips did not disclose these important facts to the First Leaside Group salespeople, nor did Phillips and Wilson disclose them to investors to whom they sold directly. By concealing these facts while selling to investors, and in Phillips' case, supervising the entire sales effort, Phillips and Wilson dishonestly placed investors' pecuniary interests at risk.
6. Each of Phillips and Wilson breached subsection 126.1(b) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Securities Act*") by directly or indirectly engaging or participating in an act, practice or course of conduct relating to securities which they each knew, or reasonably ought to have known, would perpetrate a fraud on investors. Each of Phillips and Wilson also breached subsection 44(2) of the *Securities Act*, section 2.1 of Ontario Securities Commission (the "Commission") Rule 31-505, and acted contrary to the public interest.

The First Leaside Group

7. The First Leaside Group included First Leaside Wealth Management Inc. ("FLWM"), which owned FLSI and an exempt market dealer, F.L. Securities Inc. ("F.L. Securities"). FLWM has never been registered under the *Securities Act*.
8. FLSI was registered with the Commission as an investment dealer from March 1, 2004 until February 24, 2012, when its registration was suspended. FLSI was also registered as a dealer member with the Investment Industry Regulatory Organization of Canada ("IIROC"). FLSI's IIROC membership was suspended on February 24, 2012.
9. F.L. Securities was registered with the Commission as a limited market dealer from March 1, 1991 until September 28, 2009, and as an exempt market dealer from September 28, 2009 until February 28, 2012, when its registration was suspended.

The Respondents

Phillips

10. Phillips is an Ontario resident, and has been registered with the Commission in various capacities since 1981. Phillips was the Chief Executive Officer, President, Secretary and a director of the investment dealer FLSI, and the President and a director of FLWM. Phillips owned 100% of the common shares of FLWM.
11. In respect of FLSI, Phillips was registered with the Commission in various capacities from March 1, 2004 to February 24, 2012, and was registered as the ultimate designated person from January 11, 2010 to February 24, 2012. In respect of F.L. Securities, Phillips was registered with the Commission in various capacities from April 14, 2000 to February 27, 2004, and was approved as a shareholder from March 17, 2004 to February 28, 2012.
12. Phillips' registration with FLSI and F.L. Securities was suspended on February 24 and 28, 2012, respectively, pursuant to subsection 29(2) of the *Securities Act*.

Wilson

13. Wilson is an Ontario resident, and has been registered with the Commission in various capacities since 2003. Wilson was a director of FLWM. Wilson commenced employment with FLSI in 2005 and was employed with FLSI until February 2012.
14. In respect of FLSI, Wilson was registered as a salesperson from April 12, 2005 to February 24, 2012 and approved as an officer and director from March 29, 2011 to February 24, 2012.
15. Wilson's registration with FLSI was suspended on February 24, 2012, pursuant to subsection 29(2) of the *Securities Act*.

First Leaside Group's Clients and Business

16. On or about August 19, 2011, the First Leaside Group had at least 1,000 clients, most of whom were residents of Ontario. The First Leaside Group sold proprietary equity and debt offerings that were invested directly or indirectly within the First Leaside Group, and offered full brokerage and financial planning services administered by a carrying broker.
17. The First Leaside Group's proprietary equity and debt offerings typically consisted of units in limited partnerships ("LPs") and funds ("Funds"). The LPs primarily held real estate, including multi-unit residential properties in Canada and Texas. The Funds primarily held promissory notes in LPs which, in turn, held real estate. The real estate included 10 properties held by a member of the First Leaside Group, the Wimberly Apartments LP ("WALP"), through its subsidiaries.
18. At all times during the Sales Period, Phillips continued to be the directing mind of the First Leaside Group. Until at least November 3, 2011, Phillips was responsible for all aspects of the First Leaside Group, including capital raises, deal origination, deal negotiation and structuring and internal administration.

The Grant Thornton Report

19. In the months leading up to the Sales Period, significant real estate assets were being appraised and the business and operations of the First Leaside Group were under review by independent third parties.
20. In November 2010, Staff of the Commission ("Staff") sought an accurate, third party market valuation for the WALP properties in Texas and an additional property held by First Leaside Partners LP. The First Leaside Group engaged CB Richard Ellis and Joseph J. Blake and Associates Inc., which delivered their valuation reports to the First Leaside Group by January 2011.
21. In February 2011, due to concerns stemming from the valuation reports, Staff urged the First Leaside Group to retain an independent accounting firm with recognized expertise in restructuring and insolvency matters to conduct a viability study of the First Leaside Group.
22. In March 2011, Grant Thornton was retained by Cassels Brock & Blackwell LLP ("Cassels Brock") to review, report on and make recommendations in respect of the business, assets, affairs and operations of the First Leaside Group. Cassels Brock was counsel to Phillips and to the First Leaside Group.

23. Between March and August 2011, Grant Thornton performed its review of the First Leaside Group, and on August 19, 2011, delivered its report. The Grant Thornton Report included the following findings:

The future viability of the [First Leaside] Group is contingent on their ability to raise new capital. One of the largest sources of revenue in the [First Leaside] Group is the fees it generates in FLWM on the raising of new capital. If the [First Leaside] Group was restricted from raising new capital, it would likely be unable to continue its operations in the ordinary course, as it would have insufficient revenue to support its infrastructure, staffing costs, distributions, and to meet their funding requirements for existing projects.

[...]

We have also reviewed the Asset Valuation of the [First Leaside] Group, using the highest third party valuation figures available for the WALP properties. In this regard, we have calculated an aggregate equity surplus (represented as asset FMV, less third party mortgages and investor debt) of approximately \$67M, while there is raised equity in the [First Leaside] Group of approximately \$200M. In this regard, there is a significant equity deficit based on the Asset Valuation.

24. Phillips and Wilson were aware that Grant Thornton had been retained to review the First Leaside Group, and each received the Grant Thornton Report on or shortly after August 19, 2011.
25. Despite knowing about the engagement of Grant Thornton, the existence of the Grant Thornton Report and having received the Grant Thornton Report, Phillips directed and oversaw a sales effort, and he and Wilson each sold securities directly to investors while concealing these important facts.

Phillips’ and Wilson’s Conduct During the Sales Period

26. During the Sales Period, about \$18.76 million was raised from investors through sales of units in the following offerings:

Entity	Cost of Units Sold
Special Notes LP	\$8,077,328
First Leaside Expansion LP	3,927,102
Flex Fund – Class B and C	3,029,990
First Leaside Venture LP	1,921,359
FLWM Fund	1,265,931
First Leaside Primetime Living LP	335,000
First Leaside Beverages Group LP	130,010
Wimberly Apartments LP	78,448
Total	\$18,765,168

27. During the Sales Period, Phillips sold units directly to investors, supervised all of the salespeople and approved each sale, and Wilson sold units directly to investors. Phillips’ direct sales totalled about \$3,388,626, and Wilson’s direct sales totalled about \$8,945,865 for a combined total of \$12,334,491 or about 66% of sales.
28. Phillips and Wilson each sold units in the Special Notes LP, First Leaside Expansion LP, Flex Fund Class B and C, First Leaside Venture LP, FLWM Fund and WALP directly to investors. Wilson also sold units in First Leaside Primetime Living LP and First Leaside Beverages Group LP directly to investors.
29. Phillips did not disclose to the First Leaside Group salespeople, and Phillips and Wilson did not disclose to investors the fact that Grant Thornton had reviewed the First Leaside Group, the existence of the Grant Thornton Report or the Grant Thornton Report.

30. As registrants, each of Phillips and Wilson had an obligation to deal honestly, fairly and in good faith with their clients. In supervising and conducting sales in the circumstances described, Phillips failed to discharge this obligation. In conducting sales in the circumstances described, Wilson failed to discharge this obligation.

Companies' Creditors Arrangement Act Proceeding

31. On February 23, 2012, less than 4 months after the end of the Sales Period, FLWM, FLSI, F.L. Securities and other members of the First Leaside Group obtained an order from the Ontario Superior Court of Justice that the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 applies to them and they are now subject to a court-supervised wind-up.

Breaches of the Securities Act and Conduct Contrary to the Public Interest

32. Phillips and Wilson each directly or indirectly engaged or participated in an act, practice or course of conduct relating to securities which he knew, or reasonably ought to have known, would perpetrate a fraud on investors, contrary to subsection 126.1(b) of the *Securities Act*.
33. Phillips and Wilson each made statements a reasonable investor would consider relevant in deciding whether to enter into or maintain a trading or advising relationship, which 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 *Securities Act*.
34. Phillips and Wilson each failed to deal fairly, honestly and in good faith with their clients, contrary to section 2.1 of Commission Rule 31-505.
35. Phillips and Wilson each engaged in conduct contrary to the public interest and harmful to the integrity of the capital markets.
36. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

DATED at Toronto this 25th day of April 2013.

1.4.7 Global Consulting and Financial Services et al.

FOR IMMEDIATE RELEASE
April 29, 2013

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

AND

IN THE MATTER OF
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

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that the Amended Temporary Order is extended to June 6, 2013 and the hearing is adjourned to June 5, 2013 at 9:00 a.m., or such other date and time as set by the Office of the Secretary and agreed to by the parties.

A copy of the Temporary Order dated April 25, 2013 is available at www.osc.gov.on.ca.

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1.4.8 JV Raleigh Superior Holdings Inc. et al

FOR IMMEDIATE RELEASE
April 29, 2013

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

AND

IN THE MATTER OF
JV RALEIGH SUPERIOR HOLDINGS INC.,
MAISIE SMITH (also known as MAIZIE SMITH)
AND INGRAM JEFFREY ESHUN

TORONTO – The Commission issued its Reasons and Decision and an Order in the above noted matter.

A copy of the Reasons and Decision and the Order dated April 25, 2013 are available at www.osc.gov.on.ca.

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1.4.9 Nest Acquisitions and Mergers et al.

FOR IMMEDIATE RELEASE
April 29, 2013

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

AND

**IN THE MATTER OF
NEST ACQUISITIONS AND MERGERS,
IMG INTERNATIONAL INC.,
CAROLINE MYRIAM FRAYSSIGNES,
DAVID PELCOWITZ, MICHAEL SMITH, and
ROBERT PATRICK ZUK**

TORONTO – Following the hearing on the merits in the above noted matter, the Commission issued its Reasons and Decision.

The Commission also issued an Order which provides that a hearing to determine sanctions and costs will be held on June 27, 2013 at 10:00 a.m. at the offices of the Commission at 20 Queen Street West, 17th Floor, Toronto, Ontario.

A copy of the Reasons and Decision dated April 26, 2013 and the Order dated April 26, 2013 are available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Taggart Capital Corp. – s. 1(10)(a)(ii)

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)(a)(ii).

April 23, 2013

Taggart Capital Corp.
1 First Canadian Place, Suite 6100
Toronto, Ontario
M5X 1C1

Dear Sirs/Mesdames:

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

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

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

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 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;

(c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of 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.

“Lisa Enright”
Manager, Corporate Finance
Ontario Securities Commission

2.1.2 Nexen Inc.

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 – issuer has more than 15 securityholders in one jurisdiction, more than 51 securityholders worldwide, but less than 51 securityholders in Canada.

Applicable Legislative Provisions

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

April 24, 2013

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

AND

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

AND

IN THE MATTER OF
NEXEN INC.
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that the Filer be deemed to have ceased to be a reporting issuer in the Jurisdictions (the **Exemptive Relief Sought**).

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

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

Interpretation

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

Representations

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

1. The Filer was formed in Canada in 1971 from the reorganization of two Occidental Petroleum Corporation subsidiaries and is currently organized pursuant to the *Canada Business Corporations Act (CBCA)*. The Filer is a reporting issuer or equivalent in each of the Jurisdictions.
2. The Filer's head office is located in Calgary, Alberta.
3. On February 25, 2013, the Filer completed a transaction pursuant to an arrangement agreement with CNOOC Limited (**CNOOC**) and CNOOC Canada Holding Ltd. (**CNOOC Holding**), a wholly-owned subsidiary of CNOOC, pursuant to which CNOOC acquired, through CNOOC Holding, all the issued and outstanding common shares (**Common Shares**) and cumulative redeemable Class A rate reset preferred shares, Series 2 (**Preferred Shares**) of the Filer by way of a plan of arrangement under Section 192 of the CBCA (the **Arrangement**).
4. Following completion of the Arrangement, CNOOC became the sole beneficial shareholder of the Common Shares and the Preferred Shares.
5. The Common Shares and the Preferred Shares were de-listed from the Toronto Stock Exchange (**TSX**) as of the end of business on February 28, 2013 and the Common Shares were de-listed from the New York Stock Exchange (**NYSE**) on March 8, 2013.
6. On March 28, 2013, the Filer redeemed all of the outstanding 7.35% unsecured subordinated notes due November 1, 2043 issued pursuant to the subordinated debt indenture between the Filer and Deutsche Bank Trust Company Americas dated as of November 4, 2003. The Subordinated Notes were de-listed from the TSX on March 28, 2013 and from the NYSE on April 8, 2013.
7. Pursuant to the trust indenture between Canadian Occidental Petroleum Ltd. (predecessor to the Filer) and CIBC Mellon Trust Company made as of April 28, 1998, as supplemented by supplemental indentures dated April 28, 1998, February 4, 1999, March 11, 2002, November 20, 2003, March 10, 2005, February 24, 2013 and March 22, 2013 (the **1998 Indenture**), the Filer issued:

- (a) US\$200 million aggregate principal amount of 7.40% notes due 2028;
- (b) US\$500 million aggregate principal amount of 7.875% notes due 2032;
- (c) US\$250 million aggregate principal amount of 5.20% notes due 2015; and
- (d) US\$790 million 5.875% notes due 2035 (collectively, the 1998 Notes).
8. Pursuant to the senior debt indenture between the Filer and Deutsche Bank Trust Company Americas dated as of May 4, 2007, as supplemented by supplemental indentures dated July 30, 2009, February 24, 2013 and March 22, 2013 (the 2007 Indenture), the Filer issued:
- (a) US\$250 million aggregate principal amount of 5.65% notes due 2017;
- (b) US\$1.25 billion aggregate principal amount of 6.40% notes due 2037;
- (c) US\$300 million aggregate principal amount of 6.20% notes due 2019; and
- (d) US\$700 million aggregate principal amount of 7.50% notes due 2039 (collectively, the **2007 Notes** and, together with the 1998 Notes, the **Senior Notes**).
9. The Filer has repurchased and cancelled a portion of aggregate principal amount of certain series of the Senior Notes such that, as at December 31, 2012, approximately US\$1.616 billion aggregate principal amount of the 1998 Notes and approximately US\$2.312 billion aggregate principal amount of the 2007 Notes were issued and outstanding for a total aggregate principal amount of approximately US\$3.928 billion. The Senior Notes are not convertible or exchangeable for Common Shares or other securities of the Filer. The Senior Notes are not listed or any exchange or marketplace.
10. The Filer made diligent enquiry (the **Investigation**) with Ipreo Holdings LLC (**Ipreo**) and Broadridge Financial Solutions, Inc. (**Broadridge**) to ascertain that, as of March 2013, approximately US\$3.7 billion aggregate principal amount of the Senior Notes were held by 125 institutional beneficial holders holding one or more series of the Senior Notes. Pursuant to the Investigation, 115 of the 125 institutional beneficial holders are U.S. institutions. Nine of the remaining ten beneficial holders, holding US\$310 million aggregate principal amount of the Senior Notes, were non-U.S. and non-Canadian institutions. The remaining holder is Euroclear, which is the European equivalent of DTC in the United States.
- Euroclear holds US\$99 million aggregate principal amount of the Senior Notes and does not release beneficial holder information.
11. The Filer has made diligent enquiry with Ipreo and Broadridge to ascertain the location of security-holders in Canada. To the best of the Filer's knowledge and belief, pursuant to the Investigation, there are no more than 49 beneficial holders of the Senior Notes in Canada, holding an aggregate of US\$114 million aggregate principal amount of the Senior Notes, representing not more than 2.9% of the outstanding principal amount of the Senior Notes. The remaining US\$108 million of the Senior Notes, representing 2.8% of the outstanding principal amount of the Senior Notes, are held by an undisclosed number of non-Canadian holders who have elected not to be identified.
12. Of the 49 beneficial holders in Canada, which hold one or more series of the Senior Notes, 37 have been identified to be resident in Ontario, three to be resident in Alberta, three to be resident in Québec, two to be resident in British Columbia and two to be resident in Manitoba. The Investigation was not able to identify the province of residence of the two remaining Canadian holders, holding in aggregate US\$2 million of the principal amount of the Senior Notes.
13. There is no obligation in the provisions of the 1998 Indenture or the 2007 Indenture for the Filer to maintain its status as a reporting issuer or equivalent in any of the Jurisdictions.
14. On March 22, 2013, the Filer completed a successful consent solicitation and implemented certain amendments to the 1998 Indenture and the 2007 Indenture, which included the following:
- (a) provision by CNOOC of a guarantee of the Filer's obligations under the 1998 Indenture, the 2007 Indenture and the Senior Notes;
- (b) removal of the Filer's reporting obligations under the 1998 Indenture and replacement of such with obligations consistent with the 2007 Indenture; and
- (c) addition of certain reporting covenants of CNOOC under both the 1998 Indenture and the 2007 Indenture on the basis that, as the publicly-listed (on the NYSE and The Stock Exchange of Hong Kong Limited) parent of the Filer, reporting of CNOOC is more relevant to investors than that of the Filer. CNOOC currently maintains a status as a "foreign private issuer" with the Securities and Exchange Commission and files its requisite disclosure materials on EDGAR. In

addition, CNOOC intends to list its securities on the TSX, following which, it is expected that CNOOC will become a reporting issuer in Canada.

15. Pursuant to the 1998 Indenture and the 2007 Indenture, the Filer is required to file with the trustee the continuous disclosure materials that it is required to file with the Securities and Exchange Commission pursuant to the applicable provisions of U.S. securities laws. The Filer currently has no obligation to continue to file reports with the Securities and Exchange Commission and intends to cease filing any such reports.
16. Pursuant to the 1998 Indenture and the 2007 Indenture, CNOOC is required to deliver to the trustee, upon request, certain financial statements filed with The Stock Exchange of Hong Kong Limited. If CNOOC's ordinary shares are no longer listed for trading on The Stock Exchange of Hong Kong Limited, CNOOC is required to deliver to the trustee, upon request, copies of its annual and semi-annual financial statements.
17. To the best of the Filer's knowledge and belief, the Filer's outstanding securities, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the Jurisdictions, other than in Ontario, and by fewer than 51 securityholders in total in Canada.
18. The Filer is not eligible to surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 securityholders (both debt and equity). As a result, and because the Filer's outstanding securities are beneficially owned, directly or indirectly, by more than 15 securityholders in Ontario and more than 51 securityholders worldwide, the Filer is not eligible to file under the simplified procedure in CSA Staff Notice 12-307 *Applications for Decision that an Issuer is not a Reporting Issuer*.
19. The Filer's securities, including debt securities, are not and will not be traded in Canada or another country on a marketplace as defined in National Instrument 21-101 *Marketplace Operation* or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
20. The Filer is not a reporting issuer in any jurisdictions of Canada other than the Jurisdictions. The Filer is applying for relief to cease to be a reporting issuer in each of the Jurisdictions.
21. The Filer is not in default of securities legislation in any of the Jurisdictions.

22. Upon granting of the Exemptive Relief Sought, the Filer will not be a reporting issuer or the equivalent in any jurisdiction of Canada.

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 Exemptive Relief Sought is granted.

Blaine Young
Associate Director, Corporate Finance

2.1.3 Sheltered Oak Resources Corp.

Headnote

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

Ontario Statutes

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

April 29, 2013

Armstrong Simpson
2080-777 Hornby Street
Vancouver, BC V6Z 1S4

Dear Sirs/Mesdames:

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

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

In this decision, “securityholder” means, for a security, the beneficial owner of the security.

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 securityholders in each of the jurisdictions of Canada and fewer than 51 securityholders in total worldwide;
- (b) no securities of the Applicant, including debt securities, are traded in Canada or another country on a marketplace as defined in National Instrument 21-101 Marketplace Operation or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported;
- (c) the Applicant is applying for a decision that it is not a reporting issuer in all of the jurisdictions of 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.

“Kathryn Daniels”
Deputy Director, Corporate Finance
Ontario Securities Commission

2.1.4 WesternZagros Resources Ltd.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – permission granted to the Filer to refer to its intention to make application to list its common shares on the London Stock Exchange in certain offering documents and news releases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 38(3).

January 23, 2013

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO,
NEW BRUNSWICK, NOVA SCOTIA,
PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
WESTERNZAGROS RESOURCES LTD.
(THE FILER)

DECISION

Background

The Executive Director, Director, Director of Securities or Superintendent of Securities (as the case may be) of the securities regulatory authority or regulator in each of the Jurisdictions (the **Decision Maker**) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that:

- (a) the Filer be permitted to refer to its intention to make application to list its common shares (**Common Shares**) on the main market of the London Stock Exchange (the **LSE**) in each of its:
 - (i) UK Pathfinder Prospectus (as defined below);
 - (ii) UK Prospectus (as defined below);
 - (iii) Preliminary Prospectus;
 - (iv) (Final) Prospectus; and
 - (v) News releases relating to the filing of the Preliminary Prospectus and the intention

to float the Common Shares on the LSE (the News Releases) (together, the **Exemptive Relief Sought**); and

- (b) that the application and this decision be held in confidence by the Decision Makers (the Confidentiality Relief.)

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

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

Interpretation

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

Representations

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

General

1. The Filer is a corporation governed by the *Business Corporations Act* (Alberta) (the **ABCA**).
2. The Filer is an international oil and gas company engaged in acquiring properties and exploring for, developing and producing crude oil and natural gas in the Kurdistan region of Iraq.
3. The Filer's head office and registered office is located in Calgary, Alberta.
4. The Filer is a reporting issuer in each of the provinces of Canada.
5. The Filer is not in default of any of its obligations under the securities legislation of the Jurisdictions as a reporting issuer.
6. Each of the System for Electronic Document Analysis and Retrieval (**SEDAR**) and System for Electronic Disclosure by Insiders (**SEDI**) profiles of the Filer are up to date and there are no outstanding fees under the securities legislation of the Jurisdictions required to be paid by the Filer.
7. The Common Shares are listed and posted for trading on the TSX Venture Exchange.

UK Listing

8. The Filer is in the process of applying to the LSE and the UK Listing Authority for a secondary

listing of the Common Shares on the LSE and currently expects to receive approval by the beginning of February, 2013. The UK Listing Authority (the **UKLA**) is the name used by the Financial Services Authority (the **FSA**) in the United Kingdom (the **UK**) when it acts as competent authority for listing.

9. In order for the Filer to have the Common Shares listed and admitted to trading on the LSE, the UKLA must review and approve a prospectus of the Filer prepared in accordance with the rules of the FSA (the **UK Prospectus**) and ensure that the Filer complies with all relevant eligibility criteria. This review involves an iterative process of reviewing and commenting on drafts of the UK Prospectus until the UKLA is satisfied that all applicable rules have been complied with at which point the Filer can publish the prospectus. To date, the Filer has submitted on a confidential basis to the UKLA for review and comment an eligibility letter detailing its compliance with the applicable UK eligibility requirements and two confidential drafts of its UK Prospectus.
10. In addition to listing the Common Shares on the LSE, the Filer expects to proceed with a placing of Common Shares to institutional investors in the UK at or about the time of listing depending on market conditions. As part of the placing process it will provide a near final draft of the UK Prospectus (the **UK Pathfinder Prospectus**) to potential investors in the UK on a confidential basis to assess market demand.
11. It is expected that the UK Pathfinder Prospectus will be made available to potential investors in the UK on a confidential basis in mid-January, 2013, with the final UK Prospectus being approved by the UKLA and published in the UK by the beginning of February, 2013.

Potential Canadian Concurrent Offering

12. In addition to the listing and placing of Common Shares in the UK, the Filer is considering, depending on market conditions, conducting a separate concurrent public offering of Common Shares in all the provinces of Canada (other than Québec) by way of a Preliminary Prospectus and (final) Prospectus filed in each of the Jurisdictions. The Prospectus would not qualify any of the Common Shares to be placed in the UK. If the Filer proceeds with the Canadian offering, it is expected that the Preliminary Prospectus would be filed following publication of the UK Pathfinder Prospectus and that the (final) Prospectus would be filed at or about the same time as the UK Prospectus is published.

Listing Representations

13. The UKLA will only approve the UK prospectus on the day it is dated and published. At this time, the formal application for a listing is submitted to the UKLA and a formal application for admission to trading is submitted to the LSE. The listing is officially granted by the UKLA in conjunction with admission to trading being granted by the LSE.
14. As a result of the foregoing timing, formal application will not have been made nor will the LSE have granted approval (conditional or otherwise) to the listing of the Common Shares at the time of publishing the UK Pathfinder Prospectus, the News Releases, the Preliminary Prospectus, the UK Prospectus or the (final) Prospectus.
15. Despite the foregoing, given that the Filer will be in the process of making application to the LSE, the Filer wishes to refer in each of the UK Pathfinder Prospectus, the UK Prospectus, the Preliminary Prospectus, the Final Prospectus and the News Releases, as applicable, to the fact that the Filer is in the process of making and/or intends to make application to list the Common Shares on the LSE as the Filer believes that this information would be relevant to a potential purchaser of Common Shares.
16. The application process in the UK requires that in both the UK Pathfinder Prospectus and the UK Prospectus the Filer must make mention that it is expected that the Common Shares will be listed on the LSE (together with the representations in paragraph 15, the **Listing Representations**).
17. The Filer is of the understanding that neither the UKLA or LSE will provide it with written confirmation indicating that it does not object to the Listing Representations or consenting to the Listing Representations other than its eventual formal approval of the UK Prospectus.
18. The Common Shares distributed into the UK at the time of the LSE listing will be distributed by the Filer in reliance on the prospectus exemption in Part 3 of ASC Rule 72-501 *Distributions to Purchasers Outside of Alberta*. As such, absent the Principal Regulator granting an exemption for the Listing Representations in the UK Pathfinder Prospectus, the UK Prospectus and the News Releases, the Filer would be in violation of s. 92(3) of the Securities Act.
19. Absent the Exemptive Relief Sought from all of the Decision Makers, the Listing Representations in the Preliminary Prospectus, the (final) Prospectus and the News Releases would be in violation of s. 92(3) of the *Securities Act* (Alberta), and substantially equivalent provisions in the other

Jurisdictions (as detailed in Appendix A to this Decision).

Confidentiality

20. Confidentiality is in the public interest, as it will allow the announcement of the intended LSE listing and any offerings of Common Shares in Canada and the UK to be disseminated in an orderly and timely fashion to all security holders and the public at the same time.

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.

1. The decision of the Decision Makers under the Legislation is that the Exemptive Relief Sought is granted.
2. The Confidentiality Relief is granted until the earliest of:
 - (a) the date on which the Filer issues a News Release announcing the intention to list the Common Shares on the LSE;
 - (b) the date on which the Filer advises the principal regulator that there is no longer a need for the application and this decision to remain confidential; and
 - (c) 90 days from the date of this decision.

David Linder, QC
Executive Director

2.1.5 Churchill 11 Real Estate Limited Partnership

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions.

National Instrument 51-102 Continuous Disclosure Obligations, s. 13.1 – BAR – An issuer requires relief from the requirement to include certain financial statements in a business acquisition report – The issuer is a real estate investment trust or limited partnership that acquired individual real estate properties; the issuer has been unable to obtain the information needed to prepare the required financial statements; the BAR will contain sufficient alternative information about the significant acquisition, which is consistent with industry practices and standards in real estate acquisitions.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

April 12, 2013

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

AND

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

AND

IN THE MATTER OF
CHURCHILL 11 REAL ESTATE LIMITED PARTNERSHIP
(the Filer)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement in section 8.4 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) to include certain financial statements in a business acquisition report (BAR) (the Exemption Sought).

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

- (a) the British Columbia 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 British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario, 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

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

Representations

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

1. the Filer was formed on January 28, 2011, under the *Partnership Act* (British Columbia) pursuant to a limited partnership agreement dated January 18, 2011 between Churchill 11 Partners Inc., as general partner, and CIPC First Partner Corp., as the founding limited partner;
2. the Filer's head office is located in Vancouver, British Columbia;
3. the Filer's primary business is the acquisition and operation of a portfolio of investment properties in Canada (or interests in such properties);
4. the Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, and Ontario;
5. the Filer is in default of its continuous disclosure obligations with regard to the requirement to file a BAR under Part 8 of NI 51-102, but the Filer is not otherwise in default of the securities legislation in any jurisdiction;
6. the Filer is authorized to issue 50,000 limited partnership units (the LP Units), one founding limited partner unit and one general partner unit; as of the date hereof, the Filer has 18,367 LP Units issued and outstanding and one general partner unit issued and outstanding;
7. the Filer, together with Churchill 11 Debenture Corp. (the Debenture Corp.), filed a final prospectus (the Final Prospectus) dated April 6, 2011, and was issued a receipt for the Final Prospectus on April 7, 2011;
8. the Filer, together with the Debenture Corp., filed an amendment No. 1 to the Final Prospectus dated June 28, 2011 (the Amendment) and was issued a receipt for the Amendment on July 4, 2011;
9. from April 29, 2011 to July 22, 2011, the Filer and the Debenture Corp. completed an aggregate distribution under the Final Prospectus and the Amendment of 18,367 LP Units and debentures with a principal amount of \$18,367,000 (the Debentures);
10. neither the LP Units nor the Debentures are listed on any stock exchange;
11. on December 9, 2011, the Filer completed the purchase of an income producing property located at 100 Ranch Market, Strathmore, Alberta (the Property) from Rencor Developments (Strathmore) Inc. and United Acquisitions II Corp. (the Vendors); the purchase price was \$27,100,000 and was funded through a combination of cash and a first mortgage loan in the amount of \$15,600,000 (the Acquisition);
12. the Acquisition was a "significant acquisition" for the Filer under the significance tests in section 8.3 of NI 51-102 and, under the requirements of section 8.2 of NI 51-102, the Filer was required to file a BAR relating to the Acquisition;
13. under section 8.4 of NI 51-102, the BAR must include:
 - (a) annual financial statements for the Property for its two most recently completed financial years ended on or before the date of the Acquisition; the financial statements for the most recently completed financial year prior to the Acquisition must be audited;
 - (b) unaudited interim financial statements for the Property for its most recently completed interim period ended before the date of the Acquisition, and the comparable period in the preceding financial year; and
 - (c) pro forma financial statements of the Filer giving effect to the Acquisition;
14. the Vendors are privately owned companies; the Vendors advised the Filer in writing that audited financial statements for the Property were never prepared and the Vendors would not provide any further financial information;
15. the Filer has made bona fide attempts and has exhausted every reasonable effort to obtain access to the historical accounting records of the Property, and such efforts have been unsuccessful;
16. as the books, records, and other justificatory documents pertaining to the Property are not available, it is impracticable to provide the financial statements required under section 8.4 of NI 51-102;

Decisions, Orders and Rulings

17. the Filer obtained an appraisal report made as of October 1, 2011 (the Appraisal Report) on the Property:
 - (a) the Appraisal Report was prepared by a qualified third-party independent appraiser designated as an Accredited Appraiser by the Appraisal Institute of Canada;
 - (b) the Appraisal Report was prepared in accordance with the Canadian Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Institute of Canada; and
 - (c) the Appraisal Report was provided to the Filer's mortgage lender;
18. the Appraisal Report contains an analysis of expected cash flows and operating expenses for the next 10 years commencing October 1, 2011;
19. the Filer also obtained a building condition report made as of October 11, 2011 (the BCR) on the Property; the BCR was prepared by a qualified independent third party;
20. the Filer formed its decision to purchase the Property, in part, on the information contained in the Appraisal Report and the BCR;
21. the Filer proposes to include the following alternative information in the BAR:
 - (a) a statement of assets acquired and liabilities assumed at the date of the Acquisition, prepared in accordance with the basis of presentation described in the notes schedule, with an audit report thereon from the Filer's independent auditor;
 - (b) the Appraisal Report, redacted to exclude certain proprietary information of the appraiser and market sensitive information to the Filer;
 - (c) a summary of the information redacted from the Appraisal Report; and
 - (d) a summary of expected capital expenditures for the Property taken from the BCR(collectively, the Alternative Information);
22. as provided in paragraph 8.4(5)(a)(i) of NI 51-102, the Filer is not required to include a *pro forma* balance sheet in the BAR because the Acquisition has been reflected in the Filer's most recent annual balance sheet for the year ended December 31, 2011; and
23. the Filer acknowledges that any right of action available to any person, company or securities regulatory authority against the Filer for failure to file the BAR by the filing deadline of February 22, 2012, is not terminated or altered as a result of this decision.

Decision

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

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted in respect of the BAR for the Acquisition provided that the Filer includes the Alternative Information in the BAR and otherwise complies with applicable BAR requirements.

"Peter Brady"
Director, Corporate Finance
British Columbia Securities Commission

2.1.6 Western Wind Energy Corp.

Headnote

National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – An issuer wants relief from the requirements to file financial statements, MD&A and CEO and CFO certificates for an annual period and an interim period – A compulsory acquisition procedure pursuant to corporate legislation was undertaken, prior to the filing deadline for these documents, in relation to the issuer and its shareholders pursuant to which all of the issuer's securities will be acquired by the offeror by a fixed date. Relief granted.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, Parts 4 and 5, s.13.1.

National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, Parts 4 and 5, s. 8.6.

April 29, 2013

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA AND ONTARIO
(THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
WESTERN WIND ENERGY CORP.
(THE FILER)**

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer be exempt from the requirements:

- (a) under National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) to prepare, file and, where required, deliver to shareholders annual financial statements and related management's discussion and analysis as at and for the financial year ended December 31, 2012 (the Annual Statements);
- (b) under National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* (NI 52-109) to file annual certificates (the Annual Certificates) in connection with the filing of the Annual Statements;
- (c) under NI 51-102 to prepare, file and, where required, deliver to shareholders interim financial statements and related management's discussion and analysis as at and for the interim period ended March 31, 2013 (the Interim Statements); and
- (d) under NI 52-109 to file interim certificates (the Interim Certificates) in connection with the filing of the Interim Statements,

(the Exemptive Relief Sought).

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

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

Decisions, Orders and Rulings

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

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

Representations

- 3 This decision is based on the following facts represented by the Filer:
 - 1. the Filer is a corporation validly existing under the *Business Corporations Act* (British Columbia) (the BCBCA), is a reporting issuer in the Jurisdictions and is not in default of the securities legislation in any of the Jurisdictions;
 - 2. the Filer's head office is located at Suite 1326 – 885 West Georgia Street, Vancouver, British Columbia;
 - 3. the Filer's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares, of which only common shares (Shares) are currently outstanding; the Shares are listed on the TSX Venture Exchange under the trading symbol "WND";
 - 4. the Filer has no other outstanding securities, including debt securities, other than share purchase warrants (Warrants) to purchase 400,374 Shares; there are two holders of Warrants (each, a Warrantholder) as follows:
 - (a) one holder (Warrantholder A) beneficially owns 400,000 Warrants with an exercise price of \$2.50; and
 - (b) one holder (Warrantholder B) beneficially owns 374 Warrants with an exercise price of \$2.00;
 - 5. Brookfield Renewable Energy Partners L.P. (Brookfield Renewable), through WWE Equity Holdings Inc. (the Offeror), an indirect subsidiary of Brookfield Renewable, made an offer (the Offer), under an offer and take-over bid circular dated November 26, 2012 (the Circular), as amended by a notice of variation and extension dated January 28, 2013, a notice of extension dated February 11, 2013 and a notice of extension dated February 21, 2013, to purchase all of the issued and outstanding Shares (other than Shares owned by the Offeror, Brookfield Renewable or any subsidiary of Brookfield Renewable), and Shares that became issued and outstanding after the date of the Offer upon the exercise of options under the Filer's stock option plan or upon the exercise of the Warrants, at a price of \$2.60 per Share;
 - 6. the Offer expired at 5:00 p.m. (Toronto time) on March 7, 2013;
 - 7. shareholders of the Filer holding, in the aggregate, approximately 91.48% of the issued and outstanding Shares (on a fully diluted basis other than Shares owned by the Offeror, Brookfield Renewable or any subsidiary of Brookfield Renewable) accepted the Offer;
 - 8. the Offeror took up 35,443,025 Shares on February 21, 2013 (which were paid for on February 25, 2013), and after extending the expiry time of the Offer, took up an additional 21,174,384 Shares on March 7, 2013 (which were paid for on March 11, 2013);
 - 9. in the Circular, the Offeror disclosed that if the Offer was accepted by shareholders of the Filer who, in the aggregate, held at least 90% of the issued and outstanding Shares (on a fully diluted basis and other than Shares owned by the Offeror, Brookfield Renewable or any subsidiary of Brookfield Renewable), the Offeror intended, to the extent possible, to acquire the Shares not tendered to the Offer under the compulsory acquisition provisions of section 300 of the BCBCA;
 - 10. on March 20, 2013, under section 300 of the BCBCA, the Offeror sent to those shareholders of the Filer who have not accepted the Offer (the Remaining Shareholders) notice that the Offeror will acquire the Shares held by the Remaining Shareholders (the Acquisition Notice);

11. section 300 of the BCBCA provides that once the Acquisition Notice has been sent, the Offeror is entitled and bound to acquire all of the Shares held by the Remaining Shareholders for the same price and on the same terms contained in the Offer;
12. a Remaining Shareholder is entitled to make an application to the court and the court may by order set the price and terms for payment of the Shares, make consequential orders and give such directions as the court considers appropriate; as of April 22, 2013, none of the Filer, Brookfield Renewable or the Offeror have received notice of any such application by a Remaining Shareholder, nor are they aware that any Remaining Shareholder intends to make any such application;
13. if a Warrantholder exercises its Warrants for Shares, the Offeror will offer to purchase such Shares for the same price as contained in the Offer; based on discussions with the Warrantholders, the Filer understands that:
 - (a) Warrantholder A intends to exercise its Warrants shortly before the Acquisition Date (as defined below); and
 - (b) Warrantholder B does not intend to exercise its Warrants and obtain the cash consideration for the underlying Shares under the compulsory acquisition as the amount is immaterial;
14. a Warrantholder is entitled to make an application to the court and the court may by order set the price and terms for payment of the Shares, make consequential orders and give such directions as the court considers appropriate; as of April 22, 2013, none of the Filer, Brookfield Renewable or the Offeror have received notice of any such application by a Warrantholder, nor are they aware that any Warrantholder intends to make any such application or is otherwise opposed to the compulsory acquisition or the Exemptive Relief Sought;
15. provided the court has not ordered otherwise, under the provisions of section 300 of the BCBCA, the Offeror intends to deliver to the Filer on or about May 20, 2013 (the Acquisition Date) a copy of the Acquisition Notice and payment for the Shares held by the Remaining Shareholders;
16. section 300 of the BCBCA provides that such delivery and payment by the Offeror may not be made for a period of at least two months after the date the Acquisition Notice is sent to the Remaining Shareholders;
17. section 300 of the BCBCA also provides that, upon receipt of the Acquisition Notice and the payment to which the Remaining Shareholders are entitled, the Filer must register the Offeror as the shareholder with respect to the Shares held by the Remaining Shareholders; the Remaining Shareholders will continue as shareholders of the Filer until the Acquisition Date;
18. in a news release dated March 7, 2013, Brookfield Renewable announced that it will cause the Filer to cease to be a reporting issuer under applicable securities laws as soon as possible, and in a news release dated March 20, 2013, the Filer announced that the Offeror has mailed the Acquisition Notice and the Filer has applied to securities regulatory authorities in the Jurisdictions to request exemptive relief from the requirement to prepare, file and send the Annual Statements, Interim Statements and related materials to the Filer's shareholders, pending the completion of the compulsory acquisition;
19. immediately after the Acquisition Date, the Filer intends to file with the British Columbia Securities Commission a notice to surrender its status as a reporting issuer in British Columbia and to make an application for a decision that it is not a reporting issuer in Alberta and Ontario; the Filer also intends to apply to the TSX Venture Exchange to have the Shares de-listed and anticipates that the de-listing will occur on or about May 22, 2013;
20. on April 10, 2013, the Filer filed a Form 15F with the U.S. Securities and Exchange Commission to terminate the registration of its Shares under the U.S. Securities Exchange Act of 1934, as amended (the U.S. Exchange Act); the Filer's duty to file reports under Section 13(a) and Section 15(d) of the U.S. Exchange Act was suspended immediately upon filing the Form 15F; the termination of the Filer's registration under the U.S. Exchange Act is expected to become effective 90 days after filing the Form 15F;
21. absent the Exemptive Relief Sought being granted, the Filer is required to:
 - (a) prepare and file the Annual Statements on or before April 30, 2013 with the securities regulatory authorities of the Jurisdictions;
 - (b) file the Annual Certificates concurrently with the filing of the Annual Statements;

- (c) prepare and file the Interim Statements on or before May 30, 2013 with the securities regulatory authorities of the Jurisdictions; and
 - (d) file the Interim Certificates concurrently with the filing of the Interim Statements; and
22. the Offeror has advised the Filer that it has no need to obtain, in the form of the Annual Statements, the Interim Statements, the Annual Certificates and the Interim Certificates, the information to be set out in the Annual Statements, the Interim Statements, the Annual Certificates and the Interim Certificates.

Decision

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

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

“Peter Brady”
Director, Corporate Finance
British Columbia Securities Commission

2.2 Orders

2.2.1 Metro Inc. – s. 104(2)(c)

Headnote

Clause 104(2)(c) – Issuer bid – relief from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act – Issuer proposes to purchase, at a discounted purchase price, up to 1,000,000 of its common shares from one of its shareholders and/or such shareholder's affiliates – due to discounted purchase price, proposed purchases cannot be made through TSX trading system – but for the fact that the proposed purchases cannot be made through the TSX trading system, the Issuer could otherwise acquire the subject shares in reliance upon the issuer bid exemption available under section 101.2 of the Act and in accordance with the TSX rules governing normal course issuer bid purchases – no adverse economic impact on or prejudice to issuer or public shareholders – proposed purchases exempt from issuer bid requirements in sections 94 to 94.8 and 97 to 98.7 of the Act, subject to conditions, including that the issuer not purchase more than one-third of the maximum number of shares to be purchased under its normal course issuer bid by way of off-exchange block purchases.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 94 to 94.8, 97 to 98.7, 104(2)(c).

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

AND

IN THE MATTER OF
METRO INC.

ORDER
(Clause 104(2)(c))

UPON the application (the **Application**) of Metro inc. (the **Issuer**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to clause 104(2)(c) of the Act exempting the Issuer from the requirements of sections 94 to 94.8 and 97 to 98.7 of the Act (the **Issuer Bid Requirements**) in respect of the proposed purchases by the Issuer of up to 1,000,000 (collectively, the **Subject Shares**) of its common shares (the **Common Shares**) in one or more trades from Canadian Imperial Bank of Commerce (or one of its affiliates) (the **Selling Shareholder**);

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

AND UPON the Issuer (and the Selling Shareholder in respect of paragraphs 5, 6, 7, 8, 10, 22 and

23, as they relate to the Selling Shareholder) having represented to the Commission that:

1. The Issuer is a corporation governed by the *Business Corporations Act* (Québec).
2. The head office and registered office of the Issuer are at 11011 Maurice-Duplessis Boulevard, Montréal, Quebec, H1C 1V6.
3. The Issuer is a reporting issuer in each of the provinces of Canada and the Common Shares of the Issuer are listed for trading on the TSX under the symbol “MRU”. The Issuer is not in default of any requirement of the securities legislation in the jurisdictions in which it is a reporting issuer.
4. The authorized common share capital of the Issuer consists of an unlimited number of Common Shares, of which approximately 95,412,581 Common Shares were issued and outstanding as of March 27, 2013.
5. The corporate headquarters of the Selling Shareholder are located in the Province of Ontario.
6. The Selling Shareholder has advised the Issuer that it does not directly or indirectly own more than 5% of the issued and outstanding Common Shares.
7. The Selling Shareholder has advised the Issuer that it is the beneficial owner of at least 1,000,000 Common Shares and that the Subject Shares were not acquired in anticipation of resale to the Issuer pursuant to private agreements under an issuer bid exemption order issued by a securities regulatory authority (**Off-Exchange Block Purchases**).
8. The Selling Shareholder is at arm’s length to the Issuer and is not an “insider” of the Issuer or “associate” or an “insider” of the Issuer, or an “associate” or “affiliate” of the Issuer, as such terms are defined in the Act. The Selling Shareholder is an “accredited investor” within the meaning of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**).
9. Pursuant to a “Notice of Intention to Make a Normal Course Issuer Bid” filed with the TSX as of September 8, 2010 (as amended on November 6, 2010) which was renewed on September 6, 2012 (the **Notice**), the Issuer is permitted to make normal course issuer bid (the **Normal Course Issuer Bid**) purchases for up to 6,000,000 Common Shares. In accordance with the Notice, the Normal Course Issuer Bid is conducted through the facilities of the TSX or such other means as may be permitted by the TSX or a securities regulatory authority, in accordance with

- sections 628 to 629.3 of Part VI of the TSX Company Manual (the **TSX NCIB Rules**), including, private agreements under an issuer bid exemption order issued by a securities regulatory authority.
10. The Issuer and the Selling Shareholder intend to enter into one or more agreements of purchase and sale (each, an **Agreement**) pursuant to which the Issuer will agree to acquire the Subject Shares from the Selling Shareholder by one or more purchases each occurring on or before September 9, 2013 (each such purchase, a **Proposed Purchase**) for a purchase price (the **Purchase Price**) that will be negotiated at arm's length between the Issuer and the Selling Shareholder. The Purchase Price will be at a discount to the prevailing market price of the Common Shares on the TSX and below the bid-ask price for the Common Shares at the time of each Proposed Purchase.
 11. The purchase of the Subject Shares by the Issuer pursuant to each Agreement will constitute an "issuer bid" for purposes of the Act to which the Issuer Bid Requirements would apply.
 12. The Subject Shares acquired under each Proposed Purchase will constitute a "block" as that term is defined in section 628 of the TSX NCIB Rules.
 13. Because the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares at the time of each Proposed Purchase, each Proposed Purchase cannot be made through the TSX trading system and, therefore, will not occur "through the facilities" of the TSX. As a result, the Issuer will be unable to acquire the Subject Shares from the Selling Shareholder in reliance upon the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
 14. But for the fact that the Purchase Price will be at a discount to the prevailing market price and below the bid-ask price for the Common Shares at the time of each Proposed Purchase, the Issuer could otherwise acquire the Subject Shares as a "block purchase" (a **Block Purchase**) in accordance with the block purchase exception in section 629(l)7 of the TSX NCIB Rules and the exemption from the Issuer Bid Requirements that is available pursuant to section 101.2(1) of the Act.
 15. The sale of any of the Subject Shares to the Issuer will not be a "distribution" (as defined in the Act).
 16. The Notice contemplates that purchases under the Normal Course Issuer Bid may be made by such other means as may be permitted by the TSX or a securities regulatory authority.
 17. For each Proposed Purchase, the Issuer will be able to acquire the Subject Shares from the Selling Shareholder without the Issuer being subject to the dealer registration requirements of the Act.
 18. The Issuer is of the view that it will be able to purchase the Subject Shares at a lower price than the price at which it would be able to purchase the Common Shares under the Normal Course Issuer Bid through the facilities of the TSX and the Issuer is of the view that this is an appropriate use of the Issuer's funds on hand.
 19. The purchase of the Subject Shares will not adversely affect the Issuer or the rights of any of the Issuer's securityholders and it will not materially affect the control of the Issuer. To the knowledge of the Issuer, the Proposed Purchases will not prejudice the ability of other shareholders of the Issuer to otherwise sell Common Shares in the open market at the prevailing market price. The Proposed Purchases will be carried out with a minimum of cost to the Issuer.
 20. To the best of the Issuer's knowledge, as of March 27, 2013, the "public float" for the Common Shares represented more than 65% of all issued and outstanding Common Shares for purposes of the TSX NCIB Rules.
 21. The market for the Common Shares is a "liquid market" within the meaning of section 1.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.
 22. Other than the Purchase Price, no additional fee or other consideration will be paid in connection with the Proposed Purchases.
 23. At the time that each Agreement is entered into by the Issuer and the Selling Shareholder, neither the Issuer, nor the Selling Shareholder will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed.
- AND UPON** the Commission being satisfied to do so would not be prejudicial to the public interest;
- IT IS ORDERED** pursuant to clause 104(2)(c) of the Act that the Issuer be exempt from the Issuer Bid Requirements in connection with each Proposed Purchase, provided that:
- a) the Proposed Purchases will be taken into account by the Issuer when calculating the maximum annual aggregate limit that is imposed upon the Issuer's

- Normal Course Issuer Bid in accordance with the TSX NCIB Rules;
- b) the Issuer will refrain from conducting a Block Purchase in accordance with the TSX NCIB Rules during the calendar week that it completes each Proposed Purchase and may not make any further purchases under the Normal Course Issuer Bid for the remainder of that calendar day on which it completes each Proposed Purchase;
- c) the Purchase Price is not higher than the last "independent trade" (as that term is used in paragraph 629(l)1 of the TSX NCIB Rules) of a board lot of Common Shares immediately prior to the execution of each Proposed Purchase;
- d) the Issuer will otherwise acquire any additional Common Shares pursuant to the Normal Course Issuer Bid and in accordance with the Notice and the TSX NCIB Rules, as applicable;
- e) immediately following each Proposed Purchase of the Subject Shares from the Selling Shareholder, the Issuer will report the purchase of the Subject Shares to the TSX;
- f) at the time that each Agreement is entered into by the Issuer and the Selling Shareholder and at the time of each Proposed Purchase, neither the Issuer, nor the Selling Shareholder will be aware of any "material change" or "material fact" (each as defined in the Act) in respect of the Issuer that has not been generally disclosed;
- g) the Issuer will issue a press release disclosing (i) its intention to make the Proposed Purchases and (ii) that information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, will be available on the System for Electronic Document Analysis and Retrieval (SEDAR) following the completion of each such purchase;
- h) the Issuer will report information regarding each Proposed Purchase, including the number of Common Shares purchased and the aggregate purchase price, on SEDAR before 5:00 p.m. (Toronto time) on the business day following such purchase; and
- i) the Issuer does not purchase, pursuant to Off-Exchange Block Purchases, more than one-third of the maximum number of Common Shares the Issuer can purchase under the Normal Course Issuer Bid.

DATED this 23rd day of April, 2013.

"James D. Carnwath"
Commissioner
Ontario Securities Commission

"Vern Krishna"
Commissioner
Ontario Securities Commission

2.2.2 Colby Cooper Capital 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
COLBY COOPER CAPITAL INC.
COLBY COOPER INC.,
PAC WEST MINERALS LIMITED
JOHN DOUGLAS LEE MASON

ORDER
(Section 127 of the Act)

WHEREAS on March 27, 2012, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 37, 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in connection with a Statement of Allegations filed by Staff of the Commission (“Staff”) on March 27, 2012 in respect of Colby Cooper Capital Inc. (“CCC”), Colby Cooper Inc. (“CCI”), Pac West Minerals Limited (“Pac West”) and John Douglas Lee Mason (“Mason”) (collectively, the “Respondents”);

AND WHEREAS on April 24, 2013, the Commission issued an Order approving a Settlement Agreement reached between Staff and the Respondents dated April 18, 2013;

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

IT IS ORDERED that the date of April 24, 2013 scheduled for a confidential prehearing conference is vacated.

DATED at Toronto this 24th day of April, 2013.

“James E.A. Turner”

2.2.3 Colby Cooper Capital Inc. et al. – ss. 37, 127, 127.1

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

AND

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

AND

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

ORDER

(Sections 37, 127 and 127.1 of the Securities Act)

WHEREAS on March 27, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing 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 and in respect of Colby Cooper Capital Inc. ("CCCI"), Colby Cooper Inc. ("CCI"), Pac West Minerals Limited ("Pac West"), and John Douglas Lee Mason ("Mason") (collectively, the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 27, 2012;

AND WHEREAS the Respondents entered into a Settlement Agreement with Staff of the Commission dated April 18, 2013 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 27, 2012, subject to the approval of the Commission;

AND WHEREAS on April 18, 2013, the Commission issued a Notice of Hearing pursuant to sections 37 and 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 the Respondents;

AND UPON reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondents and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

- (a) The settlement agreement is approved;
- (b) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondents shall be reprimanded;
- (c) pursuant to paragraph 1 of section 127(1) of the Act, the registration granted to Mason and CCCI under Ontario securities law shall be terminated;
- (d) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by the Respondents cease permanently;
- (e) pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by the Respondents is prohibited permanently;
- (f) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents permanently;

- (g) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Mason shall resign all positions that he holds as a director or officer of any issuer, registrant or investment fund manager;
- (h) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Mason is permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (i) pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondents are permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (j) The Respondents shall be ordered to pay to the Commission, on a joint and several basis:
 - i) an administrative penalty in the amount of \$500,000.00, for their failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
 - ii) costs of the Commission investigation and the hearing in the amount of \$100,000.00, pursuant to section 127.1 of the Act;
- (k) pursuant to paragraph 10 of subsection 127(1) of the Act, CCI shall disgorge to the Commission the sum of \$3,626,089.13, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (l) pursuant to paragraph 10 of subsection 127(1) of the Act, Pac West shall disgorge to the Commission the sum of \$1,223,800.00, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (m) pursuant to paragraph 10 of subsection 127(1) of the Act, Mason shall disgorge to the Commission the sum of \$1,174,175.21, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (n) Pursuant to section 37(1) of the Act, the Respondents are permanently prohibited from:
 - i) calling at any residence in Ontario for the purpose of trading in securities, or
 - ii) telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in securities.
- (o) After the payments set out in paragraphs (j), (k), (l), and (m) are made in full, as an exception to the provisions of paragraphs (d) (e) and (f), Mason is permitted to trade in or acquire, for the account of his personal registered retirement savings plan and his registered pension plan as defined in the *Income Tax Act*, R.S.C. 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) (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; and
- (p) Until the entire amount of the payments set out in paragraphs (j), (k), (l), and (m) are paid in full, the provisions of paragraphs (d) (e) and (f) shall continue in force without any limitation as to time period.

DATED at Toronto this 24th day of April, 2013.

"James E. A. Turner"

2.2.4 Myron Sullivan II 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
MYRON SULLIVAN II
formerly known as FRED MYRON GEORGE SULLIVAN,
GLOBAL RESPONSE GROUP (GRG) CORP., and
IMC – INTERNATIONAL MARKETING OF CANADA
CORP.**

**ORDER
(Section 127)**

WHEREAS on March 22, 2013, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in respect of Myron Sullivan II, Global Response Group (GRG) Corp., and IMC – International Marketing of Canada Corp. (collectively the Respondents);

AND WHEREAS on March 22, 2013, Staff of the Commission (“Staff”) filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on April 12, 2013 Staff appeared before the Commission and made submissions;

AND WHEREAS on April 12, 2013, Staff filed two affidavits sworn by Lee Crann, a Law Clerk with the Commission, on April 10, 2013, which documented attempts to serve the Respondents beginning March 22, 2013, and which confirmed that on April 10, 2013 the Notice of Hearing, Statement of Allegations and disclosure (the “Materials”) had been sent to an email address and that an electronic confirmation of receipt of the Materials in the name of Myron Sullivan and Global Response Group Corp. was sent from that email address to Lee Crann;

AND WHEREAS on April 12, 2013, the Commission ordered the hearing adjourned to April 25, 2013 at 11:00 a.m. (“April 12 Order”) to permit the Respondents time to consider the Materials and respond;

AND WHEREAS on April 25, 2013 Staff filed an affidavit sworn by Lee Crann, a Law Clerk of the Commission, on April 23, 2013, which confirmed that she sent a copy of the April 12 Order to the same email address used to serve the Materials, that an electronic confirmation of receipt of the April 12 Order in the name of Myron Sullivan and Global Response Group Corp. was sent from that email address to Lee Crann on April 12, 2013, and since that time no contact has been made by Sullivan, Global Response Group Corp. or any counsel representing them;

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) Staff’s application to proceed by way of written hearing is granted;
- (b) Staff’s materials in respect of the written hearing shall be filed no later than May 9, 2013;
- (c) The Respondents’ responding materials, if any, shall be served and filed no later than May 23, 2013; and
- (d) Staff’s reply materials, if any, shall be served and filed no later than May 30, 2013.

DATED at Toronto this 25th day of April, 2013.

“James D. Carnwath”
Commissioner

2.2.5 Global Energy Group, Ltd. et al. – ss. 127(7) and 127(8)

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, 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

ORDER
(Subsections 127(7) and 127(8) of the Securities Act)

WHEREAS on July 10, 2008, the Ontario Securities Commission (the “Commission”) issued a temporary order, pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), that all trading by Global Energy Group, Ltd. (“Global Energy”) and the New Gold Limited Partnerships (the “New Gold Partnerships”) (together, the “Corporate Respondents”) and their officers, directors, employees and/or agents in securities of the New Gold Partnerships shall cease (the “First Temporary Order”);

AND WHEREAS on July 10, 2008, the Commission ordered that the First Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on July 15, 2008, the Commission issued a Notice of Hearing to consider, among other things, the extension of the First Temporary Order, such hearing to be held on July 23, 2008 at 11:00 a.m.;

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, inter alia, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the First Temporary Order until such time as considered necessary by the Commission;

AND WHEREAS a hearing was held on July 23, 2008 at 11:00 a.m. at which Staff and counsel for Global Energy appeared, but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on July 23, 2008, the First Temporary Order was continued until August 6, 2008 and the hearing in this matter was adjourned until August 5, 2008 at 3:00 p.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS a hearing was held on August 5, 2008 at 3:00 p.m. at which Staff and counsel for Global Energy appeared, but no counsel appeared for the New Gold Partnerships;

AND WHEREAS on August 5, 2008, the First Temporary Order was continued until December 4, 2008 and the hearing in this matter was adjourned until December 3, 2008 at 10:00 a.m. on consent of Staff and counsel for Global Energy;

AND WHEREAS on December 3, 2008, on the basis of the record for the written hearing and on consent of Staff and counsel for Global Energy, a Panel of the Commission ordered that the First Temporary Order be extended until June 11, 2009 and that the hearing in this matter be adjourned to June 10, 2009 at 10:00 a.m.;

AND WHEREAS on June 10, 2009, Staff advised the Commission that Victor Tsatskin, a.k.a. Vadim Tsatskin (“Tsatskin”), an agent of Global Energy, would not be attending the hearing and was not opposed to Staff’s request for the extension of the First Temporary Order, and no counsel had communicated with Staff on behalf of the New Gold Partnerships;

AND WHEREAS on June 10, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until October 9, 2009 and that the hearing in this matter be adjourned to October 8, 2009 at 10:00 a.m.;

AND WHEREAS on October 8, 2009, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until March 11, 2010 and that the hearing in this matter be adjourned to March 10, 2010 at 10:00 a.m.;

AND WHEREAS on March 10, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until July 12, 2010 and that the hearing in this matter be adjourned to July 9, 2010 at 11:30 a.m.;

AND WHEREAS on April 7, 2010, the Commission issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the Act ordering the following (the "Second Temporary Order"):

- i) Christina Harper ("Harper"), Howard Rash ("Rash"), Michael Schaumer ("Schaumer"), Elliot Feder ("Feder"), Tsatskin, Oded Pasternak ("Pasternak"), Alan Silverstein ("Silverstein"), Herbert Groberman ("Groberman"), Allan Walker ("Walker"), Peter Robinson ("Robinson"), Vyacheslav Brikman ("Brikman"), Nikola Bajovski ("Bajovski"), Bruce Cohen ("Cohen") and Andrew Shiff ("Shiff") (collectively, the "Individual Respondents"), shall cease trading in all securities; and
- ii) that any exemptions contained in Ontario securities law do not apply to the Individual Respondents;

AND WHEREAS, on April 7, 2010, the Commission ordered that the Second Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on April 14, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Second Temporary Order, to be held on April 20, 2010 at 3:00 p.m.;

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, amongst other things, whether, in the opinion of the Commission, it is in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Second Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS on April 20, 2010, a hearing was held before the Commission and none of the Individual Respondents appeared before the Commission to oppose Staff's request for the extension of the Second Temporary Order;

AND WHEREAS on April 20, 2010, the Commission was satisfied that Staff had served or made reasonable attempts to serve each of the Individual Respondents with copies of the Second Temporary Order, the Notice of Hearing, and the Evidence Brief of Staff as evidenced by the Affidavit of Kathleen McMillan, sworn on April 20, 2010, and filed with the Commission;

AND WHEREAS on April 20, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that: in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest; and, it was in the public interest to extend the Second Temporary Order;

AND WHEREAS on April 20, 2010, pursuant to subsections 127(7) and (8) of the Act, the Second Temporary Order was extended to June 15, 2010 and the hearing in this matter was adjourned to June 14, 2010 at 10:00 a.m.;

AND WHEREAS on June 14, 2010, a hearing was held before the Commission and the Commission ordered that the Second Temporary Order be extended until September 1, 2010 and the hearing be adjourned to September 1, 2010 at 1:00 p.m.;

AND WHEREAS on June 14, 2010, on hearing the submissions of Staff, a Panel of the Commission ordered that the First Temporary Order be extended until September 1, 2010 and that the hearing in this matter be adjourned to September 1, 2010 at 1:00 p.m.;

AND WHEREAS on September 1, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that in the absence of a continuing cease-trade order, the length of time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS on September 1, 2010, pursuant to subsections 127(7) and 127(8) of the Act, the First Temporary Order and the Second Temporary Order were extended to November 9, 2010 and the hearing in this matter was adjourned to November 8, 2010 at 10:00 a.m.;

AND WHEREAS on September 1, 2010, it was further ordered pursuant to subsections 127(1) and (2) of the Act that, notwithstanding the Second Temporary Order, Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plans (as defined in the Income Tax Act (Canada)) in which he has the sole legal and beneficial ownership, provided that:

- (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange or NASDAQ (or their successor exchanges) which is a reporting issuer; and

- (ii) he carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in his name only (the "Amended Second Temporary Order");

AND WHEREAS on November 5, 2010, the Commission approved a settlement agreement between Staff and Robinson;

AND WHEREAS on November 8, 2010, Staff, Schaumer, Shiff, Silverstein, counsel for Rash, and counsel for Pasternak, Walker and Brikman attended the hearing, Harper and Groberman had each advised Staff that they would not be attending the hearing, no person attended on behalf of the Corporate Respondents and Tsatskin, Bajovski and Cohen did not appear;

AND WHEREAS on November 8, 2010, counsel for Feder removed himself from the record due to a conflict of interest, and new counsel for Feder advised the Commission that he would need to satisfy himself that he was able to represent Feder, and would advise Staff accordingly as soon as possible;

AND WHEREAS on November 8, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that the First Temporary Order and the Amended Second Temporary Order be extended to December 8, 2010 and the hearing in this matter be adjourned to December 7, 2010 at 2:30 p.m.;

AND WHEREAS on December 7, 2010, Staff, Schaumer, Silverstein, counsel for Pasternak, Walker and Brikman, and an agent for new counsel for Feder attended the hearing, no person appeared on behalf of the Corporate Respondents and Harper, Rash, Tsatskin, Groberman, Bajovski, Cohen and Shiff did not appear;

AND WHEREAS on December 7, 2010, the Commission was satisfied that all of the Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 7, 2010, Staff requested the extension of the First Temporary Order against the Corporate Respondents and the Amended Second Temporary Order against the Individual Respondents, and Schaumer, Silverstein, and counsel for Pasternak, Walker and Brikman consented to the extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, an agent for new counsel for Feder informed the Commission that he did not have instructions as to whether Feder consented to an extension of the Amended Second Temporary Order;

AND WHEREAS on December 7, 2010, Staff informed the Commission that depending on settlement efforts, Staff might seek to bring an application to hold the next hearing in this matter in writing;

AND WHEREAS on December 7, 2010, the Commission directed that the First Temporary Order against the Corporate Respondents, and the Amended Second Temporary Order against the Individual Respondents, be consolidated into a single temporary order (the "Temporary Order");

AND WHEREAS on December 7, 2010, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest that pursuant to subsections 127(7) and 127(8) of the Act, the Temporary Order be extended to March 3, 2011, without prejudice to Feder to bring a motion if he opposes the extension and that the hearing in this matter be adjourned to February 16, 2011 at 2:00 p.m.;

AND WHEREAS on February 16, 2011, Staff, Schaumer, Shiff and counsel for Feder attended the hearing, no person appeared on behalf of the Corporate Respondents, counsel for Pasternak, Walker and Brikman did not appear and Harper, Rash, Tsatskin, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on February 16, 2011, Staff requested the extension of the Temporary Order against the Individual Respondents and the Corporate Respondents; and Schaumer and Shiff consented to the extension of the Temporary Order;

AND WHEREAS on February 16, 2011, counsel for Feder consented to the extension of the Temporary Order of December 7, 2010, save and except for the exceptions outlined in this order;

AND WHEREAS on February 16, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to adjourn the hearing to May 3, 2011 at 10:00 a.m. and to further extend the Temporary Order until May 4, 2011;

AND WHEREAS on February 16, 2011, it was further ordered pursuant to subsections 127(7) and (8) of the Act, that the Temporary Order be extended to May 4, 2011, save and except that:

- (a) Feder is permitted to trade securities in an account in his own name or in an account of his registered retirement savings plan (as defined in the Income Tax Act (Canada)) in which Feder has the sole legal and beneficial ownership, provided that:
 - (i) the securities traded are listed and posted for trading on the Toronto Stock Exchange, the New York Stock Exchange, or NASDAQ (or their successor exchanges) which is a reporting issuer; and
 - (ii) Feder carries out any permitted trading through a dealer registered with the Commission (which dealer must be given a copy of this order) and through accounts opened in Feder's name only; and
- (b) Feder is permitted to contact the existing shareholders of (i) Genesis Rare Diamonds (Ontario) Ltd. (ii) Kimberlite Diamond Corporation and (iii) 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 on May 3, 2011, Staff, Schaumer, Shiff and Silverstein attended the hearing, no one appeared on behalf of the Corporate Respondents, counsel for Pasternak, Walker and Brikman did not appear, counsel for Rash did not appear and Tsatskin, Harper, Groberman, Bajovski and Cohen did not appear;

AND WHEREAS on May 3, 2011, Staff requested an extension of the Temporary Order against the Individual Respondents and the Corporate Respondents and Schaumer, Shiff and Silverstein did not object to an extension of the Temporary Order;

AND WHEREAS on May 3, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against all named Respondents, except Rash, to the conclusion of the hearing on the merits; to extend the Temporary Order against Rash until July 12, 2011, and to adjourn the hearing to July 11, 2011 at 10:00 a.m., at which time Rash will have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on July 11, 2011, Staff, Harper and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Pasternak, Walker, Brikman, Feder, Tsatskin, Schaumer, Silverstein, Groberman, Bajovski or Cohen;

AND WHEREAS on July 11, 2011, Staff informed the Commission that Rash had recently retained new counsel in a related matter, and that Rash's new counsel had advised Staff that he would not be attending the hearing;

AND WHEREAS on July 11, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on July 11, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to September 27, 2011, and to adjourn the hearing to September 26, 2011 at 10:00 a.m. at which time Rash would have the opportunity to make submissions regarding any further extension of the Temporary Order against him;

AND WHEREAS on September 1, 2011, the Commission approved settlement agreements between Staff and each of Pasternak, Walker and Brikman;

AND WHEREAS on September 26, 2011, Staff, Harper, Schaumer, Silverstein and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents, Feder, Rash, Tsatskin, Groberman, Bajovski or Cohen;

AND WHEREAS on September 26, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on September 26, 2011, the Commission ordered that the Temporary Order be extended against Rash until November 29, 2011, and that the hearing be adjourned to November 28, 2011 at 10:00 a.m.;

AND WHEREAS on November 28, 2011, Staff and Shiff attended the hearing and no one appeared on behalf of the Corporate Respondents or any of the other Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on November 28, 2011, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on November 28, 2011, the Commission ordered that the Temporary Order be extended against Rash until December 16, 2011, and that the hearing be adjourned to December 15, 2011 at 9:30 a.m.;

AND WHEREAS on November 29, 2011, the Commission approved settlement agreements between Staff and each of Silverstein and Schaumer;

AND WHEREAS on December 15, 2011, Staff attended the hearing and no one appeared on behalf of the Corporate Respondents or the Individual Respondents;

AND WHEREAS the Commission was satisfied that the Corporate Respondents and the Individual Respondents had been properly served with notice of the hearing;

AND WHEREAS on December 15, 2011 Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on December 15, 2011, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash to October 22, 2012, and to adjourn the hearing to October 19, 2012 at 10:00 a.m., without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act;

AND WHEREAS on January 20, 2011, the Commission approved a settlement agreement between Staff and Feder;

AND WHEREAS on October 19, 2012, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS on October 19, 2012, Staff requested a further extension of the Temporary Order against Rash;

AND WHEREAS on October 19, 2012, the Commission ordered that the Temporary Order be extended against Rash until February 28, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and that the hearing be adjourned to February 27, 2013 at 10:00 a.m.;

AND WHEREAS on February 27, 2013, Staff attended the hearing and no one appeared on behalf of Rash;

AND WHEREAS Staff filed the Affidavit of Peaches A. Barnaby sworn February 27, 2013 (the "February 27th Affidavit") outlining service on Rash of the Commission's Order dated October 19, 2012;

AND WHEREAS the Commission was satisfied that Staff served or made reasonable attempts to serve the Corporate Respondents and the Individual Respondents with notice of the hearing;

AND WHEREAS Staff informed the Commission that Rash pleaded guilty to breaching Ontario securities law in connection with his activities as a salesperson at Global Energy in proceedings before the Ontario Court of Justice and that a hearing was scheduled for March 20, 2013, at which the parties to that proceeding may make submissions on sentence;

AND WHEREAS Staff requested a further extension of the Temporary Order to a date following the sentencing hearing;

AND WHEREAS the February 27th Affidavit set out Rash's consent, through his counsel, to the extension of the Temporary Order;

AND WHEREAS on February 27, 2013, the Commission considered the evidence and submissions before it and the Commission was of the opinion that it was in the public interest to extend the Temporary Order against Rash until April 29, 2013, without prejudice to either Staff or Rash to apply for a variation of the Temporary Order under section 144 of the Act, and to adjourn the hearing to April 26, 2013 at 11:00 a.m.;

AND WHEREAS a letter from Staff to the Secretary of the Commission, dated April 24, 2013 (the "April 24 Letter"), accompanied an Affidavit of Peaches A. Barnaby of Staff, sworn April 24, 2013 (the "April 24 Affidavit"), which outlined service on Rash of the Commission's Order dated February 27, 2013;

AND WHEREAS in the April 24 Affidavit, it is stated that the sentencing hearing in respect of Rash commenced on March 20, 2013 and is scheduled to continue on July 17, 2013, and that counsel for Rash consents to a further extension of the Temporary Order against Rash to a date following the sentencing hearing on July 17, 2013;

AND WHEREAS in the April 24 Letter, Staff requests that:

- (i) the oral hearing scheduled for April 26, 2013 proceed in writing and that the date for the oral hearing be vacated;
- (ii) the Temporary Order be extended to a date following the sentencing hearing on July 17, 2013; and
- (iii) the hearing be adjourned to the business day immediately preceding that date;

AND WHEREAS the Commission considered the April 24 Letter and the April 24 Affidavit and the Commission is of the opinion that is in the public interest to make this order;

IT IS ORDERED that:

- (i) the oral hearing scheduled for April 26, 2013 proceed in writing and the hearing date scheduled for April 26, 2013 is vacated;
- (ii) the Temporary Order is extended against Rash until September 5, 2013; and
- (iii) the hearing is adjourned to September 4, 2013 at 11:00 a.m.

DATED at Toronto this 26th day of April, 2013.

“Edward P. Kerwin”

2.2.6 Global Consulting and Financial Services et al. – ss. 127(1) and (8)

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

AND

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

TEMPORARY ORDER
(Subsections 127(1) and (8) of the Securities Act)

WHEREAS on November 4, 2010, the Ontario Securities Commission (the “Commission”) issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering that Global Consulting and Financial Services (“Global”), Crown Capital Management Corporation (“Crown”), Canadian Private Audit Service (“CPAS”), Executive Asset Management (“EAM”), Jan Chomica, Michael Chomica, Peter Kuti (“Kuti”), and Lorne Banks (“Banks”) (collectively, the “Respondents”), cease trading in all securities (the “Temporary Order”);

AND WHEREAS on November 4, 2010, the Commission ordered 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;

AND WHEREAS on November 4, 2010, the Commission ordered that the Temporary Order shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on November 9, 2010, the Commission issued a direction under subsection 126(1) of the Act freezing assets in a bank account in the name of Crown (the “Freeze Direction”);

AND WHEREAS on November 4, 2010, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on November 17, 2010 at 3:00 p.m. (the “Notice of Hearing”);

AND WHEREAS the Notice of Hearing set out that the hearing was to consider, *inter alia*, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

AND WHEREAS Staff of the Commission (“Staff”) served the Respondents with copies of the Temporary Order and the Notice of Hearing, and served Crown with the Freeze Direction as evidenced by the Affidavit of Charlene Rochman, sworn on November 17, 2010, and filed with the Commission;

AND WHEREAS on November 17, 2010, Staff and counsel for Banks appeared before the Commission, and whereas Global, Crown, CPAS, EAM, and Kuti did not appear before the Commission to oppose Staff’s request for the extension of the Temporary Order;

AND WHEREAS Staff had received a Direction from Jan Chomica dated November 11, 2010, in which she consented to extending the Temporary Order for at least two months;

AND WHEREAS counsel for Michael Chomica did not attend the hearing, but had advised Staff that Michael Chomica consented to (or did not oppose) an extension of the Temporary Order for at least two months;

AND WHEREAS on November 17, 2010, counsel for Banks advised the Commission that Banks consented to an extension of the Temporary Order;

AND WHEREAS the Panel considered the evidence and submissions before it;

AND WHEREAS pursuant to subsection 127(8) of the Act, the Commission ordered that the Temporary Order be extended to January 27, 2011;

AND WHEREAS the Commission further ordered that the hearing in this matter be adjourned to January 26, 2011 at 11:00 a.m., and that the parties make efforts to advise the Commission by January 3, 2011 whether they were in agreement that the hearing set for January 26, 2011 be held in writing;

AND WHEREAS by Notice of Motion dated December 16, 2010 (the "Notice of Motion"), Staff sought to amend the Temporary Order to include Peter Siklos ("Siklos") as the person using the alias "Peter Kuti", thereby making Siklos subject to the Temporary Order, and to abridge, under Rule 1.6(2) of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017 (the "Rules"), the notice requirements for the filing and service of motion materials under Rule 3.2 of the Rules and the requirement for a Memorandum of Fact and Law under Rule 3.6 of the Rules (the "Motion");

AND WHEREAS in support of the Motion, Staff filed the Affidavit of Wayne Vanderlaan ("Vanderlaan"), sworn December 15, 2010 (the "Vanderlaan Affidavit"), in which Vanderlaan stated that there is a real Peter Kuti who, based on the information currently available to Staff, is not the "Peter Kuti" who is an alias for Siklos;

AND WHEREAS the Motion was heard on Monday, December 20, 2010 at 10:00 a.m., before a panel of the Commission (the "Motion Hearing");

AND WHEREAS the Commission, after considering the Affidavit of Service of Charlene Rochman, sworn December 17, 2010, was satisfied that Staff had served the Notice of Motion, the December 16, 2010 covering letter from Carlo Rossi, Litigation Counsel with Staff, and the Vanderlaan Affidavit on the Respondents;

AND WHEREAS counsel for Banks advised Staff that he would not be attending on the Motion and that Banks took no position with respect to it;

AND WHEREAS on December 20, 2010, Staff and counsel for Siklos attended before the Commission, and counsel for Siklos advised that Siklos consented to the Motion;

AND WHEREAS the Commission considered the Notice of Motion and the Vanderlaan Affidavit and the submissions made by Staff and counsel for Siklos at the Motion Hearing;

AND WHEREAS the Commission ordered that:

- (i) pursuant to clause 2 of subsection 127(1) of the Act, Peter Siklos (also known as Peter Kuti) shall cease trading in all securities;
- (ii) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Peter Siklos (also known as Peter Kuti);
- (iii) the title of the proceeding shall be amended accordingly;
- (iv) for clarity, the Temporary Order as Amended (the "Amended Temporary Order") be extended to January 27, 2011; and
- (v) for clarity, the hearing to consider the extension of the Amended Temporary Order be held on January 26, 2011 at 11:00 a.m., and the parties shall make efforts to advise the Commission by January 3, 2011 whether they are in agreement that the hearing set for January 26, 2011 be held in writing;

AND WHEREAS by way of letter dated January 25, 2011, Staff advised the Commission that it had obtained the consent of Michael Chomica, Jan Chomica, Siklos and Banks (collectively, the "Individual Respondents"), Crown and Global to extend the Amended Temporary Order;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman sworn January 24, 2011, outlining service of the Amended Temporary Order on the Respondents and the consent of the Individual Respondents, Crown and Global to the extension of the Amended Temporary Order;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to March 9, 2011 and that the hearing be adjourned to March 8, 2011 at 10:00 a.m.;

AND WHEREAS on March 8, 2011, Staff attended before the Commission and no one attended on behalf of the Respondents;

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

AND WHEREAS on March 8, 2011, Staff advised the Panel that Staff had been in contact with Jan Chomica and counsel representing Michael Chomica, Banks and Siklos and that Jan Chomica, Michael Chomica, Banks and Siklos were not opposing the extension of the Amended Temporary Order;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to May 17, 2011 and that the hearing be adjourned to May 16, 2011 at 10:00 a.m.;

AND WHEREAS on May 16, 2011, Staff appeared before the Commission and no one appeared on behalf of any of the Respondents;

AND WHEREAS on May 16, 2011, Staff advised the Panel that Staff had been in contact with counsel representing Michael Chomica, Banks and Siklos and that Michael Chomica, Banks and Siklos were not opposing the extension of the Amended Temporary Order;

AND WHEREAS Staff further advised that Jan Chomica had provided her consent to the extension of the Amended Temporary Order by way of writing;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman sworn May 13, 2011 outlining Staff's efforts to serve the Respondents and the consent of the Individual Respondents, Crown and Global to the extension of the Amended Temporary Order;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to July 18, 2011 and the hearing be adjourned to July 15, 2011 at 11:00 a.m.;

AND WHEREAS on July 15, 2011, Staff appeared before the Commission and no one appeared on behalf of any of the Respondents;

AND WHEREAS on July 15, 2011, Staff advised the Panel that Staff had been in contact with counsel representing Michael Chomica and Banks and that Michael Chomica consented to an extension of the Amended Temporary Order for 90 days and Banks was not opposing the extension;

AND WHEREAS Staff further advised that Jan Chomica had provided her consent to the extension of the Amended Temporary Order by way of writing;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman, sworn July 13, 2011, outlining service on the Respondents;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to October 12, 2011 and the hearing be adjourned to October 11, 2011 at 2:30 p.m.;

AND WHEREAS on October 11, 2011, Staff appeared before the Commission to request that the Amended Temporary Order be extended for an additional 90 days;

AND WHEREAS no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff advised the Panel that Staff had been in contact with counsel representing Siklos and Banks and that Siklos consented to an extension of the Amended Temporary Order for 90 days and Banks was not opposing the extension;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman, sworn October 7, 2011, outlining service on the Respondents;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to January 12, 2012 and the hearing be adjourned to January 11, 2012 at 10:00 a.m.;

AND WHEREAS on January 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended for an additional 90 days;

AND WHEREAS no one appeared on behalf of any of the Respondents other than counsel for Siklos;

AND WHEREAS Michael Chomica and Jan Chomica advised Staff in writing that they consented to an extension of the Amended Temporary Order for 90 days;

AND WHEREAS counsel for Banks advised Staff that Banks did not oppose a further extension of the Amended Temporary Order for 90 days;

AND WHEREAS counsel for Siklos advised the Panel that he consented to an extension of the Amended Temporary Order for 90 days;

AND WHEREAS Staff provided the Commission with the Affidavit of Charlene Rochman, affirmed January 10, 2012, outlining Staff's efforts to serve the Respondents;

AND WHEREAS on January 11, 2012, the Commission ordered that the Amended Temporary Order be extended to April 12, 2012 and the hearing be adjourned to April 11, 2012 at 10:00 a.m.;

AND WHEREAS on April 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn April 11, 2012 outlining Staff's efforts to serve the Respondents;

AND WHEREAS on April 11, 2012, the Commission ordered that the Amended Temporary Order be extended to June 12, 2012 and the hearing be adjourned to June 11, 2012 at 9:00 a.m.;

AND WHEREAS on June 11, 2012, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn June 5, 2012, outlining Staff's efforts to serve the Respondents;

AND WHEREAS quasi-criminal proceedings have been commenced in the Ontario Court of Justice pursuant to section 122(1)(c) of the Act against, inter alia, Michael Chomica, Jan Chomica and Siklos (the "Section 122 Proceedings");

AND WHEREAS on June 11, 2012, Staff advised the Commission that counsel for Banks consented to a further extension of the Amended Temporary Order for six months;

AND WHEREAS on June 11, 2012, the Commission ordered that the Amended Temporary Order be extended to December 5, 2012 and the hearing be adjourned to December 4, 2012 at 3:30 p.m.;

AND WHEREAS by way of letter dated November 30, 2012, Staff advised the Commission that a judicial pre-trial was scheduled for December 17, 2012 in connection with the Section 122 Proceedings and that the Individual Respondents consent to an extension of the Amended Temporary Order to the middle of January 2013;

AND WHEREAS Staff provided the Commission with the Affidavit of Nancy Poyhonen, sworn November 30, 2012, outlining Staff's attempts to serve the Amended Temporary Order on the Respondents and the consent of the Individual Respondents to the extension of the Amended Temporary Order;

AND WHEREAS on December 3, 2012, the Commission ordered that the Amended Temporary Order be extended to January 18, 2013 and the hearing be adjourned to January 17, 2013 at 9:00 a.m.;

AND WHEREAS on January 17, 2013, Staff appeared before the Commission to request that the Amended Temporary Order be extended and no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn January 15, 2013, outlining Staff's service of the Amended Temporary Order on the Individual Respondents, Global and Crown, and Staff's efforts to serve CPAS and EAM;

AND WHEREAS Staff advised the Commission that further dates have been scheduled in connection with the Section 122 Proceedings, including a set date appearance on February 14, 2013 and a continuing judicial pre-trial on February 28, 2013;

AND WHEREAS Staff requested that the Amended Temporary Order be extended to a date following the judicial pre-trial on February 28, 2013;

AND WHEREAS on January 17, 2013, the Commission ordered that the Amended Temporary Order be extended to March 8, 2013 and the hearing be adjourned to March 7, 2013 at 11:00 a.m.;

AND WHEREAS on March 7, 2013, Staff appeared before the Commission to request that the Amended Temporary Order be extended;

AND WHEREAS no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn March 6, 2013, outlining Staff's service of the Amended Temporary Order on the Individual Respondents, Global and Crown, and Staff's efforts to serve CPAS and EAM;

AND WHEREAS Staff advised the Commission that on February 14, 2013, Michael Chomica pleaded guilty to three counts of fraud contrary to sections 122 and 126.1(b) of the Act and that further dates have been scheduled in connection with the Section 122 Proceedings, including a sentencing hearing for Michael Chomica on March 14, 2013;

AND WHEREAS Staff provided the Panel with a letter from Banks' counsel indicating that Banks consented to a further extension of the Amended Temporary Order;

AND WHEREAS Staff requested that the Amended Temporary Order be extended;

AND WHEREAS the Commission ordered that the Amended Temporary Order be extended to April 26, 2013 and the hearing be adjourned to April 25, 2013 at 10:00 a.m.;

AND WHEREAS on April 25, 2013, Staff appeared before the Commission to request that the Amended Temporary Order be extended;

AND WHEREAS no one appeared on behalf of any of the Respondents;

AND WHEREAS Staff provided the Commission with the Affidavit of Peaches Barnaby, sworn March 11, 2013, outlining Staff's service of the Amended Temporary Order on the Individual Respondents, Global and Crown, and Staff's efforts to serve CPAS and EAM;

AND WHEREAS Staff advised the Commission that:

- (i) Michael Chomica was sentenced to a period of incarceration in connection with the Section 122 Proceedings on March 14, 2013;
- (ii) Staff withdrew the allegations against Jan Chomica in connection with the Section 122 Proceedings;
- (iii) an appearance is scheduled for May 16, 2013 before the Ontario Court of Justice in connection with the Section 122 Proceedings against Siklos; and
- (iv) Staff has initiated administrative proceedings pursuant to section 127 of the Act against, *inter alia*, Global, Crown, Michael Chomica, Jan Chomica and Lorne Banks and the next appearance is scheduled for May 22, 2013;

AND WHEREAS Staff requested that the Amended Temporary Order be extended;

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

IT IS ORDERED that the Amended Temporary Order is extended to June 6, 2013 and the hearing is adjourned to June 5, 2013 at 9:00 a.m., or such other date and time as set by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 25th day of April, 2013.

"Christopher Portner"

2.2.7 JV Raleigh Superior Holdings Inc. et al – ss. 127(1) and (10)

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

AND

IN THE MATTER OF
JV RALEIGH SUPERIOR HOLDINGS INC.,
MAISIE SMITH (also known as MAIZIE SMITH) AND
INGRAM JEFFREY ESHUN

ORDER
(Subsection 127(1) and 127(10) of the Securities Act)

WHEREAS on February 22, 2013, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to subsections 127(1) and 127(10) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in respect of JV Raleigh Superior Holdings Inc. (“JV Raleigh”), Maisie Smith (also known as Maizie Smith) (“Smith”) and Ingram Jeffrey Eshun (“Eshun”) (together, the “Respondents”);

AND WHEREAS on February 15, 2013, Staff of the Commission (“Staff”) filed a Statement of Allegations in respect of the same matter;

AND WHEREAS on April 15, 2013, the Commission granted Staff’s application to conduct this hearing in writing, pursuant to Rules 11.4 and 11.5 of the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 and set down a schedule for the submission of materials;

AND WHEREAS Staff filed provided written materials, a hearing brief, a brief of authorities and affidavits of service;

AND WHEREAS the Respondents did not provide any materials;

AND WHEREAS the Respondents are subject to an order of the British Columbia Securities Commission, dated December 24, 2012, that imposes sanctions, conditions or requirements upon them within the meaning of paragraph 4 of subsection 127(10) of the Act;

AND WHEREAS on April 25, 2013, the Commission issued its reasons and decision in 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:

1. against JV Raleigh, pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of JV Raleigh cease permanently;
2. against Smith:
 - (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Smith cease permanently, except that she may trade and purchase securities and exchange contracts through accounts in her own name at the registered dealer referred to in the order of BCSC Order, provided she gives a copy of the BCSC Order to that dealer;
 - (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Smith cease permanently, except that she may trade and purchase securities and exchange contracts through accounts in her own name at the registered dealer referred to in the order of BCSC Order, provided she gives a copy of the BCSC Order to that dealer;
 - (c) pursuant to paragraph 7 of subsection 127(1) of the Act, Smith resign any positions that she holds as director or officer of an issuer;
 - (d) pursuant to paragraph 8 of subsection 127(1) of the Act, Smith be prohibited permanently from becoming or acting as director or officer of an issuer;

- (e) pursuant to paragraph 8.1 of subsection 127(1) of the Act, Smith resign any positions that she holds as director or officer of a registrant;
- (f) pursuant to paragraph 8.2 of subsection 127(1) of the Act, Smith be prohibited permanently from becoming or acting as a director or officer of a registrant; and
- (g) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Smith be prohibited permanently from becoming or acting as a registrant or as a promoter; and

3. against Eshun:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Eshun cease permanently;
- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Eshun cease permanently;
- (c) pursuant to paragraph 7 of subsection 127(1) of the Act, Eshun resign any positions that he holds as director or officer of an issuer;
- (d) pursuant to paragraph 8 of subsection 127(1) of the Act, Eshun be prohibited permanently from becoming or acting as director or officer of an issuer;
- (e) pursuant to paragraph 8.1 of subsection 127(1) of the Act, Eshun resign any positions that he holds as director or officer of a registrant;
- (f) pursuant to paragraph 8.2 of subsection 127(1) of the Act, Eshun be prohibited permanently from becoming or acting as a director or officer of a registrant; and
- (g) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Eshun be prohibited permanently from becoming or acting as a registrant or as a promoter.

Dated at Toronto this 25th day of April, 2013.

“Alan Lenczner”, Q.C.

2.2.8 Nest Acquisitions and Mergers et al. – ss. 37, 127, 127.1

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

AND

IN THE MATTER OF
NEST ACQUISITIONS AND MERGERS,
IMG INTERNATIONAL INC., CAROLINE MYRIAM FRAYSSIGNES,
DAVID PAUL PELCOWITZ, MICHAEL SMITH, and
ROBERT PATRICK ZUK

ORDER
(Sections 37, 127 and 127.1 of the Securities Act)

WHEREAS on January 18, 2010, the Secretary to the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") in respect of Nest Acquisitions and Mergers ("Nest A&M"), IMG International Inc. ("IMG"), Caroline Myriam Frayssignes ("Frayssignes"), David Paul Pelcowitz ("Pelcowitz") and Robert Patrick Zuk ("Zuk");

AND WHEREAS a hearing on the merits in this matter was held before the Commission on May 16-18, 23-25, 2012, June 4, 6, 20, 2012, August 29, 2012, October 22, 24-25, 29, 2012, November 12, 2012 and January 15, 2013;

AND WHEREAS, following the hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits on April 26, 2013;

IT IS ORDERED that the hearing to determine sanctions and costs will be held on June 27, 2013 at 10:00 a.m.;

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

DATED at Toronto this 26th day of April, 2013.

"James D. Carnwath", Q.C.

"Margot C. Howard", CFA

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Colby Cooper Capital Inc. et al.

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

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. The Ontario Securities Commission (the “Commission”) will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the “Act”), it is in the public interest for the Commission to make certain orders in respect of Colby Cooper Capital Inc. (“CCCI”), Colby Cooper Inc. (“CCI”), Pac West Minerals Limited (“Pac West”), and John Douglas Lee Mason (“Mason”) (collectively, the “Respondents”).

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceeding commenced by Notice of Hearing dated March 27, 2012 (the “Proceeding”) against the Respondents according to the terms and conditions set out in Part V of this Settlement Agreement. The Respondents agree to the making of an order in the form attached as Schedule “A”, based on the facts set out below.

PART III – AGREED FACTS

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

A. OVERVIEW

4. Between November 7, 2006 until March 1, 2012, (the “Relevant Period”), CCCI, CCI, Pac West, and Mason sold shares of CCI (the “Colby Securities”) and Pac West (the “Pac West Securities”) to approximately 350 CCI investors and to 130 Pac West investors, in a number of provinces across Canada, raising approximately \$4,800,000. During the Relevant Period, the Respondents breached securities laws by engaging in fraudulent conduct by making misrepresentations to investors and misappropriating investor funds, by trading in securities without registration and without the required prospectus or an appropriate exemption, by failing to keep proper books and records and by failing to meet Know Your Client obligations. Further, the Respondents acted in a manner that was contrary to the public interest.

B. THE RESPONDENTS

5. 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.
6. 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.

7. 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.
8. 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.

C. FRAUDULENT AND PROHIBITED CONDUCT

9. 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.

i) MISREPRESENTATIONS TO INVESTORS

10. 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, these Respondents raised at least \$3.6 million from approximately 350 investors.
11. Between August 2009 and November 2010, Mason and CCCI sold the Pac West Securities, raising at least \$1.2 million from approximately 130 investors.
12. 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.
13. 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, during the Relevant Period, 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.
14. 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.
15. 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.
16. 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. Mason has not taken any steps to take CCI or Pac West public.

ii) APPLICATION OF INVESTOR FUNDS CONTRARY TO REASONABLE EXPECTATIONS

17. The Respondents' only source of funds were funds obtained from investors. Once in possession of funds from investors, the Respondents applied these funds for purposes other than the development of oil and gas companies, contrary to the reasonable expectations of shareholders, 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.
18. 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.
19. Requests from some investors to return their investment have been ignored by the Respondents. As of the date of this settlement, all but \$615,000.00 of funds raised from investors had been expended, and this remaining amount was 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.

D. ILLEGAL DISTRIBUTION OF SHARES TO THE PUBLIC

20. 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.
21. 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.
22. 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.
23. 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.
24. The sales of Colby and Pac West Securities were trades in securities not previously issued and were therefore distributions. 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.

E. FAILURE TO KEEP PROPER BOOKS AND RECORDS

25. 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. In addition, CCCI, CCI, and Mason did not have sufficient information to meet the applicable Know Your Client and suitability obligations.

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

26. By engaging in the conduct described above, the Respondents admit and acknowledge that they have breached Ontario securities law by contravening sections 19, 25, 38, 53, 126.1, 126.2(1) and 129.2 of the Act, and section 13.2 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* ("NI 31-103") and the Respondents admit and acknowledge that they have acted contrary to the public interest.
27. 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 these acts or course of conduct 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, and which would reasonably be expected to have a significant effect on the value of these securities 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 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(1)(a) of the Act as that section existed at the time the conduct at issue commenced in November 2006, and 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, and s.13.2 of NI 31-103; and
 - (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.

PART V – TERMS OF SETTLEMENT

28. The Respondents agree to the terms of settlement listed below.
29. The Commission will make an order pursuant to section 127(1) and section 127.1 of the Act that:
- (a) The settlement agreement is approved;
 - (b) The Respondents be reprimanded, pursuant to paragraph 6 of section 127(1) of the Act;
 - (c) The registration granted to Mason and CCCI under Ontario securities law be terminated, pursuant to paragraph 1 of section 127(1) of the Act;
 - (d) Trading in any securities by or of the Respondents cease permanently, pursuant to paragraph 2 of section 127(1) of the Act;
 - (e) Acquisition of any securities by the Respondents is prohibited permanently, pursuant to paragraph 2.1 of section 127(1) of the Act;

- (f) Any exemptions contained in Ontario securities law do not apply to the Respondents permanently, pursuant to paragraph 3 of section 127(1) of the Act;
 - (g) Mason shall resign all 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;
 - (h) Mason shall be permanently 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;
 - (i) The Respondents shall be permanently 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;
 - (j) The Respondents shall pay to the Commission an administrative penalty of \$500,000.00, on a joint and several basis, for their failure to comply with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 9 of section 127(1) of the Act;
 - (k) CCI shall disgorge to the Commission the sum of \$3,626,089.13, obtained as a result of non-compliance with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 10 of section 127(1) of the Act;
 - (l) Pac West shall disgorge to the Commission the sum of \$1,223,800.00, obtained as a result of non-compliance with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 10 of section 127(1) of the Act;
 - (m) Mason shall disgorge to the Commission the sum of \$1,174,175.21, obtained as a result of non-compliance with Ontario securities law, to be designated under s. 3.4(2)(b) of the Act, pursuant to paragraph 10 of section 127(1) of the Act;
 - (n) The Respondents shall be ordered to pay the costs of the Commission investigation and the hearing in the amount of \$100,000.00, on a joint and several basis, pursuant to section 127.1 of the Act;
 - (o) After the payments set out in paragraphs 29 (j), (k), (l), (m), and (n) are made in full, as an exception to the provisions of paragraphs 29 (d) (e) and (f), Mason is permitted to trade in or acquire, for the account of his personal registered retirement savings plan and his registered pension plan as defined in the *Income Tax Act*, R.S.C. 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) (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; and
 - (p) Until the entire amount of the payments set out in paragraphs 29 (j), (k), (l), (m), and (n) are paid in full, the provisions of paragraphs 29 (d) (e) and (f) shall continue in force without any limitation as to time period.
30. Pursuant to section 37(1) of the Act, the Commission orders that the Respondents are prohibited from:
- (a) calling at any residence in Ontario for the purpose of trading in securities, or
 - (b) telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in securities.
31. The Respondents agree to make any payments ordered above when the Commission approves this Settlement Agreement. The Respondents will not be reimbursed for, or receive a contribution toward, this payment from any other person or company.
32. Mason, on his own behalf and on behalf of CCCI, CCI and Pac West, hereby consents 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 29 (b) to (i) and 30 above, and further, hereby consents to such orders under applicable securities laws as may be necessary to permit the collection of any assets held by the Respondents and to such orders as may be necessary to permit the distribution of those assets to investors. These prohibitions and orders may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI – STAFF COMMITMENT

33. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 34 below.
34. If the Commission approves this Settlement Agreement and the Respondents fail to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondents. These proceedings may be based on, but are not limited to, the facts set out in Part III of this Settlement Agreement as well as the breach of the Settlement Agreement. In addition, if this Settlement Agreement is approved by the Commission, and the Respondents fail to comply with the terms of the Settlement Agreement, the Commission is entitled to bring any proceedings necessary to recover the amounts set out in sub-paragraphs 29 (j) to (n) above.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

35. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for April 24, 2013, or on another date agreed to by Staff and the Respondents, according to the procedures set out in this Settlement Agreement and the Commission's *Rules of Procedure*.
36. Staff and the Respondents agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondents' conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.
37. If the Commission approves this Settlement Agreement, the Respondents agree to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.
38. If the Commission approves this Settlement Agreement, none of the parties will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.
39. Whether or not the Commission approves this Settlement Agreement, the Respondents will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, alleged unfairness, or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

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

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

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

DATED this 17th day of April, 2013.

"Margaret Mason"
Witness: Margaret Mason

"John Douglas Lee Mason"
JOHN DOUGLAS LEE MASON

Reasons: Decisions, Orders and Rulings

DATED this 17th day of April, 2013.

"M. Mason"
Witness: Margaret Mason

"John Douglas Lee Mason"
COLBY COOPER CAPITAL INC.
Per: **JOHN DOUGLAS LEE MASON**
Authorized Signatory

DATED this 17th day of April, 2013.

"M. Mason"
Witness: Margaret Mason

"John Douglas Lee Mason"
COLBY COOPER INC.
Per: **JOHN DOUGLAS LEE MASON**
Authorized Signatory

DATED this 17th day of April, 2013

"M. Mason"
Witness: Margaret Mason

"John Douglas Lee Mason"
PAC WEST MINERALS LIMITED
Per: **JOHN DOUGLAS LEE MASON**
Authorized Signatory

DATED this 18th day of April, 2013.

"Tom Atkinson"
TOM ATKINSON
Director, Enforcement Branch

SCHEDULE "A"

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

AND

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

AND

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

ORDER

(Sections 37, 127 and 127.1 of the Securities Act)

WHEREAS on March 27, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing 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 and in respect of Colby Cooper Capital Inc. ("CCCI"), Colby Cooper Inc. ("CCI"), Pac West Minerals Limited ("Pac West"), and John Douglas Lee Mason ("Mason") (collectively, the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission ("Staff") dated March 27, 2012;

AND WHEREAS the Respondents entered into a Settlement Agreement with Staff of the Commission dated _____, 2013 (the "Settlement Agreement") in which the Respondents agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing dated March 27, 2012, subject to the approval of the Commission;

AND WHEREAS on _____, 2013, the Commission issued a Notice of Hearing pursuant to sections 37 and 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 the Respondents;

AND UPON reviewing the Settlement Agreement, the Notices of Hearing, and the Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondents and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

- (a) The settlement agreement is approved;
- (b) pursuant to paragraph 6 of subsection 127(1) of the Act, the Respondents shall be reprimanded;
- (c) pursuant to paragraph 1 of section 127(1) of the Act, the registration granted to Mason and CCCI under Ontario securities law shall be terminated;
- (d) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by the Respondents cease permanently;
- (e) pursuant to paragraph 2.1 of subsection 127(1) of the Act, acquisition of any securities by the Respondents is prohibited permanently;
- (f) pursuant to paragraph 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to the Respondents permanently;

- (g) pursuant to paragraphs 7, 8.1 and 8.3 of subsection 127(1) of the Act, Mason shall resign all positions that he holds as a director or officer of any issuer, registrant or investment fund manager;
- (h) pursuant to paragraphs 8, 8.2 and 8.4 of subsection 127(1) of the Act, Mason is permanently prohibited from becoming or acting as a director or officer of any issuer, registrant or investment fund manager;
- (i) pursuant to paragraph 8.5 of subsection 127(1) of the Act, the Respondents are permanently prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter;
- (j) The Respondents shall be ordered to pay to the Commission, on a joint and several basis:
 - i) an administrative penalty in the amount of \$500,000.00, for their failure to comply with Ontario securities law, pursuant to paragraph 9 of subsection 127(1) of the Act, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act; and
 - ii) costs of the Commission investigation and the hearing in the amount of \$100,000.00, pursuant to section 127.1 of the Act;
- (k) pursuant to paragraph 10 of subsection 127(1) of the Act, CCI shall disgorge to the Commission the sum of \$3,626,089.13, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (l) pursuant to paragraph 10 of subsection 127(1) of the Act, Pac West shall disgorge to the Commission the sum of \$1,223,800.00, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (m) pursuant to paragraph 10 of subsection 127(1) of the Act, Mason shall disgorge to the Commission the sum of \$1,174,175.21, obtained as a result of non-compliance with Ontario securities law, to be designated for allocation or for use by the Commission pursuant to subsection 3.4(2)(b) of the Act;
- (n) Pursuant to section 37(1) of the Act, the Respondents are permanently prohibited from:
 - i) calling at any residence in Ontario for the purpose of trading in securities, or
 - ii) telephoning from within Ontario to any residence within or outside Ontario for the purpose of trading in securities.
- (o) After the payments set out in paragraphs (j), (k), (l), and (m) are made in full, as an exception to the provisions of paragraphs (d) (e) and (f), Mason is permitted to trade in or acquire, for the account of his personal registered retirement savings plan and his registered pension plan as defined in the *Income Tax Act*, R.S.C. 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) (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; and
- (p) Until the entire amount of the payments set out in paragraphs (j), (k), (l), and (m) are paid in full, the provisions of paragraphs (d) (e) and (f) shall continue in force without any limitation as to time period.

DATED at Toronto this _____ day of April, 2013.

3.1.2 Nest Acquisitions and Mergers 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
NEST ACQUISITIONS AND MERGERS,
IMG INTERNATIONAL INC., CAROLINE MYRIAM FRAYSSIGNES,
DAVID PAUL PELCOWITZ, MICHAEL SMITH, and
ROBERT PATRICK ZUK

REASONS AND DECISION
(Section 127 of the Securities Act)

Hearing: May 16-18, 23-25, 2012
June 4, 6, 20, 2012
August 29, 2012
October 22, 24-25, 29, 2012
November 12, 2012
January 15, 2013

Decision: April 26, 2013

Panel: James D. Carnwath, Q.C. – Commissioner and Chair of the Panel
Margot C. Howard, CFA – Commissioner

Appearances: Cullen Price – For Staff of the Commission
Carlo Rossi

Graham Pinos – For David Pelcowitz, on the record, but did not appear

Unrepresented

For Robert Zuk, Michael Smith, Caroline Frayssignes,
Nest Acquisitions and Mergers, IMG International Inc.

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PART I – INTRODUCTION

A. Nature of the Hearing

[1] This was a hearing on the merits (the “**Hearing**”) before the Ontario Securities Commission (the “**Commission**”) in connection with the statement of allegations filed by Staff of the Commission (“**Staff**”) dated January 18, 2010 against Nest Acquisitions and Mergers (“**Nest A&M**”) and IMG International Inc. (“**IMG**”), David Paul Pelcowitz (“**Pelcowitz**”), Michael Smith (“**Smith**”), Caroline Myriam Frayssignes (“**Frayssignes**”) and Robert Patrick Zuk (“**Zuk**”).

[2] The Hearing began on May 16, 2012 and continued periodically thereafter until January 15, 2013. On December 5, 2012, the Commission approved a settlement agreement entered into by Staff and Zuk (*Re Nest Acquisitions and Mergers et al.* (2012), 35 O.S.C.B. 11186).

[3] On December 6, 2012, Staff withdrew the allegations against Frayssignes.

[4] These reasons and decision relate to the allegations remaining against Nest A&M, IMG, Smith and Pelcowitz (the “**Respondents**”).

[5] We are satisfied that Pelcowitz and IMG received notice of this proceeding and therefore we were entitled to proceed with the hearing in their absence, in accordance with subsection 7(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the “**SPPA**”) and Rule 7.1 of the Commission’s *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the “**Rules of Procedure**”).

B. Staff’s Allegations

[6] Staff allege that between August 14, 2008 and June 11, 2009 (the “**Material Time**”):

- (a) The Respondents traded in securities without being registered to trade in securities and in circumstances where no exemptions were available to them contrary to subsection 25(1)(a) of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the “**Act**”);
- (b) The Respondents have, directly or indirectly, engaged or participated in acts, practices or a course of conduct relating to securities that they knew or reasonably ought to have known would perpetrate a fraud contrary to subsection 126.1(b) of the *Act*;
- (c) Smith, being the sole director and officer of IMG, authorized, permitted or acquiesced in the commission of the violations of section 25 and 126.1 of the *Act* by or on behalf of IMG, pursuant to s. 129.2 of the *Act*; and
- (d) The Respondents have engaged in conduct contrary to the public interest.

C. The Alleged Advance Fee Scam

[7] Staff alleges that during the Material Time persons describing themselves as representatives of IMG and Nest A&M contacted residents of the United Kingdom (“**U.K.**”) for the purpose of inducing them to make various payments as part of a fraudulent advance fee scheme. The scheme involved artificial offers by Nest A&M or IMG to purchase shares owned by the U.K. residents at inflated prices. As part of the sales pitch, purported representatives of Nest A&M and IMG told the U.K. residents they would have to pay advance fees in order to complete the transactions and receive the promised purchase price. The advance fee payments were described as necessary to guarantee the transactions and included payments to cover such things as “performance bonds” and “non-resident taxes”. The U.K. residents were instructed to send the requested funds to two Ontario bank accounts, either to IMG (the “**IMG Account**”) or to Nest (the “**Nest Account**”).

[8] Staff alleged that Pelcowitz was actively involved in the solicitations. He purportedly sent the U.K. residents documents by courier and fax in furtherance of the advance fee scheme and controlled one of the bank accounts that received funds from the U.K. residents.

[9] None of Nest A&M, IMG, Pelcowitz or Smith were registered to trade in securities. The promised transactions never took place and the U.K. funds sent by investors were misappropriated.

D. The Major Players

(i) *Pelcowitz*

[10] Pelcowitz is a resident of Ontario and a former registrant of the Commission. He also impersonated Smith to open the IMG Account at Parama Lithuanian Credit Union ("**Parama**"). Evidence established that he impersonated Smith in a voicemail left for Staff during the investigation.

(ii) *Smith*

[11] Smith appears in the incorporation documents for IMG as president and sole director. The panel finds that Staff has failed to prove on the balance of probabilities that Michael Smith was a real person. The rationale for this conclusion is developed later in these reasons.

(iii) *IMG*

[12] IMG is an Ontario company incorporated in June 2008. IMG purported to be engaged in trading securities, including facilitating sales of securities.

(iv) *Nest A&M*

[13] Nest A&M has been described in Staff's submissions as a fictitious entity which purported to be engaged in trading securities. The panel finds that Staff has failed to prove on a balance of probabilities that Nest A&M was an existing entity. The rationale for this conclusion is developed later in these reasons.

(v) *Zuk and Frayssignes*

[14] Zuk was previously a registrant of the Commission. He and Frayssignes lived together. Frayssignes registered the business name "Nest" as a sole proprietorship and opened a bank account for Nest at the Royal Bank of Canada ("**RBC**"). U.K. residents were directed to forward funds to the Nest Account. Zuk exercised his signing authority over the Nest Account to transfer funds to Pelcowitz after deducting a certain percentage for his services.

PART II – THE EVIDENCE

[15] To assist the reader to follow and understand the evidence, specific documents in a Hearing Brief will be referred to as "Ex. -, H.B. -, Tab -, p. -". Documents not included in the Hearing Briefs will be referred to as "Ex. -". Excerpts from transcripts of the evidence will be referenced as "Tr. Vol. -, p. -, l. -".

[16] To protect the privacy of investor witnesses, we have referred to them anonymously by initials, rather than using their respective names.

A. The Solicitations

(i) *A.D.*

[17] A.D. is a U.K. resident who was solicited by someone purporting to represent IMG. His evidence may be found in Tr. Vol. 2, pp. 6-59. A.D. testified by video conference from Scotland.

[18] A.D. had purchased 11,850 shares in a company called Evolution Global Capital Partners Inc. He received a telephone call from someone who purported to be "Paul Morgan" who said he represented IMG. In a second call, A.D. was told that IMG was prepared to pay £6.00 per share for A.D.'s holding. He then learned that he would be required to forward £6,135 to IMG as a "performance bond".

[19] A.D. received instructions from a "Mr. James" to forward the performance bond to the IMG Account in Toronto, which he did. Shortly thereafter, "Mr. James" called again to say that another £2,500 was needed. A.D. reluctantly forwarded a further £2,500 to the IMG Account. A.D. received a further call asking for £10,000 and, unfortunately, A.D. borrowed a further £9,338 from his family and forwarded that sum to the IMG Account.

[20] Needless to say, A.D. never heard back from "Gordon James", "Paul Morgan" or IMG.

(ii) L.E.

[21] L.E. testified before the panel by way of video conference from South Hampton, England. Her evidence may be found in Tr. Vol. 2, pp. 38-59.

[22] L.E. received a phone call from a "Mr. Gordon James" on behalf of Nest A&M in March 2009. "Mr. James" said he was acting on behalf of Nest A&M who in turn was working for Exxon Mobile to purchase shares in a company in which L.E. had invested, called Royal Petroleum Company. She paid approximately £4,000 or about £0.01 per share for her holdings. "Mr. James" said Exxon Mobile was willing to pay £5.00 a share for her shares, which amounted to £118,000. L.E. was asked to forward £5,900 by way of a "goodwill bond" that Exxon required as indication of good faith that she would sell the shares. L.E. forwarded £5,900 to the Nest Account by wire transfer.

[23] Subsequently, L.E. telephoned "Mr. James" at the number that appeared on Nest A&M's letterhead. The address on the letterhead was in Kingstown, St. Vincent in the Grenadines.

[24] L.E. then learned from "Mr. James" that Canadian tax laws required her to pay a further sum of around £5,000 to release the money. L.E. told "Mr. James" she didn't have the money and that was the last she heard from him. L.E. never received a return of her £5,900.

(iii) T.C.

[25] T.C. was a resident Norwich, U.K. He testified by way of video conference and his evidence can be found in Tr. Vol. 3, pp. 6-30.

[26] T.C. retired from the water distribution industry and had little experience with investments. He held some shares in a Canadian pharmaceutical company named Pharma Holdings that he purchased several years ago. He received a letter from IMG and a few days later was called by someone purporting to be "Edward Kelly". The letter from IMG had pointed out the pharmaceutical shares had undergone a three-for-one forward split and that T.C.'s holding was 4,900 shares. "Mr. Kelly" confirmed to T.C. that IMG was prepared to pay £176,400 for his shares in Pharma Holdings but that various taxes required T.C. to forward £4,900 to the IMG Account. T.C. sent the money.

[27] "Mr. Kelly" called T.C. again to say that Parama was no longer dealing with the business and that his £4,900 would be returned to him. T.C. was told the transactions would be carried out by the RBC and a company known as Nest A&M would be handling the business. Indeed, the sum of £4,756 was returned to T.C. from the IMG Account.

[28] "Mr. Kelly" rang several times in the next few days to the effect that a fully refundable sum of £7,419 needed to be sent to the credit of Nest A&M by wiring the amount to the Nest Account.

[29] There followed several conversations initiated by "Mr. Kelly" that resulted in T.C. making a total of five payments to Nest Account totalling approximately £34,820.

[30] T.C. never received the £178,400 that were promised to him by "Mr. Kelly". However, he did receive from the Nest Account £4,701 approximately after "Mr. Kelly" told him the transaction had fallen through and that he would get all his money back. This amount of £4,701 was all he received. His total loss was £31,000 which T.C. described as "virtually all our life's savings" (Tr. Vol. 3, p. 26).

B. The Bank Accounts

[31] U.K. investors were instructed to forward the sums demanded by IMG and Nest A&M to one of two bank accounts. The evidence respecting those bank accounts was led through Albert Ciorma, a forensic accountant employed by the Commission. Mr. Ciorma's evidence may be found in Tr. Vol. 4, pp. 72-146, Tr. Vol. 5, pp. 27-82 and Tr. Vol. 6, pp. 33-116.

[32] Mr. Ciorma identified H.B. Vol. 2 as containing the banking records of account number 16367Cdn, held at Parama in the name of IMG. Mr. Ciorma identified H.B. Vol. 3 as containing the banking records for account number 101-895-1Cdn held at RBC in the name of Nest.

Mr. Ciorma's analysis of both accounts was filed as Ex. 38.

C. The IMG Account

[33] Staff obtained a corporation profile report showing IMG International Inc. as having been incorporated on June 17, 2008 and showing Micheal Smith of Waterdown, Ontario as treasurer. Staff made inquiries at the noted address and learned that the occupant was one A.S. who knew nothing about IMG or Michael Smith.

[34] Staff submits that Pelcowitz opened the account at Parama in the name of IMG, using a fake drivers licence in the name of Michael Smith on which appears a picture of Pelcowitz. We agree with this submission. Zuk called Pelcowitz as a witness. His testimony may be found in Tr. Vol. 8, pp. 10-152. In cross-examination, Mr. Pelcowitz testified that he set up the Parama account for IMG and that he signed the opening bank documents as M. Smith. He did not tell the bank his real name and presented himself as Michael Smith and provided the bank with a drivers licence with his photo on it in the name of Michael Smith (H.B. Vol. 9, Tab 4, p. 30). Pelcowitz had sole signing authority for the IMG Account which he opened in the name of Michael Smith.

[35] Mr. Ciorma did a bank account analysis of the IMG Account detailing the source and application of funds (Ex. 38, Tab 1, sub-Tabs A, B and C). Of the total \$642,922.14 deposited in the IMG Account, a sum of \$641,333.98 came from U.K. investors (Ex. 38, Tab 1, sub-Tab A).

[36] The application of the funds in the IMG Account, as determined by Mr. Ciorma, may be found in Ex. 38, Tab 1, sub-Tab B. Mr. Ciorma and Pelcowitz were able to expand on the entries in the application of funds which identified persons to whom Pelcowitz transferred funds, including:

- (a) B.G. (\$13,760) – Mr. G worked for a “call center” that Pelcowitz operated involving MD Lands;
- (b) Cash (\$164,913.50) – Mr. Ciorma identified these transactions as Interac withdrawals from a bank machine and received by Pelcowitz for his own use;
- (c) D.M.O. PLC (\$123,917) – Mr. O assisted Pelcowitz in transferring \$47,666 to some U.K. investors by way of partial repayment. The evidence is unclear as to what Mr. O did with the balance of \$76,251;
- (d) David Pelcowitz (\$67,654) – These funds were received by Pelcowitz for his own use;
- (e) K.B. (\$20,250) – Mr. Ciorma identified Mr. B as someone who worked for MD Lands and made phone calls on its behalf;
- (f) Miscellaneous and personal expenses (\$15,409) – Mr. Ciorma identified this entry as recording personal expenses of Pelcowitz;
- (g) R. P. (\$12,700) – Pelcowitz confirmed that R. P. was his brother to whom Pelcowitz owed money;
- (h) Zuk (\$26,779) – Pelcowitz testified that these sums were cashed by Zuk and transferred to Pelcowitz, less a percentage ranging from 10 to 20 %. This arrangement was done to conceal Pelcowitz’s receipt of U.K. investor funds; and
- (i) Thornhill Drycleaners (C.B.) (\$65,900) – According to Pelcowitz, C.B. was performing the same service as did Zuk to facilitate Pelcowitz’s receipt of U.K. investor funds (Tr. Vol. 8, p. 32, ll. 12-15).

D. The Nest Bank Account

[37] Frayssignes registered the business name “Nest” as a sole proprietorship on June 9, 2003. The mailing address for Nest was in Oakville, Ontario, the address where Frayssignes lived with Zuk (H.B. Vol. 10, Tab 1).

[38] U.K. residents who were persuaded to respond to a proposal made by Nest A&M were instructed to send the required payments of good faith and otherwise to the Nest Account earlier identified in these reasons. Mr. Ciorma used the banking records for the Nest Account found in H.B. Vol. 3, Tabs A-F and proceeded to prepare a source and application of funds for the Nest Account (Ex. 38, Tab 2, sub-Tabs A-C). Of the \$419,137.20 deposited in the Nest Account, a sum of \$366,234.42 came from U.K. investors.

[39] Mr. Ciorma noted the following significant transfers from the Nest Account:

- (a) The S. family (\$33,553.70) – Mr. D.S. was a business associate of Zuk.
- (b) Frayssignes (\$163,662.89) – This amount was transferred to Frayssignes for her personal use; and
- (c) Cash (\$34,568.50) – Some transfers were cash withdrawals from automatic bank machines and other withdrawals were cheques made to cash. Some amounts were transferred to credit cards; Mr. Ciorma fairly conceded these might have been in favour of persons other than Frayssignes;

- (d) Personal (\$27,131.30) – These withdrawals reflected store purchases and other personal expenses such as construction and furniture. These withdrawals were for the personal use of Frayssignes as she decided.

E. David Pelcowitz

[40] Pelcowitz is a resident of Toronto, Ontario. Called as a witness by Zuk, before Zuk settled with the Commission, his evidence is found in Tr. Vol. 8, pp. 10-152. At one time he was a registrant under the *Act*, having been registered with the Commission as a salesperson, trading officer, supervisory procedures officer and director. He testified that he was formerly the president of a registrant, Chartwell Securities (Tr. Vol. 8, pp. 72-74).

[41] During the Material Time, Pelcowitz was involved in setting up a call centre to phone individuals in Canada to solicit sales of securities in a company called MD Lands. He bought a list of names of potential investors but insisted he could not remember how or from whom (Tr. Vol. 8, pp. 82-87).

[42] Pelcowitz sent correspondence on behalf of IMG and Nest A&M to the U.K. residents via UPS and fax. On various UPS shipping orders, Pelcowitz wrote that the shipper was “Gordon James” and on others he wrote “PM” (Tr. Vol. 8, pp. 58-59 and 98-99).

[43] Pelcowitz testified that the addresses he wrote on the various UPS shipping orders – “Murray’s Road” and “8 Silver Ave” – were fake and that he put the name of “Gordon James” as the shipper because he wanted to conceal his identity (Tr. Vol. 8, pp. 23, 90 and 91).

[44] Pelcowitz testified Smith instructed him in relation to the solicitations of the U.K. residents for IMG and Nest A&M. He said he met Smith in coffee shops or parking lots as often as twice a week. He said further he did not know Smith’s address or how to get in touch with him (Tr. Vol. 8, pp. 67-68 and 108).

[45] Pelcowitz acknowledged that he and Zuk exchanged text messages upon Zuk’s receipt of wire transfers from U.K. residents to the Nest Account. Zuk would arrange to meet Pelcowitz at various locations, and pay Pelcowitz the proceeds of those transfers, less Zuk’s retention of his percentage share (Tr. Vol. 8, pp. 132-139).

[46] It is virtually certain that Pelcowitz had access to the IMG email account that was used to solicit U.K. residents. Pelcowitz admitted it was his voice in a voice email message transmitted to Staff and that he was impersonating Smith in that message. Following receipt of the voicemail from Pelcowitz (Ex. 41, H.B. Vol. 9, Tab 5, CD), Staff received an email from the IMG “gmail” account, which purported to correct an error in the voicemail left by Pelcowitz with Staff. The email is signed by Smith and states “I have recited an incorrect email address ...” (Ex. 41, H.B. Vol. 9, Tab 4, p. 33) Pelcowitz did not deny he had access to the IMG email account but rather testified that he could not “recall if I ever had access to the email account” and that he “did not remember doing any emails” (Tr. Vol. 8, pp. 114-118).

[47] Pelcowitz arranged with Zuk to have funds from the U.K. residents wired into the Nest Account (Tr. Vol. 8, pp. 18-20).

PART III – THE APPLICABLE LAW

A. The Appropriate Standard of Proof

[48] The standard of proof in this hearing is the civil standard of proof on a balance of probabilities. The evidence presented must be sufficiently clear, convincing and cogent (*F.H. v. McDougall*, [2008] 3 S.C.R. 41 at paras. 46 and 49).

B. Use of Hearsay Evidence

[49] The Commission may admit hearsay evidence pursuant to subsection 15(1) of the *SPPA*.

[50] Staff tendered the direct evidence of three of the U.K. residents. For the balance of the U.K. residents, Staff tendered hearsay evidence related to approximately 30 others, who were contacted by Staff or whose information was otherwise provided to Staff.

[51] The Commission may rely on hearsay evidence where it is corroborative and consistent. As was the case in *Sunwide*, the hearsay evidence related to the balance of the U.K. residents not called as witnesses by Staff is substantially consistent (accepting for minor variations) and corroborative of the direct evidence (*Re Sunwide Finance Inc.* (2009), 32 O.S.C.B. 4671 (“*Sunwide*”) at paras. 19-25).

C. Securities Act Fraud

[52] Subsection 126.1(b) of the *Act* prohibits anyone “directly or indirectly” from engaging in “any act, practice or course of conduct relating to securities, derivatives or the underlying interest of a derivative” which the person or company “knows or reasonably ought to know... perpetrates a fraud on any person or company”.

[53] In previous decisions, the Commission has referred to the legal test for fraud set out in the leading case of *Théroux*, where McLachlin J. (as she then was) summarized the elements of fraud:

... 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).

(*R. v. Théroux*, [1993] 2 S.C.R. 5 (“*Théroux*”), at para. 27; appl. in *Re Al-Tar Energy Corp.* (2010), 33 O.S.C.B. 5535 (“*Al-Tar*”), at paras. 216-221)

[54] For a corporation, it is sufficient to show that its directing minds knew or reasonably ought to have known that the corporation perpetrated a fraud to prove a breach of subsection 126.1(b) of the *Act* (*Al-Tar*, above at para. 221).

(i) *The Actus Reus of Fraud*

[55] As noted above, the actus reus of the offence of fraud is established upon proof of two essential elements: a prohibited act and deprivation (*Théroux*, above at para. 16).

[56] The first element, the prohibited act, is established by proof of deceit, falsehood, or “other fraudulent means.” The second element, deprivation, is established by proof of detriment, prejudice, or risk of prejudice to the economic interests of the victim, caused by the dishonest act (*Théroux*, above at para. 16 and 27).

[57] In order to find fraud by deceit or by falsehood, “all that need[s] to be determined is whether the accused, as a matter of fact, represented that a situation was of a certain character, when, in reality, it was not” (*Théroux*, above at para. 16).

[58] The third category of dishonesty, “other fraudulent means,” encompasses all other means other than by deceit or falsehood, which can be properly stigmatized as dishonest. In considering “other fraudulent means”, the Supreme Court of Canada has held that the issue is “determined objectively, by reference to what a reasonable person would consider to be a dishonest act” (*Théroux*, above at para. 17). It connotes an underhanded design, which has the effect, or which engenders the risk, of depriving others of what is theirs. The dishonesty lies in the wrongful use of something in which another person has an interest, in such a manner that this other's interest is extinguished or put at risk. The use of wrongful in this sense if it constitutes conduct which reasonable decent persons would consider dishonest and unscrupulous.

[59] Within the meaning of “other fraudulent means,” courts have included the non-disclosure of important facts, the unauthorized diversion of funds and the unauthorized arrogation of funds or property (*Théroux*, above at para. 18).

[60] The second essential element of the actus reus of fraud, deprivation, is satisfied on proof of:

- (a) actual loss to the victim;
- (b) prejudice to a victim's economic interest; or
- (c) the risk of prejudice to the economic interests of a victim.

(*Théroux*, above at para. 16)

(ii) *The Mens Rea of Fraud*

[61] The requisite mental elements of proof for the offence of fraud the *mens rea* 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).

(*Théroux*, above at para. 27)

[62] This subjective awareness can be inferred from the totality of the evidence; direct evidence as to the accused's specific beliefs at the time of the fraudulent acts is not required (*Théroux*, above at paras. 23 and 29).

[63] This subjective awareness of the accused may also be established by evidence showing that the accused was reckless as to the consequences of his or her conduct and the truth or falsity of their statements (*Théroux*, above at paras. 26 and 28).

D. Section 25 – Trading in Securities Without Registration

[64] Prior to September 28, 2009, and therefore during the Material Time, subsection 25(1)(a) of the *Act* provided that no person or company shall trade in a security unless that person is registered with the Commission as a dealer, or as a salesperson, partner, or officer of a registered dealer:

25.(1) Registration for trading – 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 a 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.

(*Securities Act*, above, s. 25(1)(a))

[65] The definition of “trade” or “trading” as defined in section 1(1) of the *Act* includes:

- (a) any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, instalment or otherwise, but does not include a purchase of a security [...]
- (e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of the foregoing.

[66] In *Sunwide*, the Commission held that, although a purchase of a security is expressly excluded from the definition of “trade” in the *Act*, when a respondent solicited the sale of shares and made various misrepresentations to induce the sale, those actions constituted acts in furtherance of a trade. The Commission stated as follows:

The transactions solicited by Sunwide ultimately purported to involve a purchase by Sunwide or its client of outstanding shares, including the warrant shares that were to be issued pursuant to the exercise of the warrants. In our view, the actions of Sunwide and its representatives involved a solicitation of the sale of the relevant shares and the making of various misrepresentations to induce those sales. Those actions constitute acts in furtherance of a trade and not the mere purchase of a security.

(*Sunwide*, above at para. 48)

[67] In *Lehman Brothers*, the Commission dealing with a substantially similar advance-fee scheme, followed the reasoning in *Sunwide* with respect to “acts in furtherance of trades (*Re Lehman Brothers & Associates Corp.* (2011), 34 O.S.C.B. 12717 (“*Lehman Brothers*”) at para. 81).

[68] Further, it is not necessary for there to be a completed trade in order for someone to be trading in a security. An act in furtherance of a trade is itself a trade for the purposes of the *Act* (*Sunwide*, above at para. 45; *Lehman Brothers*, above at para. 82).

E. Director and Officer Liability

[69] Section 129.2 of the *Act* provides:

129.2 Directors and officers – For the purposes of this *Act*, if a company or a person other than an individual has not complied with the 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.

PART IV – ANALYSIS

(a) Pelcowitz and IMG

[70] We find Pelcowitz committed fraud contrary to subsection 126.1(b) of the *Act*. Evidence of the *actus reus* of fraud includes:

- (a) Pelcowitz and/or IMG made deceitful or false representations to U.K. investors suggesting he or IMG had a purchaser for the shares owned by U.K. residents at a substantial premium; promising to refund performance deposits; and providing that funds transferred to IMG and Nest would be used to complete the share purchase;
- (b) Pelcowitz controlled the IMG Account and arranged with Zuk to gain access to the funds transferred to the Nest Account. He diverted approximately \$1 million to purposes other than promised to the U.K. investors; and
- (c) Pelcowitz was instrumental in diverting U.K. investor funds from their intended use and thereby depriving them of their funds.

[71] Evidence of the *mens rea* of Pelcowitz's fraud include:

- (a) He used false identification to open the IMG Account to which he had sole access;
- (b) Pelcowitz issued IMG cheques to Zuk and others (signed by "Michael Smith"), which those others cashed and then returned the funds to Pelcowitz;
- (c) Pelcowitz sent courier packages to U.K. investors under false names, which he did, he testified, to conceal his identity; and
- (d) As an experienced registrant, he either knew directly of the prohibited acts or was reckless to their existence. He ought to have known of the fraud.

[72] We find Pelcowitz to have been the directing mind of IMG. Indeed, insofar as the actions of IMG are concerned, Pelcowitz was IMG. The actions and mental element described above apply equally to IMG. IMG, as controlled and directed by Pelcowitz, committed fraud contrary to subsection 126.1(b) of the *Act*.

[73] Pelcowitz and IMG acted in furtherance of a trade in connection with the purported sale of the various securities, including:

- (a) Pelcowitz couriered packages to U.K. residents containing details of the purported transactions and discussions;
- (b) Pelcowitz set up the IMG Account and arranged for the use of the Nest Account; and
- (c) Pelcowitz arranged for receiving funds into the IMG Account.

[74] Neither Pelcowitz nor IMG were registered with the Commission as required during the Material Time. Pelcowitz and IMG breached subsection 25(1)(a) of the *Act*.

(b) Michael Smith

[75] Staff submits that Smith has contravened the *Act* in at least two ways and is liable pursuant to section 129.2 of the *Act*. The onus is on Staff to prove on the balance of probabilities that Michael Smith is a real person. We are not satisfied that Michael Smith, as presented in the evidence, was a real person as opposed to an alias for a person unknown to the Commission. We are led to this conclusion by the following:

- (a) Pelcowitz is the only person to testify as having personal contact with Smith. Given our conclusions about Pelcowitz's activities, we do not find him to be a reliable witness;
- (b) The address given for Smith in the opening documents for the IMG Account was false. No one there had ever heard of him at that address;
- (c) Pelcowitz admitted that he impersonated Smith in a telephone message to Staff;
- (d) Pelcowitz signed the cheques on the IMG Account as "M. Smith" or "Michael Smith"; and
- (e) Despite the efforts of Staff, no address was ever found for Smith.

[76] We find that the name Michael Smith was adopted as an alias by a person unknown to the Commission to conceal the identity of that person. This raises the question – is it in the public interest for the Commission to find that a person, unknown to the Commission, has contravened the *Act*?

(c) Nest A&M

[77] Staff submits that Nest A&M has contravened the *Act* in at least two ways. As noted earlier, we agree with Staff's submission that Nest A&M is a fictitious entity. We find that the name "Nest A&M" was created by unknown individuals using aliases such as "Paul Morgan", "Gordon James" and "Edward Kelly". This raises the question – is it in the public interest for the Commission to find that a fictitious entity has contravened the *Act*?

[78] Staff submits that the decisions in *Sunwide*, above and *Lehman Brothers*, above, are authority for the proposition that we should find "Michael Smith" and "Nest A&M" to have contravened the *Act*. Were we to so find, we would expect Staff to seek sanctions including disgorgement and administrative penalties, plus costs.

[79] The facts in *Lehman Brothers*, above, are on all fours with this matter. In *Lehman Brothers*, owners of shares were solicited by one "Marks" to sell those shares. The shareholders, at the direction of "Marks" forwarded sums of money to cover "performance bonds," "taxes", etc. Those sums were lost and not recovered. "Marks" represented "Lehman Brothers". Staff alleged that "Marks" was an alias for an unknown individual. The panel found:

The evidence shows that Lehman Corp. and Marks used false names, telephone numbers and addresses that could not be traced to the true owner, making it impossible for Staff, other regulators or investors to identify or locate Lehman Corp., Marks or other representatives. Accordingly, we find that Staff has taken all steps reasonable in the circumstances to locate and serve Lehman Corp. and Marks.

(*Lehman Brothers*, above at para. 30).

[80] There was no evidence that "Lehman Brothers" existed. Staff submitted that it was a fictitious business.

[81] The Lehman Brothers panel found that Staff had made reasonable efforts to serve "Marks" and "Lehman Brothers" and waived service on them pursuant to Rule 1.5.3 of the Commission's *Rules of Procedure* (*Lehman Brothers*, above at para. 34).

[82] The *Lehman Brothers* panel then analyzed the evidence, referring throughout to "Marks" and "Lehman Brothers" and found them both to have committed acts of fraud, unauthorized trading and acts contrary to the public interest.

[83] There followed a sanctions and costs hearing (*Lehman Brothers et al* (2012), 35 O.S.C.B. 5357 ("**Lehman Brothers Sanctions**"). The panel ordered "Marks" to disgorge \$148,089 jointly with one Lounds, an individual known to the Commission. The panel also ordered "Marks" to pay an administrative penalty of \$250,000. Costs were imposed jointly against "Marks" and "Lounds".

[84] Although "Lehman Brothers" was found to have committed fraud and other contraventions of the *Act*, Staff chose not to ask that it be ordered to disgorge or to pay an administrative penalty. Perhaps the cognitive dissonance created by ordering a fictitious entity to pay sums to the Commission persuaded Staff to avoid an incongruous result.

[85] As for "Marks", the panel offered the following explanation of the sanctions imposed:

[50] In our Merits Decision, we determined that Marks was in fact an alias used by an individual for the purpose of perpetrating a serious fraud against TBS Investors. The fact that this individual is known to the Commission only by an alias does not detract from the public interest in imposing sanctions on that individual. Indeed, the Commission should not permit an individual to elude sanctions for serious contraventions of the Act simply by hiding behind a false identity. Therefore, we believe that it is in the public interest to impose sanctions against the individual known to the Commission as Marks.

(*Lehman Brothers Sanctions*, above at para. 50)

[86] We respectfully disagree with the *Lehman Brothers Sanctions* panel's decision that it is in the public interest to impose sanctions against individuals unknown to the Commission. Suppose that Staff subsequently discovered an individual that Staff believed was the person who assumed the alias "Smith". If Staff wanted to pursue that person, Staff would be required to issue a Notice of Hearing and a Statement of Allegations and prove, on the balance of probabilities, that it was that person who used "Smith" as an alias, and infringed the *Act*. Then, and only then, could Staff seek to sanction that person.

[87] A further concern of the panel is the potential mischief caused to real persons whose names coincide with an alias against whom a Commission order is registered. A real Michael Smith could, at the least, be inconvenienced. This potential to cause difficulty outweighs any imagined benefit of issuing orders against persons unknown to the Commission.

[88] We find it would be contrary to the public interest for the Commission to find that a person unknown to the Commission has contravened the *Act*.

[89] The above findings apply with equal, if not greater, force to entities found to be fictitious.

[90] We are unable to find that either "Smith" or "Nest A&M" contravened the *Act*.

[91] Staff has failed to prove the identity of the unknown person who assumed the alias of "Michael Smith". Staff have failed to prove that Nest A&M is an existing entity. No order shall be issued with respect to either of them.

PART V – CONCLUSION

[92] We conclude that:

- (a) Pelcowitz and IMG committed a fraud contrary to subsection 126.1(b) of the *Act*;
- (b) Pelcowitz and IMG acted in furtherance of a trade of securities contrary to subsection 25(1)(a) of the *Act*; and
- (c) Pelcowitz and IMG acted contrary to the public interest.

[93] A separate order shall be issued scheduling a date for the sanctions hearing. It is ordered that the hearing to determine sanctions and costs will be held at the Commission's offices commencing on June 27, 2013 at 10:00 a.m.

[94] It is further ordered upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party, and such party is not entitled to any further notice of the proceeding.

Dated at Toronto this 26th day of April, 2013.

"James D. Carnwath", Q.C.

"Margot C. Howard", CFA

3.1.3 JV Raleigh Superior Holdings Inc. – ss. 127(1) and (10)

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

AND

IN THE MATTER OF
JV RALEIGH SUPERIOR HOLDINGS INC.,
MAISIE SMITH (also known as MAIZIE SMITH)
AND INGRAM JEFFREY ESHUN

REASONS AND DECISION
(Subsections 127(1) and 127(10) of the Securities Act)

Decision: April 25, 2013

Panel: Alan J. Lenczner, Q.C. – Commissioner and Chair of the Panel

Submissions: Sylvia Schumacher – For Staff of the Ontario Securities Commission

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REASONS AND DECISION

I. BACKGROUND

[1] This was a hearing, in writing, before the Ontario Securities Commission (the “**Commission**”) pursuant to subsections 127(1) and (10) 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 an order imposing sanctions against JV Raleigh Superior Holdings Inc. (“**JV Raleigh**”), Maisie Smith, also known as Maizie Smith, (“**Smith**”) and Ingram Jeffrey Eshun (“**Eshun**”) (collectively, the “**Respondents**”).

[2] A Notice of Hearing was issued by the Commission on February 22, 2013 (the “**Notice of Hearing**”), in relation to a Statement of Allegations filed by Staff of the Commission (“**Staff**”) on February 15, 2013 (the “**Statement of Allegations**”).

[3] Staff relies on the decisions of the British Columbia Securities Commission (“**BCSC**”) dated July 27, 2012 (*Re JV Raleigh Superior Holdings et al.*, 2012 BCSECCOM 301 (“**BCSC Merits Decision**”)) and December 24, 2012 (*Re JV Raleigh Superior Holdings et al.*, 2012 BCSECCOM 492 (“**BCSC Order**”)). The BCSC found that between July 2006 and January 2009 (the “**Material Time**”) the Respondents engaged in unregistered trading in breach of section 34 and an illegal distribution in breach of section 61 of the *British Columbia Securities Act*, R.S.B.C. 1996, c. 418 (the “**BC Act**”) and that Smith and Eshun, as officers and directors of JV Raleigh, authorized, permitted or acquiesced in breaches of the BC Act by JV Raleigh. The BCSC Order imposed sanctions against the Respondents.

[4] In this written hearing, I have to decide whether the Respondents are subject to an order made by a securities regulatory authority in British Columbia that imposes sanctions on each of the respondents and whether it is in the public interest to make a reciprocal order in Ontario.

II. PRELIMINARY ISSUES

A. Written Hearing

[5] The Respondents were all served with the Notice of Hearing and Statement of Allegations. JV Raleigh and Smith did not appear on the return date of March 6, 2013, were not represented and, indeed, made no response of any kind. Eshun responded by email indicating that he was out of the country, that he intended to engage counsel and requested an adjournment until April 15, 2013.

[6] Rule 11 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 (the "*OSC Rules of Procedure*") permits the Commission to conduct a proceeding by means of a written hearing. On March 6, 2013, the panel heard an application by Staff to convert the matter to a written hearing, in accordance with Rule 11.5 of the *OSC Rules of Procedure* and subsection 5.1(2) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**SPPA**"). On that date, the panel also considered the adjournment request made via email by Eshun, pursuant to Rule 9.2 of the *OSC Rules of Procedure*. On March 6, 2013 the panel issued an order which established a schedule for filing materials and permitted the Respondents the opportunity to object to the written hearing application on the date suggested by Eshun, April 15, 2013.

[7] On April 3, 2013, the Commission received email correspondence from Eshun requesting a further adjournment and on April 4, 2013 the panel dismissed his request and ordered that a hearing take place on April 15, 2013 for the sole purpose of determining whether the matter would proceed in writing. On April 15, 2013, Staff appeared and made submissions, but none of the Respondents appeared or made submissions. On that date, the panel granted Staff's application to conduct this hearing in writing, pursuant to Rules 11.4 and 11.5 of the *OSC Rules of Procedure* and provided the Respondents with an opportunity to serve and file a response by April 22, 2013.

B. Failure of the Respondents to Participate

[8] None of the Respondents filed evidence or made submissions. Subsection 7(2) of the SPPA authorizes a tribunal to proceed in the absence of a party when that party has been given notice of the hearing. The provision states:

[7.](2) Where notice of a written hearing has been given to a party to a proceeding in accordance with this Act and the party neither acts under clause 6 (4) (b) [to provide good reason for not holding a written hearing] nor participates in the hearing in accordance with the notice, the tribunal may proceed without the party's participation and the party is not entitled to any further notice in the proceeding.

[9] I am satisfied that Staff served all Respondents with the Notice of Hearing, Statement of Allegations and disclosure as evidenced by the Affidavits of Service of Lee Crann sworn February 28, 2013 and March 12, 2013. I also note that the Notice of Hearing and the Statement of Allegations were posted on the Commission's website, as were the Commission orders which set out the dates for service and filing of materials. I am therefore authorized to proceed in the absence of the Respondents in accordance with subsection 7(2) of the SPPA.

III. THE BRITISH COLUMBIA SECURITIES COMMISSION ORDER

[10] Staff relies upon paragraph 4 of subsection 127(10) of the Act to reciprocate the BCSC Order and to impose sanctions against the Respondents pursuant to paragraphs 2, 2.1, 7, 8, 8.1, 8.2 and 8.5 of subsection 127(1) of the Act.

[11] The BCSC Order imposes the following sanctions on the Respondents:

Eshun

1. under section 161(1)(b) of the [BC] Act, that Eshun permanently cease trading in, and be permanently prohibited from purchasing, securities and exchange contracts;
2. under sections 161(1)(d)(i) and (ii), that Eshun resign any position he holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;
3. under section 161(1)(d)(iii), that Eshun is permanently prohibited from becoming or acting as a registrant or promoter;

4. under section 161(1)(d)(iv), that Eshun is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
5. under section 161(1)(d)(v), that Eshun is permanently prohibited from engaging in investor relations activities;
6. under section 161(1)(g), that Eshun pay to the Commission any amount obtained, or payment or loss avoided, directly or indirectly as a result of the respondents' contraventions of the [BC] Act, which we find to be not less than \$5.7 million;
7. under section 162, that Eshun pay an administrative penalty of \$750,000;

Smith

8. under section 161(1)(b) of the [BC] Act, that Smith permanently cease trading in, and be permanently prohibited from purchasing, securities and exchange contracts, except she may trade and purchase securities and exchange contracts through accounts in her own name at one registered dealer, provided that she gives a copy of this decision to the registered dealer;
9. under sections 161(1)(d)(i) and (ii), that Smith resign any position she holds as, and is permanently prohibited from becoming or acting as, a director or officer of any issuer or registrant;
10. under section 161(1)(d)(iii), that Smith is permanently prohibited from becoming or acting as a registrant or promoter;
11. under section 161(1)(d)(iv), that Smith is permanently prohibited from acting in a management or consultative capacity in connection with activities in the securities market;
12. under section 161(1)(d)(v), that Smith is permanently prohibited from engaging in investor relations activities;
13. under section 161(1)(g), that Smith pay to the Commission any amount obtained, or payment or loss avoided, directly or indirectly as a result of the respondents' contraventions of the [BC] Act, which we find to be not less than \$5.7 million;
14. under section 162, that Smith pay an administrative penalty of \$500,000;

JV Raleigh

15. under section 161(1)(b), that all persons permanently cease trading in, and be prohibited from purchasing, securities of JV Raleigh;
16. under section 161(1)(g), that JV Raleigh pay to the Commission any amount obtained, or payment or loss avoided, directly or indirectly as a result of the respondents' contraventions of the [BC] Act, which we find to be not less than \$5.7 million; and

Maximum disgorgement

17. the aggregate amount paid to the Commission under paragraphs 6, 13, and 16 not exceed the greater of \$5.7 million and the actual amount obtained, or payment or loss avoided, directly or indirectly as a result of the respondents' contraventions of the [BC] Act.

(BCSC Order, *supra* at para. 45)

III. LAW AND ANALYSIS

A. Subsection 127(10) of the Act

[12] Staff relies upon the inter-jurisdictional enforcement provisions of the Act, specifically paragraph 4 of subsection 127(10) of the Act and seeks an order from the Commission imposing similar sanctions and terms as were made against the Respondents by the BCSC.

[13] Subsection 127(1) of the Act provides:

The Commission may make one or more of the following orders if in its opinion it is in the public interest to make the order or orders [...]

[14] Subsection 127(10) of the Act provides:

Without limiting the generality of subsections (1) and (5), an order may be made under subsection (1) or (5) in respect of a person or company if any of the following circumstances exists:

[...]

4. the person or company is subject to 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 on the person or company.

[15] From a review of the BCSC Merits Decision and BCSC Order, I am satisfied that the BCSC had both personal jurisdiction and subject-matter jurisdiction over the Respondents. I am also satisfied that the requirements of paragraph 4 of subsection 127(10) of the Act have been met. The BCSC, a securities regulatory authority, has made orders that impose sanctions and restrictions on each of the Respondents.

[16] What is left to be determined is whether it is in the public interest in Ontario for a reciprocal order to be made against these Respondents. The decision of a foreign jurisdiction stands as a determination of fact for the purpose of the Commission's considerations under subsection 127(10) of the Act. The Commission's task is then to determine whether, based on those findings of fact, the sanctions proposed by Staff would be in the public interest in Ontario. An important factor to consider is, if the facts had occurred in Ontario, whether the respondent's conduct would have constituted a breach of the Act and been considered to be contrary to the public interest, such that it would attract the same or similar sanctions.

[17] As decided by the Supreme Court of Canada (the "**SCC**"), the purpose of an order under section 127 of the Act is protective and prospective. It is to restrain future conduct that is likely to be prejudicial to the public interest in fair and efficient capital markets. The SCC went on to state that "the role of the OSC under s. 127 is to protect the public interest by removing from capital markets those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets" (*Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] 2 S.C.R. 132, at para. 43; *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600).

B. Relevant BCSC Findings

[18] I note from the BCSC Merits Decision the following:

5 JV [Raleigh] is a British Columbia company. Smith and Eshun incorporated it and were its sole directors during the relevant period. Each owned 50% of its shares. Smith is a resident of British Columbia.

6 JV [Raleigh] entered into agreements with the 81 investors. The agreements were titled "Loan Agreement". Under the loan agreements, the investors advanced funds to JV [Raleigh] in consideration for which JV [Raleigh] promised to use the funds for "purchasing consumer secured notes receivables." The agreements described the notes as follows: "these notes typically have a high yield. This is a form of factoring." There is no evidence that JV [Raleigh] used any of the funds for this purpose.

7 The loan agreements provided for monthly payments as a return of capital, a maturity date, and an "interest bonus payment". Nearly all of the loan agreements were signed on JV[Raleigh]'s behalf by Smith. There is no evidence that any investors received a return of capital or any interest.

8 JV [Raleigh] deposited the investors' advances under the loan agreements to bank accounts opened by Smith and Eshun. both had individual authority to withdraw funds from the accounts, and both did so. Eshun signed four cheques made payable to himself totalling \$150,000. In closing a JV [Raleigh] credit union account, Smith received a bank draft in the amount of \$2.7 million.

[...]

10 None of the respondents was registered under the Act, nor did JV [Raleigh] file a prospectus, during the relevant period.

[...]

24 Based on the findings above, as well as, in the case of JV [Raleigh] and Smith, the statement of admissions, we find that JV[Raleigh], Smith and Eshun traded in securities without being registered to do so, contrary to section 34 of the [BC] Act, and distributed those securities without filing a prospectus, contrary to section 61 of the [BC] Act, when they distributed JV [Raleigh] securities for proceeds of \$5.7 million.

¶ 25 Smith and Eshun were JV[Raleigh]'s only two directors. Based on the conduct described above, we find that they authorized, permitted or acquiesced in JVR's contraventions of sections 34 and 61 of the [BC] Act. We find that they also contravened sections 34 and 61 under section 168.2 of the [BC] Act.

(BCSC Merits Decision, *supra* at paras. 5-8, 10, 24 and 25)

[19] I also note from BCSC Order that:

7 We found that the respondents distributed securities for proceeds of \$5.7 million without complying with the registration and prospectus requirements of the Act. In doing so, they engaged in the serious misconduct described in Corporate Express.

8 In addition to the inherent seriousness of a contravention of sections 34 and 61(1), there is no evidence that JV Raleigh used any of the funds to purchase "consumer secured notes receivables", or to invest in any form of factoring, as JV Raleigh promised in its loan agreements with the investors. To the contrary, it appears that investors' funds were withdrawn from JV Raleigh and given to companies of which Eshun and Smith were directors and officers.

[...]

13 The respondents raised \$5.7 million and produced no records to show how it was spent. They have no evidence to show that any of it was spent in the manner promised in the loan agreements. In these circumstances, it is reasonable to conclude that the respondents were enriched to the extent of the entire amount they raised from investors.

14 At a minimum, we know, as we found, that Eshun signed four cheques payable to him totalling about \$150,000.

15 We also know that money was transferred out of JV Raleigh's accounts to entities associated with Smith and Eshun:

- \$1.9 million to Trem DY Group Inc., of which Eshun is president and a director
- \$1.5 million to DSC Lifestyle Services, of which Eshun is president and a director
- \$370,000 to 0747940 BC Ltd., of which Smith is sole director (the payments included those related to shareholder loans and management fees)
- \$234,426 to Siboco Marketing Inc., of which Eshun and Smith are sole directors.

[...]

- 24 There is evidence of significant harm to investors. The respondents raised over \$5.7 million from 81 investors, 49 of whom were residents of British Columbia who invested \$3.2 million. There is no market for the securities the investors purchased, nor is there any evidence that their investments have any present or future value.
- 25 The executive director entered affidavits of investors from British Columbia. They suffered significant harm:
- a nurse lost over \$75,000 and now works two jobs to pay the mortgage on her home she used to raise the funds to invest
 - a hospital technician lost over \$100,000, funded by mortgaging her home
 - a hotel room attendant lost \$50,000, funded by mortgaging her home
 - a forklift operator lost \$40,000, funded by mortgaging his home, and has since as a result been forced to sell his home
 - a homecare worker lost nearly \$160,000, funded by mortgaging her home
 - a couple (the wife a dietary aid worker and the husband a shipper/receiver) lost \$196,000, using a home equity loan and their daughter's education fund; they are not unable to fund their daughter's education and expect to have to sell their home to pay off the loan
 - a retiree lost \$49,000 from her RRSP savings
 - a nurse lost \$218,000, funded by mortgaging her home; her retirement plans are significantly curtailed
 - a grocery store cashier lost over \$275,000, funded by mortgaging her home and using the funds in her RRSP; she has no retirement savings left.

[...]

- 28 Eshun has a regulatory history. He admitted to the Manitoba Securities Commission in 2004 that he illegally traded securities without being registered and without filing a prospectus and was sanctioned.
- 29 Eshun is president and a director of GDC Investments Inc. GDC was cease-traded by the executive director in 2010 for attempting to distribute securities under an offering memorandum that did not comply with the [BC] Act.

[...]

- 31 The respondents have shown no contrition. Smith and JV Raleigh have acknowledged, through their counsel's submissions, that their contraventions are serious, but there is no evidence before us that would give us any comfort that they intend to alter their behaviour so as to remove any concern about the risk of their future misconduct in our capital markets. In our opinion, the respondents pose a serious risk to our capital market were they to be allowed to participate in them in any meaningful way.

(BCSC Order, *supra* at paras. 7, 8, 13-15, 24, 25, 28, 29 and 31)

C. Appropriate Sanctions

[20] In my view, the conduct of the Respondents described above was abusive of the capital markets fully warranting the sanctions imposed by the BCSC. Had such conduct occurred in Ontario, it would have constituted contraventions of the Act in Ontario. Given the past conduct, the lack of contrition, the absence of mitigating factors and the total failure to provide any rational explanation, it is clearly appropriate to make an order in the public interest to prevent the Respondents from accessing the capital markets in Ontario.

[21] The threshold for determining whether it is in the public interest to reciprocate an order from another regulatory authority is a low threshold. I acknowledge the British Columbia Court of Appeal's decision in *Lines* that concluded the BCSC must make its own determination of what is in the public interest in British Columbia "rather than make an order automatically, based on the order of the foreign jurisdiction" [emphasis in original] (*Lines v. British Columbia (Securities Commission)* (2012) BCCA 316, at para. 31). Nevertheless, it is also important that the Commission be aware of and responsive to an increasingly complex and interconnected cross-border securities industry. For some time, the courts have been attuned to the needs of business and interprovincial comity.

[22] In 1990, the SCC expounded new principles and a new approach to the recognition and enforcement of judgments between Canadian provinces. The SCC stated:

The business community operates in a world economy and we correctly speak of a world community even in the face of decentralized political and legal power. Accommodating the flow of wealth, skills and people across state lines has now become imperative. Under these circumstances, our approach to the recognition and enforcement of foreign judgments would appear ripe for reappraisal. Certainly, other countries, notably the United States and members of the European Economic Community, have adopted more generous rules for the recognition and enforcement of foreign judgments to the general advantage of litigants.

(*Morguard Investments Ltd. v. De Savoye*, [1990] S.C.J. No. 135, ("*Morguard*") at para. 34)

[23] The SCC determined the issue in this way:

As discussed, fair process is not an issue within the Canadian federation. The question that remains, then, is when has a court exercised its jurisdiction appropriately for the purposes of recognition by a court in another province? This poses no difficulty where the court has acted on the basis of some ground traditionally accepted by courts as permitting the recognition and enforcement of foreign judgments – in the case of judgments in personam where the defendant was within the jurisdiction at the time of the action or when he submitted to its judgment whether by agreement or attornment. In the first case, the court had jurisdiction over the person, and in the second case by virtue of the agreement. No injustice results.

(*ibid.* at para. 43)

[24] Thirteen years later, in 2003, the SCC revisited the issue of recognition and enforcement of foreign judgments, including those from other countries. The SCC stated:

The importance of comity was analysed at length in *Morguard*, supra. This doctrine must be permitted to evolve concomitantly with international business relations, cross-border transactions, as well as mobility. The doctrine of comity is:

grounded in the need in modern times to facilitate the flow of wealth, skills and people across state lines in a fair and orderly manner.

(*Morguard*, supra, at p. 1096)

This doctrine is of particular importance viewed internationally. The principles of order and fairness ensure security of transactions, which necessarily underlie the modern concept of private international law. Although *Morguard* recognized that the considerations underlying the doctrine of comity apply with greater force between the units of a federal state, the reality of international commerce and the movement of people continue to be "directly relevant to determining the appropriate response of private international law to particular issues, such as the enforcement of monetary judgments" (J. Blom, "The Enforcement of Foreign Judgments: *Morguard* Goes Forth Into the World" (1997), 28 *Can. Bus. L.J.* 373, at p. 375).

[...]

Like comity, the notion of reciprocity is equally compelling both in the international and interprovincial context. La Forest J. discussed interprovincial reciprocity in *Morguard*, supra. He stated (at p. 1107):

... if this Court thinks it inherently reasonable for a court to exercise jurisdiction under circumstances like those described, it would be odd indeed if it did not also consider it

reasonable for the courts of another province to recognize and enforce that court's judgment.

In light of the principles of international comity, La Forest J.'s discussion of reciprocity is also equally applicable to judgments made by courts outside Canada. In the absence of a different statutory approach, it is reasonable that a domestic court recognize and enforce a foreign judgment where the foreign court assumed jurisdiction on the same basis as the domestic court would, for example, on the basis of a "real and substantial connection" test.

(*Beals v. Saldanha*, [2003] S.C.J. No. 77, ("*Beals*") at paras. 27 and 29)

[25] Most provinces now have legislation whereby judgments rendered in one common law province will be enforced in another common law province by the simple act of registration (*Reciprocal Enforcement of Judgments Act*, R.S.O. 1990, c. R.5).

[26] Although the application of subsection 127(10) of the Act does not involve the direct enforcement of a foreign judgment, the principles of comity and reciprocity espoused in *Morguard* and in *Beals*, underlying the enforcement of interprovincial and foreign judgments should equally apply to provincial securities regulators. I acknowledge that the Commission's orders in the public interest involve more than monetary judgment enforcement. The Commission has the authority to impose a number of market prohibitions on the Respondents, only when it is in the public interest to do so. Comity requires that there not be barriers to recognizing and reciprocating the orders of other regulatory authorities when the findings of the foreign jurisdiction qualify under subsection 127(10) of the Act as a judgment that invokes the public interest. For comity to be effective and the public interest to be protected, the threshold for reciprocity must be low. The onus will rest with the Respondents to show that there was no substantial connection between him/her and the originating jurisdiction, that the order of the foreign regulatory authority was procured by fraud or that there was a denial of natural justice in the foreign jurisdiction.

IV. CONCLUSION

[27] For the reasons above stated, it is in the public interest to issue the following orders:

1. against JV Raleigh that pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities of JV Raleigh cease permanently;
2. against Smith that:
 - (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Smith cease permanently, except that she may trade and purchase securities and exchange contracts through accounts in her own name at the registered dealer referred to in the order of BCSC Order, provided she gives a copy of the BCSC Order to that dealer;
 - (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Smith cease permanently, except that she may trade and purchase securities and exchange contracts through accounts in her own name at the registered dealer referred to in the order of BCSC Order, provided she gives a copy of the BCSC Order to that dealer;
 - (c) pursuant to paragraph 7 of subsection 127(1) of the Act, Smith resign any positions that she holds as director or officer of an issuer;
 - (d) pursuant to paragraph 8 of subsection 127(1) of the Act, Smith be prohibited permanently from becoming or acting as director or officer of an issuer;
 - (e) pursuant to paragraph 8.1 of subsection 127(1) of the Act, Smith resign any positions that she holds as director or officer of a registrant;
 - (f) pursuant to paragraph 8.2 of subsection 127(1) of the Act, Smith be prohibited permanently from becoming or acting as a director or officer of a registrant; and
 - (g) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Smith be prohibited permanently from becoming or acting as a registrant or as a promoter; and
3. against Eshun that:
 - (a) pursuant to paragraph 2 of subsection 127(1) of the Act, trading in any securities by Eshun cease permanently;

- (b) pursuant to paragraph 2.1 of subsection 127(1) of the Act, the acquisition of any securities by Eshun cease permanently;
- (c) pursuant to paragraph 7 of subsection 127(1) of the Act, Eshun resign any positions that he holds as director or officer of an issuer;
- (d) pursuant to paragraph 8 of subsection 127(1) of the Act, Eshun be prohibited permanently from becoming or acting as director or officer of an issuer;
- (e) pursuant to paragraph 8.1 of subsection 127(1) of the Act, Eshun resign any positions that he holds as director or officer of a registrant;
- (f) pursuant to paragraph 8.2 of subsection 127(1) of the Act, Eshun be prohibited permanently from becoming or acting as a director or officer of a registrant; and
- (g) pursuant to paragraph 8.5 of subsection 127(1) of the Act, Eshun be prohibited permanently from becoming or acting as a registrant or as a promoter.

Dated at Toronto this 25th day of April, 2013.

“Alan Lenczner”, Q.C.

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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
Blue Horizon Industries Inc.	12 Apr 13	24 Apr 13		26 Apr 13
Bucking Horse Energy Inc.	12 Apr 13	24 Apr 13	24 Apr 13	
Caspian Energy Inc.	12 Apr 13	24 Apr 13		26 Apr 13

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
ProSep Inc.	17 Apr 13	29 Apr 13	29 Apr 13		

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
ProSep Inc.	17 Apr 13	29 Apr 13	29 Apr 13		
Northland Resources S.A.	05 Apr 13	17 Apr 13	17 Apr 13		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
02/28/2013	83	ACM Commercial Mortgage Fund - Units	23,150,364.99	204,245.64
04/04/2013	33	Agcapita Farmland Fund III - Units	713,570.00	142,714.00
04/04/2013	4	American Apparel, Inc. - Notes	29,012,748.50	4.00
04/03/2013	93	Arcelik A.S. - Notes	506,688,285.37	93.00
03/22/2013	55	Archer Petroleum Corp. - Units	600,500.00	3,002,500.00
03/15/2013 to 03/18/2013	50	Astur Gold Corp. - Units	1,592,550.40	2,275,072.00
03/26/2013	45	Banks Island Gold Ltd. - Units	2,482,718.02	388,500.00
10/17/2012	1	Bison Income Trust II - Trust Units	55,910.00	5,591.00
06/11/2012 to 06/19/2012	7	Bison Income Trust II - Trust Units	407,000.00	40,700.00
04/20/2012	1	Bison Income Trust II - Trust Units	17,850.00	1,785.00
07/26/2012	1	Bison Income Trust II - Trust Units	50,000.00	5,000.00
06/20/2012 to 06/28/2012	2	Bison Income Trust II - Trust Units	43,245.00	4,324.50
09/04/2012 to 09/13/2012	3	Bison Income Trust II - Trust Units	298,750.00	29,875.00
09/26/2012 to 09/28/2012	4	Bison Income Trust II - Trust Units	142,960.00	14,296.00
10/03/2012	4	Bison Income Trust II - Trust Units	134,750.00	13,475.00
11/19/2012 to 11/27/2012	3	Bison Income Trust II - Trust Units	200,000.00	20,000.00
12/19/2012 to 12/24/2012	7	Bison Income Trust II - Trust Units	1,068,000.00	106,800.00
01/04/2013 to 01/10/2013	6	Bison Income Trust II - Trust Units	2,748,107.91	274,810.79
01/23/2013	1	Bison Income Trust II - Trust Units	148,890.00	14,889.00
02/21/2013 to 02/27/2013	7	Bison Income Trust II - Trust Units	436,400.00	43,640.00
07/17/2012	1	Bison Income Trust II - Trust Units	50,000.00	5,000.00
11/09/2012	1	Bison Income Trust II - Trust Units	50,000.00	5,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
10/12/2012	1	Bison Income Trust II - Trust Units	50,000.00	5,000.00
12/03/2012 to 12/13/2012	6	Bison Income Trust II - Trust Units	1,400,756.89	140,075.68
12/19/2012 to 12/28/2012	5	Bison Income Trust II - Trust Units	228,700.00	22,870.00
12/07/2012 to 12/14/2012	6	Bison Income Trust II - Units	338,590.00	33,859.00
04/16/2013	4	BlueScope Steel (Finance) Limited and BlueScope Steel Finance (USA) LLC - Notes	2,550,000.00	2,500.00
04/09/2013	3	Bonanza Creek Energy, Inc. - Notes	1,778,350.00	2.00
03/31/2013 to 04/08/2013	5	Boreal Agrominerals Inc. - Common Shares	229,000.00	1,145,000.00
03/26/2013	14	Breakeven Inc. - Preferred Shares	346,102.00	10,427.00
03/27/2013	3	Brookfield WA Rail Pty Ltd. - Notes	82,544,000.00	525.00
12/01/2012	1	BTG Pactual Global Emerging Markets and Macro Fund Limited - Units	247,500,000.00	250,000.00
04/04/2013	1	Caelus Re 2013 Limited - Notes	4,562,550.00	1.00
01/01/2012 to 12/31/2012	93	CGOV Balanced Fund - Class A - Units	2,921,942.33	N/A
01/01/2012 to 12/31/2012	13	CGOV Balanced Fund - Class F - Units	5,509,769.01	N/A
01/01/2012 to 12/31/2012	5	CGOV Canadian Equity Fund - Class A - Units	571,858.01	N/A
01/01/2012 to 12/31/2012	4	CGOV Canadian Equity Fund - Class F - Units	91,057.80	N/A
01/01/2012 to 12/31/2012	38	CGOV Dividend Fund- Class G - Units	2,251,172.19	N/A
01/01/2012 to 12/31/2012	140	CGOV Dividend Fund - Class A - Units	7,566,253.37	N/A
01/01/2012 to 12/31/2012	78	CGOV Dividend Fund - Class F - Units	7,960,559.05	N/A
01/01/2012 to 12/31/2012	182	CGOV Equity Fund - Class A - Units	8,301,433.17	N/A
01/01/2012 to 12/31/2012	95	CGOV Equity Fund - Class F - Units	11,535,033.41	N/A
01/01/2012 to 12/31/2012	15	CGOV Fixed Income Fund - Class A - Units	1,621,222.24	N/A
01/01/2012 to 12/31/2012	49	CGOV Fixed Income Fund - Class F - Units	14,101,598.11	N/A
01/01/2012 to 12/31/2012	25	CGOV Fixed Income Fund - Class G - Units	2,505,565.12	N/A

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
01/01/2012 to 12/31/2012	15	CGOV Focuses 15 - Units	320,865.24	N/A
01/01/2012 to 12/31/2012	2	CGOV U.S. Equity Fund - Class A - Units	105,800.00	N/A
01/01/2012 to 12/31/2012	5	CGOV U.S. Equity Fund - Class F - Units	714,603.90	N/A
04/16/2013	2	Chimerix, Inc. - Common Shares	1,718,640.00	120,000.00
04/11/2013	5	Cline Mining Corporation - Bonds	2,525,750.00	5.00
04/03/2013	1	CNH Capital LLC - Notes	5,067,000.00	5,000.00
01/03/2012 to 11/12/2012	5	Comgest Growth PLC - Units	100,371,135.94	N/A
04/02/2013	5	Continental Resources, Inc. - Notes	17,596,632.00	17,340.00
04/08/2013	8	Copper Fox Metals Inc. - Units	2,653,000.26	3,358,228.00
03/19/2013	20	Critical Elements Corporation - Units	604,000.00	3,020,000.00
03/22/2013	15	CSM Systems Corp. - Units	224,000.00	4,480,000.00
01/01/2012 to 12/31/2012	62	C.F.G. Herward Fund - Units	2,010,247.48	192,207.25
01/01/2012 to 12/31/2012	252	C.F.G. Heward Canadian Dividend Growth Fund - Units	12,266,813.81	991,922.17
04/03/2013	7	Dollar General Corporation - Common Shares	8,676,249.44	30,000,000.00
04/10/2013	1	DQ Entertainment Plc - Common Shares	466,320.00	15,000,000.00
04/11/2013	73	Econo-Malls Limited Partnership # 14 - Limited Liability Interest	10,382,500.00	N/A
03/18/2013	1	eSight Corp. - Preferred Shares	18,504.84	108,852.00
04/06/2013	1	eSight Corp. - Preferred Shares	800,000.00	4,705,882.00
03/19/2013	6	E*TRADE Financial Corporation - Common Shares	4,908,860.00	421,000.00
04/05/2013	4	First Nickel Inc. - Common Shares	3,138,775.47	68,592,157.00
04/03/2013	1	First Reliance Real Estate Investment Trust - Units	2,000.00	215.48
04/18/2013	1	Ford Auto Securitization Trust - Notes	301,000,000.00	1.00
03/19/2013 to 03/22/2013	1	Forex Capital Markets, LLC - N/A	0.00	13,585.00
04/10/2013	6	Frontier Communications Corporation - Notes	13,448,750.00	6.00
04/02/2013	1	Frontier Communications Corporation - Notes	2,029,600.00	1.00
04/09/2013	51	Goldeneye Resources Corp. - Units	1,390,750.00	3,385,833.00
03/27/2013	13	GoldON Resources Ltd. - Units	500,000.00	3,500,000.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
03/22/2012	1	HedgeForum Thirt Point, Ltd. - Units	101,210.00	N/A
04/03/2013 to 04/12/2013	6	Hortican Inc. - Common Shares	273,499.90	1,823,332.00
01/01/2012 to 12/31/2012	2	IAIM Canadian Fixed Income Pooled Fund (duration bias) - Trust Units	3,000,000.00	285,578.30
01/21/2011 to 07/05/2011	10	Instream Energy Systems Corp. - Special Warrants	196,057.00	163,000.00
04/05/2013	8	Intelsat (Luxembourg) S.A. - Notes	55,217,895.30	8.00
04/04/2013	4	International Flavors aand Fragrances Inc. - Notes	9,117,069.91	4.00
08/31/2011 to 03/12/2013	39	Kallo Inc. formerly Diamond Technologies Inc. - Common Shares	3,559,661.53	126,381,281.00
03/28/2013 to 04/03/2013	12	Karma Athletics Ltd. - Units	335,000.00	3,350,000.00
04/05/2013	246	Kelt Exploration Ltd. - Common Shares	94,350,000.00	17,000,000.00
04/09/2013	2	Kerry Group Financial Services - Notes	5,081,800.00	2.00
02/25/2013 to 03/05/2013	24	Klondike Gold Corp. - Common Shares	2,297,100.00	27,880,000.00
04/19/2013	13	Knick Exploration Inc. - Common Shares	194,000.00	4,380,000.00
01/01/2012 to 12/31/2012	6	Lazard Global Listed Infrastructure (Canada) Fund - Units	24,673,437.45	2,697,318.10
01/06/2012 to 12/05/2012	4	Lazard Global Thematic (Canada) Fund - Units	46,465,000.00	4,478,542.87
03/18/2013 to 04/22/2013	8	League IGW Real Estate Investment Trust - Units	323,597.52	323,597.52
04/08/2013 to 04/12/2013	14	League IGW Real Estate Investment Trust - Units	1,246,392.89	1,246,392.89
10/01/2012	1	LMAP Alpha Limited - Common Shares	78,616,000.00	800,000.00
01/01/2012 to 12/31/2012	209	Louisbourg Canadian Bond Fund - Units	28,675,193.00	2,696,630.28
01/01/2012 to 12/31/2012	204	Louisbourg Canadian Equity Fund - Units	12,350,873.00	1,340,287.98
01/01/2012 to 12/31/2012	177	Louisbourg Canadian Small Cap Fund - Units	5,595,238.00	553,179.09
01/01/2012 to 12/31/2012	210	Louisbourg Dividend Fund - Units	11,336,209.00	1,135,825.64
01/01/2012 to 12/31/2012	172	Louisbourg EAFE Fund - Units	5,152,398.00	589,804.19
01/01/2012 to 12/31/2012	202	Louisbourg Money Market Fund - Units	32,275,086.00	3,227,508.55
01/01/2012 to 12/31/2012	179	Louisbourg Quantitative Equity Fund - Units	3,723,675.00	383,930.36

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
01/01/2012 to 12/31/2012	198	Louisbourg US Equity Fund - Units	7,684,045.00	726,009.58
04/11/2013	1	Mallinckrodt International Finance S.A. - Notes	1,010,507.97	1.00
01/01/2012 to 12/31/2012	31	Mawer Balanced Pooled Fund - Units	686,306,907.1 1	68,895,082.64
01/01/2012 to 12/31/2012	30	Mawer Balanced Pooled Fund (amended) - Trust Units	686,306,907.1 1	N/A
01/01/2012 to 12/31/2012	14	Mawer Canadian Bond Pooled Fund - Trust Units	295,556,567.9 4	29,976,655.91
01/01/2012 to 12/31/2012	26	Mawer Canadian Equity Pooled Fund - Units	619,021,768.7 9	36,631,622.33
01/01/2012 to 12/31/2012	5	Mawer International Equity Pooled Fund - Units	160,810,703.3 2	15,212,363.92
03/20/2013	1	Merna Re IV Ltd. - Notes	17,969,000.00	17,500.00
03/08/2013	12	MetroPCS Wireless, Inc. - Notes	182,859,400.0 0	96,000.00
04/18/2013	147	Mint Technology Corp. - Units	4,632,720.00	5,820,000.00
03/11/2013	1	Mint Technology Corp. - Units	420,000.00	4,000,000.00
04/14/2013	57	Mkango Resources Ltd. - Units	1,546,305.18	8,836,033.00
04/08/2013	2	MOVE Trust, BNY Trust company of Canada as trustee - Notes	4,323,497.39	2.00
12/31/2012	2	New Haven Mortgage Income Fund (1) Inc. - Common Shares	131,000.00	N/A
03/12/2013	25	NexGen Energy Ltd. - Flow-Through Shares	3,084,012.50	7,256,500.00
03/12/2013	26	NexGen Energy Ltd. - Units	1,101,200.00	2,753,000.00
04/19/2013 to 04/22/2013	1	North American Nickel Inc. - Units	468,105.20	26,255,561.00
04/12/2013	9	Pancontinental Uranium Corporation - Units	694,499.75	7,716,663.00
03/22/2013	2	Papillon Resources Limited - Common Shares	1,248,491.91	872,388.00
04/15/2013	2	Pinnacle Foods Finance LLC/Pinnacle Foods Finance Corp - Notes	2,806,650.00	2.00
04/03/2013	2	Pinnacle Foods Inc. - Common Shares	662,763.60	32,700.00
01/23/2012 to 12/27/2012	29	Polar Investment Funds Limited (North Pole Multi-Strategy Class) - Units	1,702,734.80	17,018.35
04/05/2013	3	Profound Medical Inc. - Preferred Shares	2,500,000.00	3,125,000.00
04/03/2013	3	RDA Microelectronics, Inc. - American Depository Shares	2,521,800.00	270,000.00
01/31/2012 to 12/31/2012	17	Red Sky Partners Fund - Trust Units	3,770,000.00	34,311.22

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
04/12/2013	6	Rentech Nitrogen Partners, LP and Rentech Nitrogen Finance Corporation - Notes	5,555,000.00	2,750.00
04/10/2013	11	RepliCel Life Sciences Inc. - Units	509,502.40	1,643,555.00
04/03/2013	1	Rexel, societe anonyme - Notes	7,093,800.00	1.00
03/20/2013	2	ROI Capital/2256227 Ontario Inc. & St. Jacobs Country Inn Inc. - Units	1,000,000.00	1,000,000.00
03/27/2013	2	ROI Capital/JD Development King St LP - Units	160,955.00	160,955.00
03/21/2013	1	ROI Capital/MMS Enterprise Holdings Inc. - Units	12,500,000.00	12,500,000.00
03/21/2013	3	ROI Capital/Newmarket Golden Space Inc. & Newmarket Gordam LP - Units	923,049.00	923,049.00
04/11/2013	27	Royal Bank of Canada - Notes	6,000,000.00	60,000.00
04/11/2013	10	Royal Bank of Canada - Notes	4,042,800.00	40,000.00
04/17/2013	3	RTI International Metals, Inc. - Notes	3,591,700.00	3,500.00
04/17/2013	15	Rupert Resources Ltd. - Common Shares	510,000.00	5,100,000.00
08/01/2012	1	Sansone Partners L.P. - Limited Partnership Interest	999,990.00	999,990.00
03/28/2013	4	Spire Real Estate Limited Partnership - Units	1,360,000.00	12,197.39
04/03/2013	22	Stellar Biotechnologies, Inc. - Units	1,630,000.00	3,260,000.00
04/09/2013 to 04/12/2013	4	Stoney Range Industrial Limited Partnership - Units	140,000.00	140,000.00
02/01/2012 to 07/01/2012	1	Stornoway Recovery Fund LP - Limited Partnership Units	225,000.00	N/A
01/01/2012 to 12/31/2012	5	Sun Life Milestone Global Equity Fund - Units	3,496,387.44	N/A
12/02/2009	78	Sundance Minerals Ltd. - Investment Trust Interests	1,890,000.00	9,450,000.00
03/28/2013	6	Switchable Solutions Inc. - Units	295,000.00	295,000.00
03/22/2013 to 03/28/2013	26	Timbercreek Four Quadrant Global Real Estate Partners - Units	8,288,174.68	N/A
04/04/2013	25	TopSoil Farm Land Management Fund II, L.P. - Units	22,133,000.00	22,133.00
03/01/2013 to 03/08/2013	5	Trez Capital Yield Trust US - Trust Units	500,759.00	49,000.00
04/08/2013	14	Trueclaim Exporation Inc. - Units	224,199.96	3,736,666.00
04/03/2013	2	TSMC Global Ltd. - Notes	10,129,997.07	2.00
03/25/2013 to 03/28/2013	14	UBS AG, Jersey Branch - Certificates	6,670,632.33	14.00
04/02/2013 to 04/05/2013	20	UBS AG, Jersey Branch - Certificates	8,214,258.72	20.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
03/25/2013	1	UBS AG, Zurich - Certificates	163,326.17	1.00
02/25/2013 to 03/29/2013	15	Uken Studios, Inc. - Special Shares	457,000.00	457.00
04/04/2013	3	Venturion Oil Limited - Common Shares	700,000.00	700,000.00
03/21/2013	48	Walton AZ Coolidge Landing Investment Corporation - Common Shares	712,350.00	71,235.00
04/04/2013	40	Walton AZ Coolidge Landing Investment Corporation - Common Shares	818,110.00	80,128.00
04/11/2013	30	Walton AZ Coolidge Landing Investment Corporation - Common Shares	735,630.00	73,563.00
03/21/2013	8	Walton AZ Coolidge Landing LP - Units	979,158.99	95,416.00
04/11/2013	5	Walton AZ Coolidge Landing LP - Units	871,381.61	85,690.00
03/21/2013	80	Walton CA Highland Falls Investment Corporation - Common Shares	1,285,320.00	32,133.00
04/04/2013	48	Walton CA Highland Falls Investment Corporation - Common Shares	1,182,720.00	N/A
04/11/2013	53	Walton CA Highland Falls Investment Corporation - Common Shares	1,316,240.00	32,906.00
04/11/2013	12	Walton CA Highland Falls LP - Investment Trust Interests	1,464,183.47	57,594.00
03/21/2013	14	Walton CA Highland Falls LP - Units	1,206,092.87	47,012.00
04/04/2013	15	Walton CA Highland Falls LP - Units	1,410,111.37	55,549.00
04/11/2013	15	Walton Income 6 Investment Corporation - Common Shares	474,000.00	1,500.00
04/04/2013	19	Walton Income 6 Investment Corporation - Common Shares	937,500.00	1,900.00
03/21/2013	21	Walton Income 6 Investment Corporation - Common Shares	476,500.00	2,100.00
03/21/2013	43	Walton NC Dutchman's Creek Investment Corporation - Common Shares	519,580.00	51,958.00
04/04/2013	22	Walton NC Dutchman's Creek Investment Corporation - Common Shares	548,770.00	54,877.00
03/21/2013	15	Walton NC Dutchman's Creek LP - Units	820,765.02	79,981.00
04/04/2013	5	Walton NC Dutchman's Creek LP - Units	685,842.38	67,544.00
03/21/2013	13	Walton U.S. Dollar Income 1 Corporation - Bonds	241,670.11	15,700.00
04/04/2013	14	Walton U.S. Dollar Income 1 Corporation - Bonds	402,555.33	26,430.00
04/11/2013	11	Walton U.S. Dollar Income I Corporation - Bonds	384,922.07	25,235.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Aston Hill Strategic Yield II Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated April 24, 2013
NP 11-202 Receipt dated April 25, 2013

Offering Price and Description:

Series A, F and I Units

Underwriter(s) or Distributor(s):

Aston Hill Asset Management Inc.

Promoter(s):

Aston Hill Asset Management Inc.

Project #2049133

Issuer Name:

Exemplar Global Agriculture Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated April 26, 2013
NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

Series A, Series, L, Series F and Series I Units

Underwriter(s) or Distributor(s):

BluMont Capital Corporation

Promoter(s):

BluMont Capital Corporation

Project #2050329

Issuer Name:

Cline Mining Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated April 25, 2013
NP 11-202 Receipt dated April 26, 2013

Offering Price and Description:

\$35,071,521 - Offering of Rights to Subscribe for Common Shares

Price of \$0.0205 per Common Share and the issuance of 209,144,977 Warrants each exercisable for one Common Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2049739

Issuer Name:

First Asset DEX 1-5 Year Laddered Government Strip Bond Index ETF
Principal Regulator - Ontario

Type and Date:

Preliminary Long Form Prospectus dated April 29, 2013
NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

Common Units and Advisor Class Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

First Asset Investment Management Inc.

Project #2050918

Issuer Name:

Emera Incorporated
Principal Regulator - Nova Scotia

Type and Date:

Preliminary Base Prospectus dated April 23, 2013
NP 11-202 Receipt dated April 23, 2013

Offering Price and Description:

\$750,000,000.00

Debt Securities (unsecured)

First Preferred Shares

Second Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2048038

Issuer Name:

Mercury Capital II Limited
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated April 26, 2013
NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

Minimum Offering: \$210,000.00/700,000 Common Shares

Maximum Offering: \$510,000.00/1,700,000 Common Shares

Price: \$0.30 per Common Share

Underwriter(s) or Distributor(s):

Hampton Securities Limited

Promoter(s):

Thomas Sears

Project #2050540

Issuer Name:

Moneda LatAm Growth Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form Prospectus dated April 23, 2013

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Maximum: \$ * - * Class A Units and/or Class F Units

Price: \$10.00 per Unit

Minimum Purchase: \$1,000 (100 Units)

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

CIBC World Markets Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

TD Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Macquarie Private Wealth Inc.

Raymond James Ltd.

Burgeonvest Bick Securities Limited

Dundee Securities Ltd.

Manulife Securities Incorporated

Promoter(s):

Scotia Managed Companies Administration Inc.

Project #2035735

Issuer Name:

Northern Frontier Corp.

Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated April 23, 2013

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

\$48,000,000.00 - * Subscription Receipts

Price: \$* per Subscription Receipt

Underwriter(s) or Distributor(s):

GMP SECURITIES L.P.

RAYMOND JAMES LTD.

ACUMEN CAPITAL FINANCE PARTNERS LIMITED

CORMARK SECURITIES INC.

Promoter(s):

John R. Jacobs

Brad N. Creswell

Project #2048341

Issuer Name:

Nova Scotia Power Incorporated

Principal Regulator - Nova Scotia

Type and Date:

Preliminary Base Shelf Prospectus dated April 23, 2013

NP 11-202 Receipt dated April 23, 2013

Offering Price and Description:

\$500,000,000.00 - Debt Securities (unsecured)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2048037

Issuer Name:

Priviti Oil & Gas Opportunities Limited Partnership 2013

Principal Regulator - Alberta

Type and Date:

Preliminary Long Form Prospectus dated April 29, 2013

NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

Minimum: \$20,000,000.00 - 2,000,000 Class A Units

and/or Class F Units

Maximum: \$100,000,000.00 - 10,000,000 Class A Units

and/or Class F Units

Price: \$10.00 per Class A Unit or Class F Unit

Minimum Purchase: 500 Class A Units or Class F Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

GMP Securities L.P.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Scotia Capital Inc.

Macquarie Private Wealth Inc.

Canaccord Genuity Corp.

Dundee Securities Ltd.

Raymond James Ltd.

Desjardins Securities Inc.

FirstEnergy Capital Corp.

Mackie Research Capital Corporation

Peters & Co. Limited

Promoter(s):

Priviti Capital Corporation

Project #2050894

Issuer Name:

Pure Multi-Family REIT LP
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated April 24, 2013
NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

US\$35,000,000.00
7,000,000 Units

Price: US\$5.00 Per Unit

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
Canaccord Genuity Corp.
CIBC WORLD MARKETS INC.
DUNDEE SECURITIES LTD.
SCOTIA CAPITAL INC
GMP SECURITIES L.P.
MACQUARIE CAPITAL MARKETS CANADA LTD.
HSBC SECURITIES (CANADA) INC.
Desjardins Securities Inc.
Acumen Capital Finance Partners Limited

Promoter(s):

Pure Multifamily Management Limited Partnership

Project #2048848

Issuer Name:

Sentry REIT Class
Sentry U.S. Growth and Income Registered Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated April 24, 2013
NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

Series A, F and I Securities

Underwriter(s) or Distributor(s):

Sentry Investments Inc.

Promoter(s):

Sentry Investments Inc.

Project #2049447

Issuer Name:

Silver Ridge Power Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Long Form Prospectus
dated April 23, 2013

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

CDN\$ * - * Class A Common Shares
Price: CDN\$ * per Common Share

Underwriter(s) or Distributor(s):

RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
GOLDMAN SACHS CANADA INC.
CIBC WORLD MARKETS INC.
NATIONAL BANK FINANCIAL INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
MACQUARIE CAPITAL MARKETS CANADA LTD.

Promoter(s):

AES U.S. SOLAR, LLC
AES SOLAR ENERGY, LLC
R/C US SOLAR INVESTMENT PARTNERSHIP, L.P.,
R/C PR INVESTMENT PARTNERSHIP, L.P.,
R/C EUROPE SOLAR INVESTMENT PARTNERSHIP, L.P.
R/C GLOBAL SOLAR COOPERATIEF U.A.

Project #2041413

Issuer Name:

AGF All Cap 30 Canadian Equity Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Canada Class* (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Canadian Growth Equity Class* (Mutual Fund Series, Series F and Series O Securities)
AGF Canadian Large Cap Dividend Class* (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Canadian Large Cap Dividend Fund (Mutual Fund Series, Series D, Series F, Series O, Series T, Series V and Classic Series Securities)
AGF Canadian Small Cap Discovery Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Canadian Small Cap Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Canadian Stock Fund (Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Dividend Income Fund (Mutual Fund, Series D, Series F, Series O, Series Q and Series V Securities)
AGF Aggressive Global Stock Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Aggressive U.S. Growth Fund (Mutual Fund Series, Series F and Series O Securities)
AGF American Growth Class* (Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T and Series V Securities)
AGF American Growth Fund (Series S Securities)
AGF Asian Growth Class* (Mutual Fund Series, Series F and Series O Securities)
AGF Asian Growth Fund (Series S Securities)
AGF China Focus Class* (Mutual Fund Series, Series F and Series O Securities)
AGF EAFE Equity Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Emerging Markets Class* (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Emerging Markets Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF European Equity Class* (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Global Dividend Fund (Mutual Fund Series, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Global Equity Class* (Mutual Fund Series, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Global Equity Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Global Value Class* (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Global Value Fund (Mutual Fund Series, Series D, Series F, Series O, Series T and Series V Securities)
AGF International Stock Class* (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)

AGF U.S. Risk Managed Class* (Mutual Fund Series, Series F and Series O Securities)
AGF U.S. Risk Managed Fund (Series S Securities)
AGF Canadian Resources Class* (Mutual Fund Series, Series F and Series O Securities)
AGF Clean Environment Equity Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Global Real Estate Equity Class* (Mutual Fund Series, Series F and Series O Securities)
AGF Global Real Estate Equity Fund (Series S Securities)
AGF Global Resources Class* (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Global Resources Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Precious Metals Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Canadian Asset Allocation Fund (Mutual Fund Series, Series D, Series F, Series O, Series T and Series V Securities)
AGF Conservative Asset Allocation Fund (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Diversified Income Class* (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Diversified Income Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF High Income Class* (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF High Income Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Monthly High Income Class* (Mutual Fund Series, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Monthly High Income Fund (Mutual Fund Series, Series F, Series O, Series Q and Series T Securities)
AGF Tactical Income Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Traditional Balanced Fund (Mutual Fund Series, Series D, Series F, Series O, Series T and Series V Securities)
AGF Traditional Income Fund (Mutual Fund Series, Series F, Series O, Series Q and Series T Securities)
AGF Emerging Markets Balanced Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF World Balanced Fund (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Canadian Bond Fund (Mutual Fund Series, Series D, Series F, Series O and Series Q Securities)
AGF Canadian Money Market Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Dollar Cost Averaging Fund (Mutual Fund Series Securities)
AGF Fixed Income Plus Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Inflation Plus Bond Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Short-Term Income Class* (Mutual Fund Series, Series F and Series O Securities)

AGF Emerging Markets Bond Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Floating Rate Income Fund (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Global Aggregate Bond Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Global Government Bond Fund (Mutual Fund Series, Series F and Series O Securities)
AGF High Yield Bond Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Total Return Bond Fund (Mutual Fund Series, Series F, Series O and Series Q Securities)
AGF Elements Balanced Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O, Series Q, Series T and Series V Securities)
AGF Elements Conservative Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O and Series Q Securities)
AGF Elements Global Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O and Series Q Securities)
AGF Elements Growth Portfolio (Mutual Fund Series, Series D, Series F, Series J, Series O, Series Q, Series T and Series V Securities)
AGF Elements Yield Portfolio (Mutual Fund Series, Series F, Series J, Series O and Series Q Securities)
AGF Elements Balanced Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Elements Conservative Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O and Series Q Securities)
AGF Elements Global Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O and Series Q Securities)
AGF Elements Growth Portfolio Class* (Mutual Fund Series, Series D, Series F, Series O, Series Q, Series T and Series V Securities)
AGF Equity Income Focus Fund (Mutual Fund Series, Series F, Series O and Series T Securities)
AGF Income Focus Fund (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Inflation Focus Fund (Mutual Fund Series, Series F, Series O, Series T and Series V Securities)
AGF Social Values Balanced Fund (Mutual Fund Series, Series F and Series O Securities)
AGF Social Values Equity Fund (Mutual Fund Series, Series F and Series O Securities)

* Class of AGF All World Tax Advantage Group Limited.
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated April 19, 2013
NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Mutual Fund Series, Series D, Series F, Series J, Series O, Series Q, Series S, Series T, Series V and Classic Series Securities

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

AGF INVESTMENTS INC.

Project #2027007

Issuer Name:

Altamont Exploration Corp.

Principal Regulator - British Columbia

Type and Date:

Amended and Restated Long Form Prospectus dated April 24, 2013 to the Long Form Prospectus dated January 31, 2013

NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

\$562,500.00 - 3,750,000 Shares

Price: \$0.15 per Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Derek C. Pink

Toma S. Sonjonki

Project #1977887

Issuer Name:

BMO MSCI EAFE Hedged to CAD Index ETF (formerly, BMO International Equity Hedged to CAD Index ETF)

BMO MSCI Emerging Markets Index ETF (formerly, BMO Emerging Markets Equity Index ETF)

(Units)

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 5, 2013 to the Long Form Prospectus dated January 29, 2013

NP 11-202 Receipt dated April 23, 2013

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

BMO ASSET MANAGEMENT INC.

Project #2001965

Issuer Name:

BMO American Equity Class (Series F, I and Advisor Series)
BMO Asian Growth and Income Class (Series H and Advisor Series)
BMO Canadian Equity Class (Series A, F, H, I and Advisor Series)
BMO Canadian Tactical ETF Class (Series A, T6, F, I and Advisor Series)
BMO Dividend Class (Series A, H, I and Advisor Series)
BMO Global Dividend Class (Series A, T5, F, H, I and Advisor Series)
BMO Global Energy Class (Series A, I and Advisor Series)
BMO Global Equity Class (Series A, I and Advisor Series)
BMO Global Tactical ETF Class (Series A, T6, F, I and Advisor Series)
BMO Greater China Class (Series A, I and Advisor Series)
BMO International Value Class (Series A, F, I and Advisor Series)
BMO LifeStage 2017 Class (Series A, H, I and Advisor Series)
BMO LifeStage 2020 Class (Series A, H, I and Advisor Series)
BMO LifeStage 2025 Class (Series A, H, I and Advisor Series)
BMO LifeStage 2030 Class (Series A, H, I and Advisor Series)
BMO LifeStage 2035 Class (Series A, H, I and Advisor Series)
BMO LifeStage 2040 Class (Series A, H, I and Advisor Series)
BMO Short-Term Income Class (Series A, H, I and Advisor Series)
BMO Sustainable Climate Class (Series A, H, I and Advisor Series)
BMO Sustainable Opportunities Class (Series A, H, I and Advisor Series)
BMO SelectClass Security Portfolio (Series A, T5, T6, T8, H, I and Advisor Series)
BMO SelectClass Balanced Portfolio (Series A, T5, T6, T8, H, I and Advisor Series)
BMO SelectClass Growth Portfolio (Series A, T5, T6, T8, H, I and Advisor Series)
BMO SelectClass Aggressive Growth Portfolio (Series A, T5, T6, H, I and Advisor Series)
BMO Security ETF Portfolio Class (Series A, T6, F, I and Advisor Series)
BMO Balanced ETF Portfolio Class (Series A, T6, F, I and Advisor Series)
BMO Growth ETF Portfolio Class (Series A, T6, F, I and Advisor Series)
BMO Aggressive Growth ETF Portfolio Class (Series A, T6, F, I and Advisor Series)
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 22, 2013 to the Simplified Prospectuses and Annual Information Form dated March 28, 2013

NP 11-202 Receipt dated April 25, 2013

Offering Price and Description:

Series A, F, H, I, T5, T6, T8 and Advisor Series @ Net Asset Value

Underwriter(s) or Distributor(s):

BMO Investments Inc.
Guardian Group of Funds Ltd.

Promoter(s):

BMO Investments Inc.

Project #2007623

Issuer Name:

B.E.S.T. Total Return Fund Inc.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 23, 2013 to the Long Form Prospectus dated December 19, 2012
NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #1983951

Issuer Name:

Estrella International Energy Services Ltd.
Principal Regulator - Alberta

Type and Date:

Final Long Form Prospectus dated April 22, 2013
NP 11-202 Receipt dated April 23, 2013

Offering Price and Description:

25,000,000.00 - 500,000,000 Common Shares
Subscription Price: CDN\$0.05 per Common Shares
(upon the exercise of each 0.5989529 of a Right)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2016730

Issuer Name:

Excel Latin America Bond Fund II
Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated April 23, 2013
NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Maximum \$100,000,000 (10,000,000 Class A Units, Class F Units and/or Class U Units)

Price: \$10.00 per Class A Unit, \$10.00 per Class F Unit and U.S.\$10.00 per Class U Unit

Minimum purchase: 100 Class A Units, Class F Units or Class U Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Raymond James Ltd.
TD Securities Inc.
Desjardins Securities Inc.
Canaccord Genuity Corp.
GMP Securities L.P.
Dundee Securities Ltd.
Mackie Research Capital Corporation
Macquarie Private Wealth Inc.
Manulife Securities Incorporated
Industrial Alliance Securities Inc
Sherbrooke Street Capital (SSC) Inc.

Promoter(s):

Excel Funds Management Inc.

Project #2041052

Issuer Name:

Fidelity Canadian Bond Capital Yield Fund
(Series A, Series B, Series F, Series O, Series F5, Series T5 and Series S5 Units)

Fidelity American High Yield Capital Yield Fund
(Series A, Series B, Series F, Series O, Series F5, Series T5 and Series S5 Units)

Fidelity Tactical Fixed Income Capital Yield Fund
(Series A, Series B and Series F Units)

Fidelity U.S. Monthly Income Capital Yield Fund
(Series A, Series B, Series F, Series F5, Series F8, Series T5,

Series T8, Series S5 and Series S8 Units)

Principal Regulator - Ontario

Type and Date:

Amendment #3 dated April 11, 2013 to the Simplified Prospectuses and Annual Information Form dated October 26, 2012

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Series A, Series B, Series F, Series O, Series F5, Series F8, Series T5, Series T8, Series S5 and Series S8 units @ Net Asset Value

Underwriter(s) or Distributor(s):

Fidelity Investments Canada Limited

Fidelity Investments Canada ULC

Promoter(s):

Fidelity Investments Canada ULC

Project #1960159

Issuer Name:

Fidelity Premium Fixed Income Capital Yield Private Pool
(Series B, Series I, Series F, Series S5, Series I5 and Series F5 Securities)

Fidelity Premium Tactical Fixed Income Capital Yield Private Pool

(Series B, Series I and Series F Securities)

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 11, 2013 to the Simplified Prospectuses and Annual Information Form dated September 26, 2012

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Series B, Series I, Series F, Series S5, Series I5 and Series F5 securities @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Fidelity Investments Canada ULC

Project #1939791

Issuer Name:

GOODWOOD CAPITAL FUND

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated April 26, 2013

NP 11-202 Receipt dated April 29, 2013

Offering Price and Description:

Mutual fund securities at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #2012511

Issuer Name:

Horizons Active Advantage Yield ETF

Principal Regulator - Ontario

Type and Date:

Amendment #3 dated April 15, 2013 to the Long Form

Prospectus dated August 22, 2012

NP 11-202 Receipt dated April 26, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

AlphaPro Management Inc,

Project #1934294

Issuer Name:

Manulife Floating Rate Senior Loan Fund

Principal Regulator - Ontario

Type and Date:

Final Long Form Prospectus dated April 26, 2013

NP 11-202 Receipt dated April 26, 2013

Offering Price and Description:

Maximum: \$250,000,000.00 - 25,000,000 Units @ \$10.00/Unit

Minimum: \$20,000,000.00 - 2,000,000 Units @ \$10.00/Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.

CIBC World Markets Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

Manulife Securities Incorporated

National Bank Financial Inc.

TD Securities Inc.

Canaccord Genuity Corp.

GMP Securities L.P.

Macquarie Private Wealth Inc.

Raymond James Ltd.

Desjardins Securities Inc.

Mackie Research Capital Corporation

Promoter(s):

Manulife Asset Management Limited

Project #2036028

Issuer Name:

Matrix Tax Deferred Income Fund

Principal Regulator - British Columbia

Type and Date:

Amendment #2 dated March 28, 2013 to the Simplified Prospectus and Annual Information Form dated June 29, 2012

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Class A, F, I, O and T8 Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Growth Works Capital Ltd.

Project #1918987

Issuer Name:

Matrix Tax Deferred Income Trust Pool

Principal Regulator - British Columbia

Type and Date:

Amendment #1 dated March 28, 2013 to the Simplified Prospectus and Annual Information Form dated September 7, 2012

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Series O Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Growth Works Capital Ltd.

Project #1947591

Issuer Name:

Series A, Advisor Series, Series H, Series D, Series F,

Series I and Series O Mutual Fund Shares of

RBC Bond Capital Class

Phillips, Hager & North Total Return Bond Capital Class

RBC High Yield Bond Capital Class

Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 18, 2013 to the Simplified Prospectuses and Annual Information Form dated October 17, 2012

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Series A, Advisor Series, Series H, Series D, Series F, Series I and Series O Mutual Fund Shares @ Net Asset Value

Underwriter(s) or Distributor(s):

RBC Global Asset Management Inc.

RBC Direct Investing Inc.

Promoter(s):

RBC Global Asset Management Inc.

Project #1960957

Issuer Name:

Pure Industrial Real Estate Trust
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated April 24, 2013
NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

\$160,085,000.00
31,700,000 Subscription Receipts
Price: \$5.05 Per Subscription Receipt

Underwriter(s) or Distributor(s):

CANACCORD GENUITY CORP.
RBC DOMINION SECURITIES INC.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
DUNDEE SECURITIES LTD.
MACQUARIE CAPITAL MARKETS CANADA LTD.
NATIONAL BANK FINANCIAL INC.
GMP SECURITIES L.P.
HSBCSECURITIES (CANADA) INC.

Promoter(s):

-

Project #2045953

Issuer Name:

Storm Resources Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 23, 2013
NP 11-202 Receipt dated April 23, 2013

Offering Price and Description:

\$23,650,400.00
12,580,000 Common Shares
\$1.88 per Common Share

Underwriter(s) or Distributor(s):

FIRSTENERGY CAPITAL CORP.
NATIONAL BANK FINANCIAL INC.
PETERS & CO. LIMITED
MACQUARIE CAPITAL MARKETS CANADA LTD.
RBC DOMINION SECURITIES INC.

Promoter(s):

-

Project #2045492

Issuer Name:

Sentry Enhanced Corporate Bond Capital Yield Class
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated April 11, 2013 to the Simplified
Prospectus and Annual Information Form dated August 30,
2012

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Series A, Series F and Series I Securities

Underwriter(s) or Distributor(s):

Sentry Investments Inc.

Promoter(s):

Sentry Investments Inc.

Project #1939197

Issuer Name:

Sentry Tactical Bond Capital Yield Class*
(Series A, Series F and Series I Securities)

*class of Sentry Corporate Class Ltd.

Principal Regulator - Ontario

Type and Date:

Amendment #3 dated April 11, 2013 to the Simplified
Prospectus and Annual Information Form dated May 25,
2012

NP 11-202 Receipt dated April 24, 2013

Offering Price and Description:

Series A, Series F and Series I Securities

Underwriter(s) or Distributor(s):

Sentry Investments Inc.

Promoter(s):

SENTRY INVESTMENTS INC.

Project #1895918

Issuer Name:

TD Canadian Core Plus Bond Fund (Investor Series, O-Series, Premium Series and Institutional Series)
TD Corporate Bond Capital Yield Fund (Investor Series and Premium Series)
TD U.S. Large-Cap Value Fund (Investor Series, Institutional Series and O-Series)
TD U.S. Large-Cap Value Currency Neutral Fund (Investor Series)
TD Global Growth Fund (Investor Series and O-Series)
TD Target Return Conservative Fund (Investor Series and Premium Series)
TD Target Return Balanced Fund (Investor Series and Premium Series)
TD Fixed Income Capital Yield Pool Class (Investor Series and H-Series)
TD Global High Yield Capital Class (Investor Series and H-Series)
TD U.S. Large-Cap Value Class (Investor Series)
TD Global Growth Class (Investor Series)
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated April 15, 2013 to the Simplified Prospectuses and Annual Information Form dated July 25, 2012

NP 11-202 Receipt dated April 26, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

TD Investment Services Inc. (for Investor Series units)
TD Investment Services Inc. (for Investor Series and e-Series units)
TD Investment Services Inc.(for Investor Series units)
TD Investment Services Inc. (for Investor Series and e-Series Units)
TD Investment Services Inc. (for Investor Series)
TD Waterhouse Canada Inc.
TD Asset Management Inc. (for Investor Series units)
TD Investment Services Inc. (for Investor Series and Premium Series units)

Promoter(s):

TD Asset Management Inc.

Project #1920544

Issuer Name:

Safi Ventures Inc.
Principal Jurisdiction - British Columbia
Type and Date:
Preliminary CPC Prospectus dated July 24, 2012
Withdrawn on April 23, 2013
Offering Price and Description:
\$200,000 - 2,000,000 Common Shares
PRICE: \$0.10 per Common Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Graham Keevil
Iqbal Boga
Project #1935931

Issuer Name:

Ucore Rare Metals Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Short Form Prospectus dated April 23, 2013

NP 11-202 Receipt dated April 23, 2013

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Byron Capital Markets Ltd.

Promoter(s):

-

Project #2027868

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Voluntary Surrender of Registration	Nomura Canada Inc.	Exempt Market Dealer	April 23, 2013

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Chapter 25

Other Information

25.1 Approvals

25.1.1 AHF Capital Partners Inc. – s. 213(3)(b) of the LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L.25, as am., s. 213(3)(b).

April 23, 2013

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Bay Adelaide Centre, Box 20
Toronto, ON M5H 2T6

Attention: Jessica Schnurr/John Kruk

Dear Sirs/Medames:

Re: AHF Capital Partners Inc. (the “Applicant”)

**Application pursuant to clause 213(3)(b) of the
Loan and Trust Corporations Act (Ontario) for
approval to act as trustee**

Application No. 2013/0078

Further to your application dated February 6, 2013 (the “Application”) filed on behalf of the Applicant, and based on the facts set out in the Application and the representation by the Applicant that the assets of AHF Capital Partners Fund I and any other future mutual fund trusts that the Applicant may establish and manage from time to time, will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction, or a bank listed in Schedule I, II or III of the *Bank Act* (Canada), or an affiliate of such bank or trust company, the Ontario Securities Commission (the “Commission”) makes the following order:

Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of AHF Capital Partners Fund I and any other future mutual fund trusts which may be established and managed by the Applicant from time to

time, the securities of which will be offered pursuant to prospectus exemptions.

Yours truly,

“Vern Krishna”

“James D. Carnwath”

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