The Ontario Securities Commission

OSC Bulletin

September 26, 2013

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

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1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

September 26, 2013

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- - - - - - - - - - - - - - - - - - - -

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

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SCHEDULED OSC HEARINGS

September 30 – October 7, October 9-21, October 23 – November 4, November 6-18, November 20 – December 2, December 4-16 and December 18-20, 2013	**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 C. Price in attendance for Staff
10:00 a.m.	Panel: EPK/DL/AMR
September 30, 2013 1:00 p.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: JEAT
October 1, 2013 10:30 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

October 9, 2013 10:00 a.m.	**Global Consulting and Financial Services, Crown Capital Management Corporation, Canadian Private Audit Service, Executive Asset Management, Michael Chomica, Peter Siklos (also known as Peter Kuti), Jan Chomica, and Lorne Banks** s. 127 C. Rossi in attendance for Staff Panel: CP
October 9, 2013 11:00 a.m.	**Pro-Financial Asset Management Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
October 10, 2013 11:00 a.m.	**Kolt Curry, Laura Mateyak, American Heritage Stock Transfer Inc., and American Heritage Stock Transfer, Inc.** s. 127 J. Feasby/C. Watson in attendance for Staff Panel: JDC
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: JDC
October 18, 2013 10:00 a.m.	**Heritage Education Funds Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
October 21, 2013 2:00 p.m.	**Children's Education Funds Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
October 22, 2013 3:00 p.m.	**Knowledge First Financial Inc.** s. 127 D. Ferris in attendance for Staff Panel: JEAT
October 23, 2013 10:00 a.m.	**Innovative Gifting Inc., Terence Lushington, Z2A Corp., and Christine Hewitt** s. 127 M. Vaillancourt in attendance for Staff Panel: JEAT
October 24, 2013 10:00 a.m.	**Energy Syndications Inc., Green Syndications Inc., Syndications Canada Inc., Daniel Strumos, Michael Baum and Douglas William Chaddock** s. 127 C. Johnson in attendance for Staff Panel: AJL
October 25, 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

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: JDC
November 4 and November 6-11, 2013 10:00 a.m.	**Portfolio Capital Inc., David Rogerson and Amy Hanna-Rogerso** s. 127 J. Lynch in attendance for Staff Panel: JEAT
November 12, 2013 10:00 a.m.	**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** s. 127 and 127.1 D. Campbell in attendance for Staff Panel: VK
December 4, 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: TBA
December 5, 2013 10:00 a.m.	**Quadrexx Asset Management Inc., Quadrexx 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
December 17, 2013 3:30 p.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
January 27, 2014 10:00 a.m.	**Welcome Place Inc., Daniel Maxsood also known as Muhammad M. Khan, Tao Zhang, and Talat Ashraf** s. 127 G. Smyth in attendance for Staff Panel: TBA

February 3, 2014 10:00 a.m.	**Tricoastal Capital Partners LLC, Tricoastal Capital Management Ltd. and Keith Macdonald Summers** s. 127 C Johnson/G. Smyth in attendance for Staff Panel: TBA
March 17-24 and March 26, 2014 10:00 a.m.	**Newer Technologies Limited, Ryan Pickering and Rodger Frey** s. 127 and 127.1 B. Shulman in attendance for staff Panel: TBA
March 27, 2014 10:00 a.m.	**AMTE Services Inc., Osler Energy Corporation, Ranjit Grewal, Phillip Colbert and Edward Ozga** s. 127 C. Rossi in attendance for Staff Panel: JEAT
March 31 – April 7, April 9-17, April 21 and April 23-30, 2014 10:00 a.m.	**Issam El-Bouji, Global RESP Corporation, Global Growth Assets Inc., Global Educational Trust Foundation and Margaret Singh** s. 127 and 127.1 M. Vaillancourt in attendance for Staff Panel: TBA
March 31 – April 7 and April 9-11, 2014 10:00 a.m.	**Ronald James Ovenden, New Solutions Capital Inc., New Solutions Financial Corporation and New Solutions Financial (Ii) Corporation** s. 127 Y. Chisholm in attendance for Staff Panel: TBA
June 2, 4-6, 10-16, 18-20, 24-30, July 3-4, 8-14, 16-18, 22-25, August 11, 13-15, 19-25, 27-29, September 2-8, 10-15, October 15-20, 22-24, 28-31, November 3, 5-7, 11, 19-21, 25-28, December 1, 3-5, 9-15, 17-19, 2014, January 7-12, 14-16, 20-26, 28-30, and February 3- 9, 11-13, 2015	**Sino-Forest Corporation, Allen Chan, Albert Ip, Alfred C.T. Hung, George Ho, Simon Yeung and David Horsley** s. 127 H. Craig in attendance for Staff Panel: TBA
September 15-22, September 24, September 29 – October 6, October 8-10, October 14-October 20, October 22 – November 3 and November 5-7, 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
November 11-17, 19-21, November 25 – December 1, December 3-5, 9-15, 17-19, 2014, January 14-16, 20-26, 28-30, February 3-9, 11-13, 17-23, 25-27 and March 3-6, 2015	**Ernst & Young LLP** s. 127 and 127.1 A. Clark in attendance for Staff Panel: TBA
In writing	**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

In writing	**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
In writing	**Bunting & Waddington Inc., Arvind Sanmugam and Julie Winget** s. 127 and 127.1 M. Britton/A. Pelletier in attendance for Staff Panel: EPK
In writing	**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
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Microsourceonline Inc., Michael Peter Anzelmo, Vito Curalli, Jaime S. Lobo, Sumit Majumdar and Jeffrey David Mandell** s. 127 Panel: TBA
TBA	**Frank Dunn, Douglas Beatty, Michael Gollogly** s. 127 Panel: TBA
TBA	**MRS Sciences Inc. (formerly Morningside Capital Corp.), Americo DeRosa, Ronald Sherman, Edward Emmons and Ivan Cavric** s. 127 and 127(1) D. Ferris in attendance for Staff Panel: TBA
TBA	**Gold-Quest International and Sandra Gale** s. 127 C. Johnson in attendance for Staff Panel: TBA
TBA	**Brilliante Brasilcan Resources Corp., York Rio Resources Inc., Brian W. Aidelman, Jason Georgiadis, Richard Taylor and Victor York** s. 127 H. Craig in attendance for Staff Panel: TBA
TBA	**Uranium308 Resources Inc., Michael Friedman, George Schwartz, Peter Robinson, and Shafi Khan** s. 127 H. Craig/C. Rossi in attendance for Staff Panel: TBA
TBA	**David M. O'Brien** s. 37, 127 and 127.1 B. Shulman in attendance for Staff Panel: TBA

TBA **Crown Hill Capital Corporation and Wayne Lawrence Pushka**

s. 127

A. Perschy/A. Pelletier in attendance for Staff

Panel: TBA

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

s. 127

H Craig in attendance for Staff

Panel: TBA

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

s. 60 and 60.1 of the *Commodity Futures Act*

T. Center in attendance for Staff

Panel: TBA

TBA **Global RESP Corporation and Global Growth Assets Inc.**

s. 127

D. Ferris in attendance for Staff

Panel: TBA

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

s. 127

A. Clark/J. Friedman in attendance for Staff

Panel: TBA

TBA **New Hudson Television LLC & Dmitry James Salganov**

s. 127

C. Watson in attendance for Staff

Panel: TBA

TBA **Ernst & Young LLP (Audits of Zungui Haixi Corporation)**

s. 127 and 127.1

A. Clark/J. Friedman in attendance for Staff

Panel: TBA

TBA **Jowdat Waheed and Bruce Walter**

s. 127

J. Lynch in attendance for Staff

Panel: TBA

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

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA **Conrad M. Black, John A Boultbee and Peter Y. Atkinson**

s. 127 and 127.1

J. Friedman/A. Clark in attendance for Staff

Panel: TBA

TBA **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: TBA

TBA **Kevin Warren Zietsoff**

s. 127

J. Feasby in attendance for Staff

Panel: TBA

TBA **North American Financial Group Inc., North American Capital Inc., Alexander Flavio Arconti, and Luigino Arconti**

s. 127

M. Vaillancourt in attendance for Staff

Panel: TBA

TBA **David Charles Phillips and John Russell Wilson**

s. 127

Y. Chisholm/B. Shulman in attendance Staff

Panel: TBA

ADJOURNED SINE DIE

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

1.1.2 OSC Staff Notice 58-701 – Extension of Consultation Period – OSC Staff Consultation Paper 58-401 – Disclosure Requirements Regarding Women on Boards and in Senior Management

OSC Staff Notice 58-701
Extension of Consultation Period

OSC Staff Consultation Paper 58-401
Disclosure Requirements Regarding Women on Boards and in Senior Management

September 20, 2013

On July 30, 2013, the Ontario Securities Commission (OSC) published OSC Staff Consultation Paper 58-401 *Disclosure Requirements Regarding Women on Boards and in Senior Management* (the Consultation Paper), which sought input on a proposal that would require TSX-listed companies to provide disclosure regarding women on boards and in senior management. A copy of the Consultation Paper can be found on the OSC website at the following link: http://www.osc.gov.on.ca/en/SecuritiesLaw_sn_20130730_58-401_disclosure-requirements-women.htm

The comment period is scheduled to close on September 27, 2013. We have received feedback from several stakeholders that due to the breadth and complexity of the issues identified in the Consultation Paper, it would be beneficial for stakeholders to have additional time to review the Consultation Paper and prepare comments. We therefore are extending the comment period from September 27, 2013 to **October 4, 2013**.

Please refer any questions to:

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1.1.3 CSA Staff Notice 11-326 – Cyber Security

Canadian Securities Administrators | Autorités canadiennes en valeurs mobilières

CSA Staff Notice 11-326
Cyber Security

September 26, 2013

Strong and tailored cyber security measures are an important element of issuers', registrants' and regulated entities'[1] controls in promoting the reliability of their operations and the protection of confidential information. The risk of a major cyber attack on key Financial Market Infrastructure (FMI) has been highlighted by the International Organization of Securities Commissions (IOSCO) and the World Federation of Exchanges (WFE) in a recent report issued July 16, 2013.[2]

The IOSCO report defines cyber crime as *"a harmful activity, executed by one group (including both grassroots groups or nationally coordinated groups) through computers, IT systems and/or the internet and targeting the computers, IT infrastructure and internet presence of another entity."* Although cyber threats have existed in the past, more recently two major types of cyber threats, Denial of Service (DoS) attacks and Advanced Persistent Threats (APT), have increased in frequency and sophistication.

To manage the risks of a cyber threat, issuers, registrants and regulated entities should be aware of the challenges of cyber crime and should take the appropriate protective and security hygiene measures necessary to safeguard themselves and their clients or stakeholders.

Specifically:

- Issuers, registrants and regulated entities who have not considered the risks of cyber crime to date should consider how they can best address the risks of cyber crime. Steps they could take include:
    - educating staff on the importance of, and their role in, ensuring the security of their firm's and client information and computer security;
    - following guidance and best practices from industry associations and recognized information security organizations; and
    - as appropriate, conducting regular third party vulnerability and security tests and assessments.
- Issuers, registrants and regulated entities that have already taken steps to address the issue should review their cyber security risk control measures on a regular basis.

Issuers should consider whether the cyber crime risks to them, any cyber crime incidents they may experience, and any controls they have in place to address these risks, are matters they need to disclose in a prospectus or a continuous disclosure filing.

Registrants should consider whether their risk management systems allow them to manage the risks of cyber crime in accordance with prudent business practices.

Regulated entities, especially those that are key market infrastructure entities, should consider the measures necessary to manage the risks of cyber crime.

Future Action

The CSA will consider these issues in its reviews of issuer disclosure and in its oversight of registrants and regulated entities.

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1 Regulated entities include self-regulatory organizations, marketplaces, clearing agencies and information processors.

2 "Cyber-crime, securities markets and systemic risk", joint staff working paper of the IOSCO Research Department and World Federation of Exchanges, July 16, 2013.

Questions and comments

Questions and comments may be referred to:

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1.2 Notices of Hearing

1.2.1 Eda Marie Agueci et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
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

AND

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

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE THAT the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, Ontario commencing on September 20, 2013 at 9:00 a.m., or as soon thereafter as the hearing can be held:

AND TAKE NOTICE THAT the purpose of the hearing is to consider whether it is in the public interest for the Commission to:

(a) approve the Settlement Agreement dated September 17, 2013 between Staff of the Commission and Ian Telfer; and

(b) such other order as the Commission may consider appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated February 7, 2012 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 17th day of September, 2013.

"John Stevenson"
Secretary to the Commission

1.2.2 Louis Michael Kovacs – ss. 127, 127.1

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

AND

IN THE MATTER OF
LOUIS MICHAEL KOVACS

NOTICE OF HEARING
(Pursuant to sections 127 and 127.1
of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, 17th Floor, commencing on September 19, 2013 at 4:00 p.m. or soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve a settlement agreement dated September 16, 2013 entered into between Staff of the Commission ("Staff") and Louis Michael Kovacs pursuant to sections 127 and 127.1 of the Act;

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated September 16, 2013, and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 17th day of September, 2013.

"John Stevenson"
Secretary of the Commission

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

AND

IN THE MATTER OF
LOUIS MICHAEL KOVACS

STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION

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

I. OVERVIEW

1. Louis Michael Kovacs ("Kovacs") acted contrary to the public interest by facilitating trades in a normal course issuer bid (the "NCIB") of Harvest Canadian Income and Growth Fund ("HCF") by trading in a personal account and acted contrary to Ontario securities law by failing to file his insider trading reports in breach of subsection 107(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").

II. PARTICULARS OF ALLEGATIONS

A. Background

2. Kovacs is the President, CEO and a Director of Harvest Portfolio Group Inc. ("HPG"). He is registered in the following categories with HPG:

   (a) Ultimate Designated Person

   (b) Chief Compliance Officer

   (c) Permitted Individual

3. HPG is the Investment Fund Manager for a number of investment funds including HCF.

4. HCF is a reporting issuer in Ontario. Kovacs is the Director and Officer of HCF and the trustee.

5. From approximately May 31, 2010 to June 20, 2012, HCF was a closed-end investment fund with units listed on the Toronto Stock Exchange (the "TSX"). After June 20, 2012, it was converted into an open-ended mutual fund.

6. From approximately May 31, 2010 to November 30, 2011 (the "Relevant Period"), HCF had warrants issued and outstanding for trading on the TSX where each warrant entitled the holder to purchase one HCF unit for $12.00 per unit. The warrants expired on November 30, 2011.

7. A third party acted as the Portfolio Manager for HCF.

B. Normal Course Issuer Bid

8. In July, 2011, HPG announced that HCF intended to purchase up to 295,762 listed trust units of HCF and 299,007 warrants, which represented approximately 10% of the public float of HCF, for cancellation by way of the NCIB. The purchases pursuant to the NCIB were expected to commence on July 25, 2011 and to terminate on June 29, 2012 or such earlier date if HCF completed its purchases or provided notice of termination. The purpose of the NCIB for the units was to provide HCF with a mechanism to decrease the potential spread between the net asset value per unit and the market value of the trust units and to provide enhanced liquidity for the units. The purpose of the NCIB for the warrants was to provide HCF with a mechanism to decrease the dilution of the HCF's net asset value per unit upon the exercise of the warrants.

9. HPG had the third party Portfolio Manager set up an account at Dundee Securities Limited ("Dundee") through which the trades for the NCIB were conducted.

10. After the NCIB account was established at Dundee, HPG took over the responsibility of administering the NCIB directly from the third party Portfolio Manager sometime in 2010. In particular, Kovacs assumed sole responsibility of giving trade

instructions to Dundee for the NCIB. He was the only person at HPG who gave trading instructions respecting the NCIB to the traders at Dundee responsible for the account.

C. Kovacs' Personal Account

11. During the Relevant Period, Kovacs held a trading account with RBC Direct Investing Inc. ("RBC-DI"). This was an order execution account in which Kovacs entered his own orders on-line which were automatically processed and routed to the TSX.

D. TSX Rules and Policy respecting NCIBs

12. According to TSX Sec. 629 Special Rules Applicable to NCIB and Policy 5.6, it is inappropriate for an issuer making an NCIB to abnormally influence the market price of its shares. Therefore, purchases made by issuers pursuant to a NCIB must not be transacted at a price which is higher than the last independent trade of a board lot of the class of shares which is the subject of the NCIB. An independent trade does not include a trade directly or indirectly for the account or under the direction of an insider of the issuer. As a result, HCF could not make purchases through the NCIB at a price which was higher than the last independently established sale price.

E. Kovacs Trading in RBC-DI and HCF Trading in the NCIB

13. Between August, 2011 and November, 2011 ('the Analysis Period'), there were repeated occasions when Kovacs entered bids and purchased units of HCF in his RBC-DI account which may have facilitated the NCIB purchases through the execution of two identified scenarios:

Passive Facilitation Scenario:

(a) Kovacs entered price-improving bids (usually one board lot) which narrowed the spread (particularly when there was no activity in the opening) which facilitated trading in general which was beneficial for the NCIB buying;

(b) usually, within a short period of time, the NCIB buy orders entered the market and traded at the price level established through Kovacs' passive facilitation.

Active Facilitation

(a) Kovacs transacted at a price at which the NCIB could buy volume from other offerors. When a sell order with volume entered the market at a price which was higher than the last independent trade of a board lot, Kovacs purchased a board lot from the new offer, thereby setting a new price at which the NCIB could trade but leaving volume;

(b) Dundee then purchased for the NCIB the remaining order volume at the zero plus price set by Kovacs' trade.

14. Kovacs did not disclose to Dundee his trading of HCF in his personal account at RBC-DI which facilitated the NCIB purchases.

15. Kovacs did not disclose his insider status to RBC-DI. As such, any orders entered for his account were not correctly identified as insider.

16. During the Relevant Time, Kovacs failed to file insider trading reports disclosing his trades as required by the Act.

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

Dated at Toronto, this 16th day of September, 2013

1.2.3 Conrad M. Black et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PETER Y. ATKINSON

NOTICE OF HEARING
(Pursuant to sections 127 and 127.1
of the Securities Act)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, 17th Floor, Toronto, commencing on September 23, 2013 at 11:00 a.m. or soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve a settlement agreement dated September 18, 2013 entered into between Staff of the Commission ("Staff") and Peter Y. Atkinson pursuant to sections 127 and 127.1 of the Act, and such other order as the Commission may consider appropriate;

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated July 12, 2013, and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 19th day of September, 2013.

"John Stevenson"
Secretary of the Commission

1.3 News Releases

1.3.1 Terrence M. Bedford Sentenced to Two Years in Jail for Breaching Ontario Securities Act

FOR IMMEDIATE RELEASE
September 18, 2013

TERRENCE M. BEDFORD SENTENCED TO TWO YEARS IN JAIL FOR BREACHING ONTARIO SECURITIES ACT

TORONTO – Terrence M. Bedford was sentenced today to two years in the federal penitentiary in relation to a US$4,985,867 fraudulent investment fund scheme.

Bedford entered a guilty plea to one count of fraud contrary to the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the Act) before the Honourable Mr. Justice John D. Takach in the Ontario Court of Justice.

Bedford admitted that he orchestrated the fraud between 2000 and 2011 by misleading approximately 24 Canadian and American investors into believing that a fund Bedford ran called Greyhawk Equity Partners Limited Partnership (Millenium) (Greyhawk Millenium) was a highly profitable investment fund providing substantial returns to investors.

Bedford created and disseminated false documents to investors, including documents purportedly from an internationally known and respected audit firm that misrepresented the actual investments and concealed the true value of the fund and the actual investment losses. Through the creation and dissemination of the fraudulent documents, Bedford materially misrepresented to investors the value, security and performance of the assets held by Greyhawk Millenium. Bedford never advised investors that he was losing or had lost their investments.

"This case demonstrates that the OSC continues to aggressively pursue people who commit securities fraud in Ontario's capital market," said Tom Atkinson, Director of Enforcement at the OSC. "It is important that the appropriate sentences are imposed for serious financial crime to deter like-minded individuals."

Under section 122 of the Act, the OSC has the authority to lay quasi-criminal charges against individuals or companies in the Ontario Court of Justice for alleged violations of the Act. Quasi-criminal means that a jail term is a possible sanction if a defendant is convicted of a violation of the Act. The OSC pursues cases in court in order to seek sanctions and penalties that send a strong message of deterrence to those who try to exploit investors.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC's investor materials available at www.osc.gov.on.ca.

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1.3.2 OSC Announces Market Structure Advisory Committee Members for 2013 – 2015

FOR IMMEDIATE RELEASE
September 20, 2013

OSC ANNOUNCES MARKET STRUCTURE ADVISORY COMMITTEE MEMBERS FOR 2013 – 2015

TORONTO – The Ontario Securities Commission (OSC) announced today the membership of the Market Structure Advisory Committee (MSAC) for the 2013 – 2015 term.

MSAC continues to serve as a forum to discuss issues associated with market structure and marketplace operations in the Canadian markets. The MSAC also acts as a source of feedback to OSC Staff on the development of policy and rule-making initiatives that promote investor protection, fair and efficient capital markets and confidence in those markets.

"The Market Structure Advisory Committee brings together a wealth of experience and knowledge, and we look forward to continuing to receive valuable input from the committee," said Susan Greenglass, Director, Market Regulation.

The MSAC meets at least four times a year, with members serving two-year terms. Effective November 1st, 2013, the MSAC members are:

Stephen Bain	RBC Capital Markets
Doug Clark	ITG Canada
Ricardo DaCosta	IRESS Market Technology Canada
Deanna Djurdjevic	TMX Group
Craig Gaskin	TD Asset Management
Peter Haynes	TD Securities
Dan Kessous	Chi-X Canada
Albert Kovacs	Liquidnet Canada
Lafleche Montreuil	Desjardins Securities
Andy O'Hara	Tradebot Systems
Cindy Petlock	Independent
Kelly Reynolds	Hillsdale Investment Management
Vidis Vaiciunas	Independent
Paul Whitehead	BlackRock
Evan Young	Scotia Capital

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1.3.3 Ian Telfer Settles with the Ontario Securities Commission

FOR IMMEDIATE RELEASE
September 20, 2013

IAN TELFER SETTLES WITH
THE ONTARIO SECURITIES COMMISSION

TORONTO – The Ontario Securities Commission today approved a settlement agreement reached between Staff and Ian Telfer, who admitted his conduct fell below the standard expected from someone in his position, particularly given his extensive experience at senior levels in the capital markets industry, and was therefore contrary to the public interest.

Telfer admitted to advising Eda Marie Agueci, who worked for a registrant and was therefore subject to strict rules for monitoring of her communications and personal trading, to use BlackBerry PIN messages instead of email “with very close friends" saying, "Messages don’t go to the [company] server. They go straight to blkberry”. Agueci subsequently used BlackBerry PIN to communicate with others in relation to trading securities.

Telfer acknowledged that it was not proper to advise someone working for a registrant to use BlackBerry PIN where those messages would not be monitored by their employer.

Telfer also admitted to having advised Agueci not to purchase shares of a private share transaction in her name, which resulted in a transaction where the beneficial owner of the shares was not disclosed. The shares were purchased for $5,000 and subsequently sold for approximately $500,000.

Telfer acknowledged that he ought to have known there was a real risk Agueci might have a beneficial interest in those shares that was not monitored by her employer as required, and that, if Agueci’s interest in or trading authority over the shares had been disclosed, her employer’s compliance department would have been able to monitor that trading.

Telfer received a reprimand from the Commission and must pay $200,000 toward the cost of Staff’s investigation. Telfer also undertook not to directly or indirectly, trade, or arrange for trading by others, in securities of issuers of which he is a promoter for a period of one year, and not to seek or accept indemnification or reimbursement from any person, company, or other legal entity in respect of the costs ordered against him.

“The OSC will exercise its public interest jurisdiction where it detects behaviour that undermines compliance systems designed to ensure the fair and efficient operation of Ontario's capital market,” said Tom Atkinson, Director of Enforcement at the Ontario Securities Commission. “Participation in Ontario’s capital markets is a privilege that comes with significant responsibilities, particularly for sophisticated participants like Mr. Telfer.”

A copy of the Settlement Agreement and Order of the Commission in this matter are available on the OSC website at www.osc.gov.on.ca.

The mandate of the OSC is to provide protection to investors from unfair, improper or fraudulent practices and to foster fair and efficient capital markets and confidence in capital markets. Investors are urged to check the registration of any person or company offering an investment opportunity and to review the OSC’s investor materials available at www.osc.gov.on.ca.

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1.3.4 Court of Appeal Dismisses Leave to Appeal Motions by Geoffrey Cornish and Dean Tai

FOR IMMEDIATE RELEASE
September 20, 2013

COURT OF APPEAL DISMISSES LEAVE TO APPEAL MOTIONS
BY GEOFFREY CORNISH AND DEAN TAI

TORONTO – On September 17, 2013, the Court of Appeal for Ontario dismissed the motions brought by Geoffrey Cornish and Dean Tai seeking leave to appeal the decision of the Superior Court of Justice (Divisional Court) dated March 19, 2013.

The decision of the Superior Court of Justice (Divisional Court) upheld the Ontario Securities Commission (OSC)'s Reasons for Decision on the Merits dated September 28, 2011 and the Commission's order on Sanctions and Costs dated November 8, 2011 in the matter of Coventree Inc, Geoffrey Cornish and Dean Tai, on the ground that the Commission's conclusions reached in support of the orders were reasonable.

In its Reasons for Decision, the OSC panel found that Coventree Inc., Geoffrey Cornish and Dean Tai failed to meet continuous disclosure obligations and that their conduct, in contravening Ontario securities laws, was contrary to the public interest. Particularly, the OSC panel found that Coventree failed to promptly issue and file a news release disclosing a material change to its business that occurred as a result of a news release issued by Dominion Bond Rating Service Limited in January 2007, and that it failed to promptly issue and file a news release disclosing material changes that occurred to Coventree's business or operations by the close of business on August 1, 2007.

The panel also concluded that Cornish and Tai authorized, permitted or acquiesced in Coventree's non-compliance with Ontario securities laws and are deemed also to have not complied with Ontario securities laws.

For information about the decision of the Court of Appeal, contact the Court of Appeal for Ontario referencing Court File Numbers M42360 and M42358. For information about the decision of the Superior Court of Justice (Divisional Court) appeal, contact the Superior Court of Justice, referencing Court file number 33/12. Documents relating to the OSC proceeding in this matter, including the Reasons for Decision on the Merits and the Reasons for Decision on Sanctions and Costs, can be found at www.osc.gov.on.ca. Copies of the Endorsements of the Court of Appeal for Ontario and the Reasons of the Superior Court of Justice (Divisional Court) are available through the Courts.

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1.3.5 OSC Announces Roundtable to Discuss Women on Boards and in Senior Management and Extension of Comment Period

FOR IMMEDIATE RELEASE
September 23, 2013

OSC ANNOUNCES ROUNDTABLE TO DISCUSS
WOMEN ON BOARDS AND IN SENIOR MANAGEMENT AND
EXTENSION OF COMMENT PERIOD

TORONTO – The Ontario Securities Commission (OSC) is hosting a roundtable on Wednesday, October 16, 2013, which will further explore the issues identified in OSC Staff Consultation Paper 58-401 *Disclosure Requirements Regarding Women on Boards and in Senior Management*, including effective policies and practices and disclosure requirements regarding women on boards and in senior management. The roundtable discussion will help inform next steps on this initiative.

The OSC also extended the comment period close date from September 27, 2013, to October 4, 2013, to allow those wishing to provide feedback on the Paper sufficient time to do so.

The roundtable will take place from 9:00 a.m. to 11:00 a.m. on the 22nd floor of the OSC's offices, located at 20 Queen Street West, Toronto, Ontario.

The roundtable will be hosted by OSC Executives, Howard Wetston, Chair and CEO, Maureen Jensen, Executive Director and CAO and Mary Condon, Vice-Chair. The roundtable will also feature external panellists representing different stakeholder perspectives. The roundtable is open to the public and members of the media.

Any interested parties wishing to attend the roundtable are asked to send an email with full contact details to: genderdiversity@osc.gov.on.ca. Space is limited. It is expected that a transcript will be posted to the OSC website following completion of the roundtable.

The OSC moderators and external panellists are as follows (subject to change):

OSC Moderators:

Howard Wetston (OSC Chair)
Maureen Jensen (Executive Director)
Mary Condon (OSC Vice-Chair)

External Panellists:

Aaron A. Dhir
Osgoode Hall Law School, York University

Pamela Jeffery
Canadian Board Diversity Council

Alex Johnston
Catalyst Canada

Éric Lamarre
McKinsey & Company, Inc.

Jim Leech
Ontario Teachers' Pension Plan

Stan Magidson
Institute of Corporate Directors

Kathleen Taylor
Royal Bank of Canada

Annette Verschuren
NRStor Inc. and Cape Breton University

How to submit your written feedback:

You must submit your comments in writing by October 4, 2013. If you are sending your comments by email, you should also send an electronic file containing the submissions in Microsoft Word.

Please address and send your comments to the address below.

The Secretary
Ontario Securities Commission
20 Queen Street West
22nd Floor
Toronto, Ontario M5H 3S8
Email: comments@osc.gov.on.ca

Please note that all comments received during the comment period will be made publicly available. We will post all comments to the OSC website at www.osc.gov.on.ca to improve the transparency of the policy-making process.

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1.3.6 Peter Atkinson Settles with Ontario Securities Commission Related to Conduct at Hollinger Inc.

FOR IMMEDIATE RELEASE
September 23, 2013

PETER ATKINSON SETTLES WITH
ONTARIO SECURITIES COMMISSION RELATED TO
CONDUCT AT HOLLINGER INC.

TORONTO – The Ontario Securities Commission (OSC) today approved a settlement agreement reached between Staff and Peter Atkinson, a former senior officer and a director of Hollinger Inc.

Atkinson acknowledged that he was convicted of one count of fraud in the United States District Court for the Northern District of Illinois in relation to his collection of a purported non-competition payment from a Hollinger subsidiary. He also acknowledged that the United States Securities and Exchange Commission found that he had committed securities fraud and entered an order barring him from acting as an officer or director of a reporting issuer in the United States.

Atkinson had previously entered into interim undertakings to the Commission in March 2006 and April 2007 providing that he would not become an officer or director of a public company in Ontario, that he would not become a registrant or an officer, director or employee of a registrant in Ontario, and that he would not trade or acquire any securities of Hollinger Inc. pending the conclusion of the OSC proceeding. Under the terms of today's settlement agreement, Atkinson has agreed to make these undertakings permanent.

"This settlement makes clear that individuals who are convicted of securities-related fraud will not have the privilege of free access to the Ontario capital markets," said Tom Atkinson, Director of Enforcement at the Commission.

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1.4 Notices from the Office of the Secretary

1.4.1 Eda Marie Agueci et al.

FOR IMMEDIATE RELEASE
September 17, 2013

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

AND

IN THE MATTER OF
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

AND

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

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Ian Telfer in the above named matter. The hearing will be held on September 20, 2013 at 9:00 a.m. in Hearing Room A on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated September 17, 2013 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.2 Irwin Boock et al.

FOR IMMEDIATE RELEASE
September 17, 2013

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

IN THE MATTER OF
IRWIN BOOCK, STANTON DEFREITAS, JASON WONG, SAUDIA ALLIE, ALENA DUBINSKY, ALEX 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

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 the hearing to determine sanctions and costs will be held at the offices of the Commission at 20 Queen Street West, 17th floor, Toronto, ON, on November 12, 2013, at 10:00 a.m., or such further or other dates as agreed by the parties and set by the Office of the Secretary;

A copy of the Reasons and Decision and the Order dated September 13, 2013 are available at www.osc.gov.on.ca.

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JOHN P. STEVENSON
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1.4.3 Louis Michael Kovacs

FOR IMMEDIATE RELEASE
September 17, 2013

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

AND

IN THE MATTER OF
LOUIS MICHAEL KOVACS

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Louis Michael Kovacs. The hearing will be held on September 19, 2013 at 4:00 p.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated September 17, 2013 and Statement of Allegations of Staff of the Ontario Securities Commission dated September 16, 2013 are available at www.osc.gov.on.ca.

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1.4.4 Conrad M. Black et al.

FOR IMMEDIATE RELEASE
September 19, 2013

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PETER Y. ATKINSON

TORONTO – The Office of the Secretary issued a Notice of Hearing for a hearing to consider whether it is in the public interest to approve a settlement agreement entered into by Staff of the Commission and Peter Y. Atkinson. The hearing will be held on September 23, 2013 at 11:00 a.m. in Hearing Room B on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

A copy of the Notice of Hearing dated September 19, 2013 is available at www.osc.gov.on.ca.

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1.4.5 Ernst & Young LLP

FOR IMMEDIATE RELEASE
September 19, 2013

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

AND

IN THE MATTER OF
ERNST & YOUNG LLP

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

1. the Merits Hearing shall commence on November 11, 2014 and continue as follows:

   a. Staff's case shall be presented on the following dates in 2014: November 11-14, 17, 19-21, 25-28, December 1, 3-5, 9-12, 15 and 17-19, or on such other dates as may be ordered by the Commission;

   b. The Respondent's case shall be presented on the following dates in 2015: January 14-16, 20-23, 26, 28-30, February 3-6, 9, 11-13, 17-20, 23, 25-27, and March 3-6, or on such other dates as may be ordered by the Commission; and

2. A further confidential pre-hearing shall be held on October 30, 2013 at 10:00 am.

A copy of the Order dated September 19, 2013 is available at www.osc.gov.on.ca.

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1.4.6 Global Consulting and Financial Services et al.

FOR IMMEDIATE RELEASE
September 19, 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,
GLOBAL CAPITAL GROUP,
CROWN CAPITAL MANAGEMENT CORP.,
MICHAEL CHOMICA, JAN CHOMICA and
LORNE BANKS

TORONTO – Staff of the Ontario Securities Commission filed an Amended Statement of Allegations of Staff of the Ontario Securities Commission dated September 13, 2013 with the Office of the Secretary in the above noted matter.

A copy of the Amended Statement of Allegations of Staff of the Ontario Securities Commission dated September 13, 2013 is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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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
GLOBAL CONSULTING AND FINANCIAL SERVICES,
GLOBAL CAPITAL GROUP,
CROWN CAPITAL MANAGEMENT CORP.,
MICHAEL CHOMICA, JAN CHOMICA and
LORNE BANKS

AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

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

Overview

1. This proceeding involves three fraudulent advance-fee schemes perpetrated from locations in Ontario that targeted members of the public in Ontario and various jurisdictions outside Canada including the United Kingdom, Europe, Asia and Africa.

2. In an advance-fee fraud, investors are persuaded, on the basis of deceit, to make up-front payments in order to take advantage of an offer promising significantly more in return.

3. Approximately $550,000 was raised from approximately 68 members of the public pursuant to these fraudulent advance-fee schemes from October 2009 to November 2010 (the "Material Time").

The Corporate Respondents

4. Global Consulting and Financial Services ("Global Consulting") is a sole proprietorship registered in Ontario to Jan Chomica.

5. Global Capital Group ("Global Capital") is a sole proprietorship registered in Ontario to "Jalil Khan".

6. Crown Capital Management Corp. ("Crown Capital") is an Ontario corporation. Michael Chomica was a director and officer of Crown Capital from June 11 1992 until April 30, 2010 when "Peter Kuti" became the sole officer and director of Crown Capital.

7. None of Global Consulting, Global Capital or Crown Capital has ever been registered in any capacity with the Commission.

The Individual Respondents

8. Jan Chomica is a resident of Ontario.

9. Jan Chomica opened banks accounts in the name of Global Consulting at bank branches located in Ontario (the "Global Consulting Bank Accounts") and was the sole signatory on those accounts during the Material Time.

10. Michael Chomica is a resident of Ontario.

11. Lorne Banks ("Banks") is a resident of Ontario. Banks was last registered with the Commission as a salesperson from November 22, 1988 to February 28, 1991. Banks was not registered with the Commission in any capacity during the Material Time.

12. Neither Michael Chomica nor Jan Chomica has ever been registered in any capacity with the Commission.

The Global Consulting Scheme

13. From approximately January 2008 to October 2010, persons falsely purporting to be representatives of various organizations solicited shareholders primarily residing in the United Kingdom (the "Global Consulting Investors") for the

purpose of inducing them to make various payments as part of a fraudulent advance-fee scheme (the "Global Consulting Scheme").

14. The Global Consulting Scheme involved an artificial offer to purchase shares owned by the Global Consulting Investors at inflated prices. The offer to purchase the Global Consulting Investors' shares and the subsequent communications were part of an artifice designed solely to extract money from the Global Consulting Investors.

15. As part of the Global Consulting Scheme, the Global Consulting Investors were contacted by persons purporting to act for various governmental agencies, including the U.S. Securities and Exchange Commission and the Commission, as well as certain fictitious organizations purportedly involved in the transactions, and directed to make certain payments in order to complete the transactions. The payments were purportedly necessary to cover taxes and various other costs.

16. The persons carrying out the solicitations did not work for the governmental agencies they purported to represent, they used aliases when communicating with the Global Consulting Investors and they presented the Global Consulting Investors with false and forged documents.

17. In and around October 2009, Michael Chomica made the Global Consulting Bank Accounts available to the perpetrators of the Global Consulting Scheme.

18. From approximately October 2009 to October 2010 (the "Global Consulting Material Time"), pursuant to the solicitations outlined above, the Global Consulting Investors were instructed to send their advance fees to the Global Consulting Bank Accounts.

19. At least 4 Global Consulting Investors paid advance-fees totalling USD $109,685 and CAD $23,478 to the Global Consulting Bank Accounts as a result of the solicitations outlined above.

20. The majority of the funds deposited into the Global Consulting Bank Accounts by the Global Consulting Investors were withdrawn as cash. During the Global Consulting Material Time, Jan Chomica carried out transactions in the Global Consulting Bank Accounts at Michael Chomica's direction.

21. The purported purchases of the Global Consulting Investors' shares never occurred and the Global Consulting Investors suffered a complete loss of the amounts they paid as advance fees.

The Global Capital Scheme

22. From approximately March 2010 to September 2010 (the "Global Capital Material Time"), Michael Chomica and Banks, using aliases and purporting to act on behalf of Global Capital Group ("Global Capital"), solicited shareholders residing in Europe, the United Kingdom, Asia and Africa (the "Global Capital Investors") for the purpose of inducing them to make various payments as part of a fraudulent advance-fee scheme (the "Global Capital Scheme").

23. The Global Capital Scheme was operated from Michael Chomica's residential apartment located on Bloor Street East in Toronto (the "Bloor Street Address"). Michael Chomica and Banks made the solicitations to the Global Capital Investors in connection with the Global Capital Scheme from the Bloor Street Address.

24. The Global Capital Scheme involved an artificial offer to exchange shares in Dixon, Perot & Champion Inc. (the "DP&C Shares") owned by the Global Capital Investors for shares in Microsoft Inc. (the "Microsoft Shares"). The DP&C Shares were virtually worthless and illiquid at the time of the solicitations, however, the Global Capital Investors were told that Global Capital valued them at prices ranging from USD $6 to $14. Whereas the Microsoft Shares were valued at prices ranging from USD $24 to $27.

25. The offer to exchange the Global Capital Investors' shares and the subsequent communications were part of an artifice designed solely to extract money from the Global Capital Investors.

26. As part of the Global Capital Scheme, the Global Capital Investors were informed by Michael Chomica and Banks that they had to make certain payments in order to complete the transactions. The payments were purportedly necessary in order to cover the difference in value between the DP&C Shares and the Microsoft Shares. However, once this initial payment was made, the Global Capital Investors were solicited by Michael Chomica and Banks for additional payments to cover taxes and various other costs.

27. The Global Capital Investors were instructed by Michael Chomica and Banks to send the funds representing the advance fees to the account of Commonwealth Capital Corp. ("Commonwealth"), an Isle of Man corporation, at the Bank of Nevis in St. Kitts and Nevis (the "Commonwealth Bank Account").

28. At least five Global Capital Investors paid advance-fees totalling US$160,470 to the Commonwealth Bank Account as a result of the solicitations noted above.

29. The majority of the funds transferred to the Commonwealth Bank Account by the Global Capital Investors were transferred to the Global Consulting Bank Accounts referred to above.

30. The majority of the funds deposited into the Global Consulting Bank Accounts were withdrawn as cash. During the Global Capital Material Time, Jan Chomica carried out transactions in the Global Consulting Bank Accounts at Michael Chomica's direction.

31. The purported exchange of the Global Capital Investors' shares never occurred, the Global Capital Investors never received any Microsoft Shares and the Global Capital Investors suffered a complete loss of the amounts paid towards the advance fees.

The Crown Capital Scheme

32. From approximately March 2010 to November 2010 (the "Crown Material Time"), Michael Chomica and other persons (the "Chomica Associates"), using aliases and purporting to act on behalf of Crown Capital and Kuti Consulting, solicited shareholders residing primarily in Ontario (the "Crown Investors") for the purpose of inducing them to make various payments as part of a fraudulent advance-fee scheme (the "Crown Scheme").

33. The Crown Scheme was operated from the Bloor Street Address. Michael Chomica and the Chomica Associates made the solicitations to the Crown Investors in connection with the Crown Scheme from the Bloor Street Address.

34. The Crown Scheme involved an artificial offer to purchase shares owned by the Crown Investors at inflated prices. The offer to purchase the Crown Investors' shares and the subsequent communications were part of an artifice designed solely to extract money from the Crown Investors.

35. As part of the Crown Scheme, the Crown Investors were informed by Michael Chomica and the Chomica Associates that they had to make certain payments in order to complete the transactions. The initial payments were purportedly to cover commissions. However, once the Crown Victim made these payments, Michael Chomica and the Chomica Associates advised the Crown Investors that the intended purchaser of their shares had encountered financial difficulties and instead wished to exchange Microsoft Shares for the shares held by the Crown Investors.

36. The Crown Investors were then directed to make additional payments that were purportedly necessary to cover the difference in value between the Crown Investors' shares and the Microsoft Shares.

37. The shares held by the Crown Investors were virtually worthless and illiquid at the time of the solicitations; however, Michael Chomica and the Chomica Associates told the Crown Investors that Crown Capital had valued them at prices ranging from USD $5 to $7.50. Whereas the Microsoft Shares were valued at or around USD $23.

38. The Crown Investors were instructed by Michael Chomica and the Chomica Associates to send the funds representing the advance fees to bank accounts in Toronto in the name of Crown Capital and Kuti Consulting (the "Crown Bank Accounts").

39. The Crown Bank Accounts were opened by an individual using an Ontario driver's license bearing the name "Peter Kuti" (the "Kuti License"). The Kuti License was obtained using false identification. "Peter Kuti" was the sole signatory on the Crown Bank Accounts.

40. Fifty-nine Crown Investors paid advance fees totalling USD $145,347 and CAD $109,427 (net of deposits that were rejected and returned to the complainants) as a result of the solicitations outlined above.

41. The majority of the funds deposited into the Crown Bank Accounts by the Crown Investors were withdrawn as cash and/or used to purchase gold.

42. The purported purchase and/or exchange of the Crown Investors' shares never occurred, the Crown Investors never received any Microsoft Shares and the Crown Investors suffered a complete loss of the amounts paid towards the advance fees.

Michael Chomica's Convictions for Fraud Contrary to Section 126.1 of the Act

43. On February 14, 2013, Michael Chomica pleaded guilty in the Ontario Court of Justice to 3 counts of fraud contrary to section 126.1(b) of the Act in connection with the Global Consulting Scheme, the Global Capital Scheme and the

Crown Capital Scheme. Michael Chomica's guilty plea was accepted by the Court and he was convicted and sentenced to 2 years in the penitentiary.

44. As part of his plea of guilt, Michael Chomica admitted the truth of a Statement of Facts for Guilty Plea (the "Statement of Facts") that was filed as an exhibit in that proceeding.

45. Staff pleads and relies upon all the facts admitted in the Statement of Facts.

46. Michael Chomica's conviction for fraud arose from transactions, business and/or a course of conduct relating to securities.

47. Pursuant to subsection 127(10)1 of the Act, Michael Chomica's convictions for fraud contrary to section 126.1(b) of the Act may form the basis for an order in the public interest under subsection127(1) of the Act.

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

48. The specific allegations advanced by Staff are as follows:

a) Global Consulting, Global Capital, Crown Capital, Michael Chomica, Jan Chomica and Banks (the "Respondents") engaged in and held themselves out as engaging in the business of trading in securities without registration in circumstances where no exemption was available, contrary to section 25 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act");

b) the Respondents directly or indirectly engaged in or participated in an act, practice or course of conduct relating to securities which they or it knew, or reasonably ought to have known, perpetrated a fraud on investors, contrary to section 126.1(b) of the Act;

c) Jan Chomica authorized, permitted or acquiesced in Global Consulting's non-compliance with Ontario securities law contrary to section 129.2 of the Act; and

d) the Respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

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

DATED at Toronto this 13th day of September, 2013.

1.4.7 Louis Michael Kovacs

FOR IMMEDIATE RELEASE
September 20, 2013

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

AND

IN THE MATTER OF
LOUIS MICHAEL KOVACS

TORONTO – Following a hearing held on September 19, 2013, the Commission issued an Order in the above named matter approving the Settlement Agreement reached between Staff of the Commission and Louis Michael Kovacs.

A copy of the Order dated September 19, 2013 and Settlement Agreement dated September 16, 2013 are available at www.osc.gov.on.ca.

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1.4.8 Eda Marie Agueci et al.

FOR IMMEDIATE RELEASE
September 20, 2013

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

AND

IN THE MATTER OF
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

AND

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

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 Ian Telfer.

A copy of the Order dated September 20, 2013 and Settlement Agreement dated September 17, 2013 are available at www.osc.gov.on.ca.

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1.4.9 Quadrexx Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
September 20, 2013

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

AND

IN THE MATTER OF
QUADREXX ASSET MANAGEMENT INC.,
QUADREXX SECURED ASSETS INC.,
OFFSHORE OIL VESSEL SUPPLY SERVICES LP,
QUIBIK INCOME FUND AND
QUIBIK OPPORTUNITIES FUND

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

1. pursuant to subsection 127(8) of the Act that the portion of the Temporary Order issued under paragraph 2 of subsection 127(1) that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities is extended to December 9, 2013, other than as may be required to facilitate the dissolutions or wind ups of Quadrexx, QSA, OOVSS, QIF and QOF; and

2. the hearing to consider: (i) the need to further extend the Temporary Order; and (ii) for the Commission to receive an update on the wind ups or dissolutions of Quadrexx, QSA, OOVSS, QIF, QOF, CHWIP and HFI, will proceed on December 5, 2013 at 10:00 a.m.

A copy of the Order dated September 19, 2013 is available at www.osc.gov.on.ca.

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1.4.10 Children's Education Funds Inc.

FOR IMMEDIATE RELEASE
September 20, 2013

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

AND

IN THE MATTER OF
CHILDREN'S EDUCATION FUNDS INC.

TORONTO – The Commission issued an Order in the above named matter pursuant to section 127 of the Act which provides that:

1. The Temporary Order as amended by Commission Order dated July 19, 2013 is extended to October 24, 2013; and

2. the hearing in this matter is adjourned to October 21, 2013 at 2:00 p.m.

A copy of the Order dated September 20, 2013 is available at www.osc.gov.on.ca.

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1.4.11 Beryl Henderson

FOR IMMEDIATE RELEASE
September 23, 2013

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

AND

IN THE MATTER OF
BERYL HENDERSON

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

A copy of the Order dated September 18, 2013 and Settlement Agreement dated August 23, 2013 are available at www.osc.gov.on.ca.

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1.4.12 Conrad M. Black et al.

FOR IMMEDIATE RELEASE
September 23, 2013

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PETER Y. ATKINSON

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

A copy of the Order dated September 23, 2013, Settlement Agreement dated September 20, 2013 and the Undertaking to the Ontario Securities Commission of Peter Y. Atkinson dated September 23, 2013 are available at www.osc.gov.on.ca.

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1.4.13 AMTE Services Inc. et al.

FOR IMMEDIATE RELEASE
September 24, 2013

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

AND

IN THE MATTER OF
AMTE SERVICES INC.,
OSLER ENERGY CORPORATION, RANJIT GREWAL,
PHILLIP COLBERT AND EDWARD OZGA

TORONTO – The Commission issued a Temporary Order in the above named matter which provides that the Temporary Order is extended until March 31, 2014 or until further order of the Commission and the hearing to consider a further extension of the Temporary Order is adjourned until March 27, 2014 at 10:00 a.m. or to such other date or time as provided by the Office of the Secretary and agreed to by the parties.

A copy of the Temporary Order dated September 23, 2013 is available at www.osc.gov.on.ca.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 FQM (Akubra) Inc. (successor entity of Inmet Mining Corporation)

Headnote

NP 11-203 – issuer deemed to be no longer a reporting issuer under securities legislation – issuer has debt securities outstanding – issuer has more than 51 securityholders worldwide, but less than 51 securityholders in Canada.

Applicable Legislative Provision

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

September 17, 2013

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

AND

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

AND

IN THE MATTER OF
FQM (AKUBRA) INC. (SUCCESSOR ENTITY OF
INMET MINING CORPORATION)
(the Filer)

DECISION

Background

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the filer is not 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 Ontario Securities Commission is the principal regulator for this application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

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

Representations

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

(a) the Filer is a corporation governed by the *Canada Business Corporations Act* (the CBCA) with its registered address located at 333 Bay Street, Suite 2400, Toronto, ON M5H 2T6;

(b) the Filer is a reporting issuer or the equivalent in each of the Jurisdictions;

(c) the Filer is authorized to issue an unlimited number of common shares;

(d) on January 9, 2013, FQM (Akubra) Inc., a wholly owned subsidiary of First Quantum Minerals Ltd. (First Quantum), and First Quantum (together the Offeror) made an offer to purchase all of the issued and outstanding common shares of Inmet Mining Corporation (Inmet), together with the associated rights issued under the Shareholder Rights Plan of Inmet (collectively the Inmet Shares), pursuant to an offer and take-over bid circular dated January 9, 2013, as varied and extended by notices of variation and extension dated February 8, 2013, February 27, 2013, March 11, 2013 and March 21, 2013 (the Offer), on the basis of, at the election of each holder of Inmet Shares, (a) Cdn.$72.00 in cash per Inmet Share, or (b) 3.2967 common shares of First Quantum per Inmet Share, or (c) cash in the amount of Cdn.$36.00 and 1.6484 common shares of First Quantum per Inmet Share, subject, in each case, to proration as set out the Offer;

(e) the Offer expired at 5:00 p.m. (Eastern Daylight Time) on April 1, 2013;

(f) on March 21, 2013, the Offeror took up 59,979,309 Inmet Shares validly tendered to the Offer;

(g) on April 1, 2013, the Offeror took up 5,226,735 Inmet Shares validly tendered to the Offer;

(h) on April 5, 2013, under section 206(2) of the CBCA, the Offeror sent notice to those shareholders of Inmet who had not accepted the Offer that the Offeror would be acquiring the Inmet Shares not tendered to the Offer by way of compulsory acquisition under section 206 of the CBCA (the Compulsory Acquisition);

(i) on April 9, 2013, the Offeror acquired all of the Inmet Shares not tendered to the Offer, being 4,272,677 Inmet Shares pursuant to the Compulsory Acquisition;

(j) Inmet's issued and outstanding share capital immediately prior to the expiry of the Offer was 69,478,721 Inmet Shares;

(k) prior to the completion of the Offer, the Inmet Shares were listed for trading on the Toronto Stock Exchange under the symbol "IMN";

(l) the Inmet Shares were delisted from the Toronto Stock Exchange as of the close of business on April 9, 2013;

(m) effective April 23, 2013, Inmet amalgamated with FQM (Akubra) Inc. and all of the Inmet Shares were cancelled (the Amalgamation);

(n) the Filer has no current intention to seek public financing by way of an offering of securities;

(o) pursuant to a note indenture dated as of May 18, 2012 among Inmet, Citibank, N.A., as U.S. trustee, and Citi Trust Company Canada, as Canadian trustee (the 2012 Indenture) the Filer issued US$1.5 billion aggregate principal amount of 8.75% senior notes due 2020 (the 2012 Notes);

(p) pursuant to a note indenture dated as of December 18, 2012 among Inmet, Citibank, N.A., as U.S. trustee, and Citi Trust Company Canada, as Canadian trustee (together with the 2012 Indenture, the Indentures) the Filer issued US$500 million aggregate principal amount of 7.500% senior notes due 2021 (together with the 2012 Notes, the Notes);

(q) the Notes are not convertible or exchangeable for common shares or other securities of the Filer. The Notes were originally issued by way of private placement under applicable exemptions from the registration requirements of the United States Securities Act of 1933, as amended (the 33 Act), and in Canada pursuant to applicable exemptions from Canadian provincial securities laws, and they have not been listed on any exchange or marketplace;

(r) pursuant to the Indentures, the Filer is required to provide the noteholders and each of the trustees with: (a) all annual financial information that Inmet would be required to file as a reporting issuer; (b) all quarterly financial information that Inmet would be required to file as a reporting issuer; and (c) following events giving rise to the requirements for Inmet to file a material change report, such material change report;

(s) pursuant to the Indentures, the Filer may provide the information required to be provided to the noteholders and trustees by posting such information on a public website maintained by Inmet;

(t) the acquisition by the Offeror on March 21, 2013 of 59,979,309 Inmet Shares, representing 85.5% of the outstanding Inmet Shares, constituted a "Change of Control" as defined in the Indentures. As such, Inmet commenced the requisite offer to purchase the Notes (the Change of Control Offer) upon the terms and conditions set forth in the Notice of Change of Control and Offer to Purchase dated April 19, 2013 (the Change of Control Notice), at a price in cash equal to 101% of the aggregate principal amount of the Notes, plus accrued and unpaid interest up to, but not including, the date of purchase. The Change of Control Offer expired at 5:00 p.m. (Eastern Daylight Time) on May 20, 2013;

(u) The Change of Control Notice stated that, as a result of the Amalgamation, the Filer succeeded to all of the obligations of Inmet, including obligations under the Indentures and the Notes. The Filer's corporate parent, First Quantum, remains subject to continuous disclosure obligations under Canadian provincial securities laws;

(v) The Change of Control Notice stated that, as a result of the Offer and the Compulsory Acquisition, the Filer would no longer be subject to continuous disclosure obligations under the securities laws of the Jurisdictions if the Filer is deemed to cease to be a reporting issuer in the Jurisdictions by the applicable securities regulatory authorities. Accordingly, the Filer's noteholders were presented with the opportunity to close out their position in the Notes to the extent that, among other things, they believed continuous disclosure would be necessary going forward and they were dissatisfied with the Amalgamation. However, Notes in the aggregate principal amount of US$10,129,000, representing approximately 0.51% of the total outstanding Notes, were validly tendered to the Change of Control Offer;

(w) following the Change of Control Offer, approximately US$1.99 billion aggregate principal amount of the Notes are issued and outstanding;

(x) the Filer made diligent enquiry (the Investigation) with Lucid Issuer Services Limited to ascertain the location of the noteholders in Canada;

(y) based on the Investigation and other reasonable inquiries made by the Filer, the Filer is of the reasonable belief that, as of July 5, 2013, there were fewer than 50 beneficial holders of the Notes in Canada;

(z) to the best of the Filer's knowledge and belief, pursuant to the Investigation, as of July 5, 2013, there were approximately 10 beneficial holders of the Notes in Canada, holding an aggregate of US$34 million principal amount of the Notes, representing approximately 1.72% of the outstanding principal amount of the Notes. Approximately US$1.12 billion of the Notes were held by 23 non-Canadian beneficial holders, representing 56.38% of the outstanding principal amount of the Notes. The remaining US$834 million of the Notes were held by 79 undisclosed beneficial holders, representing 41.45% of the outstanding principal amount of the Notes;

(aa) to the best of the Filer's knowledge and belief, pursuant to the Investigation, as of July 5, 2013, of the 10 beneficial holders identified in Canada, which held one or more series of the Notes, six were identified to be resident in Ontario, two to be resident in Québec and two to be resident in British Columbia;

(bb) to the best of the Filer's knowledge and belief, pursuant to the Investigation, as of July 5, 2013, approximately US$1.16 billion aggregate principal amount of the Notes were held by 29 institutional beneficial holders holding one or more series of the Notes. Pursuant to the Investigation, 23 of the 29 institutional beneficial holders were non-Canadian institutions. Six of the remaining 29 institutional beneficial holders, holding US$33.66 million aggregate principal amount of the Notes, were Canadian institutions. The remaining holders, holding approximately US$834 million aggregate principal amount of the Notes, did not provide beneficial ownership information;

(cc) there is no obligation in the provisions of the Indentures for the Filer to maintain its status as a reporting issuer or the equivalent in any of the Jurisdictions;

(dd) the Notes were offered and sold inside the United States only to those investors that the underwriters reasonably believed to be "qualified institutional buyers" (QIBs) as defined in, and in accordance with, Rule 144A under the 33 Act, and outside the United States (as defined under Rule 902 of Regulation S, promulgated under the 33 Act) in accordance with Regulation S under the 33 Act. Generally, QIBs comprise institutions that manage at least US$100 million in securities, including banks, savings and loans institutions, insurance companies, investment companies, employee benefit plans and entities owned entirely by persons that are themselves qualified investors;

(ee) to the best of the Filer's knowledge and belief, pursuant to the Investigation, as of July 5, 2013, 98% of the aggregate principal amount of the Notes were Rule 144A global notes and 2% of the aggregate principal amount of the Notes were Regulation S global notes;

(ff) to the best of the Filer's knowledge and belief, pursuant to the Investigation, none of the Notes originally issued under Rule 144A have subsequently been traded into a local jurisdiction;

(gg) the QIBs and other investors to whom the Notes were placed are sophisticated investors who had the opportunity, including through the underwriters, to negotiate for such disclosure obligations under the Indentures as they deemed necessary. They determined that they did not require that the Filer maintain reporting issuer status;

(hh) 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 reason to believe that it has more than 50 securityholders worldwide, being the holders of the Notes. Similarly, and because the Notes are beneficially owned, directly or indirectly, by more than 51 securityholders worldwide, the Filer is not eligible to file under the simplified procedure under CSA Staff Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer*;

(ii) the Notes 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;

(jj) the Filer is applying for relief to cease to be a reporting issuer in each of the Jurisdictions;

(kk) the Filer is not in default of any requirement of the securities legislation in any of the Jurisdictions except for the obligation arising after First Quantum came to be the Filer's sole shareholder to file its interim financial statements and related management's discussion and analysis for the three-month periods ended March 31, 2013 and June 30, 2013, as required under National Instrument 51-102 – *Continuous Disclosure Obligations* (the Interim Filings) and the related certification of such financial statements as required under National Instrument 52-109 – *Certification of Disclosure in Filers' Annual and Interim Filings*. However, in accordance with the Indentures, the Filer has provided the Interim Filings to the noteholders and each of the trustees and will provide the noteholders and each of the trustees with: (a) all annual financial information that the Filer would be required to file as a reporting issuer; (b) all quarterly financial information that the Filer would be required to file as a reporting issuer; and (c) following events giving rise to the requirements for the Filer to file a material change report, such material change report; and

(ll) the Filer, upon the granting of the Exemptive Relief Sought, will no longer be a reporting issuer or the equivalent in any jurisdiction in 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.

"Wesley M. Scott"
Commissioner
Ontario Securities Commission

"James D. Carnwath"
Commissioner
Ontario Securities Commission

2.1.2 Caracal Energy Inc.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – relief from eligibility requirements under section 2.2 of NI 44-101 and corresponding requirements under NI 44-102 for reporting issuer whose common shares are not listed on a short form eligible exchange – common shares are listed on LSE.

Applicable Legislative Provisions

National Instrument 44-101 Short Form Prospectus Distributions.
National Instrument 44-102 Shelf Distributions.

September 11, 2013

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

AND

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

AND

IN THE MATTER OF
CARACAL ENERGY 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 (the Exemption Sought) under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the qualification criteria in paragraph 2.2(e) of National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) and subsections 2.2(1) and 2.2(2) and subparagraph 2.2(3)(b)(iii) of National Instrument 44-102 *Shelf Distributions* that the Filer's equity securities be listed and posted for trading on a short form eligible exchange (as such term is defined in NI 41-101).

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

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

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

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

Interpretation

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

Representations

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

1. The Filer is a corporation incorporated under the *Canada Business Corporations Act*.

2. The head and registered office of the Filer is located in Calgary, Alberta.

3. The Filer is presently engaged in the exploration and development of crude oil and natural gas interests located in Chad.

4. The Filer is authorized to issue an unlimited number of common shares (the **Common Shares**), of which 115,657,752 were issued and outstanding as of August 21, 2013.

5. On July 4, 2013, the Filer filed and obtained a receipt for a prospectus in the Jurisdictions and the Non-Principal Passport Jurisdictions in conjunction with its application to the Financial Conduct Authority (the **FCA**) in the United Kingdom for the Common Shares to be admitted to the premium listing segment of the Official List of the FCA and to the London Stock Exchange plc (the **LSE**) for their admission to trading.

6. The Filer is a reporting issuer under the securities legislation of the Jurisdictions and the Non-Principal Passport Jurisdictions.

7. On July 9, 2013, the Common Shares were admitted to the premium listing segment of the Official List of the FCA and began trading on the LSE under the symbol “CRCL”.

8. The Filer is not, to its knowledge after reasonable enquiry, in default of any requirements under the securities legislation of any province or territory of Canada.

9. The Filer is not, to its knowledge after reasonable enquiry, in default of any of the requirements of the FCA or LSE.

Decision

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 provided that the Common Shares continue to be admitted for trading on the LSE within the premium listing segment of the Official List of the FCA.

“Denise Weeres”
Manager, Legal
Corporate Finance
Alberta Securities Commission

2.1.3 NexGen Financial Limited Partnership et al.

Headnote

NP 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – Approval of mutual fund reorganization – Approval required because mergers do not meet the criteria for pre-approval – Funds have differing investment objectives and mergers conducted on a taxable basis – Securityholders provided with timely and adequate disclosure regarding the merger.

Applicable Legislative Provisions

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

August 8, 2013

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

AND

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

AND

IN THE MATTER OF
NEXGEN FINANCIAL LIMITED PARTNERSHIP
(the "Filer")

AND

NEXGEN GLOBAL VALUE TAX MANAGED FUND
NEXGEN GLOBAL VALUE REGISTERED FUND
NEXGEN GLOBAL RESOURCE TAX MANAGED FUND
NEXGEN GLOBAL RESOURCE REGISTERED FUND
(each a "Terminating Fund" and collectively the "Terminating Funds")

AND

NEXGEN CANADIAN BALANCED GROWTH TAX MANAGED FUND
NEXGEN CANADIAN BALANCED GROWTH REGISTERED FUND
(each a "Continuing Fund" and collectively the "Continuing Funds",
and together with the Terminating Funds, the "Funds")

DECISION

BACKGROUND

The principal regulator in the Jurisdiction has received an application from the Filer on behalf of the Terminating Funds for a decision under the securities legislation of the Jurisdiction for approval of the mergers (the "**Mergers**") of NexGen Global Value Registered Fund and NexGen Global Resource Registered Fund into NexGen Canadian Balanced Growth Registered Fund (the "**Registered Mergers**") and the mergers of NexGen Global Value Tax Managed Fund and NexGen Global Resource Tax Managed Fund into NexGen Canadian Balanced Growth Tax Managed Fund (the "**Tax Managed Mergers**") under paragraphs 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* ("NI 81-102") (the "**Approval Sought"**).

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

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

(b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") is intended to be relied upon in British Columbia, Alberta, Quebec, Newfoundland and Labrador and Northwest Territories (including Ontario, the "**Jurisdictions**").

INTERPRETATION

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

REPRESENTATIONS

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

1. The Filer is a limited partnership established under the laws of the Province of Ontario and its head office is located in Toronto, Ontario. The Filer is registered as a dealer in the category of mutual fund dealer, an adviser in the category of portfolio manager and an investment fund manager under the *Securities Act* (Ontario) and as an adviser in the category of commodity trading manager under the C*ommodity Futures Act* (Ontario).

2. The Filer is the manager of the Funds, each an open-end mutual fund established under the laws of the Province of Ontario and subject to the requirements of NI 81-102. Each of NexGen Global Value Tax Managed Fund, NexGen Global Resource Tax Managed Fund and NexGen Canadian Balanced Growth Tax Managed Fund are housed within NexGen Investment Corporation ("**NexGen Investment**"), a mutual fund corporation incorporated under the laws of the Province of Ontario. Each of NexGen Global Value Registered Fund, NexGen Global Resource Registered Fund and NexGen Canadian Balanced Growth Registered Fund are mutual fund trusts governed by a declaration of trust.

3. The Filer intends to merge: (i) NexGen Global Value Tax Managed Fund into NexGen Canadian Balanced Growth Tax Managed Fund; and (ii) NexGen Global Resource Tax Managed Fund into NexGen Canadian Balanced Growth Tax Managed Fund; (iii) NexGen Global Value Registered Fund into NexGen Canadian Balanced Growth Registered Fund; and (iv) NexGen Global Resource Registered Fund into NexGen Canadian Balanced Growth Registered Fund.

4. Securities of the Funds are currently offered for sale under a Simplified Prospectus (the "**Prospectus**") and Annual Information Form dated May 31, 2013 in the Jurisdictions.

5. The Funds (with the exception of the NexGen Canadian Balanced Growth Tax Managed Fund) are reporting issuers under the applicable securities legislation of the Jurisdictions (the "**Legislation**"). The NexGen Canadian Balanced Growth Tax Managed Fund is a reporting issuer in all provinces and territories of Canada.

6. Neither the Filer nor the Funds is in default under the Legislation.

7. Each of the Funds is a mutual fund that is subject to the requirements in NI 81-102 and National Instrument 81-101 *Mutual Fund Prospectus Disclosure*. Each of the Funds follows the standard investment restrictions and practices established under the Legislation except to the extent that the Funds have received permission from the CSA to deviate therefrom.

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

Details of the Proposed Mergers

9. In accordance with National Instrument 81-106 Investment Fund Continuous Disclosure, the proposed Mergers were announced in:

   (a) a press release dated July 3, 2013;

   (b) a material change report dated July 9, 2013; and

   (c) amendments to the Prospectus and Fund Facts of the Terminating Funds dated July 3, 2013,

   each of which has been filed on SEDAR.

10. Having obtained the necessary approvals, it is proposed that the Mergers take place after the close of business on or about August 9, 2013 (the "**Merger Date**").

11. Pursuant to the Mergers, the Filer anticipates that a securityholder of a Terminating Fund will become a securityholder of its corresponding Continuing Fund on the Merger Date.

12. The following steps will be carried out to effect the Mergers:

    (a) ***In respect of the Tax Managed Mergers:***

        i. Portfolio securities held by the Terminating Funds which may not be suitable investments for the Continuing Fund will be liquidated on or before the Merger Date.

        ii. Each outstanding share of a Terminating Fund will be exchanged for share(s) of an equivalent class and series of the Continuing Fund. The share exchange will be effected on the basis of the relative net asset values of the applicable shares at the close of business on the Merger Date.

        iii. The assets and liabilities of NexGen Investment attributable to the Terminating Funds will be transferred to the Continuing Fund.

        iv. The Terminating Funds will then be wound up.

    (b) ***In respect of the Registered Mergers:***

        i. The master declaration of trust of the Terminating Funds will be amended to facilitate the Mergers. Among other changes, the investment objective of each of the Terminating Funds will be amended to facilitate the Mergers.

        ii. Each of the Terminating Funds will transfer all of its assets which will consist of cash and securities, if applicable, less an amount required to satisfy the liabilities of the Terminating Fund to the Continuing Fund in exchange for units of the Continuing Fund. The unit exchange will be effected on the basis of the relative net asset values of the applicable units at the close of business on the Merger Date.

        iii. Each unitholder of a Terminating Fund will receive the corresponding units of the Continuing Fund.

        iv. Each Terminating Fund will distribute to its unitholders sufficient net income and net realized capital gains so that it will not be subject to tax under the Income Tax Act (Canada) for its current taxation year.

        v. Each Terminating Fund will distribute to its unitholders the units of the Continuing Fund received by it in exchange for all of the unitholders' existing units of the Terminating Fund on a series-by-series basis so that following the distribution the unitholders of the Terminating Fund will become direct unitholders of the Continuing Fund.

        vi. The Terminating Funds will then be wound up.

13. Although the procedures for implementing the Mergers may vary, the result of each of the Mergers will be that securityholders in each Terminating Fund will cease to be securityholders in the Terminating Funds and will become securityholders in the corresponding Continuing Fund.

14. In the opinion of the Filer, the Mergers will be beneficial to securityholders of each of the Funds for the following reasons:

    (a) securityholders in the Terminating Funds are expected to enjoy potentially improved economies of scale as part of a larger combined Continuing Fund;

    (b) Due to the smaller size and historic growth profile of the Terminating Funds, the administrative and regulatory costs of operating the Terminating Funds as stand-alone mutual funds would be higher per securityholder and could potentially increase if the Terminating Funds decrease further in asset size;

    (c) The Mergers transition securityholders in the Terminating Funds to growing and more viable Continuing Funds.

15. As required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, NexGen presented the terms of the Mergers to the Funds' independent review committee ("**IRC**") for its review and recommendation. The IRC reviewed the potential conflict of interest matters related to the proposed Mergers and determined that the Merger, if implemented, would achieve a fair and reasonable result for each of the Terminating Funds and the Continuing Funds.

16. A meeting (the "**Meeting**") of the securityholders of each Terminating Fund was held on July 30, 2013 to approve the proposed Mergers.

17. In connection with the Meeting, the Filer, as manager of the Terminating Funds, sent to securityholders of each Terminating Fund on July 3, 2013 a notice of the meeting of securityholders and a management information circular (the "**Information Circular**") dated June 22, 2013 and a related form of proxy.

18. The Information Circular contains the following information that the Filer has deemed to be material so that securityholders of the Terminating Funds may consider this information before voting on the Mergers: (i) the differences between the Terminating Funds and the Continuing Funds; (ii) the tax implications of the Mergers; (iii) a statement that the securities of the Continuing Fund acquired by the securityholders upon completion of each of the Mergers are subject to the same redemption charges to which their securities of the Terminating Funds were subject prior to the Mergers; and (iv) the fact that securityholders can obtain, at no cost, the Annual Information Form, the most recently filed Fund Facts and Management Report of Fund Performance that have been made public by contacting the Filer or by accessing the documents on the Filer's website or through SEDAR.

19. The Filer will pay all costs and expenses of effecting the Mergers including costs relating to the solicitation of proxies and holding the Meeting in connection with each of the Mergers, as well as the costs of implementing the Mergers, including any brokerage fees.

20. No sales charges will be payable by any securityholder in connection with the exchange of securities of the Terminating Funds into the Continuing Funds.

21. Each Terminating Fund has substantially the same distribution policy as its Continuing Fund.

22. Any sales charges applicable to securities of a Continuing Fund are the same or lower than for the equivalent class of securities of its corresponding Terminating Fund.

23. All Funds have substantially similar arrangements with respect to switch fees.

24. All Funds calculate their net asset values daily at 4:00 p.m. Net asset values per unit or share are calculated for each class of securities using similar methodologies and currencies. Assets and liabilities generally are valued in the same manner.

25. Securityholders of the Terminating Funds will continue to have the right to redeem or transfer their securities of a Terminating Fund at any time up to the close of business on the business day prior to the Merger Date. Following the Mergers, all optional plans (including pre-authorized purchase programs, automatic withdrawal plans and systematic switch programs) which were established with respect to a Terminating Fund will be re-established in comparable plans with respect to its Continuing Fund unless securityholders advise otherwise.

26. Following the Mergers, each of the Continuing Funds will continue as a publicly offered open-end mutual fund and the Terminating Funds will be wound up.

27. Following the Mergers, a Material Change Report and amendments to the Simplified Prospectus, Annual Information Form, and Fund Facts of each Terminating Fund in respect of its respective merger will be filed.

28. In the opinion of the Filer, each of the Mergers satisfies all of the criteria for pre-approved reorganizations and transfers set forth in section 5.6 of NI 81-102, except the criteria contained in subsection 5.6(1)(a)(ii) of NI 81-102 as the investment objectives of the Terminating Funds may not be considered by a reasonable person to be "substantially similar" to the investment objectives of the Continuing Funds, and the criteria contained in subsection 5.6(1)(b) of NI 81-102 as the Registered Mergers will be conducted on a taxable basis.

DECISION

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

The decision of the principal regulator under the Legislation is that the Approval Sought is granted.

"Raymond Chan"
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.4 Matrix Short Term Income Fund (Corporate Class) et al.

Headnote

Multilateral Instrument 11-102 Passport System and National Policy 11-203 Process for Exemptive Relief Applications in Multiple Jurisdictions – National Instrument 81-102 Mutual Funds – A mutual fund, the existing mutual fund manager and the proposed new mutual fund manager seek approval to change the mutual fund manager under the approval requirements in subsection 5.5(1)(a) NI 81-102 – The filer established the experience and integrity of the new manager; there are no expected material changes to the management, business, operations or affairs of the fund; securityholders have approved or will approve the change of manager.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.5(1)(a).

Citation: 2013 BCSECCOM 390

September 13, 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
MATRIX SHORT TERM INCOME FUND (CORPORATE CLASS),
MATRIX CANADIAN BALANCED FUND (CORPORATE CLASS),
MATRIX MONTHLY PAY FUND (CORPORATE CLASS),
MATRIX DOW JONES CANADA HIGH DIVIDEND 50 FUND (CORPORATE CLASS),
MATRIX S&P/TSX CANADIAN DIVIDEND ARISTOCRATS FUND (CORPORATE CLASS),
MATRIX AMERICAN DIVIDEND GROWTH FUND (CORPORATE CLASS),
MATRIX COVERED CALL CANADIAN BANKS PLUS FUND (CORPORATE CLASS),
MATRIX CANADIAN RESOURCE FUND (CORPORATE CLASS), MATRIX CANADIAN BOND FUND,
MATRIX CANADIAN RESOURCE FUND, MATRIX INTERNATIONAL INCOME BALANCED FUND,
MATRIX INTERNATIONAL BALANCED FUND, MATRIX MONEY MARKET FUND,
MATRIX MONTHLY PAY FUND, MATRIX SMALL COMPANIES FUND,
MATRIX TAX DEFERRED INCOME FUND AND MATRIX TAX DEFERRED INCOME TRUST POOL

AND

IN THE MATTER OF
MARQUEST ASSET MANAGEMENT INC.

AND

GROWTHWORKS ENTERPRISES LTD.
(the Filers)

DECISION

Background

1 The securities regulatory authority or regulator in each of the Jurisdictions (the Decision Maker) has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) for approval under section 5.5(1)(a) of National Instrument 81-102 *Mutual Funds* (NI 81-102) of the change of manager of

Matrix Short Term Income Fund (Corporate Class), Matrix Canadian Balanced Fund (Corporate Class), Matrix Monthly Pay Fund (Corporate Class), Matrix Dow Jones Canada High Dividend 50 Fund (Corporate Class), Matrix S&P/TSX Canadian Dividend Aristocrats Fund (Corporate Class), Matrix American Dividend Growth Fund (Corporate Class), Matrix Covered Call Canadian Banks Plus Fund (Corporate Class) and Matrix Canadian Resource Fund (Corporate Class) (collectively, the Corporate Funds), and Matrix Canadian Bond Fund, Matrix Canadian Resource Fund, Matrix International Income Balanced Fund, Matrix International Balanced Fund, Matrix Money Market Fund, Matrix Monthly Pay Fund, Matrix Small Companies Fund, Matrix Tax Deferred Income Fund and Matrix Tax Deferred Income Trust Pool (collectively, the Trust Funds and together with the Corporate Funds, the Funds) from GrowthWorks Enterprises Ltd. (GWE) to Marquest Asset Management Inc. (Marquest) (the Approval 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 Filers have provided notice that subsection 4.7(1) of Multilateral Instrument 11-102 *Passport System* (MI 11-102) is intended to be relied upon in Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Prince Edward Island, Quebec, Saskatchewan and Yukon; 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* or in MI 11-102 have the same meaning if used in this decision unless they are otherwise defined.

Representations

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

GrowthWorks Enterprises Ltd. and the Funds

1. the head office of GWE is located at Suite 2600, 1055 West Georgia Street, Vancouver, British Columbia V6E 3R6; GWE is a corporation incorporated under the laws of Canada in 1982 which adopted its current name in July 2013; GWE is not in default of the securities legislation in any of the jurisdictions of Canada;

2. GWE is registered as an adviser in the category of portfolio manager in each of the provinces of Canada, as a dealer in the categories of mutual fund dealer and exempt market dealer in each of the provinces of Canada, and as an investment fund manager in British Columbia, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador;

3. GWE is the manager of each of the Funds; it is also the manager of the Matrix 2012-1 National & Quebec Resource Flow Through LP (the Partnership), a limited partnership established under the laws of Ontario which is a reporting issuer in each of the provinces of Canada and which offers two classes of units, each of which is considered to be a separate non-redeemable investment fund for securities law purposes;

4. prior to July 16, 2013, the manager of the Funds was Growth Works Capital Ltd. (GWC); on July 16, 2013, the management responsibilities for the Funds were assigned by GWC to GWE; Matrix is the indirect parent company of GWC and direct parent company of GWE, which are therefore affiliates; in connection with the transfer of the management of the Funds from GWC to GWE on July 16, 2013, GWE assumed the obligations of Mavrix Fund Management Inc. relating to certain inter-fund trades of asset-backed commercial paper (the ABCP) in 2007 under an undertaking provided to the Ontario Securities Commission on April 1, 2008 (the ABCP Undertaking); the closing of the Transaction (as defined below) is conditioned on GWE, on behalf of the Funds, selling any ABCP held by the Funds;

5. each of the Funds is a reporting issuer in each of the provinces and territories of Canada; each of the Corporate Funds is a class of shares of Matrix Corporate Class Funds Ltd., a mutual fund corporation incorporated under the laws of Ontario, and is considered to be a separate mutual fund pursuant to section 1.3(1) of NI 81-102; each of the Trust Funds is a trust established under the laws of Ontario; the trustee of the Trust Funds is GWE; none of the Funds is in default of the securities legislation in any of the jurisdictions of Canada except as described in representation 25;

6. securities of the Funds other than the Matrix Tax Deferred Income Trust Pool (the Trust Pool) are offered under a simplified prospectus, annual information form and fund facts documents dated July 9, 2013; units of the Trust Pool are offered under a simplified prospectus, annual information form and fund facts documents dated September 12, 2013;

Marquest Asset Management Inc.

7. the head office of Marquest is located at Suite 4420, 161 Bay Street, TD Canada Trust Tower, Toronto, Ontario, M5J 2S1; Marquest is a corporation incorporated under the laws of Canada in 1986 that offers a diverse range of equity and fixed income investment products to individuals, corporations and institutions;

8. Marquest is registered as a dealer in the category of exempt market dealer, as an adviser in the category of portfolio manager and as an investment fund manager with the securities regulatory authorities of each of the Jurisdictions, Alberta, Saskatchewan, Quebec and New Brunswick; it has made application to be registered as an investment fund manager in Newfoundland and Labrador;

9. Marquest is not in default of the securities legislation in any of the jurisdictions of Canada;

10. Marquest is currently the manager of the Marquest group of mutual funds, consisting of the Explorer Series Fund, the Energy Series Fund, the Canadian Flex Series Fund, the Resource Flex Series Fund, and the Flex Dividend and Income Growth Series Fund; each of these funds is a series of shares of Marquest Mutual Funds Inc./Fonds Communs De Placement Marquest Inc., and is considered to be a separate mutual fund pursuant to section 1.3(1) of NI 81-102;

11. each of such mutual funds is a reporting issuer in each of the jurisdictions of Canada; shares of these funds are offered under an amended and restated simplified prospectus, annual information form and funds facts documents dated March 1, 2013; none of these funds is in default of the securities legislation in any of the jurisdictions of Canada;

12. in addition to managing such mutual funds, Marquest is currently the manager and portfolio manager of the Marquest Canadian Equity Income Fund, a closed end investment fund whose units are listed on the Toronto Stock Exchange (TSX), and also manages a family of six pooled funds, the securities of which are offered on a prospectus-exempt basis in Canada;

13. Marquest possesses all registrations under the legislation and National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* (NI 31-103) to allow it to manage the Funds after the closing of the Transaction;

The Proposed Change of Manager

14. pursuant to a term sheet dated June 4. 2013, Marquest agreed with Matrix Asset Management Inc. (Matrix) to purchase from GWC certain assets (the Purchased Assets), consisting principally of all of the issued and outstanding common shares of Matrix Corporate Class Funds Ltd. and all of the issued and outstanding shares of the general partner of the Partnership; an assignment of all of the declarations of trust for the Trust Funds, such that Marquest will become the trustee of each Trust Fund; and the assumption of all of the rights and responsibilities of GWC as investment fund manager under all custodian agreements for the Funds, all licence agreements relating to the Funds, all portfolio management or sub-advisory agreements relating to the Funds and any other material contracts for the Funds or agreements necessary for their proper operation (the Transaction);

15. the board of directors of Matrix, a public company whose shares are listed on the TSX, met on July 2, 2013 and approved the Transaction;

16. on July 5, 2013, the independent review committee (IRC) established for the Funds under National Instrument 81-107 *Independent Review Committee for Investment Funds* (NI 81-107) met to consider the Transaction and advised GWC that in the opinion of the IRC, after reasonable enquiry, the Transaction would achieve a fair and reasonable result for the Funds;

17. Marquest has or will have the appropriate personnel, policies and procedures and systems in place to assume the management of the Funds on closing of the Transaction; David Balsdon will become the chief operating officer and chief compliance officer of Marquest on closing; additional sales, operational and portfolio management personnel from GWE have been offered employment with and are expected to be employed by Marquest to provide additional operational and compliance capabilities and support;

18. Marquest will engage an experienced regulatory consultant to assist it in assessing and enhancing its compliance systems to address any additional business risks associated with the Transaction, among other matters; accordingly, Marquest has not identified, and does not believe that there will be, any aspects of the Transaction or the subsequent management of the Purchased Assets that would hinder its compliance with securities regulation in any way; after the closing of the Transaction, the trustee of the Trust Funds, the directors and officers of Matrix Corporate Class Funds Ltd. and the directors and officers of Marquest will have the integrity and experience to manage and operate the Funds as contemplated by paragraph 5.7(1)(a)(v) of NI 81-102;

Effect of the Transaction on the Funds and their securityholders

19. Marquest has an experienced and well respected IRC in place for all of its funds (the Marquest IRC) and upon completion of the change of manager the members of the Marquest IRC will serve as the IRC for the Funds;

20. Marquest has made no decisions at this time as to any mergers involving the Funds, but intends, following the change of manager, to consider the possibility of merging certain of the Funds with other Funds or with certain of its existing funds, where such mergers would be considered to be in the best interests of the securityholders of both merging funds; such mergers would therefore be designed to avoid duplication between the Funds and other funds currently managed by Marquest, and to take advantage of benefits flowing from such mergers such as potential improvements in management expense ratios; any such mergers would be implemented in accordance with applicable securities legislation, including obtaining any necessary regulatory or securityholder approvals and the approval of the IRC; the costs of any such mergers would be borne by Marquest;

21. Marquest anticipates that the Funds will be renamed; otherwise, except as discussed above, no changes to the Funds are currently contemplated by Marquest; Marquest may, however, seek to implement further changes to the Funds following the change of manager if it concludes that such changes would be in the interests of investors; such changes could include reductions in (but not increases to) the management fees payable by the Funds, changes to their distribution policies, or changes to portfolio advisers (but not to the custodian or auditor except in conjunction with a merger);

22. Fund securityholders would be notified of any such changes in accordance with the requirements of National Instrument 81-106 *Investment Fund Continuous Disclosure* to the extent applicable, and if required amendments would be made to the simplified prospectus, annual information form and fund facts documents of the Funds; if required under the terms of NI 81-107, such changes would only be implemented following a recommendation of the IRC of the affected Fund that the change would achieve a fair and reasonable result for the applicable Fund securityholders;

23. the approval of the Fund securityholders is required under section 5.1(b) of NI 81-102 before the Transaction may be completed; special meetings (the Meetings) of the Fund securityholders (other than the Fund securityholders of the Trust Pool) were called for August 15, 2013 for them to consider the proposed change of manager; a copy of the Joint Management Proxy Circular (the Circular) for the Meetings has been filed and is available on SEDAR; the Meetings were adjourned to August 27, 2013 due to a lack of quorum; on such date, the Fund securityholders of each Fund other than the Trust Pool (the Circular Funds) voted to approve the change of manager from GWE to Marquest; the required approval of the sole unitholder of the Trust Pool to the change of manager was obtained separately on August 27, 2013; none of the expenses of these approvals was incurred by the Funds or the Fund securityholders and the approvals met the requirements of section 5.4 of NI 81-102;

24. the Circular provided securityholders of the Circular Funds with sufficient information, including a discussion regarding the tax implications of the change of manager, to permit them to make an informed decision whether to approve this change, which was required before the Transaction could be completed;

25. the Circular did not contain information about one of the directors of Marquest, Paul J. Crath; the Circular Funds are therefore in default of requirements under Form 51-102F5 *Information Circular* to provide information about all the directors of Marquest; and

26. Mr. Crath is Managing Director at Norvista Resources Corporation; he has acted in corporate finance strategy and development for several mid-market growth stage companies, including mergers and acquisitions and financing initiatives, where he has had past success with multiple investments, buyouts and disposition for portfolio companies; Mr. Crath has also worked extensively in a senior role with several groups in structured product development and marketing of investment funds; he currently is a director of Accilent Raw Materials Group Inc. and provides advisory services in the following areas: (i) speciality mergers and merchant banking

transactions and investment products; and (ii) investment development services, where his focus is on product development and institutional/high net worth sales and marketing and legal and financial structuring; he began his career as a corporate lawyer at White & Case, LLP in New York City, specializing in acquisition financings.

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 Approval Sought is granted, provided that prior to completing the Transaction, GWE, on behalf of the Funds, sells the ABCP and shall have fulfilled all of its obligations under the ABCP Undertaking.

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

2.1.5 LNG Exploration Ltd.

Headnote

National Policy 11-203 Process For Exemptive Relief Applications in Multiple Jurisdictions – The issuer applied for a decision that it is not a reporting issuer == The outstanding securities of the issuer are beneficially owned by fewer than 50 persons and are not traded through an exchange or market – Decision granted.

Applicable Legislative Provisions

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

September 23, 2013

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

AND

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

AND

IN THE MATTER OF
LNG EXPLORATION LTD.
(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 is not a reporting issuer in the Jurisdictions (the Exemptive Relief Sought).

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

(a) the British Columbia Securities Commission is the principal regulator for this application, and

(b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

Interpretation

2 Terms defined in National Instrument 14-101 *Definitions* 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 August 20, 2013 by way of amalgamation and is a corporation governed by the *Business Corporations Act* (British Columbia) (BCBCA) with its head office located at Suite 250, 1075 West Georgia Street, Vancouver, British Columbia;

2. the Filer is a reporting issuer in each of the Jurisdictions;

3. effective August 20, 2013, LNG Energy Ltd. (LNG), a company incorporated under the laws of British Columbia, acquired all of the issued and outstanding common shares (Common Shares) in the capital of Enterprise Energy Resources Ltd. (Enterprise) by way of a statutory plan of arrangement (the Arrangement) under Division 5 of Part 9 of the BCBCA;

4. under the Arrangement, among other things: (i) LNG acquired all of the Common Shares in exchange for common shares of LNG on the basis of five LNG shares for each whole Enterprise share (the Exchange Ratio); (ii) all of the outstanding options of Enterprise became vested and will be exercisable into LNG common shares, subject to adjustment in number and exercise price based on the Exchange Ratio; and (iii) Enterprise and LNG Exploration Ltd. (a wholly owned subsidiary of LNG) amalgamated under the name LNG Exploration Ltd., forming the Filer;

5. as a result of the Arrangement, the Filer became a wholly owned subsidiary of LNG;

6. LNG is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, and New Brunswick;

7. the Filer's share capital consists entirely of common shares, which are solely held by LNG; there are no other securities of the Filer that are held by persons other than LNG other than share purchase options;

8. there are currently outstanding 2,815,000 options of the Filer (the Options) which are held by 15 holders; under the Arrangement, the Options are exercisable for common shares of LNG, subject to adjustment in number and exercise price based on the Exchange Ratio; the holders of the Options received notice of the special meeting to consider the Arrangement;

9. the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the jurisdictions in Canada and fewer than 51 securityholders in total worldwide;

10. the Common Shares were delisted from the TSX Venture Exchange effective at the close of business on August 20, 2013;

11. no securities of the Filer, 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;

12. the Filer has no current intention to seek public financing by way of an offering of securities;

13. the Filer is not in default of any of its obligations under the Legislation other than its obligation to file and deliver on or before August 29, 2013 its interim financial statements and related management's discussion and analysis for the three-month period ended June 30, 2013, as required under National Instrument 51-102 Continuous Disclosure Obligations, and the related certification of such financial statements as required under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*;

14. the Filer did not voluntarily surrender its status as a reporting issuer in British Columbia pursuant to British Columbia Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status* because it wanted to avoid the 10-day waiting period under that Instrument;

15. the Filer is not eligible to use the simplified procedure under CSA Notice 12-307 *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is a reporting issuer in British Columbia and is in default of certain filing obligations under the Legislation as described in paragraph 13;

16. the Filer is applying for a decision that it is not a reporting issuer in the Jurisdictions; and

17. upon the granting of the Exemptive Relief Sought, the Filer will no longer be a reporting issuer or the equivalent in any jurisdiction in Canada.

Decision

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

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

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

2.1.6 Capital BLF Inc. – s. 1(10)

Headnote

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

Ontario Statutes

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

September 20, 2013

De Grandpré Chait LLP
1000, De La Gauchetière Street West
Suite 2900
Montréal, Québec, Canada, H3B 4W5

Attention: Jean-Didier Bussières

Dear Mr. Bussières:

Re: Capital BLF Inc. (the "Applicant")

Application for a decision under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia, (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 *Regulation 21-101 respecting 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's status as a reporting issuer is revoked.

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

2.2 Orders

2.2.1 Irwin Boock 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
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

ORDER
(Section 127 of the Securities Act)

WHEREAS on October 16, 2008, the Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), in relation to a Statement of Allegations dated October 16, 2008 filed by Staff of the Commission ("**Staff**") with respect to Irwin Boock ("**Boock**"), Stanton Defreitas ("**DeFreitas**"), Jason Wong ("**Wong**"), Saudia Allie ("**Allie**"), Alena Dubinsky ("**Dubinsky**"), Alex Khodjaiants ("**Khodjaiants**"), Select American Transfer Co., Leasesmart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., Nutrione Corporation ("**NutriOne**"), 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;

AND WHEREAS on October 21, 2009, the Commission approved a settlement between Staff and NutriOne;

AND WHEREAS on January 5, 2012, the Commission issued an Amended Notice of Hearing in connection with an Amended Statement of Allegations filed by Staff on January 4, 2012;

AND WHEREAS on January 10, 2012, Staff withdrew allegations against Allie;

AND WHEREAS on January 20, 2012, the Commission approved a settlement between Staff and DeFreitas;

AND WHEREAS on January 31, 2012, the Commission approved a settlement between Staff and Wong;

AND WHEREAS on February 10, 2012, the Commission approved a settlement between Staff and Boock;

AND WHEREAS a hearing on the merits in this matter was held before the Commission on August 7, 8, 9, 10, 13 and December 5, 2012;

AND WHEREAS following the hearing on the merits, the Commission issued its Reasons and Decision with respect to the merits on September 13, 2013;

IT IS ORDERED that:

1. Staff shall serve and file written submissions on sanctions and costs by 4:00 p.m. on October 7, 2013;

2. The Respondents shall serve and file responding written submissions on sanctions and costs by 4:00 p.m. on October 28, 2013;

3. Staff shall serve and file reply written submissions on sanctions and costs, if any, by 4:00 p.m. on November 4, 2013;

4. the hearing to determine sanctions and costs will be held at the offices of the Commission at 20 Queen Street West, 17th floor, Toronto, ON, on November 12, 2013, at 10:00 a.m., or such further or other dates as agreed by the parties and set by the Office of the Secretary; and

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

DATED at Toronto this 13th day of September, 2013.

"Vern Krishna"

2.2.2 Emerita Gold Corp. – s. 1(11)(b)

Headnote

Subsection 1(11)(b) – Order that the issuer is a reporting issuer for the purposes of Ontario securities law – Issuer is already a reporting issuer in Alberta and British Columbia – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario – Issuer has a significant connection to Ontario.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(11)(b).

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

AND

IN THE MATTER OF
EMERITA GOLD CORP.

ORDER
(Clause 1(11)(b))

UPON the application of Emerita Gold Corp. (the "**Applicant**") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to paragraph 1(11)(b) of the Act deeming the Applicant to be a reporting issuer for the purposes of Ontario securities law;

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

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

1. The Applicant was incorporated on October 30, 2009 under the *Business Corporations Act* (British Columbia) under the name "0865140 B.C. Ltd." On February 2, 2010, the Applicant changed its name to "Fuller Capital Corp." and on January 8, 2013, the Applicant changed its name to "Emerita Gold Corp."

2. The Applicant's registered office is at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1. The Applicant's head office is located at 65 Queen Street West, Suite 805, Toronto, Ontario, M5H 2M5.

3. The authorized share capital of the Applicant consists of an unlimited number of Common Shares, of which a total of 35,812,079 Common Shares are issued and outstanding as of July 16, 2013.

4. The Corporation's common shares (the "**Common Shares**") have been listed and posted for trading on the TSX Venture Exchange ("**TSXV**") since October 13, 2010. The Common Shares commenced trading on the TSXV under the symbol "FUL.P", and since January 11, 2013 have traded under the symbol "EMO". The Common Shares are not traded on any other stock exchange or trading or quotation system.

5. The Applicant became a reporting issuer in Alberta and British Columbia and has been a reporting issuer under the *Securities Act* (Alberta (the "**Alberta Act**") and the *Securities Act* (British Columbia) (the "**BC Act**") since about August 13, 2010.

6. The Applicant is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than Alberta and British Columbia.

7. As of the date hereof, the Applicant is not on the lists of defaulting reporting issuers maintained by the Alberta Securities Commission or the British Columbia Securities Commission. The Applicant is not in default of any requirement of the Act, the *Securities Act* (Alberta) or the *Securities Act* (British Columbia).

8. The Applicant is not in default of any of the rules, regulations or policies of the TSXV.

9. Pursuant to the policies of the TSXV, a listed issuer, which is not otherwise a reporting issuer in Ontario, must assess whether it has a "significant connection to Ontario" (as defined in the policies of the TSXV) and upon becoming aware that it has a significant connection to Ontario, the issuer must promptly make a bona fide application to the Commission to be deemed a reporting issuer in Ontario.

10. Pursuant to the policies of the TSXV, the Applicant has undertaken an assessment to determine whether or not the Applicant has a "significant connection to Ontario" as defined in the policies of the TSXV. As a result of that assessment, the Applicant has determined that the Applicant has come to have a significant connection to Ontario in that as of August 20, 2013, 21,097,330 Common Shares representing 58.9% of the Applicant's issued and outstanding Common Shares are beneficially held directly or indirectly by residents of Ontario. In addition, the Corporation's mind and management is principally located in Ontario as its head office is located in Toronto, Ontario. The majority of the Corporation's officers are located in Ontario, and two of the Corporation's five directors are located in Ontario.

11. The continuous disclosure requirements of the Alberta Act and the BC Act are substantially the same as the continuous disclosure requirements under the Act.

12. The materials filed by the Applicant under the Alberta Act and the BC Act as a reporting issuer in the Provinces of Alberta and British Columbia are available on the System for Electronic Document Analysis and Retrieval.

13. Neither the Applicant, nor any of its officers, directors or, to the knowledge of the Applicant or its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, has:

    a. been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority,

    b. entered into a settlement agreement with a Canadian securities regulatory authority, or

    c. been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

14. Neither the Applicant, nor any of its officers, directors nor, to the knowledge of the Applicant and its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, is or has been subject to:

    a. any known ongoing or concluded investigations by: (i) a Canadian securities regulatory authority, or (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable investor making an investment decision; or

    b. any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

15. None of the officers or directors of the Applicant nor, to the knowledge of the Applicant and its officers and directors, any shareholder holding sufficient securities of the Applicant to affect materially the control of the Applicant, is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:

    a. any cease trade or similar order, or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years; or

    b. any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years.

16. To the knowledge of the Applicant, Mr. Stan Bharti, together with a company in which Mr. Bharti is an insider, holds 4,764,706 common shares of the Applicant, which represents 13.3% of all issued and outstanding common shares of the Applicant.

    Mr. Bharti was a director of Kansai Mining Corporation ("**Kansai**"), a company listed on the TSX Venture Exchange. On January 29, 2008, a cease trade order was issued against Kansai and each of the directors and officers, as a result of Kansai failing to file comparative financial statements for the year ended September 30, 2007 and management's discussion and analysis for the period ended September 30, 2007. On March 5, 2008, the cease trade order was revoked.

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

IT IS HEREBY ORDERED pursuant to paragraph 1(11)(b) of the Act that the Applicant be deemed to be a reporting issuer for the purposes of Ontario securities law.

DATED at Toronto, this 18th day of September, 2013.

"Kathryn Daniels"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.3 GAR Limited – s. 144

Headnote

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

Applicable Legislative Provisions

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

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

AND

IN THE MATTER OF
GAR LIMITED
(the "Corporation")

ORDER
(Section 144)

WHEREAS the securities of the Corporation are subject to a cease trade order made by the Director on June 24, 1998 (the "**Cease Trade Order**") which directed that trading in the securities of the Corporation cease until the Cease Trade Order is revoked.

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

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

1. The Corporation was incorporated on February 20, 1987 pursuant to Articles of Incorporation in the Province of Ontario.

2. The Corporation is a reporting issuer under the Act and under the securities legislation of British Columbia and Alberta, and is not a reporting issuer or equivalent under the securities legislation of any other jurisdiction in Canada.

3. The authorized share capital of the Corporation consists of an unlimited number of common chares ("**Common Shares**"), of which 1,478,130 Common Shares are issued and outstanding. Other than its Common Shares, the Corporation has no securities (including debt securities) outstanding.

4. The Common Shares of the Corporation are not listed or quoted on any exchange or market in Canada or elsewhere.

5. The Cease Trade Order was issued due to the failure of the Corporation to file its audited annual financial statements for the fiscal year ended January 31, 1998, unaudited interim financial statements for the three month period ended April 30, 1998, and unaudited interim financial statements for the six month period ended July 31, 1998.

6. The Corporation subsequently failed to file the following disclosure documents with the Commission in accordance with the requirements of the Act:

   (a) audited annual financial statements for the fiscal years ended January 31, 1999 to January 31, 2006 (inclusive) and for the fiscal years ended January 31, 2010 to January 31, 2013 (inclusive), as required by National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), the management's discussion and analysis related thereto, as required by NI 51-102, and the certificates related thereto for the fiscal years ended January 31, 1999 to January 31, 2006 (inclusive) and for the fiscal years ended January 31, 2010 to January 31, 2013 (inclusive), as required by National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings* ("**NI 52-109**");

(b) the unaudited interim financial statements for the fiscal periods ended October 31, 1998 through October 31, 2012 (inclusive), as required by NI 51-102, the management's discussion and analysis related thereto, as required by NI 51-102; and, the certificates related thereto for the fiscal periods ended October 31, 1998 through October 31, 2012 (inclusive), as required by NI 52-109.

7. The Corporation further failed to pay participation fees for the years ended January 31, 1999 to January 31, 2013 (inclusive), as required by OSC Rule 13-502 – *Fees* ("**Rule 13-502**").

8. The required interim and annual financial statements were not filed because the Corporation did not have sufficient funds to engage an accountant to assist in their preparation. The Corporation also lacked the funds required to pay its outstanding annual SEDAR fees.

9. Since the issuance of the Cease Trade Order, the Corporation has filed the following continuous disclosure documents with the Commission:

(a) on June 26, 2009, audited annual financial statements for the fiscal years ended on January 31, 2009, 2008 and 2007, along with the corresponding management's discussion and analysis and the certificates of annual filings required by NI 52-109;

(b) on July 20, 2009, Commission form 13-502F2, in respect of the payment of outstanding participation and late filing fees;

(c) on September 12, 2013, a material change report in respect of all material changes in the Corporation's business since the issuance of the Cease Trade Order; and

(d) on September 16, 2013, audited annual financial statements for the fiscal years ended on January 31, 2013, 2012 and 2011, and for the periods ended April 30, 2013 and July 30, 2013 along with the corresponding management's discussion and analysis and the certificates of annual filings required by NI 52-109.

10. The Corporation has not filed with the Commission:

(a) audited annual financial statements for the fiscal years ended January 31, 1999 to January 31, 2006 (inclusive), the corresponding management's discussion and analysis for each such year and the corresponding certificates required by NI 52-109;

(b) audited annual financial statements for the fiscal year ended January 31, 2010, the corresponding management's discussion and analysis for such year and the corresponding certificates required by NI 52-109; and

(c) unaudited interim financial statements for the fiscal periods ended October 31, 1998 through October 31, 2012 (inclusive), the corresponding management's discussion and analysis for each such period and the corresponding certificates required by NI 52-109

(the "**Outstanding Filings**").

11. Except for the failure to file the Outstanding Filings, the Corporation (i) is up-to-date with all of its other continuous disclosure obligations; (ii) is not in default of any of its obligations under the Cease Trade Order; and (iii) is not in default of any requirements under the Act or the rules and regulations made pursuant thereto.

12. In addition to the Cease Trade Order, the Corporation is subject to the following cease trade orders (together, the "**Other Cease Trade Orders**"):

(a) an order issued by the Alberta Securities Commission (the "**ASC**") on August 6, 1998; and

(b) an order issued by the British Columbia Securities Commission (the "**BCSC**") on October 23, 1998.

13. The Corporation has applied to the ASC and the BCSC to have the Other Cease Trade Orders revoked.

14. Other than the Cease Trade Order and the Other Cease Trade Orders, the Corporation has not previously been subject to a cease trade order in any jurisdiction.

15. The Corporation has not held any annual meetings of its shareholders since the implementation of the Cease Trade Order.

16. The Corporation has provided an undertaking to the Commission to hold an annual meeting of shareholders within three months of the date of this order.

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

18. The Corporation has provided an undertaking to the Executive Director of the Commission (the "**Executive Director**") that it will not to complete any transaction that would result in a reverse takeover while the Corporation is not listed on a stock exchange recognized by a securities regulatory authority in Canada without providing advance written notice of such transaction to the Executive Director.

19. The Corporation has filed all applicable forms under Rule 13-502 and paid all applicable participation and late filing fees in accordance with, as follows:

    (a) participation fees (including all late fees) for the financial years ended January 31, 1998 to January 31, 2013 (inclusive); and

    (b) late document fees for the late filing of (i) audited annual financial statements for the years ended January 31, 2007 to January 31, 2009 (inclusive) and (ii) audited annual financial statements for the years ended January 31, 2011 to January 31, 2013 (inclusive).

20. The Corporation has paid all outstanding filing fees, participation fees and late filing fees required to be paid to the ASC and the BCSC and has filed all forms associated with such payments.

21. The Corporation's profiles on SEDAR and SEDI are up-to-date.

22. Since the issuance of the Cease Trade Order, all material changes in the Corporation's business were disclosed in a material change report dated September 12, 2013.

23. Since the issuance of the Cease Trade Order, no technical report has been required to be filed by the Corporation pursuant to National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

24. Upon the issuance of this order, the Corporation will issue a news release and file a material change report on SEDAR.

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

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

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

Dated this 18th day of September, 2013.

"Kathryn Daniels"
Deputy Director, Corporate Finance
Ontario Securities Commission

2.2.4 Ernst & Young LLP

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

AND

IN THE MATTER OF
ERNST & YOUNG LLP

ORDER

WHEREAS on December 3, 2012 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing in relation to a Statement of Allegations issued pursuant to section 127 of the *Securities Act*, R.S.O. c. S.5, as amended, with respect to Ernst & Young LLP (the "Respondent");

AND WHEREAS the Notice of Hearing stated that an initial hearing before the Commission would be held on January 7, 2013;

AND WHEREAS the Commission convened a hearing on January 7, 2013 and the matter was adjourned to a confidential pre-hearing conference to be held on March 4, 2013;

AND WHEREAS a confidential pre-hearing conference was held on March 4, 2013 and the matter was adjourned to a further confidential pre-hearing conference to be held on June 24, 2013;

AND WHEREAS a confidential pre-hearing conference was held on June 24, 2013 and the matter was adjourned to a further confidential pre-hearing conference to be held on September 6, 2013;

AND WHEREAS on September 6, 2013 counsel for Staff and counsel for the Respondent both made submissions regarding the scheduling of the hearing on the merits (the "Merits Hearing") and both parties requested that a further confidential pre-hearing conference be scheduled;

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

IT IS HEREBY ORDERED THAT:

1. the Merits Hearing shall commence on November 11, 2014 and continue as follows:

    a. Staff's case shall be presented on the following dates in 2014: November 11-14, 17, 19-21, 25-28, December 1, 3-5, 9-12, 15 and 17-19, or on such other dates as may be ordered by the Commission;

    b. The Respondent's case shall be presented on the following dates in 2015: January 14-16, 20-23, 26, 28-30, February 3-6, 9, 11-13, 17-20, 23, 25-27, and March 3-6, or on such other dates as may be ordered by the Commission; and

2. A further confidential pre-hearing shall be held on October 30, 2013 at 10:00 am.

DATED at Toronto this 19th day of September, 2013.

"Mary G. Condon"

2.2.5 Louis Michael Kovacs – ss. 127(1), 127(2), 127.1

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

AND

IN THE MATTER OF
LOUIS MICHAEL KOVACS

ORDER
(Subsections 127(1) and 127(2) and Section 127.1)

WHEREAS on September 17, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 (the "Notice of Hearing") of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and Staff of the Commission ("Staff") filed a statement of allegations dated September 16, 2013 (the "Statement of Allegations") in respect of Louis Michael Kovacs ("Kovacs");

AND WHEREAS Kovacs entered into a Settlement Agreement with Staff dated September 16, 2013 (the "Settlement Agreement") in which Kovacs and Staff agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS the Commission has reviewed the Notice of Hearing, the Statement of Allegations and the Settlement Agreement and has heard submissions from Staff and counsel for Kovacs;

AND WHEREAS Kovacs has entered into an undertaking as part of the Settlement Agreement whereby he shall make a voluntary payment to the Commission in the amount of $15,000, which will be designated for allocation or for use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

AND WHEREAS Kovacs has provided to Staff certified cheques in full payment of all monetary amounts provided and described in this Order including the above-described voluntary payment;

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 subsection 127(2) of the Act, a term and condition shall be imposed on Kovacs' registration that all of his personal trades be pre-cleared by the Chief Compliance Officer of Harvest Portfolio Group Inc., who shall be a person other than Kovacs, for a period of one year following the date of approval of the Settlement Agreement;

(c) the voluntary payment of $15,000 made to the Commission by Kovacs, pursuant to the Settlement Agreement, is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;

(d) pursuant to paragraph 9 of subsection 127(1) of the Act, Kovacs shall pay an administrative penalty in the amount of $10,000 to the Commission which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act; and

(e) pursuant to section 127.1 of the Act, Kovacs shall pay the costs of the Commission's investigation in the amount of $5,000.

DATED at Toronto this 19th day of September, 2013.

"Edward P. Kerwin"

2.2.6 Eda Marie Agueci et al. – ss. 127, 127.1

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

AND

IN THE MATTER OF
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

AND

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

ORDER
(Sections 127 and 127.1)

WHEREAS on February 7, 2012, Staff of the Ontario Securities Commission ("**Staff**" and the "**Commission**") issued a Notice of Hearing (the "**Notice of Hearing**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") in respect of Mr. Ian Telfer (the "**Respondent**") in regards to conduct that occurred between January 2008 and March 2011 (the "**Material Time**");

AND WHEREAS Telfer and Staff entered into a settlement agreement (the "**Settlement Agreement**") in which they agreed to a settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS Telfer has undertaken not to:

a. seek or accept indemnification or reimbursement from any person, company, or other legal entity in respect of the costs payable in this Order; and

b. directly or indirectly, trade, or arrange for trading by others, in securities of issuers for which he is a promoter, as defined in subsection 1(1) of the Act, for a period of one year from the date of this Order. For greater clarity, the undertaking does not prevent Telfer from acquiring securities of issuers for which he is a promoter.

AND UPON reviewing the Settlement Agreement and the Notice of Hearing, and upon hearing submissions from counsel for Telfer and from counsel for Staff;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is hereby approved;

2. pursuant to paragraph 6 of subsection 127(1) of the Act, Telfer is hereby reprimanded; and

3. pursuant to subsection 127.1(1) of the Act, Telfer shall within thirty days of this Settlement Agreement being approved pay $200,000 towards the costs of Staff's investigation.

DATED at Toronto this 20th day of September, 2013.

"Christopher Portner"

2.2.7 Quadrexx Asset Management Inc. et al. – ss. 127(1), 127(8)

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

AND

IN THE MATTER OF
QUADREXX ASSET MANAGEMENT INC.,
QUADREXX SECURED ASSETS INC.,
OFFSHORE OIL VESSEL SUPPLY SERVICES LP,
QUIBIK INCOME FUND AND
QUIBIK OPPORTUNITIES FUND

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

WHEREAS on February 6, 2013, the Ontario Securities Commission (the "Commission") issued a temporary order (the "Temporary Order") pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") with respect to Quadrexx Asset Management Inc. ("Quadrexx") and with respect to Quadrexx Secured Assets Inc. ("QSA"), Offshore Oil Vessel Supply Services LP ("OOVSS"), Quibik Income Fund ("QIF") and Quibik Opportunity Fund ("QOF"), (collectively, the "Quadrexx Related Securities") ordering that:

1. Pursuant to paragraph 2 of subsection 127(1) of the Act that all trading in the securities of Quadrexx and Quadrexx Related Securities shall cease;

2. Pursuant to paragraph 1 of subsection 127(1) of the Act that the following terms and conditions apply to the registration of Quadrexx as an exempt market dealer ("EMD"):

   a) Quadrexx shall be entitled to trade only in securities that are not Quadrexx and Quadrexx Related Securities;

   b) before trading with or on behalf of any client after the date hereof, Quadrexx and any dealing representative shall (i) advise such client that Quadrexx has a working capital deficiency as at December 31, 2012, and (ii) deliver a copy of this Order to such client; and

   c) Quadrexx and any dealing representatives shall not accept any new clients or open any new client accounts of any kind;

3. Pursuant to paragraph 1 of subsection 127(1) of the Act that the following terms and conditions apply to the registration of Quadrexx as a portfolio manager ("PM") and as an investment fund manager ("IFM"):

   a) Quadrexx's activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Quadrexx Funds, as both are defined in the Temporary Order; and

   b) Quadrexx shall not accept any new clients or open any new client accounts of any kind; and

4. Pursuant to subsection 127(6) of the Act that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission;

AND WHEREAS on February 19, 2013, counsel for the Respondents advised the Commission that the Respondents are not opposed to the suspension of the registration of Quadrexx as an EMD and requested fourteen days before the suspension of Quadrexx as a PM and as an IFM in order to deal with the transfer of the Managed Accounts for which Quadrexx is the PM to another registrant and to consider options for the Quadrexx Related Securities which are currently subject to the Temporary Order;

AND WHEREAS on February 19, 2013, the Commission ordered:

1. the registration of Quadrexx as an EMD be suspended immediately;

2. the portion of the Temporary Order attaching terms and conditions to the registration of Quadrexx as a PM and as an IFM be extended to March 7, 2013;

3. the portion of the Temporary Order ordering all trading to cease in the securities of Quadrexx and Quadrexx Related Securities be extended to March 7, 2013;

4. notice of the ongoing Commission proceeding, the two Commission orders, and the status of the clients' accounts be sent to all Quadrexx clients; and

5. the hearing be adjourned to March 6, 2013 at 10:00 a.m.;

AND WHEREAS on March 4, 2013, Quadrexx provided notice of these proceedings to its EMD and PM clients in a form of letter approved by Staff;

AND WHEREAS on March 7, 2013, the Commission ordered:

1. the portion of the Temporary Order attaching terms and conditions to the registration of Quadrexx as a PM and as an IFM be extended to March 29, 2013;

2. the portion of the Temporary Order ordering all trading in the securities of Quadrexx and Quadrexx Related Securities be extended to March 29, 2013;

3. the name of QOF in the Temporary Order be changed to "Quibik Opportunities Fund"; and

4. the hearing be adjourned to March 28, 2013 at 2:00 p.m.;

AND WHEREAS on March 28, 2013, Staff filed: (i) Quadrexx's proposal to appoint a Receiver for Quadrexx and QSA; (ii) Quadrexx's plans to wind up QSA and OOVSS; (iii) Quadrexx's plan to transfer the Managed Accounts, QIF and QOF to Matco Financial Inc. ("Matco"); and (iv) Quadrexx's plan to appoint Robson Capital Management Inc. as the new PM and IFM of Diversified Assets LP and Property Values Income Fund Common Shares LP;

AND WHEREAS on March 28, 2013, the Commission ordered:

1. the portion of the Temporary Order issued under paragraph 1 of subsection 127(1) attaching terms and conditions to the registration of Quadrexx as a PM and as an IFM be extended to May 16, 2013;

2. the portion of the Temporary Order issued under paragraph 2 of subsection 127(1) that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities be extended to May 16, 2013; and

3. the hearing to consider whether to vary any of the terms of the Temporary Order proceed on May 15, 2013 at 10:00 a.m.;

AND WHEREAS it appeared to the Commission that Quadrexx had a capital deficiency contrary to subsection 12.1(2) of NI 31-103 and may have engaged in conduct that is contrary to the Act;

AND WHEREAS on May 15, 2013, Staff filed the affidavit of Michael Ho sworn May 14, 2013 which sets out the steps taken by the Respondents to transfer the Managed Accounts to Matco and wind down Quadrexx, QSA, OOVSS, Canadian Hedge Watch Index Plus LP ("CHWIP") and HFI Limited Partnership ("HFI");

AND WHEREAS on May 15, 2013, the Commission ordered:

1. the registration of Quadrexx as a PM and as an IFM be suspended immediately;

2. the portion of the Temporary Order that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities be extended to August 15, 2013, other than as may be required to facilitate the dissolutions of Quadrexx and/or Quadrexx Related Securities; and

3. the hearing be adjourned to August 14, 2013 at 10:00 a.m.;

AND WHEREAS Staff has been advised that the Managed Accounts were transferred to Matco on May 16, 2013;

AND WHEREAS on June 18, 2013, Quadrexx filed an assignment under section 49 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B.3, as amended, and Schonfeld Inc. was appointed as trustee;

AND WHEREAS on August 12, 2013, the Commission ordered:

1. the portion of the Temporary Order that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities be extended to September 23, 2013, other than as may be required to facilitate the dissolutions or wind ups of Quadrexx, QSA, OOVSS, QIF and QOF; and

2. the hearing be adjourned to September 19, 2013 at 10:00 a.m.;

AND WHEREAS Staff has been advised that the Respondents consent or do not object to the extension of the terms of this Order;

AND WHEREAS Staff filed the Affidavit of Yvonne Lo sworn September 18, 2013 to update the Commission on the status of Quadrexx's bankruptcy and on the status of the wind ups of QSA, OOVSS, QIF, QOF, CHWIP and HFI;

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

IT IS HEREBY ORDERED:

1. pursuant to subsection 127(8) of the Act that the portion of the Temporary Order issued under paragraph 2 of subsection 127(1) that ordered all trading to cease in the securities of Quadrexx and Quadrexx Related Securities is extended to December 9, 2013, other than as may be required to facilitate the dissolutions or wind ups of Quadrexx, QSA, OOVSS, QIF and QOF; and

2. the hearing to consider: (i) the need to further extend the Temporary Order; and (ii) for the Commission to receive an update on the wind ups or dissolutions of Quadrexx, QSA, OOVSS, QIF, QOF, CHWIP and HFI, will proceed on December 5, 2013 at 10:00 a.m.

DATED at Toronto this 19th day of September, 2013.

"James E. A. Turner"

2.2.8 Children's Education Funds Inc.

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

AND

IN THE MATTER OF
CHILDREN'S EDUCATION FUNDS INC.

ORDER

WHEREAS on September 14, 2012, the Ontario Securities Commission (the "Commission") ordered pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act") and with the consent of Children's Education Funds Inc. ("CEFI") that the terms and conditions (the "Terms and Conditions") set out in Schedule "A" to the Commission order dated September 14, 2012 be imposed on CEFI (the "Temporary Order");

AND WHEREAS on September 14, 2012, the Commission ordered that the Temporary Order shall take force immediately and shall expire on the fifteenth day after its making unless extended by order of the Commission and ordered that the matter be brought back before the Commission on September 26, 2012 at 10:00 a.m.;

AND WHEREAS on September 20, 2012, the Commission issued a Notice of Hearing pursuant to section 127 in respect of a hearing to be held on September 26, 2012 at 10:00 a.m. to consider 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;

AND WHEREAS on September 26, 2012, Staff of the Commission ("Staff") filed with the Commission the Affidavit of Maria Carelli sworn September 18, 2012 in support of the extension of the Temporary Order;

AND WHEREAS on September 26, 2012, the Commission ordered, with the consent of CEFI, that the Temporary Order against CEFI be extended until December 7, 2012 and the matter be brought back before the Commission on December 6, 2012 at 10:00 a.m.;

AND WHEREAS the Terms and Conditions of the Temporary Order required CEFI to retain a consultant (the "Consultant") to prepare and assist CEFI in implementing plans to strengthen their compliance systems and to retain a monitor (the "Monitor") to review all applications of new clients and contact new clients as set out in the Terms and Conditions;

AND WHEREAS CEFI retained Compliance Support Services Inc. ("Compliance Support") as both its Monitor and its Consultant;

AND WHEREAS Compliance Support filed its Consultant's plan on October 2, 2012 and filed an addendum to Consultant's plan with the OSC Manager on November 12, 2012;

AND WHEREAS on December 6, 2012, Staff filed an Affidavit of Lina Creta sworn December 3, 2012 setting out the monitoring and consulting work completed to that date by Compliance Support;

AND WHEREAS on December 6, 2012, the Commission approved a revised monitoring regime which consisted of a review of a random sample of 50% of applications from new clients of CEFI with an income less than $50,000 and a random sample of 10% of applications from new clients with an income greater than $50,000 for the purpose of ensuring adequate KYC Information in order to determine suitability of the investment and should the Monitor not be satisfied with the KYC Information for this purpose, to contact the new client;

AND WHEREAS on December 6, 2012, the Commission ordered, with the consent of CEFI, that the Temporary Order be extended to March 1, 2013 and the hearing be adjourned to February 28, 2013 at 10:00 a.m. for the purpose of providing the Commission with an update on the work completed by the Monitor and the Consultant and to consider whether any changes are required to the Terms and Conditions;

AND WHEREAS on February 28, 2013, the Commission ordered, with the consent of CEFI, that: (i) the terms of the monitoring be varied as set out in paragraph 5 of the Terms and Conditions; and (ii) the Temporary Order be extended to May 13, 2013; and (iii) the hearing be adjourned to May 10, 2013;

AND WHEREAS on May 10, 2013, Staff filed an Affidavit of Lina Creta sworn May 9, 2013 attaching a progress report and Monitor reports filed with Staff since February 23, 2013 and attached a letter to the OSC Manager dated May 7, 2013 stating that the Consultant recommends a suspension of the Monitor;

AND WHEREAS on May 10, 2013, the Commission ordered, with the consent of CEFI, that: (i) as at the close of business on May 10, 2013, the role and activities of the Monitor be suspended; (ii) the Temporary Order be extended to July 22, 2013; and (iii) the hearing be adjourned to July 19, 2013 at 10:00 a.m.;

AND WHEREAS on July 19, 2013, Staff filed an affidavit of Lina Creta sworn July 17, 2013 which attached the fifth progress report dated July 15, 2013;

AND WHEREAS on July 19, 2013, the Commission ordered, with the consent of CEFI, that: (i) paragraphs 4, 5, 6, 7, 8, 9, 10 and 11 of the Terms and Conditions be deleted; (ii) paragraph 12 of the Terms and Conditions be deleted and replaced with a new paragraph; (iii) the Temporary Order be extended to August 28, 2013; and (iv) the hearing be adjourned to August 26, 2013 at 10:00 a.m.;

AND WHEREAS on August 26, 2013, the Commission ordered, with the consent of CEFI, that: (i) the Temporary Order as amended by Commission Order dated July 19, 2013 be extended to September 23, 2013; (ii) the hearing be adjourned to September 20, 2013 at 10:00 a.m.; and (iii) the hearing date of August 26, 2013 at 10:00 a.m. be vacated;

AND WHEREAS on September 20, 2013, Staff filed an affidavit of Lina Creta sworn September 19, 2013 which attached the sixth progress report dated September 16, 2013;

AND WHEREAS CEFI, the Consultant and Staff continue to discuss issues arising from the sixth progress report;

AND WHEREAS Staff and counsel for CEFI have advised that the parties consent to the terms of this Order;

AND WHEREAS the Commission considers that it is in the public interest to make this Order:

IT IS HEREBY ORDERED pursuant to section 127 of the Act that:

1. The Temporary Order as amended by Commission Order dated July 19, 2013 is extended to October 24, 2013; and

2. the hearing in this matter is adjourned to October 21, 2013 at 2:00 p.m.

DATED at Toronto this 20th day of September, 2013.

"James E. A. Turner"

2.2.9 Beryl Henderson

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

AND

IN THE MATTER OF
BERYL HENDERSON

ORDER

WHEREAS on March 30, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 30, 2012 with respect to Beryl Henderson ("Henderson");

AND WHEREAS in related criminal proceedings, Henderson pled guilty to four counts of fraud over $5,000 contrary to subsection 380(1)(a) of the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, and was sentenced on May 30, 2013 to a conditional sentence of 12 months' house arrest, three years' probation and an order that she make full restitution for all victims in the amount of $474,000;

AND WHEREAS Henderson has provided partial restitution to investors, totalling $205,751.73;

AND WHEREAS Henderson entered into a Settlement Agreement dated August 23, 2013, (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated September 13, 2013, setting out that it proposed to consider the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from Henderson through her counsel and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) The settlement agreement is approved.

(b) Pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, that the acquisition of and trading in any securities by Henderson shall cease permanently, with the exception that once Henderson has fully satisfied the court order that she make full restitution in the amount of $474,000.00 to all victims, she shall be permitted to acquire and trade securities for the account of her registered retirement savings plans 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, (such dealer must in any event be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer.

(c) Pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law shall not apply permanently to Henderson.

(d) Pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act that Henderson shall immediately resign from any position she holds as a director or officer of any issuer, registrant or investment fund manager.

(e) Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act that Henderson shall be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager.

(f) Pursuant to clause 8.5 of subsection 127(1) of the Act that Henderson shall be prohibited permanently from becoming or acting as a registrant, an investment fund manager or as a promoter.

DATED at Toronto, Ontario this 18th day of September, 2013.

"James E. A. Turner"

2.2.10 Conrad M. Black et al. – s. 127(10)

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PETER Y. ATKINSON

ORDER
(Section 127(10) of the Securities Act)

WHEREAS on March 18, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") with respect to Conrad M. Black ("Black"), F. David Radler ("Radler"), Peter Y. Atkinson ("Atkinson"), John A. Boultbee ("Boultbee"), and Hollinger Inc. ("Hollinger") (together, the "Original Respondents").

AND WHEREAS the individual Original Respondents brought a series of motions and requests to adjourn the proceeding (the "Adjournment Requests") pending the outcome of a related criminal proceeding in the United States;

AND WHEREAS the individual Original Respondents tendered undertakings to the Commission in support of several of the Adjournment Requests, and these undertakings were then attached to Orders of the Commission dated March 30, 2006 and April 4, 2007 (the "Original Undertakings");

AND WHEREAS the Commission adjourned the hearing of the proceeding *sine die* by Order dated October 7, 2009, pending the release of a decision of the United States Supreme Court in relation to an appeal brought by Black and Boultbee, or until a further order was made by the Commission;

AND WHEREAS on November 14, 2012 the Commission approved a settlement agreement reached between Staff and Radler and approved an Order releasing Radler from the Original Undertakings;

AND WHEREAS on July 12, 2013, Staff withdrew its allegations against Hollinger and filed an Amended Statement of Allegations against Atkinson, Black and Boultbee (together, the "Respondents");

AND WHEREAS the Original Undertakings remain in effect for the Respondents, and require them to refrain from:

(a) acting or becoming an officer or director of a reporting issuer or an affiliated company of a reporting issuer;

(b) applying to become a registrant and from being an employee, director or officer of a registrant or an affiliated company of a registrant;

(c) engaging directly or indirectly in the solicitation of investment funds from the general public; and

(d) trading in and acquiring securities of Hollinger.

AND WHEREAS on September 23, 2013, Atkinson provided an undertaking to the Commission in the form attached to this Order as Schedule "A" (the "New Undertaking");

AND WHEREAS on September 23, 2013, the Commission convened a hearing and heard submissions from counsel for Staff and from Atkinson;

AND WHEREAS pursuant to section 127(10) of the Act and pursuant to the Settlement Agreement attached to this Order as Schedule "B" (the "Settlement Agreement"), Staff have filed documents evidencing the following facts:

(a) On November 17, 2005, a Grand Jury convened in the United States District Court filed an indictment charging Atkinson with six counts of violating the United States Criminal Code;

(b) On July 13, 2007, Atkinson was convicted by a jury in the United States District Court for the Northern District of Illinois (the "District Court") of three counts of fraud. Two of these counts were vacated by the United States Court of Appeals for the Seventh Circuit on October 29, 2010, and Atkinson was resentenced in the District Court on the remaining conviction count to 345 days (time served) and a fine of US$ 3,000, among other terms; and

(c) On October 9, 2009, pursuant to a settlement offer, the United States Securities and Exchange Commission (the "SEC") found that Atkinson had committed securities fraud and violated certain other provisions of the United States Securities Exchange Act of 1934. As a result, the SEC issued an order imposing various forms of injunctive relief against Atkinson, including a permanent bar from serving as a director or officer of a reporting issuer in the United States.

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

IT IS ORDERED THAT:

1. Atkinson is released from the Original Undertakings;

2. Atkinson is required to comply with the New Undertaking; and

3. the Settlement Agreement is approved.

DATED at Toronto this 23rd day of September, 2013

"Christopher Portner"

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION
OF PETER Y. ATKINSON

I, Peter Y. Atkinson, am a Respondent to Notices of Hearing dated March 18, 2005 and July 12, 2013 issued by the Ontario Securities Commission (the "Commission") in this proceeding. I undertake to the Commission to refrain from:

(a) becoming or acting as an officer or director of a reporting issuer or an affiliated company of a reporting issuer, as those terms are defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

(b) applying to become or acting as a registrant or an employee, director or officer of a registrant or an affiliated company of a registrant as those terms are defined in the Act; and

(c) trading or acquiring securities of Hollinger Inc. either directly or indirectly.

I undertake that if I initiate an application to the Commission under section 144 of the Act to vary or revoke the Order in the Matter of a Settlement Agreement between Staff of the Ontario Securities Commission and Peter Y. Atkinson, I will provide at least 90 days' notice of my application to Staff of the Commission.

"Peter Atkinson"
Peter Y. Atkinson

"Connie Paulo"
Witness

Date: September 20, 2013

Acknowledged as received by

"John Stevenson"
John Stevenson
Secretary to the Commission

Date: September 23, 2013

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

SETTLEMENT AGREEMENT

PETER Y. ATKINSON

PART I – INTRODUCTION

1. By Notices of Hearing dated March 18, 2005 and July 12, 2013, the Ontario Securities Commission (the "Commission") announced that it proposed to 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 was in the public interest to make orders against Peter Y. Atkinson ("Atkinson") and other respondents, as set forth below.

2. These Notices of Hearing were issued in connection with the Statement of Allegations filed by Staff of the Commission ("Staff") against Atkinson, Hollinger Inc. ("Hollinger"), Conrad M. Black ("Black"), F. David Radler ("Radler"), and John A. Boultbee ("Boultbee") (together, the "Original Respondents") on March 18, 2005 (the "Original Statement of Allegations"), and continued pursuant to an Amended Statement of Allegations filed against Atkinson, Black and Boultbee (together, the "Respondents") on July 12, 2013.

3. The Commission will issue a new Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the Act, it is in the public interest for the Commission to approve this Settlement Agreement between Staff and Atkinson and to make certain orders in respect of Atkinson.

PART II – JOINT SETTLEMENT RECOMMENDATION

4. Staff agree to recommend settlement to the Commission of the proceeding commenced by the Original Statement of Allegations and continued pursuant to the Amended Statement of Allegations against Atkinson according to the terms and conditions set out in Part IV of this Settlement Agreement. Atkinson agrees to the making of an order by the Commission in the form attached as Schedule "A" to this Settlement Agreement based on the facts summarized in Part III of the Settlement Agreement.

5. Staff will tender documents to the Commission evidencing the conviction and order entered against Atkinson in the United States, as summarized in Part III below. Pursuant to section 127(10) of the Act, the Commission is entitled to consider convictions or orders related to securities from another jurisdiction when deciding whether to make orders in the public interest, so as to facilitate protection of the capital markets and to avoid the duplication of proceedings and a waste of resources.

PART III – AGREED FACTS

6. In the Notice of Hearing dated March 18, 2005, the Commission announced that it proposed to hold a hearing to consider whether, pursuant to s. 127 and s. 127.1 of the Act, it would be in the public interest for the Commission to make certain orders in relation to the Original Respondents.

7. The Original Respondents subsequently brought a series of motions and requests to adjourn the proceeding (the "Adjournment Requests") pending the outcome of proceedings in the United States which are described further below. The Original Respondents tendered undertakings to the Commission (the "Original Undertakings") in support of several of the Adjournment Requests and the undertakings were then attached to Orders of the Commission dated March 30, 2006 and April 4, 2007.

8. The Commission granted multiple adjournments at the request of the Original Respondents, and with the consent of Staff, ultimately adjourned the hearing sine die by Order dated October 7, 2009 pending the release of a decision of the United States Supreme Court in relation to a criminal proceeding in the United States involving the Respondents, among others.

(a) The United States Criminal Proceeding

9. On November 17, 2005, a Grand Jury in the United States District Court for the Northern District of Illinois (the "District Court") indicted Black and Boultbee on eight counts of criminal fraud and Atkinson on six counts of criminal fraud.

10. On July 13, 2007, after approximately four months of trial, Atkinson and the other Respondents were convicted by a jury on three counts of fraud. Two of the fraud counts related to the Respondents' collection of purported non-competition payments pursuant to agreements with the American Publishing Company ("APC"), a Hollinger subsidiary. One fraud count related to the Respondents' collection of purported non-competition payments in connection with Hollinger's sale of assets to Forum Communications Inc. ("Forum") and PMG Acquisition Corp. ("Paxton").

11. Atkinson and the other Respondents moved for a judgment of acquittal on the convictions, but the trial judge reviewed the evidence and denied the motion in a detailed decision issued on November 5, 2007 (the "Conviction Appeal Judgment"). Atkinson and the other Respondents appealed their convictions to the United States Court of Appeals for the Seventh Circuit (the "Seventh Circuit"), but that court denied their appeals in a decision issued on June 25, 2008.

12. Certain of the Respondents then appealed the Seventh Circuit denial to the United States Supreme Court (the "Supreme Court"), and on June 24, 2010, the Supreme Court issued a parallel decision narrowing the scope of the "honest services" provision of the U.S. fraud statute. The Supreme Court then vacated the Seventh Circuit decision and remanded the proceeding back to the Seventh Circuit for further consideration.

13. On October 29, 2010, upon remand from the Supreme Court, the Seventh Circuit vacated the two original conviction counts related to the APC payments after it was unable to conclude beyond reasonable doubt whether the jury's verdict on the APC payments had been rendered under the "honest services" section of the fraud statute or the "pecuniary fraud" section of the statute.

14. The Seventh Circuit did not disturb the convictions related to the Forum and Paxton payments. All of the Respondents sought leave to appeal this decision to the Supreme Court, but leave was denied on May 31, 2011.

15. On remand at the District Court, Atkinson was resentenced based on the fraud conviction relating to the Forum and Paxton payments. Atkinson was sentenced to time served (345 days) and was fined $3,000.

(b) The United States Securities and Exchange Commission Proceeding

16. On October 9, 2009, Staff of the United States Securities and Exchange Commission (the "SEC") instituted an administrative proceeding against Atkinson in relation to the APC, Forum and Paxton payments, and the failure to accurately disclose the circumstances surrounding the payments in securities filings. Pursuant to a settlement offer, the SEC found that Atkinson had committed securities fraud and violated certain other provisions of the United States Securities Exchange Act of 1934. As a result, the SEC issued an order imposing various forms of injunctive relief against him, including a permanent bar from serving as a director or officer of a reporting issuer in the United States.

(c) Subsequent Events in Commission Proceeding

17. On November 14, 2012, the Commission approved the settlement agreement reached between Staff and Radler and approved an Order which, among other things, released Radler from the Original Undertakings.

18. On July 12, 2013, Staff filed an Amended Statement of Allegations against Black, Boultbee and Atkinson, and withdrew the allegations contained in the Original Statement of Allegations against Hollinger, which remained subject to proceedings in the Ontario Superior Court of Justice pursuant to the *Companies' Creditor Arrangements Act*.

PART IV – TERMS OF SETTLEMENT

19. This proceeding will be settled on the terms set out below.

20. For this proceeding, and any other regulatory proceeding commenced by a securities regulatory authority, Atkinson agrees with the facts set out in Part III of this Settlement Agreement.

21. The Commission will issue an order pursuant to subsection 127(10) of the Act in the form attached as Schedule "A" to this Settlement Agreement.

22. Atkinson agrees to provide the Commission with an undertaking in the form attached to this Settlement Agreement as Schedule "B" (the "New Undertaking"). Atkinson's provision of the New Undertaking constitutes a material term of this Settlement Agreement and any breach of the New Undertaking will entitle Staff to bring a proceeding against Atkinson

based on the facts summarized in Part III above. Atkinson agrees that he will waive any defence to such a proceeding that is based on the limitations period available under the Act.

23. Atkinson agrees to waive all rights to a full hearing, judicial review or appeal of this matter, subject to the terms set out in the New Undertaking.

24. Neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

25. Whether or not the Commission approves this Settlement Agreement, Atkinson 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 V – DISCLOSURE OF SETTLEMENT AGREEMENT

26. If the Commission does not approve this Settlement Agreement:

    i. the Settlement Agreement and all discussions and negotiations between Staff and Atkinson before the settlement hearing takes place will be without prejudice to Staff and Atkinson; and

    ii. Staff and Atkinson will each be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in this matter. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

27. Both parties will keep the terms of this 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 this 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 VII – EXECUTION OF SETTLEMENT AGREEMENT

28. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

29. A faxed or emailed copy of any signature will be treated as an original signature.

Dated this 20th day of September, 2013

"Peter Atkinson"
Peter Y. Atkinson

"Connie Paulo"
Witness

Dated this 19th day of September, 2013

"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

AND

IN THE MATTER OF
A SETTLEMENT AGREEMENT BETWEEN STAFF OF
THE ONTARIO SECURITIES COMMISSION AND
PETER Y. ATKINSON

ORDER
Section 127(10) of the Securities Act)

WHEREAS on March 18, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") with respect to Conrad M. Black ("Black"), F. David Radler ("Radler"), Peter Y. Atkinson ("Atkinson"), John A. Boultbee ("Boultbee"), and Hollinger Inc. ("Hollinger") (together, the "Original Respondents").

AND WHEREAS the individual Original Respondents brought a series of motions and requests to adjourn the proceeding (the "Adjournment Requests") pending the outcome of a related criminal proceeding in the United States;

AND WHEREAS the individual Original Respondents tendered undertakings to the Commission in support of several of the Adjournment Requests, and these undertakings were then attached to Orders of the Commission dated March 30, 2006 and April 4, 2007 (the "Original Undertakings");

AND WHEREAS the Commission adjourned the hearing of the proceeding *sine die* by Order dated October 7, 2009, pending the release of a decision of the United States Supreme Court in relation to an appeal brought by Black and Boultbee, or until a further order was made by the Commission;

AND WHEREAS on November 14, 2012 the Commission approved a settlement agreement reached between Staff and Radler and approved an Order releasing Radler from the Original Undertakings;

AND WHEREAS on July 12, 2013, Staff withdrew its allegations against Hollinger and filed an Amended Statement of Allegations against Atkinson, Black and Boultbee (together, the "Respondents");

AND WHEREAS the Original Undertakings remain in effect for the Respondents, and require them to refrain from:

(a) acting or becoming an officer or director of a reporting issuer or an affiliated company of a reporting issuer;

(b) applying to become a registrant and from being an employee, director or officer of a registrant or an affiliated company of a registrant;

(c) engaging directly or indirectly in the solicitation of investment funds from the general public; and

(d) trading in and acquiring securities of Hollinger.

AND WHEREAS on September 23, 2013, Atkinson provided an undertaking to the Commission in the form attached to this Order as Schedule "A" (the "New Undertaking");

AND WHEREAS on September 23, 2013, the Commission convened a hearing and heard submissions from counsel for Staff and from Atkinson;

AND WHEREAS pursuant to section 127(10) of the Act and pursuant to the Settlement Agreement attached to this Order as Schedule "B" (the "Settlement Agreement"), Staff have filed documents evidencing the following facts:

(a) On November 17, 2005, a Grand Jury convened in the United States District Court filed an indictment charging Atkinson with six counts of violating the United States Criminal Code;

(b) On July 13, 2007, Atkinson was convicted by a jury in the United States District Court for the Northern District of Illinois (the "District Court") of three counts of fraud. Two of these counts were vacated by the United States Court of Appeals for the Seventh Circuit on October 29, 2010, and Atkinson was resentenced in the District Court on the remaining conviction count to 345 days (time served) and a fine of US$ 3,000, among other terms; and

(c) On October 9, 2009, pursuant to a settlement offer, the United States Securities and Exchange Commission (the "SEC") found that Atkinson had committed securities fraud and violated certain other provisions of the United States Securities Exchange Act of 1934. As a result, the SEC issued an order imposing various forms of injunctive relief against Atkinson, including a permanent bar from serving as a director or officer of a reporting issuer in the United States.

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

IT IS ORDERED THAT:

1. Atkinson is released from the Original Undertakings;

2. Atkinson is required to comply with the New Undertaking; and

3. the Settlement Agreement is approved.

DATED at Toronto this _____ day of September, 2013

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

AND

IN THE MATTER OF
CONRAD M. BLACK, JOHN A. BOULTBEE
AND PETER Y. ATKINSON

UNDERTAKING TO THE ONTARIO SECURITIES COMMISSION
OF PETER Y. ATKINSON

I, Peter Y. Atkinson, am a Respondent to Notices of Hearing dated March 18, 2005 and July 12, 2013 issued by the Ontario Securities Commission (the "Commission") in this proceeding. I undertake to the Commission to refrain from:

(a) becoming or acting as an officer or director of a reporting issuer or an affiliated company of a reporting issuer, as those terms are defined in the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act");

(b) applying to become or acting as a registrant or an employee, director or officer of a registrant or an affiliated company of a registrant as those terms are defined in the Act; and

(c) trading or acquiring securities of Hollinger Inc. either directly or indirectly.

I undertake that if I initiate an application to the Commission under section 144 of the Act to vary or revoke the Order in the Matter of a Settlement Agreement between Staff of the Ontario Securities Commission and Peter Y. Atkinson, I will provide at least 90 days' notice of my application to Staff of the Commission.

_____ _____
Peter Y. Atkinson Witness

Date:

Acknowledged as received by

_____
John Stevenson
Secretary to the Commission

Date:

2.2.11 AMTE Services Inc. et al. – s. 127(8)

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

AND

**IN THE MATTER OF
AMTE SERVICES INC.,
OSLER ENERGY CORPORATION, RANJIT GREWAL,
PHILLIP COLBERT AND EDWARD OZGA**

**TEMPORARY ORDER
(Subsection 127(8))**

WHEREAS on October 15, 2012, pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), the Ontario Securities Commission (the "Commission") issued the following order (the "Temporary Order") against AMTE Services Inc. ("AMTE"), Osler Energy Corporation ("Osler"), Ranjit Grewal ("Grewal"), Phillip Colbert ("Colbert") and Edward Ozga ("Ozga") (collectively, the "Respondents"):

(i) pursuant to clause 2 of subsection 127(1) of the Act, all trading by and in the securities of AMTE shall cease; all trading by and in the securities of Osler shall cease; all trading by Grewal shall cease; all trading by Colbert shall cease; and all trading by Ozga shall cease.

(ii) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to any of the Respondents;

AND WHEREAS on October 15, 2012, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS on October 16, 2012, the Commission issued a Notice of Hearing to consider the extension of the Temporary Order, to be held on October 25, 2012 at 2:00 p.m.;

AND WHEREAS on October 25, 2012, the Commission ordered that the Temporary Order be extended until January 29, 2013 and that the hearing be adjourned until January 28, 2013 at 10:00 a.m.;

AND WHEREAS on January 29, 2013, the Commission ordered that the Temporary Order be extended until March 12, 2013 and that the hearing be adjourned until March 11, 2013 at 10:00 a.m.;

AND WHEREAS on March 11, 2013, the Commission ordered that the Temporary Order be extended until May 28, 2013 or until further order of the Commission and that the hearing be adjourned until May 27, 2013 at 10:00 a.m.;

AND WHEREAS on March 27, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Peaches Barnaby sworn May 24, 2013 outlining service of the Commission order dated March 11, 2013 on 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 Grewal, Ozga and Colbert (the "Section 122 Proceedings");

AND WHEREAS a judicial pre-trial in connection with the Section 122 Proceedings was scheduled for June 27, 2013;

AND WHEREAS Colbert consented to the extension of the Temporary Order;

AND WHEREAS the Commission ordered that the Temporary Order be extended until July 22, 2013 or until further order of the Commission and the hearing to consider a further extension of the Temporary Order be adjourned until July 19, 2013 at 11:00 a.m.

AND WHEREAS on July 19, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Tia Faerber sworn July 18, 2013 outlining service of the Commission's order dated May 27, 2013 on the Respondents;

AND WHEREAS a further judicial pre-trial in connection with the Section 122 Proceedings was scheduled for September 16, 2013;

AND WHEREAS the Commission ordered that the Temporary Order be extended until September 25, 2013 or until further order of the Commission and the hearing to consider a further extension of the Temporary Order be adjourned until September 23, 2013 at 10:00 a.m.;

AND WHEREAS on September 23, 2013, a hearing was held before the Commission and counsel for Staff attended to request an extension of the Temporary Order and no one appeared on behalf of the Respondents;

AND WHEREAS Staff filed the affidavit of Tia Faerber sworn September 18, 2013 outlining service of the Commission's order dated July 19, 2013 on the Respondents;

AND WHEREAS a further appearance in connection with the Section 122 Proceedings is scheduled for September 25, 2013;

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

IT IS HEREBY ORDERED that the Temporary Order is extended until March 31, 2014 or until further order of the Commission and the hearing to consider a further extension of the Temporary Order is adjourned until March 27, 2014 at 10:00 a.m. or to such other date or time as provided by the Office of the Secretary and agreed to by the parties.

DATED at Toronto this 23rd day of September, 2013.

"James E. A. Turner"

2.3 Rulings

2.3.1 The Travelers Indemnity Company – s. 74(1) of the Act and s. 80 of the CFA

Headnote

Application to the Ontario Securities Commission for a ruling pursuant to subsection 74(1) of the Securities Act (Ontario) (the Act) that the Applicant be exempted from the adviser registration requirement in subsection 25(3) of the Act – Application to the Ontario Securities Commission for a ruling pursuant to section 80 of the Commodity Futures Act (CFA) that the Applicant be exempted from the adviser registration requirement in subsection 22(1)(b) of the CFA – Applicant will provide advice to an affiliated insurance company in Ontario only so long as that affiliate remains an affiliate of the Applicant.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(3), 74(1).
Commodity Futures Act, R.S.O. 1990, c. C.20. as am., ss, 22(1)(b), 80

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

AND

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

AND

IN THE MATTER OF
THE TRAVELERS INDEMNITY COMPANY

RULING
(Subsection 74(1) of the Act and Section 80 of the CFA)

UPON the Application (the **Application**) of The Travelers Indemnity Company (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for a ruling pursuant to subsection 74(1) of the Act that the Applicant and any individuals acting on the Applicant's behalf be exempted from the adviser registration requirements in subsection 25(3) of the Act and an order pursuant to section 80 of the CFA that the Applicant and any individuals acting on the Applicant's behalf be exempted from the adviser registration requirements in subsection 22(1)(b) of the CFA in respect of the trading in Contracts, as defined in the CFA, on the conditions described herein;

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

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

1. The Applicant is a corporation existing under the laws of the State of Connecticut and is a licensed property and casualty insurance company.

2. The Applicant is an indirect wholly-owned subsidiary of The Travelers Companies, Inc., an insurance holding company headquartered in the United States with operations in the United States, the U.K., Ireland and Canada. All of the U.S. employees in the Travelers group of companies are employed by the Applicant, which is a large insurance company and the Travelers' lead operating company.

3. The Applicant, through such employees, provides services to entities within the Travelers group of companies. The services comprise various activities needed to properly operate a property casualty insurance company, including investment advisory and portfolio management services (including possible transactions involving Contracts) (the **Advisory Services**) and information technology, human resources and other administrative services.

4. The Advisory Services are provided to the affiliates on a cost sharing basis or for a fee that is modest but compliant with tax, regulatory and other considerations. It is not intended that the Applicant profit from the provision of such services. The Applicant does not provide Advisory Services to any person or company other than its affiliated entities.

5. The Applicant is an affiliated company of two companies that carry on insurance business in Canada, specifically (1) The Travelers Insurance Company of Canada, which is a Canadian federally licensed insurance company and (2) St. Paul Fire and Marine Insurance Company, which is a US insurance company operating a Canadian branch with its Canadian head offices located in Ontario (collectively the **Canadian Affiliated Companies** and including Dominion Insurance, which will become an affiliate after the completion of the transaction described in paragraph 10).

6. The Applicant is not required to be registered as an investment adviser with the U.S. Securities and Exchange Commission under the United States *Investment Advisers Act of 1940* and is not required to be registered as a commodity trading adviser under the Commodity Exchange Act pursuant to Rule 4.6(a)(1) promulgated pursuant to such act, which excludes insurance companies and any wholly-owned subsidiaries or employees of an insurance company from the definition of commodity trading advisor.

7. The Applicant is not registered in any capacity in any jurisdiction of Canada. The Applicant does not have an office in Canada or any employees in Canada that provide or are involved in the Advisory Services.

8. Each of the affiliated companies for which the Applicant provides services, including each of the Canadian Affiliated Companies, is a direct or indirect wholly-owned subsidiary of The Travelers Companies, Inc. and, as such, is an affiliate of the Applicant as defined in the Act.

9. The arrangements under which the Advisory Services are provided to the Canadian Affiliated Companies are similar to the arrangements pursuant to which the Applicant provides similar Advisory Services to other affiliated companies in the Travelers group.

10. The Applicant provides the Advisory Services to the Canadian Affiliated Companies with respect to the portfolio assets of the Canadian Affiliated Companies maintained in connection with their respective Canadian businesses. Such services have been provided by the Applicant since approximately 2002. The Applicant provided those services on the basis of a good faith determination that it was not providing advice to others with respect to investing in securities or buying or selling securities because it was providing such services only to companies affiliated with the Travelers group of companies, and that its provision of such services did not constitute the "engaging in the business" of an adviser. The Applicant seeks to continue to provide such Advisory Services on a basis that would not require registration under the Act. In addition, on occasion, the Applicant may provide Advisory Services to companies wholly-owned by affiliates of the Applicant and that are holding companies of the Canadian Affiliated Companies (**Holdcos**) and engaged in the movement of funds between the Canadian Affiliated Companies and such affiliates of the Applicant. The Applicant seeks to continue to provide such Advisory Services on a basis that would not require registration under the Act.

11. The Travelers Companies, Inc. has announced its intention to purchase The Dominion of Canada General Insurance Company (**Dominion Insurance**), and the Applicant proposes to provide, following completion of that transaction, Advisory Services to Dominion Insurance on the same basis as to the other Canadian Affiliated Companies.

12. The Applicant is not able to rely on the international adviser registration exemption in section 8.26 of NI 31-103 to continue to provide such services to the Canadian Affiliated Companies because the advice provided by the Applicant to the Canadian Affiliated Companies on

the securities of Canadian issuers is not incidental to the advice it is providing on a foreign security, as investment in securities of Canadian issuers are part of the investment objectives of the Canadian Affiliated Companies.

13. There is no requirement for employees of a corporation to be registered as advisers under the Act if the employees provide Advisory Services to their corporate employers with respect to the portfolio assets of such corporate employers. The Canadian Affiliated Companies do not currently employ individuals to provide Advisory Services with respect to their portfolio assets, but rather the Canadian Affiliated Companies have outsourced this function to the Applicant, an affiliate of the Canadian Affiliated Companies. The Canadian Affiliated Companies are permitted to outsource this function under federal insurance company legislation in Canada.

14. The Canadian portfolio assets of the Canadian Affiliated Companies managed by the Applicant are owned by each of the respective Canadian Affiliated Companies. There are no external stakeholders (such as, for example, holders of variable annuity contracts or segregated funds/separate accounts for policyholders) that have any direct interest in the performance of such portfolios. Accordingly, there are no stakeholders in Ontario or elsewhere other than the Canadian Affiliated Companies that will be directly affected by the results of the investment advice to be provided by the Applicant. None of the affiliates have life insurance or annuity products, separate accounts or products where the customer participates in the investment performance.

15. Subsection 74(1) of the Act and section 80 of the CFA each provide that an order may be issued subject to terms and conditions as the Commission may consider necessary.

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

IT IS RULED, pursuant to subsection 74(1) of the Act, that the Applicant and any individual acting on behalf of the Applicant is exempt from the adviser registration requirements of subsection 25(3) of the Act and under subsection 22(1)(b) of the CFA in respect of it acting as an adviser , provided that:

1. the Applicant provides investment advice and portfolio management services in Ontario only to its affiliates that are licensed or otherwise duly permitted or authorized to carry on business as an insurance company in Canada or holding companies of such entities that are wholly-owned by affiliates of the Applicant; and

2. with respect to any particular affiliate, the investment advice and portfolio management services are provided only as long as that affiliate remains an “affiliate” of the Applicant, as defined in the Act.

September 17, 2013

“Anne Marie Ryan”
Commissioner
Ontario Securities Commission

“James Turner”
Commissioner
Ontario Securities Commission

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Irwin Boock 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
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

REASONS AND DECISION
(Section 127 of the Securities Act)

Hearing:	August 7-10, 13 and December 5, 2012		
Decision:	September 13, 2013		
Panel:	Vern Krishna, Q.C.	–	Commissioner and Chair of the Panel
Appearances:	Donna Campbell Swapna Chandra	–	For Staff of the Commission
	Alexander Khodjaiants	–	For himself
		–	No one appeared for the other respondents

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REASONS FOR DECISION

I. BACKGROUND

A. Overview

[1] This was a hearing before the Ontario Securities Commission (the "**Commission**"), pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**"), to consider whether Alexander Khodjaiants ("**Khodjaiants**") and Alena Dubinsky ("**Dubinsky**") (collectively, the "**Individual Respondents**") breached the Act and/or acted contrary to the public interest.

[2] The merits proceeding was commenced by a Statement of Allegations and Notice of Hearing, dated October 16, 2008. Subsequently, on January 4, 2012, an Amended Statement of Allegations was filed by Enforcement Staff of the Commission ("**Staff**") and on January 5, 2012, an Amended Notice of Hearing was issued by the Commission. Shortly thereafter, Staff withdrew allegations against Saudia Allie ("**Allie**"), who had been named as a respondent in this matter.

[3] Staff alleges that between June 2006 and March 2007, the Individual Respondents: (a) were involved in fraudulent and manipulative trading of shares of a number of issuers and (b) participated in an illegal distribution of those shares. Specifically, it is alleged that Dubinsky and Khodjaiants operated trading accounts in Ontario for the purpose of receiving and trading fraudulent or false securities in a number of the issuers named as respondents, and that Khodjaiants, through Dubinsky's account, engaged in manipulative trading in respect of two specific issuers.

[4] There are no allegations with respect to the corporate respondents: Leasemart, Inc., Advanced Growing Systems, Inc., International Energy Ltd., NutriOne Corporation, Pocketop Corporation, Asia Telecom Ltd., Pharm Control Ltd. (collectively, the "**Issuer Respondent(s)**"), Select American Transfer Co. ("**Select American**"), Cambridge Resources Corporation, Compushare Transfer Corporation, Federated Purchaser, Inc., TCC Industries, Inc., First National, Entertainment Corporation, WGI Holdings, Inc. and Enerbrite Technologies Group (collectively and together with the Issuer Respondents, the "**Corporate Respondents**"). In fact, on the first day of the merits hearing Staff expressly stated that it would not be introducing evidence with respect to the latter eight corporate respondents, despite there being a temporary cease trade order against them. Staff did not provide a service affidavit for the Corporate Respondents and Staff does not seek findings against the Corporate Respondents. For these reasons, I will not be making further analysis or findings with respect to the Corporate Respondents.

B. History of the Proceeding

[5] Prior to the commencement of the hearing on the merits, the Commission approved a number of settlements in this matter. Nutrione Corporation ("**NutriOne**"), Stanton DeFreitas ("**DeFreitas**"), Jason Wong ("**Wong**"), and Irwin Boock ("**Boock**"), also named as respondents in this matter, each entered into approved settlement agreements (*Re Irwin Boock et al.* (2009), 32 O.S.C.B. 9028; (2012) 35 O.S.C.B. 888; (2012) 35 O.S.C.B. 1128; and (2012) 35 O.S.C.B. 1718, respectively).

[6] The hearing on the merits began on August 7, 2012, continued over the course of five sitting days and resumed on December 5, 2012 for closing submissions (the "**Merits Hearing**"). On the first day of the Merits Hearing, Staff advised that for the second time Khodjaiants had filed for judicial review. Staff submitted that the application was an attempt to further adjourn the Merits Hearing. Khodjaiants did not appear or make submissions. As discussed below, I was not satisfied that an adjournment was in the public interest or necessary to provide an opportunity for a fair hearing of this matter and provided oral reasons for my decision before proceeding with the Merits Hearing.

[7] Over the course of four hearing days, I heard evidence from four witnesses, three called by Staff and Khodjaiants on his own behalf.

[8] For the reasons set out below, I conclude that the Individual Respondents breached subsections 53(1) and 126.1(b) of the Act, and that their conduct is contrary to the public interest.

C. The Individual Respondents

[9] Khodjaiants is a resident of Ontario, who traded in securities of the Issuer Respondents. Dubinsky, who is Khodjaiants's partner, is also a resident of Ontario. Dubinsky opened trading accounts for the purpose of facilitating Khodjaiants's trading of the Issuer Respondents' shares.

D. The Allegations

[10] Staff alleges the Individual Respondents engaged in fraudulent and manipulative trading of shares of various Issuer Respondents, contrary to subsections 126.1(a) and 126.1(b) of the Act and contrary to the public interest. Staff further alleges that the Individual Respondents participated in an illegal distribution of those shares, contrary to subsection 53(1) of the Act and contrary to the public interest.

II. PRELIMINARY ISSUES

A. Failure of Some Respondents to Attend

1. Respondent Participation

[11] On April 16, 2012, the merits hearing that was scheduled to commence in ten days was adjourned on a peremptory basis to begin on August 7, 2012, on the request of Khodjaiants, for the purpose of retaining and accommodating his counsel's schedule (*Re Irwin Boock et al.* (2012) 35 O.S.C.B. (the "**April 16 Order**")). At the adjournment hearing of April 16, 2012, it was made clear to Khodjaiants that the Merits Hearing would proceed on the ordered August 2012 dates sought by him. On the first day of the Merits Hearing, Staff appeared and advised that Khodjaiants had filed a Notice of Application to the Divisional Court for judicial review four days prior. Khodjaiants did not appear or seek any further adjournment of the Merits Hearing.

[12] Staff tendered into evidence a chronology of documents evidencing communications Staff had had with the Individual Respondents in preparation for the Merits Hearing, including delivery of hearing briefs of evidence and witness list, requests for Khodjaiants to provide contact information for his counsel and requests for Dubinsky to advise if she planned to attend the Merits Hearing. Staff submitted to the Panel that the Notice of Application to the Divisional Court for judicial review was an attempt to stall the merits proceeding once again. Staff further argued that Khodjaiants had no grounds for review, since his application sought to review Staff's decision not to settle with Khodjaiants, which was not a final decision of the Commission. Staff argued that the Merits Hearing should continue as scheduled.

[13] Dubinsky did not appear at the Merits Hearing. Khodjaiants later appeared on the fifth day of the Merits Hearing for the purpose of tendering evidence on his own behalf. Khodjaiants appeared again on the date scheduled for closing submissions and confirmed that his written submissions were on his own behalf and on behalf of Dubinsky.

2. The Law

[14] Subsection 6(1) of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended (the "**SPPA**") requires that the tribunal provide "reasonable notice of the hearing" to the parties to a proceeding.

[15] Subsection 7(1) 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:

> **Effect of non-attendance at hearing after due notice**
>
> **7.**(1)Where notice of an oral hearing has been given to a party to a proceeding in accordance with this Act and the party does not attend at the hearing, the tribunal may proceed in the absence of the party and the party is not entitled to any further notice in the proceeding.

[16] Further, Rule 7.1 of the Commission's *Rules of Procedure* (2012), 35 O.S.C.B. 10071 ("*Rules of Procedure*") echoes the language of subsection 7(1) of the SPPA.

3. Authority to Proceed in Absence of Respondents

[17] On the first day of the Merits Hearing, I determined that I was satisfied that proper notice of the hearing had been given and I fully accepted that, in accordance with subsection 7(1) of the SPPA and the Commission's *Rules of Procedure*, Khodjaiants was not entitled to any further notice and that the hearing may proceed in his absence. Nevertheless, I decided to resume the Merits Hearing the next morning and asked Staff to communicate to the Individual Respondents that the Merits Hearing would proceed at that time.

[18] I am also satisfied that Dubinsky had notice of the Merits Hearing, as evidenced by email communications to her and by the fact that written submissions were made on her behalf by Khodjaiants. I also note that the Notice of Hearing, the Statement of Allegations, the Amended Notice of Hearing and the Amended Statement of Allegations were posted on the Commission's website, as was the April 16 Order which set out the dates on which the Merits Hearing was scheduled to take place. The Notice of Hearing included the caution that if any party failed to attend the hearing, the hearing would proceed in their absence and they would not be entitled to any further notice of the proceeding. Accordingly, pursuant to section 7 of the SPPA and Rule 7.1 of the Commission's Rules of Procedure, I was authorized to proceed with the Merits Hearing without further notice to Khodjaiants or Dubinsky.

B. The Standard of Proof

[19] The standard of proof in this hearing is the civil standard of proof on a balance of probabilities and evidence must be sufficiently clear, convincing and cogent (*F.H. v. McDougall*, [2008] 3 S.C.R. 41 at paras. 46 and 49). The Panel must scrutinize the evidence with care and be satisfied whether it is more likely than not that the conduct underlying the allegations occurred.

C. Hearsay Evidence

[20] This Panel has the discretion to admit relevant evidence that might not otherwise be admissible as evidence in a court, including hearsay evidence, under subsection 15(1) of the SPPA, subject to the weight given to such evidence.

III. ISSUES

[21] The following issues were raised in the hearing:

(a) Did the Individual Respondents distribute securities without having filed a prospectus, contrary to subsection 53(1) of the Act and contrary to the public interest?;

(b) Did the Individual Respondents engage in conduct that resulted in or contributed to a misleading appearance of trading activity in, or artificial price for, a security, contrary to subsection 126.1(a) of the Act and contrary to the public interest?; and

(c) Did the Individual Respondents engage or participate in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies contrary to subsection 126.1(b) of the Act and contrary to the public interest?

IV. EVIDENCE

A. Overview

[22] Over the course of four hearing days, I heard evidence from four witnesses, three called by Staff and Khodjaiants on his own behalf. Staff called DeFreitas, Allie and Commission investigator Craig Gallacher ("**Gallacher**").

[23] Staff tendered 14 exhibits at the hearing through their own witnesses. Khodjaiants testified on his own behalf and tendered one exhibit. None of the other respondents tendered any evidence at the hearing.

B. Credibility

[24] Khodjaiants's testimony in chief contradicted documentary evidence with respect to dates upon which shares were issued and much of his recollection was not supported by documentary evidence of any kind.

[25] Further, in his examination-in-chief, Khodjaiants challenged the credibility of DeFreitas. He appeared to blame DeFreitas for the use of his name on corporate records of certain Issuer Respondents. However, Khodjaiants did not appear at the Merits Hearing to cross-examine DeFreitas. Further, DeFreitas's testimony did not bear on Khodjaiants's alleged conduct directly, but explained the overall scheme and how shares were issued by Select American.

[26] When weighing the conflicting evidence in this case, I have considered whether the evidence is in harmony with the preponderance of probabilities disclosed by the facts and circumstances in this case.

C. The Corporate Hijacking Scheme

[27] The corporate hijacking scheme involved a reincorporated entity with a new corporate name, new CUSIP number, as defined below, and new trading symbol, which issued shares through Select American. The new shares were issued to new shareholders, following a consolidation of shares and an increase in authorized share capital. The Issuer Respondents were closely held by Boock and his associates, which resulted in discretionary issuance of shares to parties related to him for the purpose of trading in those shares.

[28] Gallagher testified with respect to the mechanics of the corporate hijacking scheme. The first step in the scheme was to find a dormant or defunct issuer that had previously traded on the Pink Sheets. Gallacher explained that Pink Sheets are one of three over-the-counter markets that operate in the United States ("**U.S.**"), meaning their securities are not listed on the New York Stock Exchange or the NASDAQ stock market. The Pink Sheets, Gallacher testified, is privately operated and companies do not apply to list, rather brokers/dealers apply to trade on the Pink Sheets. As a result, there are no stringent filing or ongoing disclosure requirements of the Pink Sheets as there are with companies whose securities are listed on a formal stock exchange.

[29] The next step in the scheme, Gallacher testified, is to perform a reverse due diligence of the dormant or defunct entity to analyse corporate filings and make sure there are no persons associated with the dormant or defunct company that could be readily located. Once that is established, the person hijacking the company files new articles of incorporation with the same name as the old defunct corporation. Gallacher explained that while it varies by jurisdiction, it was his understanding that typically in the U.S. when a corporation is inactive or had not paid its filing fees for four to five years a person may reincorporate a company by the same name.

[30] To place distance between the original company and the hijacked company, the person would then conduct a corporate name change and a reverse stock split. The idea of the reverse stock split, Gallacher explained, is to consolidate the old base of shareholders by reducing their holdings in the company. The share consolidation in this scheme was commonly done on a one-thousand-to-one share basis. The following step in the corporate hijacking would be an amendment to authorize the share flow to increase. The effect of the latter two steps are to eliminate the influence of the old shareholder base and allow the new hijacked entity to issue shares to whomever it chooses.

[31] Once the name change, reverse stock split and amendment to increase share capital were complete, the individuals conducting the corporate hijacking would communicate with the NASDAQ Corporate Action Department requesting a name and symbol change. While the NASDAQ is a stock exchange, it has a department commonly referred to as NASDAQ Reorg which is responsible for issuing trading symbols for every issuer. Therefore, whenever a name change or corporate action is taken, NASDAQ Reorg is contacted and a new trading symbol is applied.

[32] Securities in the U.S. also have a Committee on Uniform Security Identification Procedures ("**CUSIP**") number. The CUSIP number, Gallacher testified, is a unique security identifier which acts much like a person's social insurance number. Gallacher stated that the CUSIP number is assigned by a division of Standard & Poor's, known as the CUSIP Service Bureau. The CUSIP Service Bureau would require proof of corporate filings from the Secretary of State to accompany an application for a new CUSIP number. Gallacher testified that a CUSIP number must be applied whenever there's a name change, a stock

consolidation or corporate action is taken and that it was his understanding that CUSIP numbers are not. Post-reincorporation, the person conducting the hijacking would represent in dealings with the Pink Sheets, NASDAQ and CUSIP Service Bureau that they are the old company. They could do this because the old CUSIP number was readily available on the internet.

[33] Gallacher also testified that a transfer agent, like Select American, has a gatekeeper role to verify, as an independent third party, the corporate actions of the issuer. When the transfer agent sends a letter requesting a new CUSIP number, the CUSIP Service Bureau relies entirely on the independence of the transfer agent to issue a new CUSIP number. Similarly, when a "transfer agent verification form" is sent to NASDAQ, it is meant to independently verify corporate actions.

[34] Select American was incorporated in Delaware on April 14, 2005 by DeFreitas, Boock and Wong. DeFreitas testified that it was Boock's idea to set up Select American as a transfer agent because the U.S. Securities and Exchange Commission (the "**SEC**") had changed its regulations to require that Pink Sheet companies have an independent transfer agent. DeFreitas stated that Boock was never a director or officer, but was involved in Select American's operations. By August 2005 Wong ceased to be president of Select American.

[35] DeFreitas testified that Boock would find dormant and/or bankrupt companies that were listed on the NASDAQ stock market years prior, usually ten years or more. Boock would then reincorporate the name, in the same state or in another state altogether. Once the company was reincorporated, the relevant party would be contacted for a new CUSIP number. Once that was done the principals would affect corporate name changes and revise terms of share capital by way of corporate resolution or minutes to the minute book. These changes triggered a new CUSIP number and would trigger a new trading symbol to be provided by NASDAQ.

[36] Gallacher testified that once the corporate hijacking was complete one of two things was done with the hijacked companies. Some reincorporated entities were sold to third parties as shell companies. Others, including the Issuer Respondents, were held closely by Boock, Wong and DeFreitas, who appear to have controlled this operation. Gallacher testified that "Select American was effectively used as a printing press to print share certificates and these share certificates were put on deposit by[…] the respondents and parties related to them and liquidated from brokerage accounts for profit" (Gallacher – Hearing Transcript of August 9, 2012 at p. 85). Allie, an employee of Select American, testified about the procedure she followed to create and print share certificates for the Issuer Respondents on the direction of DeFreitas and Boock. Allie identified an email from Boock which provided her with a number of addresses she could use to fill in the shareholder list wherever an address was needed; it did not matter what name the address was matched to. Gallacher testified that many of the addresses on that list did not exist, but the street names were the same or close to the real addresses of some of the traders.

D. Actors Involved in the Corporate Hijacking Scheme and Trading

1. Principals of the Corporate Hijacking Scheme

[37] DeFreitas testified that he met Boock in late 2003 or early 2004 through Alex Kaplun ("**Kaplun**"), whom DeFreitas was doing some consulting for at the time. Kaplun had had prior business dealings with Boock. DeFreitas was told that Boock was an individual who could assist in raising money for investments abroad.

2. Traders

[38] DeFreitas testified that he met Roufat Iskenderov, whom he also knew as Alik, ("**Iskenderov**") through Boock. DeFreitas stated that Iskenderov was a close friend and associate of Boock's who referred to them two or three entities that wanted to go public: El Apparel, which later became NutriOne, Asia Telecom and Magellan Energy. DeFreitas referred to a group of "Roufat's people" who were supposed to help in the promotion of the companies and were paid for those services by way of shares. Gallacher testified that Iskenderov was a trader of many of the securities in question. Allie confirmed that Iskenderov would come to the Select American office to pick up share certificates.

[39] Elena Lazareva is Iskenderov's spouse and the president and chief executive officer of El Apparel, later NutriOne. Natalya Lazareva is Elena's sister. Gallacher testified that Elena and Natalya Lazareva were traders of the securities in question.

[40] According to DeFreitas, Vicky Zaltsman ("**Zaltsman**") was a friend of Iskenderov's and Tale Aliev ("**Aliev**") was a real estate agent referred to DeFreitas by Iskenderov. Gallacher testified that Zaltsman and Aliev were traders of the securities in question.

[41] Boock told DeFreitas that Khodjaiants was a friend of Iskenderov. DeFreitas stated that he knew Khodjaiants as a person supposedly helping with public relations or investor relations with a couple of the issuers for whom Select American was a transfer agent. DeFreitas testified that he linked the name Alex Khodja, listed on corporate documents for International Energy, to Khodjaiants for two reasons. First, the play on names and use of aliases in the scheme make it too coincidental. Second, DeFreitas testified that he had seen Khodjaiants's full name appear on another issuer that was not listed in this matter.

[42] In her compelled examination, Dubinsky admitted that she was Khodjaiants's girlfriend and Khodjaiants testified that Dubinsky was his fiancée. Gallacher testified that a facebook search of Dubinsky revealed she attended high school with an individual named Ruufy Iskenderov. Gallacher's interview of Iskenderov confirmed that he had a son named Roufat who was commonly referred to as Ruufy and that Ruufy did indeed attend the same high school as Dubinsky.

[43] Gallacher testified that Rashad Ahmadov ("**Ahmadov**") and Maksud Guluzade ("**Guluzade**") were also traders of the securities in question.

[44] The documentary evidence, tendered through Gallacher, records dates and volume of share deposits and trading activity for accounts held by Dubinsky (for trading by Khodjaiants), Elena Lazareva, Natalya Lazareva, Ahmadov, Aliev, Iskenderov, Zaltsman and Guluzade (collectively, the "**Eight Traders**").

E. Conduct of Khodjaiants and Dubinsky

1. Dubinsky's Compelled Examination

[45] Dubinsky admitted in her compelled testimony of October 25, 2007 that she opened a Royal Bank of Canada ("**RBC**") Direct Investing Account on June 17, 2006 (the "**RBC Account**") and a HSBC Bank Canada trading account on February 5, 2007 (the "**HSBC Account**") (together, the "**Trading Accounts**"). Dubinsky stated the Trading Accounts were opened at the request of Khodjaiants so that he could trade in securities and that she knew nothing about the shares deposited into the Trading Accounts.

[46] Dubinsky admitted that she verbally authorized Khodjaiants to trade in the HSBC Account and that it was always her intention that Khodjaiants trade in the Trading Accounts. Dubinsky stated that she received statements from the Trading Accounts, which she passed on to Khodjaiants and that she never discussed with Khodjaiants what he was doing in the Trading Accounts. Dubinsky acknowledged that she went with Khodjaiants to deposit the shares in the Trading Accounts, she identified the shares of certain Issuer Respondents and she confirmed that she had signed the shares for deposit.

[47] Dubinsky also identified her voice and that of Khodjaiants on a series of voice recordings, dated March 13 through 19, 2007, in which the Individual Respondents asked various HSBC employees to transfer $400,000 out of the HSBC Account. She further admitted to having made calls on the direction of Khodjaiants to HSBC, and she identified a fax, dated March 12, 2007, signed by her which requested the immediate transfer of $400,000 from the HSBC Account. Dubinsky admitted that a U.S. dollar HSBC account was specifically set up to receive the funds from the trading and that she had sole signing authority on the account, but she stated that the funds belonged to Khodjaiants.

2. Khodjaiants's Testimony at the Merits Hearing

[48] Khodjaiants testified that in 1996, before he moved from Moscow, Russia to Canada, he gave Oleg Oskov ("**Oskov**") $30,000 in cash to invest in real estate. Oskov, Khodjaiants testified, was a friend of his from university whom he had known for many years. Under cross-examination, Khodjaiants admitted he never saw the real estate, never got a deed for the property and did not otherwise have a description for the address. Khodjaiants confirmed nothing except that he understood the property was in Moscow.

[49] In his compelled examination, Khodjaiants stated that Oskov called him in 2006 to let him know he had sold the property. Khodjaiants recalled at the Merits Hearing that Oskov had called him for that purpose, but did not recall when the call was made. Khodjaiants testified that Oskov gave him shares as payment for the sale of the property they had purchased together and that Oskov had the shares delivered to Khodjaiants by someone travelling to Canada as Oskov did not trust mail, Fedex or UPS. Under cross-examination, Khodjaiants stated that he did not ask to be paid in cash instead of share certificates because he considered share certificates to be good too. Khodjaiants confirmed that he could not personally trade, so he recalled giving Oskov Dubinsky's name to put on the shares.

[50] Khodjaiants testified under cross-examination that he received the share certificates from an unidentified man at Pearson Airport. He stated that Oskov described the man Khodjaiants was to meet at the airport, but Khodjaiants did not know who the man was or his name. Khodjaiants stated that he never thought of meeting the man at his home and couldn't recall exactly where they met at Pearson Airport. Khodjaiants testified that the encounter in the airport was the only time that he was given share certificates. Khodjaiants claimed that he received all the shares deposited into Dubinsky's accounts on that occasion and stated that he did not check the dates on the share certificates. He did not explain the misalignment of dates between receipt of shares in June 2006 and the recorded issuance dates of post- June 2006 shown on the face of the shares.

[51] Khodjaiants further testified at the Merits Hearing that he had recently been contacted by Oskov several months prior. It was Khodjaiants testimony that Oskov was looking for DeFreitas because DeFreitas owed him money. In that conversation, Khodjaiants testified, Oskov confirmed that the buyer of their real estate had been a St. Vincent company owned by Merma DeFreitas, who is DeFreitas' mother, and that DeFreitas had sent Oskov the shares.

[52] It was Khodjaiants's evidence that he asked Dubinsky to open accounts in order for him to sell the shares he received from Oskov. Under cross-examination, Khodjaiants acknowledged that the HSBC Account was opened when RBC stopped accepting the share certificates.

[53] Khodjaiants admitted that he did the trading in the Trading Accounts and stated that Dubinsky did none. Khodjaiants stated that he deposited the shares on several separate occasions, but did not recall why. Khodjaiants also testified that he decided when to sell the shares certificates based on internet research and whether it was a good price to sell, but stated that he did not consult with anyone prior to selling them. When Staff presented Khodjaiants with summaries of Issuer Respondent share deposits made by certain of the Eight Traders, which showed that Dubinsky's deposits coincided with the same or similar dates and the same share volume per issuer as those traders, Khodjaiants testified that it could be a coincidence. He had a similar response when faced with documentation recording sales within the same time period by himself and the Eight Traders whose deposits matched Dubinsky's. Staff showed Khodjaiants's similar patterns for BigHub, later known as Advanced Growing Systems Inc., and Leasemart, Inc. Khodjaiants repeatedly stated he did not know who the other traders were, what they doing or why there were coinciding Issuer Respondent share deposits and sale patterns.

[54] Khodjaiants's evidence with respect to the use of his name, or a similar name, on the corporate records of Select American's clients was that he attended the office of Select American, the transfer agent listed on the shares he received, to transfer the shares for deposit and paid by way of credit card. Khodjaiants stated that this may have been how his information was used without his knowledge and could explain how a name similar to his was used on documentation filed in California. Khodjaiants testified that prior to the Commission's investigation neither he nor Dubinsky knew or had any relationship with DeFreitas, Wong or Boock.

[55] The remainder of Khodjaiants testimony did not assist me in determining this matter.

3. Gallacher's Investigation

[56] Gallacher is a senior investigator and has been with the Commission since 2004. His involvement in the investigation of this matter commenced in May 2007. Staff tendered, through Gallacher, relevant documentation pertaining to the Issuer Respondents. Specifically, Gallacher identified:

- Corporate filings for each of the Issuer Respondents and subsequent amendments to the articles of incorporation from the Secretary of State in the jurisdiction where the issuer is domiciled;
- The last SEC filing for the original company that predates the corporate hijacking;
- Documents obtained from the SEC, Pink Sheets LLC and NASDAQ with respect to each Issuer Respondent;
- Press releases for the respective Issuer Respondents; and
- Screen shots of websites he observed for certain relevant entities;

[57] Gallacher testified that by the time he became involved in the investigation Select American had been sold to a third party in Montreal and was operating under the name Fair Ross Stock Transfer. In the course of his investigation, Gallacher discovered that Select American was the transfer agent of record for approximately 50 companies in which he saw similar patterns consistent with the corporate hijacking scheme.

[58] Gallacher obtained account opening documents and bank account statements from RBC and HSBC with respect to the Trading Accounts. The documents confirm Dubinsky's real address, despite the insertion of a fake address in the shareholder list. As stated above, the documentary evidence also records dates and volume of share deposits and trading activity for accounts held by the Eight Traders. Staff, through Gallacher, tendered into evidence the share certificates placed on deposit and the deposit slips for the Eight Traders.

(a) The RBC Account

[59] The RBC Account was opened on June 17, 2007. Dubinsky and Khodjaiants made the following deposits into the RBC Account:

Date	Security (Formerly known as)	Number of Shares Deposited
July 1, 2006	Leasemart	12,000,000
July 6, 2006	Bighub (Advanced Growing)	12,000,000

Date	Security (Formerly known as)	Number of Shares Deposited
July 6, 2006	International Energy	250,000
July 6, 2006	El Apparel (NutriOne)	12,000,000
August 1, 2006	Bighub (Advanced Growing)	12,500,000
August 31, 2006	Bighub (Advanced Growing)	18,000,000
August 31, 2006	Leasemart	18,000,000
August 31, 2006	Universal Seismic (Pocketop)	1,800,000
December 11, 2006	International Energy	750,000

(Exhibit 6, Tab 1)

[60] From July 17, 2007 to March 6, 2007, Khodjaiants sold shares from the RBC Account in all five of the Issuer Respondents listed above for proceeds of US$12,267.66. Gallacher explained that the total amount withdrawn from the RBC Account was actually US$14,763.94 because of a nominal sum made from trading in other issuers which were beyond the scope of this matter.

[61] On March 5, 2007, RBC sent a letter to Dubinsky which stated that the bank wished to discontinue their relationship and that no further deposits or trading would be accepted on the RBC Account. Gallacher testified that the closure of the RBC Account was the impetus for opening the HSBC Account so that Khodjaiants and Dubinsky could continue to deposit Issuer Respondent securities.

(b) Dubinsky's HSBC Account

[62] The HSBC Account was opened on on February 5, 2007. Gallacher testified that the HSBC Account had a Canadian cash portion and a U.S. dollar portion.

[63] Dubinsky and Khodjaiants made the following deposits into the HSBC Account:

Date	Security (Formerly known as)	Number of Shares Deposited (Account)
February 27, 2007	Asia Telecom	5,000,000 (Cdn Account)
February 27, 2007	Pharm Control	250,000 (Cdn Account)
February 27, 2007	International Energy	5,000,000 (Cdn Account)
March 6, 2007	International Energy	50,000,000
March 6, 2007	Pharm Control	30,000,000
March 6, 2007	Asia Telecom	40,000,000
March 12, 2007	Asia Telecom	17,400,000
March 12, 2007	Bighub (Advanced Growing)	10,000,000
March 12,2007	International Energy	1,800,000
March 12, 2007	International Energy	1,800,000
March 12, 2007	International Energy	5,000,000
March 12, 2007	International Energy	12,000,000
March 12, 2007	International Energy	21,800,000
March 12, 2007	Pharm Control	8,750,000
March 12, 2007	Leasemart	10,000,000

Date	Security (Formerly known as)	Number of Shares Deposited (Account)
March 13, 2007	Universal Seismic (Pocketop)	1,500,000

(Exhibit 6, Tab 2)

[64] Gallacher identified a handwritten letter of direction from Dubinsky, dated March 12, 2007, which he understood accompanied the share certificates placed on deposit that day in the U.S. portion of the HSBC Account. This letter of direction corroborates the bank records.

[65] From March 1, 2007 to March 14, 2007, Khodjaiants sold shares from the HSBC Account in five of the Issuer Respondents listed above for proceeds of CDN$53,138.71 and US$984,625.63. Gallacher identified a faxed letter from Dubinsky, also dated March 12, 2007, which was marked "RUSH" and requested the transfer of $400,000 instantly from the HSBC Account to Dubinsky's personal bank account. Further, Gallacher also provided transcripts of telephone calls between Dubinsky and Khodjaiants and representatives of HSBC in an effort to transfer the $400,000 from the HSBC Account.

[66] Gallacher testified that none of the funds were ultimately removed from the HSBC Account because HSBC alerted the Commission to matters relating to Select American and specifically this account in mid-March 2007, and by May 18, 2007 the Commission effected a freeze order on the HSBC Account (the "**Freeze Order**"). The Freeze Order remains in effect at the time of writing this decision.

[67] It should be noted that on May 13, 2008 the Superior Court ordered $7,878.08 to be paid from the HSBC Account to Revenue Canada for the credit of Dubinsky. Updated bank records reflect that the HSBC Account as of June 30, 2012 held balances of CDN$46,218.91 and US$1,016,518.79. This can be explained by the fact that HSBC paid interest on the HSBC Account until the fall of 2008, when the bank ceased to pay interest on these types of accounts due to the economic downturn.

(c) Misleading Appearance of Trading Activity

[68] Gallacher testified that between March 7 and 14, 2007, 60 million shares of Asia Telecom were liquidated through the HSBC Account, which represented 25 percent of the total trading in that security during that time period. Further, Gallacher testified, between March 7 and 13, 2007, 40 million shares of Pharm Control were sold, which amounted to 40 percent of the total volume of trading activity in that time period for that security. Gallacher testified that he was able to calculate the trading volume based on publicly available information on BigCharts.com and taking a fraction of the total volumes of the respective security traded for the relevant period. Gallacher noted that only securities of Select American's clients were sold by Khodjaiants in the Trading Accounts.

[69] The Eight Traders each held a personal RBC Action Direct trading account. Gallacher acquired opening account documents, account statements and correspondence between RBC and each of the Eight Traders. Gallacher testified that he analyzed the trading data of the Issuer Respondents and noticed certain commonalities amongst the Eight Traders. First, shareholder records showed that they lived at the same addresses which Allie had been given by Boock to "fill in the blanks" on shareholder lists.

[70] Account records for the Eight Traders revealed further commonalities with respect to trading activity, including quantities and dates for deposits and subsequent liquidation of securities of the Issuer Respondents. Gallacher testified that it seemed like wholesale liquidation of the securities in question commenced at around the same time by the Eight Traders.

[71] Gallacher guided the Panel through the contemporaneous patterns of share deposits and trading by the Eight Traders for securities of the Issuer Respondents. For example, with respect to securities of International Energy ("**IE shares**"), Gallacher testified that between July 6 and 11, 2006, Aliev, Dubinsky and Elena Lazareva each deposited a certificate of 250,000 IE shares into their own RBC Direct accounts. Prior to that, between May 1 and 5, 2006, Elena Lazarevna, Iskenderov, Aliev, Zaltsman, Ahmadov and Natalya Lazareva deposited 400,000 IE shares each into their respective accounts.

[72] It was Gallacher's evidence that over a three day period between November 28, 2006 and November 30, 2006, seven of the Eight Traders, Iskenderov, Aliev, Dubinsky, Elena Lazareva, Natalya Lazareva, Ahmadov and Zaltsman, engaged in trading, with all of them liquidating their IE shares in that time frame. Gallacher testified that the summary information concerning trades was taken from the brokerage records of the Eight Traders.

[73] On March 5, 2007, RBC sent a letter to each of the Eight Traders which, similar to that of Dubinsky, stated that the bank wished to discontinue their relationship and that no further deposits or trading would be accepted on their accounts.

V. EVIDENCE MOTION

[74] When Khodjaiants filed written closing submissions he argued that his explanation for receipt of the shares was legitimate and he sought leave to submit to the Panel a document evidencing his real estate purchase and sale agreement (the "**Agreement**"), which he allegedly obtained a few weeks prior to making his written submissions. The documentation was not provided in English, the language of the proceeding. Instead, Khodjaiants appeared to presume that Staff would translate and somehow authenticate the document.

[75] Staff argued that Rule 4.3(1) of the Commission's *Rules of Procedure* requires each party to deliver to every other party copies of the documents to be relied upon at least 20 days before the commencement of the hearing or as determined by the Panel. Staff took the position that Khodjaiants had testified at the Merits Hearing that Oskov had contacted him several months prior in relation to the real estate investment, yet when Khodjaiants testified he still had no direct knowledge of the sale details and did not seek to call evidence from witnesses to substantiate the details.

[76] Staff relied upon the test to adduce fresh evidence in *R. v. Palmer*, [1980] 1 S.C.R. 759, cited in *Ontario Federation of Anglers & Hunters v. Ontario (Ministry of Natural Resources)*, [2002] O.J. 1445 (C.A.). Staff argued that there was no evidence to explain why Khodjaiants did not take steps to obtain and disclose the Agreement in advance of the Merits Hearing or at least at the time of his testimony or why he was silent about the existence of the Agreement. Staff further submitted that the evidence is not credible in the sense that it is not reasonably capable of belief because of the timing of production, the failure to translate the Agreement into English, the fact that the few English words in the Agreement implicate DeFreitas and his mother and the lack of transparency concerning its origin. Staff argue that this suggests the document did not exist until August 13, 2012.

[77] Finally, Staff also submitted that even if the Agreement was found to be credible, when taken with the other evidence adduced at trial it does not counterbalance the preponderance of credible evidence led by Staff which establishes that Khodjaiants and Dubinsky obtained, deposited and sold the shares as part of a group, in furtherance of a scheme designed to defraud investors.

[78] Khodjaiants argued that he only got the Agreement after obtaining legal advice after he had testified, and stated that he had not provided a translation because he didn't have time. His explanation was that he received the Agreement from Oskov by email within a month of the date scheduled for closing submissions. The Agreement purportedly evidenced the sale of Oskov's property, because title was held under Oskov's name.

[79] Staff noted there was not even peripheral reference to the existence of the document prior to the proceedings and Staff had not had the opportunity to cross-examine on the evidence. Staff added that when Gallacher attempted to obtain contact information for Oskov from Khodjaiants during his compelled interview of December 3, 2007, Khodjaiants advised that contact information was not available.

[80] On December 5, 2013, I ruled that I was not persuaded that the Agreement should be admitted. I determined it was inappropriate timing and in a foreign language, lacking authentication. Further, it would deny, in effect, the opportunity to have it properly cross-examined. I also had no firm evidence as to its connection to the matter, its reliability or its credibility. In addition to being introduced at an entirely inappropriate period of the proceeding, the Agreement also contradicted evidence Khodjaiants gave as part of his interview earlier on. My ruling was that the Agreement in Russian attached as appendix A in Khodjaiants's submissions would be excluded from the evidence. I acknowledge that pursuant to subsection 15(1) of the SPPA a panel has the discretion to admit relevant evidence that might not otherwise be admissible as evidence in a court, including hearsay evidence. Under the circumstances, I chose not to exercise that discretion. In closing, my determination was based on a lack of diligence by Khodjaiants and the unreliable nature of the document itself.

VI. SUBMISSIONS

A. Staff's Submissions

[81] Staff submits that each of the Issuer Respondents was a hijacked Pink Sheets company for which no prospectus or final prospectus was circulated or filed with the Director. Staff argues that the evidence clearly demonstrates that Dubinsky and Khodjaiants traded and carried out acts in furtherance of trading the securities of Pharm Control Ltd. ("**Pharm Control**") and Asia Telecom Ltd. ("**Asia Telecom**") and in so doing participated in an illegal distribution of those securities contrary to section 53 of the Act.

[82] Staff also argues that Dubinsky and Khodjaiants directly or indirectly engaged in acts, practices or a course of conduct that they knew or reasonably ought to have known resulted in or contributed to a misleading appearance of trading activity in or an artificial price for the securities contrary to subsection 126.1(a) of the Act. Staff made no specific submissions on the application of the evidence to this allegation.

[83] Further, Staff submits that there is compelling evidence that the Individual Respondents engaged in an ongoing course of conduct that is characterized by deceit, falsehoods or other fraudulent means, including opening trading accounts for the express purpose of selling significant quantities of Issuer Respondent shares, which they knew or ought to have known were part of a scheme to defraud investors. Staff also submitted that deceitful conduct is evidenced by making statements on the RBC Account and HSBC Account applications which were untrue or inaccurate to enhance the likelihood that the application would be granted, so that a fraud could be perpetrated. Lastly, Staff argued that depositing and selling the Issuer Respondent shares in concert with others to optimize the proceeds realized from sales and selling shares in increasingly significant quantities to create a misleading appearance of trading activity in Pharm Control and Asia Telecom securities to the detriment of investors amounts to deceit, falsehood or other fraudulent means. These actions, Staff submits are conducted by the Individual Respondents in breach of subsection 126.1(b) of the Act.

[84] Staff also submits that Dubinsky was wilfully blind to the actions of Khodjaiants and facilitated the fraud through her acquiescence with Khodjaiants's requests and by deliberately choosing not to ask questions which could have confirmed the fraudulent nature of his conduct.

[85] Staff also argues that the Individual Respondents had subjective awareness that they were undertaking the dishonest act which could put investors' financial interest at risk. Specifically, Staff submitted that Khodjaiants knew he was perpetrating a fraud because he directed Dubinsky to open the Trading Accounts, controlled the accounts, told Dubinsky to make untrue and inaccurate statements on the RBC and HSBC application forms, repeatedly deposited into the RBC account shares in the same denomination as the Eight Traders and repeatedly sold shares in the same time frame as the Eight Traders. Staff also submitted that Khodjaiants knew his conduct was fraudulent because when the Eight Traders were no longer able to use their RBC trading accounts, he deposited hundreds of millions of shares of Asia Telecom and Pharm Control into the HSBC Account and engaged in a wholesale liquidation of them within days of depositing them. Further, Staff argues that Khodjaiants knew he was perpetrating a fraud because he directed Dubinsky to tell HSBC that the shares deposited in the account were obtained through a private transaction with Select American.

[86] It is Staff's position that all of the Individual Respondents' conduct described above is also contrary to the public interest.

B. Khodjaiants's Submissions

[87] Khodjaiants filed written closing submissions. He argued that there was a lack of evidence with respect to documentation proving that Select American was directed to issue shares to various parties. Given that there was email correspondence before the Panel on point, I presume his submissions related to issuance of shares to Dubinsky and Khodjaiants specifically.

[88] With respect to the contemporaneous trading activity, Khodjaiants reiterated that he and Dubinsky did not know the Eight Traders and questioned Staff's choice not to examine any of the Eight Traders.

[89] Khodjaiants submitted that his explanation for receipt of the shares was legitimate and argued that culturally it was not unusual for individuals who were raised in the Soviet Union to be distrustful of the mail.

[90] Khodjaiants also relied on the Ontario Superior Court's decision with respect to a separate, but related freeze order against Mr. Papa. In that decision, the Superior Court acknowledged that Staff raised legitimate suspicions regarding Mr. Papa's credibility, but noted that Staff was unable to support suspicions with documentary evidence or otherwise. The Superior Court went on to decide that the evidence considered before it did not constitute a *prima facie* case that Mr. Papa knew or ought to have known that his sale of NutriOne shares was part of a scheme of market manipulation (*Ontario Securities Commission v. 1367682 Ontario Ltd. (c.o..b as De Freitas & Associates), Jason Wong, JWV Consulting Inc., 1606884 Ontario Inc., Alena Dubinsky and Ralph Papa* (22 May 2008), Toronto 07-CL-7045 (Ont. Sup. Ct.)).

[91] Khodjaiants submitted that neither he nor Dubinsky was aware, nor did they turn a blind eye, to any activity that constituted perpetration of a fraud or market manipulation. In summation, Khodjaiants took the position that Staff had not offered credible or reliable evidence that Dubinsky and he were involved in the alleged fraudulent scheme and that rather than calling any of the Eight Traders to testify, Staff relied on the admitted fraudster, DeFreitas, to prove its case.

C. Staff's Reply

[92] Staff submitted that Khodjaiants had the opportunity to cross-examine DeFreitas, but chose not to. Staff further argued that with respect to further witnesses, there is no property in a witness and Khodjaiants could have elicited the evidence from the Eight Traders as witnesses if he sought to rely upon their testimony in his defense. Having chosen not to do so, Staff states that no reference can be made to evidence which is not part of the evidentiary record.

VII. ANALYSIS

A. Did the Respondents distribute securities without a prospectus, contrary to subsection 53(1) of the Act and contrary to the public interest?

1. The Law

[93] Subsection 53(1) of the Act sets out the statutory prospectus requirement:

> **53. (1) Prospectus required** – No person or company shall trade in a security on his, her or its own account or on behalf of any other person or company if the trade would be a distribution of the security, unless a preliminary prospectus and a prospectus have been filed and receipts have been issued for them by the Director.

[94] The prospectus is the primary disclosure document of an issuer for the benefit and protection of investors. In accordance with section 56 of the Act, a prospectus must provide "full, true and plain disclosure of all material facts relating to the securities issued or proposed to be distributed". The prospectus ensures that investors have sufficient information to ascertain risks involved with their investment and make informed decisions (*Re Al-Tar Energy Corp.* (2010), 33 O.S.C.B. 5535 ("***Al-Tar Energy***") at paras. 136-137, citing *Re First Global Ventures, S.A.* (2007), 20 O.S.C.B. 10473 at para. 145).

[95] The terms "trade" or "trading" are defined in subsection 1(1) of the Act as:

> **"trade"** or **"trading"** includes,
>
> (a) any sale or disposition of a security for valuable consideration, whether the terms of payment be on margin, instalment or otherwise
>
> […]
>
> (e) any act, advertisement, solicitation, conduct or negotiation directly or indirectly in furtherance of any of the foregoing;

[96] The inclusion of the word "indirectly" in the definition of "acts in furtherance", cited above in subsection 1(1)(e) of the Act, reflects an express legislative intention to capture conduct which seeks to avoid the registration requirement by doing indirectly that which is prohibited directly. The Commission has established that trading is a broad concept that includes any sale or disposition of a security for valuable consideration, including any act, solicitation, conduct or negotiation directly or indirectly in furtherance of such a sale or disposition. The Commission has found that a variety of activities constitute acts in furtherance of trades.

[97] Subsection 53(1) of the Act specifically contemplates inclusion of a trade by a person on his or her own behalf or on behalf of any other person or company.

[98] A "distribution" is defined in subsection 1(1) of the Act and includes "a trade in securities of an issuer that have not been previously issued."

2. Analysis and Findings

[99] Khodjaiants traded and Dubinsky acted in furtherance of trades in the securities of Asia Telecom and Pharm Control. It was admitted by Khodjaiants that he traded in the Trading Accounts. Documentary evidence supports the finding that those trades included trades of Asia Telecom and Pharm Control shares. Further, Dubinsky admitted that it was always her intention that Khodjaiants use her personal Trading Accounts for the purpose of effecting trades and that she signed and deposited the securities in furtherance of Khodjaiants's trading. In allowing her Trading Accounts to be a vehicle for trading and by assisting in the signature and deposit of the securities, Dubinsky acted in furtherance of trading Asia Telecom and Pharm Control securities.

[100] The trades by Khodjaiants were made on his own account and for his own benefit. Acts in furtherance of trades by Dubinsky were made on behalf of Khodjaiants. As Dubinsky admitted, the funds in the HSBC Account, acquired through trading of Issuer Respondent shares, belong to Khodjaiants.

[101] For the trades to constitute distributions of those securities they must not have been previously issued. The evidence adduced demonstrates that there was one cohesive distribution, which was implemented in various steps. The evidence supports a finding that Asia Telecom and Pharm Control were hijacked corporations through a fraudulent scheme. Part of the fraudulent scheme caused the hijacked corporations to issue new shares. The shares were issued in the name of Dubinsky, for the purpose of distribution to the public through their deposit into the Trading Accounts, which Khodjaiants controlled. There is

no evidence that a prospectus or preliminary prospectus was filed, nor a receipt issued by the Director in respect of the Asia Telecom or Pharm Control securities. I accept Gallacher's evidence that the Individual Respondents were participating in a liquidation of shares that had been issued by the Issuer Respondents, through Select American, for sale to the public.

[102] The evidence proves on a balance of probabilities that the Individual Respondents traded in or acted in furtherance of trades in Asia Telecom or Pharm Control securities, which constitute distributions of those securities, contrary to subsection 53(1) of the Act.

[103] I find that the Individual Respondents have contravened subsection 53(1) of the Act that their conduct in this regard was contrary to the public interest.

B. Did the Individual Respondents engage in conduct that resulted in or contributed to a misleading appearance of trading activity in, or artificial price for, a security, contrary to subsection 126.1(a) of the Act and contrary to the public interest?

1. The Law

[104] Subsection 126.1(a) of the Act sets out the market manipulation provision as follows:

> **126.1 Fraud and market manipulation** – A person or company shall not, directly or indirectly, engage or participate in any act, practice or course of conduct relating to securities or derivatives of securities that the person or company knows or reasonably ought to know,
>
> (a) results in or contributes to a misleading appearance of trading activity in, or an artificial price for, a security, derivative or underlying interest of a derivative […]

[105] Notably, both direct and indirect acts, practices or courses of conduct relating to securities, which "results in or contributes to" a misleading appearance of trading activity may constitute a contravention of subsection 126.1(a) of the Act. The conduct need not cause the misleading appearance of trading in its entirety. Instead, acts which "contribute to" a misleading appearance of trading may satisfy a finding that the respondent breached the provision, provided that it is also established that the respondent knew or reasonably ought to have known that his or her actions would lead to the misleading appearance.

2. Analysis and Findings

[106] I do not find that the Individual Respondents engaged in market manipulation for two reasons. First, I am not satisfied that Staff has discharged its burden to prove on a balance of probabilities that the Individual Respondents engaged in the conduct alleged in breach of subsection 126.1(a) of the Act. Second, the conduct that was proven by Staff supports findings of fraud in contravention of subsection 126.1(b) of the Act.

[107] Staff did not provide the Panel with legal authorities or factual analysis of the elements of market manipulation. I have no evidence of who bought the shares sold by the Individual Respondents or whether they were sold at a price that was artificially high. I have no evidence of uptick trades or matched trades, which could confirm that the Individual Respondents participated in market manipulation.

[108] Furthermore, in *R. v. Kienapple*, [1975] 1 S.C.R.729, the Supreme Court of Canada adopted the principle that there should not be multiple convictions for the same delict or conduct and that "If there is a verdict of guilty on the first count and the same or substantially the same elements make up the offence charged in a second count, the situation invites application of a rule against multiple convictions"(pp. 10 and 14). I will not make a finding that the Individual Respondents breached subsection 126.1(a) of the Act for market manipulation because the conduct that Staff relies upon is the same conduct which supports a finding that the Individual Respondents engaged in fraud, in breach of subsection 126.1(b) of the Act.

[109] For the reasons elaborated above, I make no findings with respect to allegations that Khodjaiants and Dubinsky participated in a course of conduct that they knew or reasonably ought to have known resulted in or contributed to a misleading appearance of trading activity in securities of the Issuer Respondents, contrary to subsection 126.1(a) of the Act.

C. Did the Individual Respondents engage in conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(b) of the Act and contrary to the public interest?

1. The Law

[110] Subsection 126.1(b) of the Act sets out the fraud provision as follows:

> **126.1 Fraud and market manipulation** – A person or company shall not, directly or indirectly, engage or participate in any act, practice or course of conduct relating to securities or derivatives of securities that the person or company knows or reasonably ought to know,
>
> […]
>
> (b) perpetrates a fraud on any person or company.

[111] It is well established, by previous Commission decisions, that the elements of fraud under subsection 126.1(b) of the Act are:

> … 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 21; *Al-Tar Energy Corp.* at paras. 216-221)

[112] In *Anderson v. British Columbia (Securities Commission)* (2004), 192 B.C.A.C. 119 (leave to appeal to the Supreme Court of Canada denied) ("***Anderson***"), the British Columbia Court of Appeal discussed the mental element of the fraud provision in the British Columbia *Securities Act*, R.S.B.C. 1996, c. 418, as amended (the "**BC Act**") and stated:

> … [the fraud provision of the BC Act] does not dispense with the requirement that there must be a fraud involved in the transaction, which requires a guilty state of mind.…[the fraud provision of the BC Act] simply widens the prohibition against participation in transactions to include participants who know or ought to know that a fraud is being perpetrated by others, as well as those who participate in perpetrating the fraud. It does not eliminate proof of fraud, including proof of subjective knowledge of the facts constituting the dishonest act, by someone involved in the transactions.
>
> (*Anderson*, *supra* at paras. 24 and 26)

As the fraud provision of the BC Act has identical operative language to section 126.1 of the [Ontario] Act, the Commission has adopted the analysis in *Anderson* in cases involving subsection 126.1(b) of the Act (*Al-Tar Energy*, *supra* at para. 218).

[113] The first element of the *actus reus* of fraud is the prohibited act, including an act of deceit, a falsehood or some other fraudulent means. The second element of the *actus reus* of fraud is deprivation. The element of deprivation may be satisfied by actual loss to the investor, prejudice to an investor's economic interest or the risk of prejudice to the economic interest of the investor (*Théroux*, *supra* at 15-16). Therefore, no actual economic loss is necessary for conduct to be found fraudulent.

[114] In respect of the mental element of fraud, the Commission is conscious that the legislature statutorily widened the scope of the prohibition against fraud by imposing liability where a respondent "reasonably ought to have known" that their conduct perpetrates a fraud. Subjective knowledge that a prohibited act could have as a consequence the deprivation of another is established when it is determined that the respondent "knowingly undertook the acts in question, aware that deprivation, or the risk of deprivation, could follow as a likely consequence" or was reckless as to the consequences (*Théroux*, *supra* at 20-21).

2. Analysis and Findings

[115] I find that there is cogent evidence that establishes on a balance of probabilities that the Individual Respondents engaged in conduct which they knew or ought to have known perpetrated a fraud. It is apparent from the brokerage records in evidence that share certificates of the Issuer Respondents were deposited by Dubinsky and traded by Khodjaiants in concert with the Eight Traders. I do not accept that the trading in concert was a coincidence, as proposed by Khodjaiants. Nor do I find Khodjaiants's testimony of how he and Dubinsky acquired the Issuer Respondents' shares to be credible. I found his explanation implausible and do not accept that an unidentified man at Pearson Airport provided him with, what the documentary evidence proves to be, over $1 million in shares for a $30,000 real estate investment that he made 10 years prior. Khodjaiants had no evidence to support his claim that he had entered into a contract with Oskov, did not know where the property was located and had no contact information for Oskov. Furthermore, Khodjaiants could not explain the discrepancy between the date he obtained the shares and the fact that the shares on their face were issued at later dates. I do not accept that the Issuer Respondent shares were acquired in the manner purported by Khodjaiants.

[116] I accept Staff's submissions that the following acts were deceitful, falsehoods or constitute other fraudulent means:

- opening trading accounts for the express purpose of selling significant quantities of Issuer Respondent shares;
- making statements on the Trading Account applications which were untrue or inaccurate, specifically with respect to Dubinsky's income, to enhance the likelihood that the application would be granted;
- depositing and selling the Issuer Respondent shares in concert with the Eight Traders to optimize the proceeds realized from sales; and
- selling shares in increasingly significant quantities to effectively liquidate the shares of certain hijacked companies, specifically Pharm Control and Asia Telecom securities.

[117] The uncontested evidence also shows that Khodjaiants participated in the trading of large volumes of Asia Telecom and Pharm Control shares, which resulted in the liquidation of those shares, including 25 percent of the total trading in securities of Asia Telecom from March 7 to 14, 2007 and 40 percent of the total trading in securities of Pharm Control from March 7 to 13, 2007. Khodjaiants admitted in his compelled testimony that he had experience trading in the past. As the trader, Khodjaiants knew he was embarking on this large scale liquidation of shares. As the signatory to the shares and person depositing share certificates totaling 62.4 million shares of Asia Telecom and 39 million shares of Pharm Control, Dubinsky contributed to the fraudulent trading activity. Dubinsky received the account statements which showed the trading activity and should have informed herself of the trading activity in her HSBC Account.

[118] The actions described above contributed to a scheme to defraud investors. The Individual Respondents' acceptance of the Issuer Respondents' share certificates, deposit of those shares and subsequent liquidation of them for no plausible reason can only be described as fraudulent conduct, which resulted in deprivation to investors.

[119] I accept Staff's arguments that the following is proof of the subjective awareness of the Individual Respondents:

- Khodjaiants directed Dubinsky to open the Trading Accounts in her own name, encouraged Dubinsky to make untrue and inaccurate statements on the RBC and HSBC application forms and controlled trading of Issuer Respondent shares in the Trading Accounts;
- Dubinsky knowingly opened the Trading Accounts in her name and made untrue and inaccurate statements on the applications to RBC and HSBC for the purpose of relinquishing control of the Trading Accounts to Khodjaiants;
- Dubinsky repeatedly endorsed and deposited share certificates with her name on them even though she had not purchased the shares and had no knowledge of them until Khodjaiants presented them to her;
- Khodjaiants repeatedly sold shares, which had been deposited around the same time and in the same denomination, in the same time frame as the Eight Traders;
- Khodjaiants admitted that the HSBC Account was opened when they were no longer able to use their RBC Account for trading; and
- Dubinsky and Khodjaiants deposited over one hundred million shares of Asia Telecom and Pharm Control into the HSBC Account and Khodjaiants subsequently engaged in a wholesale liquidation of them within days of the deposits.

[120] I find that Khodjaiants had subjective awareness that he and Dubinsky were undertaking dishonest acts which could and did put investors' financial interests at risk. Dubinsky ought to have known that her conduct in facilitation and acquiescence of Khodjaiants' trading could have as a consequence the placing of investors' financial interests at risk.

[121] Taken in the aggregate, the evidence shows that Dubinsky was reckless, wilfully blind and ought to have known that her deceitful actions could put investors' financial interests at risk. Khodjaiants deliberately coordinated his conduct with others and continued to engage in fraudulent liquidation of Issuer Respondent shares after RBC ceased to provide service to the Eight Traders. His explanation that he did research on share price does not assist the Panel as the evidence supports that the hijacked companies issued shares, which had no inherent value, and that Khodjaiants sold those shares as part of a scheme to defraud investors.

[122] I conclude that the Individual Respondents participated in acts which they knew or reasonably ought to have known perpetrated a fraud within the meaning of subsection 126.1(b) of the Act. Their conduct in this respect was contrary to the public interest.

VIII. CONCLUSION

[123] For the reasons given above, I conclude that:

(a) the Individual Respondents engaged in an illegal distribution of securities contrary to subsection 53(1) of the Act and contrary to the public interest; and

(b) the Individual Respondents engaged or participated in acts, practices or courses of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

[124] For the reasons outlined above, I will also issue an order dated September 13, 2013 which sets down the date for the hearing with respect to sanctions and costs in this matter.

Dated at Toronto this 13th day of September, 2013.

"Vern Krishna"

3.1.2 Louis Michael Kovacs

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

AND

IN THE MATTER OF
LOUIS MICHAEL KOVACS

SETTLEMENT AGREEMENT BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
and LOUIS MICHAEL KOVACS

PART I – INTRODUCTION

1. By Notice of Hearing dated September 16, 2013, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on September 19, 2013, 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 to make orders, as specified therein, against Louis Michael Kovacs ("Kovacs"). 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 September 16, 2013 (the "Statement of Allegations").

2. The Commission is issuing a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to section 127 of the Act, it is in the public interest for the Commission to approve this Settlement Agreement between Staff and Kovacs (the "Settlement Agreement"), and to make certain orders in respect of Kovacs.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by Notice of Hearing against Kovacs in accordance with the terms and conditions set out below. Kovacs consents to the making of an order against him in the form attached as Schedule "A" on the basis of the facts set out below.

PART III – AGREED FACTS

A. Background

4. Kovacs is the President, CEO and a Director of Harvest Portfolio Group Inc. ("HPG"). He is registered in the following categories with HPG:

(a) Ultimate Designated Person

(b) Chief Compliance Officer

(c) Permitted Individual

5. HPG is the Investment Fund Manager for a number of investment funds including Harvest Canadian Income and Growth Fund ("HCF").

6. HCF is a reporting issuer in Ontario. Kovacs is a Director and Officer of HPG, the manager and trustee to HCF.

7. From approximately May 31, 2010 to June 20, 2012, HCF was a closed-end investment fund with units listed on the Toronto Stock Exchange ("TSX"). After June 20, 2012, it was converted into an open-ended mutual fund.

8. From approximately May 31, 2010 to November 30, 2011 (the "Relevant Period"), HCF had warrants issued and outstanding for trading on the TSX where each warrant entitled the holder to purchase one HCF unit for $12.00 per unit. The warrants expired on November 30, 2011.

9. A third party acted as the Portfolio Manager for HCF.

(i) Normal Course Issuer Bid

10. In July, 2011, HPG announced that HCF intended to purchase up to 295,762 listed trust units of HCF and 299,007 warrants, which represented approximately 10% of the public float of HCF, for cancellation by way of a normal course issuer bid (the "NCIB"). The purchases pursuant to the NCIB were expected to commence on July 25, 2011 and to terminate on June 29, 2012 or such earlier date if HCF completed its purchases or provided notice of termination. The purpose of the NCIB for the units was to provide HCF with a mechanism to decrease the potential spread between the net asset value per unit and the market value of the trust units and to provide enhanced liquidity for the units. The purpose of the NCIB for the warrants was to provide HCF with a mechanism to decrease the dilution of the HCF's net asset value per unit upon the exercise of the warrants.

11. HPG had the third party Portfolio Manager set up an account at Dundee Securities Limited ("Dundee") through which the trades for the NCIB were conducted.

12. After the NCIB account was established at Dundee, HPG took over the responsibility of administering the NCIB directly from the third party Portfolio Manager sometime in 2010. In particular, Kovacs assumed sole responsibility of giving trade instructions to Dundee for the NCIB. He was the only person at HPG who gave trading instructions respecting the NCIB to the traders at Dundee responsible for the account.

(ii) Kovacs' Personal Account

13. During the Relevant Period, Kovacs held a trading account with RBC Direct Investing Inc. ("RBC-DI"). This was an order execution account in which Kovacs entered his own orders on-line which were automatically processed and routed to the TSX.

(iii) TSX Rules and Policy respecting NCIBs

14. According to TSX Sec. 629 Special Rules Applicable to NCIB and Policy 5.6, it is inappropriate for an issuer making an NCIB to abnormally influence the market price of its shares. Therefore, purchases made by issuers pursuant to a NCIB must not be transacted at a price which is higher than the last independent trade of a board lot of the class of shares which is the subject of the NCIB. An independent trade does not include a trade directly or indirectly for the account or under the direction of an insider of the issuer. As a result, HCF could not make purchases through the NCIB at a price which was higher than the last independently established sale price.

B. Kovacs Trading in RBC-DI and HCF Trading in the NCIB

15. Between August, 2011 and November, 2011 ('the Analysis Period'), there were repeated occasions when Kovacs entered bids and purchased units of HCF in his RBC-DI account which may have facilitated the NCIB purchases through the execution of two identified scenarios:

Passive Facilitation Scenario:

(a) Kovacs entered price-improving bids (usually one board lot) which narrowed the spread (particularly when there was no activity in the opening) which facilitated trading in general which was beneficial for the NCIB buying;

(b) usually, within a short period of time, the NCIB buy orders entered the market and traded at the price level established through Kovacs' passive facilitation.

Active Facilitation

(a) Kovacs transacted at a price at which the NCIB could buy volume from other offerors. When a sell order with volume entered the market at a price which was higher than the last independent trade of a board lot, Kovacs purchased a board lot from the new offer, thereby setting a new price at which the NCIB could trade but leaving volume;

(b) Dundee then purchased for the NCIB the remaining order volume at the zero plus price set by Kovacs' trade.

16. Kovacs did not disclose to Dundee his trading of HCF in his personal account at RBC-DI which facilitated the NCIB purchases.

17. Kovacs did not disclose his insider status to RBC-DI. As such, any orders entered for his account were not correctly identified as insider.

18. During the Relevant Time, Kovacs failed to file insider trading reports disclosing his trades as required by the Act.

C. Respondent's Position

(a) Respondent's Conduct Inadvertent

19. The Respondent states that his facilitation of the NCIB trades was inadvertent. He was unaware of the TSX rules which require NCIB trading to take place at the price of the last independent trade and prohibit an insider's trade from being considered as an independent trade. Kovacs states that the correlation between the NCIB trading and his personal trading was the result of habit and convenience. On many of the days that Kovacs made trades in his personal account, he was travelling outside the office on behalf of the fund. On those occasions, it was convenient for Kovacs and it became his habit to make purchases of a small number of units of HCF and then issue the trade instructions for the NCIB to the traders at Dundee.

20. The Respondent acknowledges that he failed to disclose his insider status to RBC-DI and to file his insider trading reports.

21. As a registrant, Kovacs acknowledges that he acted contrary to the public interest in facilitating the NCIB trading and contrary to Ontario securities law in failing to file his insider trading reports.

(b) Remedial Steps Taken by HPG

22. Kovacs' conduct in facilitating the NCIB trading was inadvertent and changes were made to prevent similar conduct at HPG. In order to ensure this conduct is not repeated, Kovacs has taken the following remedial steps to rectify any deficiencies in compliance procedures at HPG:

(i) the HPG Code of Ethics and Employee Handbook has been updated to include specific requirements regarding reporting of trades by insiders;

(ii) a NCIB policy for HPG has been drafted and shall be implemented; and

(iii) Kovacs on behalf of HPG has hired a new Chief Compliance Officer who will assume responsibility for compliance responsibilities at HPG and will also be responsible for issuing directions with respect to NCIB trades upon execution of this Settlement Agreement

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

23. By engaging in the conduct described above, Kovacs admits and acknowledges that he acted contrary to the public interest by facilitating the NCIB through trading in his personal account with RBC-DI and that he acted contrary to Ontario securities law by failing to file his insider trading reports in breach of subsection 107(1) of the Act.

PART V – TERMS OF SETTLEMENT

24. Kovacs agrees to the terms of settlement listed below.

25. The Commission will make an order, pursuant to subsection 127(1), subsection 127(2) and section 127.1 of the Act, that:

(a) the Settlement Agreement is approved;

(b) a term and condition shall be imposed on Kovacs' registration that all of his personal trades be pre-cleared by the Chief Compliance Officer of Harvest Portfolio Group, who shall be a person other than Kovacs, for a period of one year following the date of approval of the Settlement Agreement;

(c) for his failure to file insider trading reports contrary to Ontario securities law, Kovacs shall pay an administrative penalty in the amount of $10,000 to the Commission which amount will be designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act; and

(d) Kovacs shall pay the costs of the Commission's investigation in the amount of $5,000;

PART VI – STAFF COMMITMENT

26. For his conduct contrary to the public interest in facilitating the NCIB trading contrary to the Rules and Policies of the TSX, Kovacs undertakes to make a voluntary payment in the amount of $15,000 to the Commission which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act.

27. Kovacs agrees to make any payments agreed to or ordered above by certified cheque or bank draft payable to the Ontario Securities Commission upon the Commission approving the Settlement Agreement.

28. Kovacs shall satisfy the payments agreed to or ordered above personally and shall not be reimbursed for, or receive a contribution toward, the payments from any other person or company.

29. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Kovacs in relation to the facts set out in Part III herein, subject to the provisions of paragraph 30 below.

30. If this Settlement Agreement is approved by the Commission, and at any subsequent time Kovacs fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Kovacs based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

31. Approval of this Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and Kovacs for the scheduling of the hearing to consider the Settlement Agreement.

32. Staff and Kovacs agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding their conduct, unless the parties agree that further facts should be submitted at the settlement hearing.

33. If this Settlement Agreement is approved by the Commission, Kovacs agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

34. If this Settlement Agreement is approved by the Commission, none of the parties shall make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.

35. Whether or not this Settlement Agreement is approved by the Commission, Kovacs agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

36. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

(a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Kovacs leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and Kovacs; and

(b) Staff and Kovacs shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

37. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of Staff and Kovacs or as may be required by law.

PART IX – EXECUTION OF SETTLEMENT AGREEMENT

38. This Settlement Agreement may be signed on one or more counterparts which together will constitute a binding agreement.

39. A facsimile copy of any signature will be as effective as an original signature.

Signed in the presence of:

"Mary Medeiros"
Witness

"Michael Kovacs"
Michael Kovacs

Dated this 16th day of September, 2013

STAFF OF THE ONTARIO SECURITIES COMMISSION
"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch

Dated this 16th day of September, 2013.

Schedule "A"

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

AND

IN THE MATTER OF
LOUIS MICHAEL KOVACS

ORDER
(Subsections 127(1) and 127(2) and Section 127.1)

WHEREAS on September 16, 2013, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 (the "Notice of Hearing") of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") and Staff of the Commission ("Staff") filed a statement of allegation dated September 16, 2013 (the "Statement of Allegations") in respect of Louis Michael Kovacs ("Kovacs");

AND WHEREAS Kovacs entered into a Settlement Agreement with Staff dated September 16, 2013 (the "Settlement Agreement") in which Kovacs and Staff agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS the Commission has reviewed the Notice of Hearing, the Statement of Allegations and the Settlement Agreement and has heard submissions from Staff and counsel for Kovacs;

AND WHEREAS Kovacs has entered into an undertaking as part of the Settlement Agreement whereby he shall make a voluntary payment to the Commission in the amount of $15,000, which will be designated for allocation or for use by the Commission in accordance with subsection 3.4(2)(b) of the Act;

AND WHEREAS Kovacs has provided to Staff certified cheques in full payment of all monetary amounts provided and described in this Order including the above–described voluntary payments;

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 subsection 127(2) of the Act, a term and condition shall be imposed on Kovacs' registration that all of his personal trades be pre-cleared by the Chief Compliance Officer of Harvest Portfolio Group, who shall be a person other than Kovacs, for a period of one year following the date of approval of the Settlement Agreement;

(c) the voluntary payment of $15,000 made to the Commission by Kovacs is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act;

(d) pursuant to paragraph 9 of subsection 127(1) of the Act, Kovacs shall pay an administrative penalty in the amount of $10,000 to the Commission which is designated for allocation or use by the Commission in accordance with section 3.4(2)(b) of the Act; and

(e) pursuant to section 127.1 of the Act, Kovacs shall pay the costs of the Commission's investigation in the amount of $5,000.

DATED AT TORONTO this _____ day of September, 2013.

_____
Edward Kerwin

3.1.3 Eda Marie Agueci et al.

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

AND

IN THE MATTER OF
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

SETTLEMENT AGREEMENT
BETWEEN
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND IAN TELFER

PART I – INTRODUCTION

1. The Ontario Securities Commission (the "**Commission**") issued a Notice of Hearing on February 7, 2012 (the "**Notice of Hearing**") to announce that it would hold a hearing to consider, among other things, 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 Ian Telfer (the "**Telfer**") and others.

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission ("**Staff**") agree to recommend settlement of the proceeding commenced by the Notice of Hearing (the "**Proceeding**") against Telfer according to the terms and conditions set out in Part VI of this settlement agreement (the "**Settlement Agreement**"). Telfer agrees 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, Telfer agrees with the facts set out in this Part III of this Settlement Agreement and the conclusion in Part V of this Settlement Agreement.

Telfer

4. Telfer is a sophisticated business person with over 30 years of experience participating in and supporting Canada's capital markets as, among other things, a senior officer and/or director of over a dozen publicly traded companies and private companies, an investor, and a Chartered Accountant since 1977. Over his career Telfer has participated in many complex corporate transactions in Canada.

5. Telfer is a sophisticated investor with substantial experience participating in and/or directing corporate transactions in Canada such as mergers, acquisitions, take-overs, reorganizations and plans of arrangement.

6. Telfer has substantial experience using corporate finance advisory services and was at all material times aware that key risks surrounding corporate finance activity included concerns regarding violation of insider trading rules, maintaining and enforcing confidentiality barriers such as ethical walls, and maintaining and enforcing trading barriers such as grey lists and restricted lists.

7. Throughout his career, Telfer has been aware of the regulatory regime applicable to Ontario's capital markets, and he was aware of the high standards of conduct required of him and others as market participants, particularly when holding senior positions such as he has held.

8. Telfer was also aware of the high standards of conduct required of him and others pursuant to various codes of conduct applicable for market participants and officers and directors of public companies.

9. During the material time Telfer was a significant shareholder of and consultant to Gold Wheaton Gold Corp. ("**Gold Wheaton**") and its predecessors Kadywood Capital Corp. and 222 Pizza Express Corp. (now Franco-Nevada GLW Holdings Corp.).

Agueci and GMP

10. Throughout the material time Telfer was aware that Eda Marie Agueci ("**Agueci**"), a co-respondent in the Proceeding, was subject to securities compliance requirements given her position at GMP Securities L.P. ("**GMP**") as executive assistant to the Chairman, and her access to confidential information. Telfer and Agueci were friends over more than 20 years.

11. Telfer has had a professional relationship with GMP for over 10 years. As such, throughout the material time, Telfer was aware that:

    a. GMP is a full-service investment dealer with offices in Toronto, Montreal and Calgary, as well as the United States, Europe and Australia, and a registrant in Ontario; and

    b. all GMP email communications of employees, including Agueci, were kept and stored on GMP servers. He was aware that these emails could be monitored by GMP's compliance department.

Regulatory Framework

12. Throughout the material time Telfer was aware of the regulatory regime of Ontario's capital markets, and he was aware of the high standards of conduct required of him and others as market participants, particularly given the senior positions he held. Telfer acknowledges and was aware that:

    a. the purposes of the Act are to (a) provide protection to investors from unfair, improper or fraudulent practices, and (b) foster fair and efficient capital markets and confidence in capital markets (see section 1.1 of the Act);

    b. fundamental to achieving the purposes of the Act are, inter alia, restrictions on fraudulent and unfair market practices and procedures, and requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants (see subsections 2.1(2)(ii) and (iii) of the Act);

    c. the Commission has published guidelines for policies and procedures concerning inside information which state, *inter alia*, that registrants should ensure that appropriate written policies and procedures for business activities of the registrant be adopted, maintained and enforced to contain and restrict access to inside information, and includes guidance concerning policies and procedures to restrict trades, including the use of grey and restricted lists (see OSC Policy 33-601 – *Guidelines for Policies and Procedures Concerning Inside Information*);

    d. registered firms must establish, maintain and apply policies and procedures which establish a system of controls and supervision sufficient to: (a) provide reasonable assurances that the firm and each individual acting on its behalf complies with securities legislation, (b) manage the risks associated with its business in accordance with prudent business practices, and (c) keeps records which demonstrate the extent of the firm's compliance with applicable requirements of securities legislation (see National Instrument 31-103 – *Registration Requirements, Exemptions and Ongoing Registrant Obligations*); and

    e. the Commission has published guidelines on corporate governance including adopting codes of business conduct and ethics by reporting issuers to promote integrity and deter wrongdoing (see National Instrument 58-201 – *Corporate Governance Guidelines*).

Code of Conduct

13. In his role as a director of reporting issuers, Telfer was from time to time required to certify, and he did certify, that he had read the respective companies' codes of conduct and that he would conduct himself in accordance with their terms, all of which were substantially similar.

14. For example, one such code of conduct provided, *inter alia*, that:

    - "It is the responsibility of every [Company] employee, officer and director to read and understand the Code. Individuals must comply with the Code in both letter and spirit. Ignorance of the Code will not excuse individuals from its requirements.

…

- Never engage in behaviour that harms the reputation of [the Company].

…

- Each employee, officer and director must at all times comply fully with applicable law and should avoid any situation that could be perceived as improper, unethical or indicate a casual attitude towards compliance with the law.

…

- No employee, officer or director shall create or condone the creation of a false record. No employee shall destroy or condone the destruction of a record, except in accordance with Company policies."

Advising Agueci to use Blackberry PIN messages instead of email

15. In and about January 2008, Telfer advised Agueci to use Blackberry PIN messages instead of email.

16. On January 29, 2008, Telfer advised Agueci in an email as follows:

Go to the "wrench" on the homescreen and click on "status" Send me the #. On my address beside the pin: [pin number] Instead of emailing. Use pin with very close friends. Messages don't go to the gmp server. They go straight to blkberry.

17. The use of Blackberry PIN messages is a technique which Telfer now understands that Agueci subsequently used to communicate with others in relation to trading securities.

18. Agueci on occasion asked Telfer via Blackberry PIN messages about companies in which she was invested. Agueci and Telfer also discussed via Blackberry PIN messages Agueci's investment in a company for which he was Chairman.

19. Telfer acknowledges that irrespective of his reasoning for using Blackberry PIN messaging from time to time, it was not proper of him to advise someone working for a registrant such as Agueci to use Blackberry PIN messages where those messages would not be monitored. At the time, Telfer had no knowledge of how Agueci used her Blackberry to communicate with others and he had no knowledge of Agueci's other conduct as alleged in the Statement of Allegations.

20. From time to time Telfer and Agueci exchanged updated PIN numbers.

Non-disclosure of the beneficial ownership of shares

21. In April 2008, Telfer provided Agueci with the opportunity to purchase 500,000 common shares in a private share transaction in 222 Pizza Express Corp. ("**222 Pizza**"). 222 Pizza was a shell company listed on the NEX board of the TSX Venture Exchange.

22. Telfer advised Agueci that the 222 Pizza shares should not be purchased in her name. During the discussion Telfer and Agueci agreed that Agueci's brother in law, Santo Iacono ("**Iacono**"), would instead purchase the 222 Pizza shares.

23. As agreed, Iacono purchased the 222 Pizza shares in his name for $5,000. Telfer now understands that Iacono deposited the 222 Pizza shares in a brokerage account held jointly by him and his wife.

24. At the time of the transfer, Telfer knew that Agueci had disclosure obligations and trading restrictions as an employee of GMP. Telfer knew that Agueci was prohibited from engaging in undisclosed securities transactions.

25. Prior to the transfer of 222 Pizza shares to Iacono's account, Telfer corresponded directly with Iacono and other investors, and advised them of particulars of the transfer and emphasized that they should "keep this confidential".

26. Subsequent to the transfer of 222 Pizza shares to Iacono's account, 222 Pizza went through a corporate reorganization, investment in gold stream royalty agreements, and the renaming of 222 Pizza to Kadywood Capital Corp. and then Gold Wheaton.

27. Telfer now understands that:

    a. the 222 Pizza shares were sold in Iacono's account and ultimately yielded a return of over $500,000;

    b. Agueci used those proceeds to, among other things, direct trading in Iacono's account in securities of other issuers that were then listed on GMP's grey or restricted list;

    c. in or about the same time as the purchase of 222 Pizza shares, Agueci purchased and sold shares of Kadywood/Gold Wheaton in her brokerage accounts at GMP and TD Waterhouse which were monitored by GMP compliance. The sale of these shares in Agueci's GMP and TD Waterhouse accounts yielded a return of over $71,000; and

    d. Iacono subsequently transferred funds from his account to Agueci or on her behalf, at her request, frequently in allotments of under $10,000, which had the effect of avoiding regulatory detection. Telfer further understands that approximately $200,000 was paid to/for Agueci in this manner.

28. Telfer acknowledges that if Agueci's interest in or trading authority over the 222 Pizza shares in Iacono's account had been disclosed to GMP, that GMP's compliance department would have been able to monitor trading in that undisclosed account, just as they monitored trading in Kadywood/Gold Wheaton shares in Agueci's GMP and TD Waterhouse accounts, to ensure that Agueci was not conducting trades inappropriately.

29. Telfer's agreement with Agueci, a person with securities transaction reporting obligations, to have another name associated with the private share transaction of 222 Pizza shares, resulted in a transaction in which the beneficial owner of the shares was not disclosed. Telfer ought to have known there was a real risk that Agueci might have a beneficial interest in those shares that was not monitored by GMP, as required.

PART IV – RESPONDENT'S POSITION

30. Telfer requests that the settlement hearing panel consider the following mitigating circumstances. Telfer states that:

    a. he has been and is fully supportive of the regulatory regime applicable to Ontario's capital markets and the high standards of conduct required of him and others as market participants, particularly when holding senior positions such as he has held;

    b. he has and does fully support ensuring that all necessary and proper steps are taken in corporate financial activity that he is involved in to minimize as much as possible the risks surrounding that activity;

    c. in his experience it is not uncommon for people to ask if another member of their family can subscribe for shares in private offering situations. Telfer has started numerous companies in this fashion and has offered a number of people the opportunity to invest in such companies in his efforts to raise capital and promote business in Canada. Some of these companies succeeded and some did not; and

    d. at all material times he believed that his conduct was proper, but acknowledges that in hindsight his conduct fell below the standards required of him as a senior market participant, and that this conduct was contrary to the public interest.

PART V – CONDUCT CONTRARY TO THE PUBLIC INTEREST

31. Telfer's conduct as outlined above fell below the standard expected from someone in Telfer's position, particularly given his extensive experience in the capital markets industry.

32. Consequently, Telfer's conduct was contrary to the public interest.

PART VI – TERMS OF SETTLEMENT

33. Telfer agrees to the terms of settlement set out below.

34. The Commission will make an order pursuant to subsection 127(1) and section 127.1 of the Act that:

    (a) this Settlement Agreement shall be approved;

    (b) pursuant to paragraph 6 of subsection 127(1) of the Act, Telfer shall be reprimanded; and

(c) pursuant to subsection 127.1(1) of the Act, Telfer shall within thirty days of this Settlement Agreement being approved pay $200,000 towards the costs of Staff's investigation.

35. Telfer undertakes not to seek or accept indemnification from any person, company, or other legal entity in respect of the costs ordered to be paid in subparagraph (c) of paragraph 34 of this Settlement Agreement.

36. Telfer undertakes not to, directly or indirectly, trade, or arrange for trading by others, in securities of issuers for which he is a promoter, as defined in subsection 1(1) of the Act, for a period of one year from the date of the approval of this Settlement Agreement. Telfer confirms that he is not currently a promoter of any reporting issuer in Canada. For greater clarity, the undertaking does not prevent Telfer from acquiring securities of issuers for which he is a promoter.

PART VII – STAFF COMMITMENT

37. If this Settlement Agreement is approved by the Commission, Staff will not commence any other proceeding under the Act against Telfer under Ontario securities law respecting the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 38 below.

38. If the Commission approves this Settlement Agreement and Telfer fails to comply with any of the terms of this Settlement Agreement, Staff may bring proceedings under Ontario securities law against Telfer. 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 this Settlement Agreement.

PART VIII – PROCEDURE FOR APPROVAL OF SETTLEMENT

39. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission according to the procedures set out in this Settlement Agreement and the Commission's *Rules of Procedure* 2012, 35 OSCB 10071.

40. Staff and Telfer agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on Telfer's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

41. If this Settlement Agreement is approved by the Commission, Telfer agrees to waive all of his rights to a full hearing, judicial review or appeal of the matter under the Act.

42. 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.

43. Whether or not the Commission approves this Settlement Agreement, Telfer 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 IX – DISCLOSURE OF SETTLEMENT AGREEMENT

44. 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 Telfer before the settlement hearing takes place will be without prejudice to Staff and Telfer; and

b. Staff and Telfer will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations contained in the Statement of Allegations issued February 7, 2012. Any proceedings, remedies and challenges will not be affected by this Settlement Agreement, or by any discussions or negotiations relating to this agreement.

45. All parties will keep the terms of this 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 this Settlement Agreement, all parties must continue to keep the terms of this Settlement Agreement confidential, unless they agree in writing not to do so or if required by law.

PART X – EXECUTION OF SETTLEMENT AGREEMENT

46. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

47. A facsimile or electronic copy of any signature shall be as effective as an original signature.

DATED this 17th day of September, 2013.

"Kevin Richard"
Witness
(print name: "Kevin Richard")

"Ian Telfer"
Ian Telfer

"Tom Atkinson"
Tom Atkinson
Director, Enforcement Branch
Ontario Securities Commission

SCHEDULE "A"

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

AND

IN THE MATTER OF
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

ORDER
(Subsections 127(1) and Section 127.1)

(Settlement with Ian Telfer)

WHEREAS on February 7, 2012, Staff of the Ontario Securities Commission ("**Staff**" and the "**Commission**") issued a Notice of Hearing (the "**Notice of Hearing**") pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") in respect of Mr. Ian Telfer (the "**Respondent**") in regards to conduct that occurred between January 2008 and March 2011 (the "**Material Time**");

AND WHEREAS Telfer and Staff entered into a settlement agreement (the "**Settlement Agreement**") in which they agreed to a settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS Telfer has undertaken not to:

a. seek or accept indemnification or reimbursement from any person, company, or other legal entity in respect of the costs payable in this Order; and

b. directly or indirectly, trade, or arrange for trading by others, in securities of issuers for which he is a promoter, as defined in subsection 1(1) of the Act, for a period of one year from the date of this Order. For greater clarity, the undertaking does not prevent Telfer from acquiring securities of issuers for which he is a promoter.

AND UPON reviewing the Settlement Agreement and the Notice of Hearing, and upon hearing submissions from counsel for Telfer and from counsel for Staff;

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

IT IS ORDERED THAT:

1. the Settlement Agreement is hereby approved;

2. pursuant to paragraph 6 of subsection 127(1) of the Act, Telfer is hereby reprimanded; and

3. pursuant to subsection 127.1(1) of the Act, Telfer shall within thirty days of this Settlement Agreement being approved pay $200,000 towards the costs of Staff's investigation.

DATED at Toronto this _____ day of September, 2013.

_____

3.1.4 Beryl Henderson

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

AND

IN THE MATTER OF
BERYL HENDERSON

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 section 127 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 Beryl Henderson (the "Respondent").

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 30, 2012 (the "Proceeding") against the Respondent according to the terms and conditions set out below in this agreement (the "Settlement Agreement"). The Respondent agrees 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 Respondent agrees with the facts as set out in Part III of this Settlement Agreement.

Overview

4. During the period from September 21, 2004 to October 31, 2006 (the "Relevant Period"), the Respondent and her agent sold at least $474,000.00 in trust agreements to at least six investors in Ontario.

5. The trust agreements purported to evidence the purchase of shares in Go Sports Entertainment Inc. ("Go Sports"), a Nevada corporation.

6. The Respondent engaged in fraudulent conduct by misleading the investors about the nature of their investment, her investment expertise and background, the expected returns on the investment and the risk level associated with the investment.

7. Each of the trust agreements is a security as defined in clauses (g) and (n) of subsection 1(1) of the Act.

8. The Respondent is an Ontario resident.

9. The Respondent has never been registered to trade in securities in Ontario.

10. Go Sports was not a reporting issuer during the Relevant Period. No preliminary prospectus or prospectus was filed, nor were receipts issued by the Director during the Relevant Period.

The Fraudulent Scheme

11. During the Relevant Period, the Respondent and her agent solicited investors and sold them trust agreements.

12. Each of the trust agreements stated that the shares referred to therein initially would be purchased in the name of the Respondent or in the name of the agent, and that once the share certificates had been issued and received by the Respondent or the agent, the shares referred to in the trust agreements would be transferred to an account in the name of the investor. None of the investors ever received any shares.

13. The Respondent represented to certain investors that their investments would be used to build hospitals in Dubai or elsewhere, or to fund a goldmine in Dubai, yet their trust agreements referenced shares in Go Sports. There is no

evidence that either the Respondent or Go Sports was involved in financing hospitals or goldmines in Dubai or elsewhere.

14. The Respondent represented to certain investors that they would earn a double or triple return on their investment in several months.

15. After the Respondent received payments from certain investors, various lifestyle-related withdrawals from the same bank account were noted shortly after deposits of investor funds were made.

16. As time transpired and investors received no return on their investments, the Respondent provided various explanations for the delay, including a real estate development in the Middle East which had been set back by political unrest.

17. The investors ultimately lost all of the funds they invested with the Respondent.

18. The Respondent directly or indirectly engaged in or participated in an act, practice or course of conduct relating to securities which she knew, or reasonably ought to have known, perpetrated a fraud on investors, contrary to subsection 126.1(b) of the Act.

The Related Criminal Proceeding

19. By information dated January 2011, pursuant to the *Criminal Code*, R.S.C. 1985, c. C-46 ("Criminal Code"), as amended, the Respondent was charged with 13 counts of fraud over $5,000 contrary to paragraph 380(1)(a) of the Criminal Code for "by deceit, falsehood, or other fraudulent means" defrauding the named investors of a sum greater than $5,000 by using their money for a purpose not specified in the trust agreement; and one count of using property with the intent to conceal or convert the property knowing that some or all of it was obtained as a result of the commission of an offence in Canada contrary to subsection 462.31(1) of the Criminal Code.

20. On April 10, 2012, the Respondent entered a plea of guilty to counts one and six on the information, in respect of the sale of trust agreements to four investors (two couples), constituting two counts of fraud over $5,000 contrary to paragraph 380(1)(a) of the Criminal Code (the "first guilty plea").

21. Subsequent to the first guilty plea, the Respondent was charged with an additional two counts of fraud over $5,000 contrary to paragraph 380(1)(a) of the Criminal Code for selling trust agreements to two additional investors.

22. On November 13, 2012, the Respondent entered a plea of guilty to the additional two counts of fraud over $5,000 contrary to paragraph 380(1)(a) of the Criminal Code (the "second guilty plea").

23. On May 30, 2013, Madame Justice Lise Maisonneuve of the Ontario Court of Justice (East Region) sentenced the Respondent in respect of both the first and the second guilty pleas. The Respondent was sentenced to 12 months house arrest, three years probation and, pursuant to section 738 of the Criminal Code, restitution orders for all victims in the amount of $474,000.00.

STAFF'S POSITION

24. Staff is content to settle with the Respondent without an administrative penalty in these circumstances given that the Respondent is subject to criminal penalties, one of which is to make full restitution in the amount of $474,000.00 to all victims, and that any administrative penalty may affect her ability to make such restitution.

RESPONDENT'S POSITION

25. Of the $474,000.00 that Ms. Henderson received from investors, she has provided partial restitution to each investor, totalling $205,751.73.

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

26. By engaging in the conduct described above, the Respondent admits and acknowledges that she contravened Ontario securities law during the Relevant Period in the following ways:

    (a) The Respondent traded in securities without being registered to trade in securities contrary to paragraph 25(1)(a) of the Act as it existed at the time, and contrary to the public interest;

(b) The Respondent conducted in an illegal distribution contrary to subsection 53(1) of the Act, and contrary to the public interest; and

(c) The Respondent engaged or participated in acts, practices or a course of conduct relating to securities that they knew or reasonably ought to have known perpetrated a fraud on persons or companies, contrary to subsection 126.1(b) of the Act and contrary to the public interest.

PART V – TERMS OF SETTLEMENT

27. The Respondent agrees to the terms of settlement listed below.

28. The Commission will make an order pursuant to subsection 127(1) of the Act that:

(a) The settlement agreement is approved.

(b) Pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, that the acquisition of and trading in any securities by the Respondent shall cease permanently;

(c) Pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law shall not apply permanently to the Respondent.

(d) Pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act that the Respondent shall immediately resign from any position she holds as a director or officer of any issuer, registrant or investment fund manager.

(e) Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act that the Respondent shall be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager.

(f) Pursuant to clause 8.5 of subsection 127(1) of the Act that the Respondent shall be prohibited permanently from becoming or acting as a registrant, an investment fund manager or as a promoter.

29. Notwithstanding the provisions of paragraph 28 herein, once the Respondent has fully satisfied the court order that she make full restitution in the amount of $474,000.00 to all victims, the Respondent shall be permitted to acquire and trade securities for the account of her registered retirement savings plans 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, (such dealer must in any event be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101, provided that she 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.

30. The Respondent undertakes to consent to a regulatory order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the sanctions set out in sub-paragraphs 28 (a) to (g) above. These prohibitions may be modified to reflect the provisions of the relevant provincial or territorial securities law.

PART VI – STAFF COMMITMENT

31. If the Commission approves this Settlement Agreement, Staff will not commence any proceeding under Ontario securities law against the Respondents in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 30 below.

32. If the Commission approves this Settlement Agreement and, at any subsequent time the Respondent fails to comply with any of the terms of the Settlement Agreement, Staff may bring proceedings under Ontario securities law against the Respondent. 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.

PART VII – PROCEDURE FOR APPROVAL OF SETTLEMENT

33. The parties will seek approval of this Settlement Agreement at a public hearing before the Commission scheduled for September 18, 2013, or on another date agreed to by Staff and the Respondent, according to the procedures set out in this Settlement Agreement and the Commission's Rules of Practice.

34. Staff and the Respondent agree that this Settlement Agreement will form all of the agreed facts that will be submitted at the settlement hearing on the Respondent's conduct, unless the parties agree that additional facts should be submitted at the settlement hearing.

35. If the Commission approves this Settlement Agreement, the Respondent agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

36. If the Commission approves this Settlement Agreement, neither party will make any public statement that is inconsistent with this Settlement Agreement or with any additional agreed facts submitted at the settlement hearing.

37. Whether or not the Commission approves this Settlement Agreement, the Respondent will not use, in any proceeding, this Settlement Agreement or the negotiation or process of approval of this Settlement 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

38. 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 Respondent before the settlement hearing takes place will be without prejudice to Staff and the Respondent; and

    (b) Staff and the Respondent 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 Settlement Agreement.

39. 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

40. The parties may sign separate copies of this agreement. Together, these signed copies will form a binding agreement.

41. A fax copy of any signature will be treated as an original signature.

Dated this 23rd day of August, 2013.

"Beryl Henderson"
Respondent

"Michel Doucet"
Witness

"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
BERYL HENDERSON

ORDER

WHEREAS on March 30, 2012, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") in relation to a Statement of Allegations filed by Staff of the Commission ("Staff") on March 30, 2012 with respect to Beryl Henderson ("Henderson");

AND WHEREAS in related criminal proceedings, Henderson pled guilty to four counts of fraud over $5,000 contrary to subsection 380(1)(a) of the *Criminal Code*, R.S.C. 1985, c. C-46, as amended and was sentenced on May 30, 2013 to a conditional sentence of 12 months' house arrest, three years' probation and an order that she make full restitution for all victims in the amount of $474,000;

AND WHEREAS Henderson has provided partial restitution to investors, totalling $205,751.73;

AND WHEREAS Henderson entered into a Settlement Agreement dated August 23, 2013, (the "Settlement Agreement") in relation to the matters set out in the Statement of Allegations;

AND WHEREAS the Commission issued a Notice of Hearing dated September 13, 2013, setting out that it proposed to consider the Settlement Agreement;

AND UPON reviewing the Settlement Agreement, the Notice of Hearing, the Statement of Allegations, and upon considering submissions from Henderson through her counsel and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) The settlement agreement is approved.

(b) Pursuant to clause 2 and 2.1 of subsection 127(1) of the Act, that the acquisition of and trading in any securities by Henderson shall cease permanently, with the exception that once Henderson has fully satisfied the court order that she make full restitution in the amount of $474,000.00 to all victims, she shall be permitted to acquire and trade securities for the account of her registered retirement savings plans 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, (such dealer must in any event be given a copy of this Order) in (a) any "exchange-traded security" or "foreign exchange-traded security" within the meaning of National Instrument 21-101 provided that she does not own beneficially or exercise control or direction over more than 5 percent of the voting or equity securities of the issuer(s) of any such securities, or (b) any security issued by a mutual fund that is a reporting issuer.

(c) Pursuant to clause 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law shall not apply permanently to Henderson.

(d) Pursuant to clauses 7, 8.1 and 8.3 of subsection 127(1) of the Act that Henderson shall immediately resign from any position she holds as a director or officer of any issuer, registrant or investment fund manager.

(e) Pursuant to clauses 8, 8.2 and 8.4 of subsection 127(1) of the Act that Henderson shall be prohibited permanently from becoming or acting as a director or officer of any issuer, registrant or investment fund manager.

(f) Pursuant to clause 8.5 of subsection 127(1) of the Act that Henderson shall be prohibited permanently from becoming or acting as a registrant, an investment fund manager or as a promoter.

DATED at Toronto, Ontario this _____ day of _____, 2013.

_____
James E. A. Turner

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
Beacon Acquisition Partners Inc.	11 Sept 13	23 Sept 13	23 Sept 13	
GAR Limited	24 Jun 98	06 Jul 98	06 Jul 98	18 Sept 13
Northern Lights Resources Corp.	12 Sept 13	24 Sept 13	24 Sept 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
Strike Minerals Inc.	19 Sept 13	01 Oct 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
Strike Minerals Inc.	19 Sept 13	01 Oct 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
08/29/2013	20	Aegean Metals Group Inc. - Units	444,216.60	4,442,166.00
09/04/2013	22	African Gold Group, Inc. - Units	1,500,019.92	21,428,856.00
09/10/2012	1	Alexandria Minerals Corporation - Common Shares	350,000.00	3,500,000.00
08/09/2013	13	Alphinat Inc. - Debentures	810,358.00	13.00
08/30/2013	1	AlpInvest Secondaries Fund (Offshore Feeder) V, L.P. - Limited Partnership Interest	158,295,000.00	N/A
08/27/2013 to 09/05/2013	11	Anconia Resources Corp. - Units	1,439,288.00	12,269,066.00
08/26/2013	6	AndeanGold Ltd. - Units	175,000.00	3,500,000.00
03/01/2013	6	Barclays Bank PLC - Notes	1,500,000.00	6.00
03/18/2013	5	Barclays Bank PLC - Notes	800,000.00	5.00
03/20/2013	1	Barclays Bank PLC - Notes	513,375.00	513.00
04/04/2013 to 04/05/2013	4	Barclays Bank PLC - Notes	350,000.00	4.00
05/15/2013	1	Barclays Bank PLC - Notes	300,000.00	1.00
05/03/2013	4	Barclays Bank PLC - Notes	600,000.00	4.00
08/23/2013	3	Barclays Bank PLC - Notes	650,000.00	N/A
12/28/2012	17	BCGOLD CORP. - Flow-Through Shares	297,500.00	5,950,000.00
09/10/2009	17	BCGold Corp. - Units	297,500.00	5,350,000.00
01/31/2013 to 02/06/2013	7	BNP Paribas Arbitrage Issuance B.V. - Certificates	850,000.00	7.00
03/05/2013	3	BNP Paribas Arbitrage Issuance B.V. - Certificates	450,000.00	3.00
05/15/2013 to 05/17/2013	8	BNP Paribas Arbitrage Issuance B.V. - Certificates	1,675,000.00	8.00
03/06/2013	1	BNP Paribas Arbitrage Issuance B.V. - Certificates	513,375.00	5,000.00
01/16/2013 to 01/22/2013	16	BNP Paribas Arbitrage Issuance B.V. - Certificates	2,084,507.85	20,302.00
04/04/2013	1	BNP Paribas Arbitrage Issuance B.V. - Certificates	36,452.91	360.00
02/15/2013	1	BNP Paribas Arbitrage Issuance B.V. - Certificates	530,070.00	4,000.00
01/31/2013 to 02/06/2013	6	BNP Paribas Arbitrage Issuance B.V. - Certificates	872,737.50	8,500.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
03/18/2013	1	BNP Paribas Arbitrage Issuance B.V. - Notes	529,280.00	5,000.00
04/19/2013	3	BNP Paribas Arbitrage Issuance B.V. - Certificates	500,000.00	3.00
09/03/2013	8	Boyd Group Income Fund - Trust Units	2,078,792.00	83,721.00
09/01/2013	17	California Gold Mining Inc. - Units	793,000.00	15,860,000.00
09/04/2013	24	Canadian Coyote Energy Trust - Trust Units	602,529.00	602,529.00
08/21/2013	1	Canadian Imperial Venture Corp. - Common Shares	12,500.00	500,000.00
03/30/2013 to 08/01/2013	4	Carlyle Strategic Partners III L.P. - Limited Partnership Interest	50,131,500.00	N/A
08/01/2013	4	Carlyle Strategic Partners III L.P. - Units	25,845,000.00	N/A
09/06/2013	1	Castle Mountain Mining Company Limited (formerly Foxpoint Capital Corp.) - Units	350,000.00	1,000,000.00
08/30/2013	6	Covalon Technologies Ltd. - Units	750,000.00	750.00
09/11/2013	4	Cuervo Resources Inc. - Common Shares	81,000.00	1,350,000.00
08/29/2013	2	Delavaco Properties Inc. - Debentures	1,210,490.00	1,150.00
04/16/2013	5	Deutsche Bank AG - Notes	1,078,087.50	1,050.00
04/03/2013	2	Deutsche Bank AG - Notes	616,050.00	6,000.00
09/06/2013	30	Diamond Estates Wines & Spirits Ltd. - Receipts	8,351,212.00	41,756,060.00
08/27/2013	1	EcoSense Ligthing Inc. - Common Shares	105,030.47	72,125.00
099/06/2013	4	Enablence Technologies Inc. - Common Shares	12,000,000.00	63,600,000.00
08/31/2013	6	Essex Angel Capital Inc. - Units	50,000.00	N/A
09/04/2013	6	First Mexican Gold Corp. - Units	158,000.00	4,514,285.00
08/31/2013	84	Ginkgo Mortgage Investment Corporation - Preferred Shares	1,460,991.46	146,099.15
09/03/2013	25	Honda Canada Finance Inc. - Debentures	550,000,000.00	550,000.00
09/04/2013	28	Innovative Composites International Inc. - Units	2,016,000.00	2,016.00
08/16/2013 to 09/04/2013	49	Integra Gold Corp. - Flow-Through Shares	4,361,061.99	24,854,535.00
09/03/2013	1	InteraXon Inc. - Preferred Shares	4,500.00	4,455.45
08/08/2013	34	Irving Oil Limited et al - Notes	312,393,900.00	34.00
02/11/2013	3	J.P. Morgan Bank Canada - Certificates	10,150,000.00	9,885.56
03/13/2013	1	J.P. Morgan Bank Canada - Certificate	5,200,000.00	1.00
02/28/2013	3	J.P. Morgan Bank Canada - Certificates	11,200,000.00	3.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
04/09/2013	1	J.P. Morgan Chase & Co. - Certificate	1,000,000.00	1.00
02/15/2013	16	J.P. Morgan Structured Products B.V. - Certificates	3,064,848.75	2,985.00
08/27/2013	248	Kelt Exploration Ltd. - Common Shares	111,600,000.00	11,500,000.00
08/29/2013	1	League IGW Real Estate Investment Trust - Notes	50,000.00	50,000.00
08/27/2013 to 08/30/2013	2	Macquarie Infrastructure Partners III L.P. - Limited Partnership Interest	84,274,000.00	N/A
09/03/2013	9	Magellan Fuel Solutions Inc. - Debentures	405,000.00	N/A
09/06/2013	1	Nakama Re Ltd. - Notes	2,337,750.00	2,250.00
08/01/2013	5	New Haven Mortgage Income Fund (1) Inc. - Common Shares	414,600.00	N/A
08/29/2013	51	NexGen Energy Ltd. - Units	5,000,001.50	14,285,715.00
09/03/2013	1	Orbis Global Equity Fund - Common Shares	52,651.32	310.00
09/06/2013	5	Patient Home Monitoring Corp. - Units	234,400.00	1,736,296.00
08/29/2013	5	Peruvain Precous Metals Corp. - Units	750,000.00	5,000,000.00
08/30/2013	46	Plazacorp Retail Properties Ltd. - Units	5,000,000.00	5,000,000.00
09/10/2013	1	ProMetic Life Sciences Inc. - Warrants	0.00	1,000,000.00
08/30/2013	1	Prosper Gold Corporation - Flow-Through Shares	700,000.00	1,750,000.00
08/30/2013	90	Prosper Gold Corporation - Units	2,915,275.65	8,329,259.00
08/30/2013 to 09/06/2013	2	Quantum Leap Mortgage Investments Fund - Units	65,000.00	6,500.00
08/23/2013	2	Quantum Leap Mortgage Investments Fund - Units	79,050.00	7,905.00
08/21/2013	5	Radient Technologies Inc. - Preferred Shares	205,000.00	1,025,000.00
08/30/2013	17	Redstone Investment Corporation - Notes	717,000.00	N/A
08/27/2013	2	RedWater Energy Corp. - Common Shares	539,309.80	5,393,098.00
08/26/2013 to 08/30/2013	3	Residences At Quadra Village Limited Partnership - Units	85,000.00	85,000.00
08/26/2013	3	R.R. Donnelley & Sons Company - Notes	5,782,700.00	5,500.00
09/06/2013	9	Sabre Metals Inc. - Notes	1,025,000.00	1,025.00
09/12/2013	1	San Gold Corporation - Units	4,000,000.00	32,000,000.00
08/29/2013	16	SEC LP/Arci Ltd. - Notes	550,000,000.00	550,000.00
08/28/2013 to 09/04/2013	48	SecureCare Investments Inc. - Bonds	1,330,649.00	N/A
08/28/2013	11	SHOP.CA Network Inc. - Common Shares	5,082,000.00	12,705,000.00
09/04/2013	1	Silgan Holdings Inc. - Notes	15,723,000.00	15,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
08/29/2013	5	Spot Coffee (Canada) Ltd. - Units	475,000.04	3,958,334.00
09/01/2013	1	Stacey Muirhead Limited Partnership - Limited Partnership Units	3,000,000.00	83,115.16
08/30/2013	6	Stroud Resources Ltd. - Units	138,000.00	6,900,000.00
09/05/2013	43	Sure Energy Inc. - Receipts	25,012,000.00	96,200,000.00
08/09/2013	1	Tasca Resources Ltd. - Common Shares	4,000.00	200,000.00
08/31/2013	5	The Solidity Group Mortgage Investment Corporation - Common Shares	700,000.00	N/A
08/30/2013	1	Torch River Resources Ltd. - Debenture	75,000.00	1.00
09/06/2013	1	Tyhee Gold Corp. - Common Shares	45,169.16	645,274.00
09/03/2013 to 09/06/2013	17	UBS AG, Jersey Branch - Certificates	10,714,523.11	17.00
04/29/2013	16	UBS AG, London Branch - Notes	1,400,000.00	1,400.00
03/06/2013	27	UBS AG, London Branch - Notes	2,950,000.00	2,950.00
04/11/2013	10	UBS AG, London Branch - Notes	1,250,000.00	1,250.00
04/18/2013	3	UBS AG, London Branch - Notes	620,000.00	620.00
01/24/2013	2	UBS AG, London Branch - Notes	333,693.75	3,250.00
03/20/2013	4	UBS AG, London Branch - Notes	1,500,000.00	4.00
03/08/2013	3	UBS AG, London Branch - Notes	1,400,000.00	1,400.00
02/22/2013	5	UBS AG, London Branch - Notes	1,200,000.00	1,200.00
01/29/2013	1	UBS AG, London Branch - Notes	1,000,000.00	1,000.00
02/05/2013	12	UBS AG, London Branch - Notes	1,350,000.00	1,350.00
09/06/2013	2	UBS AG, Zurich - Certificates	375,006.00	2.00
09/09/2013	18	Universal Wing Technologies Inc. - Units	300,000.00	15,000,000.00
08/27/2013	1	Ur-Energy Inc. - Warrants	0.00	3,100,800.00
08/30/2013	2	Ventripoint Diagonostics Ltd. - Units	500,000.00	500.00
07/31/2013	8	Vertex Managed Value Portfolio - Trust Units	3,202,053.62	N/A
08/30/2013	150	VoodooVox Inc. - Common Shares	7,243,690.57	1,448,738,314.00
08/29/2013	21	Walton FLA Ridgewood Lakes Investment Corporation - Common Shares	495,910.00	49,591.00
08/29/2013	6	Walton FLA Ridgewood Lakes LP - Limited Partnership Units	731,891.44	69,631.00
08/29/2013	14	Walton Income 7 Investment Corporation - Common Shares	1,122,000.00	1,400.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
08/29/2013	11	Walton Income 8 Investment Corporation - Common Shares	1,041,000.00	1,100.00
08/29/2013	3	Walton VA Alexander's Run - Limited Partnership Units	544,238.56	51,778.00
08/29/2013	14	Walton VA Alexander's Run Investment Corporation - Common Shares	511,660.00	51,166.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Counsel All Equity Portfolio Class
Counsel Canadian Dividend Class
Counsel Fixed Income
Counsel Short Term Bond
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 20, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
Offering Series A, D and E securities
Offering Class Series A, B, C, D, F, I, P T, DT, EB, ET and IT
Underwriter(s) or Distributor(s):
-
Promoter(s):
Counsel Portfolio Services Inc.
Project #2114238

Issuer Name:
FAMILY MEMORIALS INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 16, 2013
NP 11-202 Receipt dated September 18, 2013
Offering Price and Description:
Maximum Offering: $4,008,000.00 - 4,000 Units
Minimum Offering: $3,206,400.00 - 3,200 Units
Price: $1,002 per Unit
Underwriter(s) or Distributor(s):
Macquarie Private Wealth Inc.
Promoter(s):
Scott C. Kellaway
Project #2113282

Issuer Name:
First Asset Morningstar US Momentum Index ETF
First Asset Morningstar US Value Index ETF
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated September 13, 2013
NP 11-202 Receipt dated September 19, 2013
Offering Price and Description:
Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
FIRST ASSET INVESTMENT MANAGEMENT INC.
Project #2113683

Issuer Name:
Front Street Flow-Through 2013-II Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Long Form Prospectus dated September 12, 2013
NP 11-202 Receipt dated September 18, 2013
Offering Price and Description:
Maximum Offering: $20,000,000.00 – 800,000 Units
Price: $25.00 per Unit
Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
CIBCWORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
BMO NESBITT BURNS INC.
TD SECURITIES INC.
GMP SECURITIES L.P.
CANACCORD GENUITY CORP.
MACQUARIE CAPITAL MARKETS CANADA LTD.
RAYMOND JAMES LTD.
DESJARDINS SECURITIES INC.
LAURENTIAN BANK SECURITIES, INC
MANULIFE SECURITIES INCORPORATED
SHERBROOKE STREET CAPITAL (SSC) INC.
TUSCARORA CAPITAL INC.
Promoter(s):
FSC GP VII Corp.
Front Street Capital 2004
Project #2113182

Issuer Name:
Grande West Transportation Group Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Long Form Prospectus dated September 19, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
Minimum of $3,000,000.00 to a Maximum of $4,000,000.00
Price of $ * Per Common Share
Underwriter(s) or Distributor(s):
Macquarie Private Wealth
Promoter(s):
William Trainer
Project #2114225

Issuer Name:
Input Capital Corp.
Principal Regulator - Saskatchewan
Type and Date:
Preliminary Short Form Prospectus dated September 19, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
$18,630,488.00 - 11,644,055 Common Shares
Price: $1.60 per Share
Underwriter(s) or Distributor(s):
GMP SECURITIES L.P.
BEACON SECURITIES LIMITED
NATIONAL BANK FINANCIAL INC.
ACUMEN CAPITAL FINANCIAL PARTNERS LIMITED
ALTACORP CAPITAL INC.
CORMARK SECURITIES INC.
Promoter(s):
Doug Emsley
Brad Farquhar
Gord Nystuen
Project #2114133

Issuer Name:
Inter Pipeline Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated September 20, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
$300,039,500.00 - 11,930,000 Common Shares
Price: $25.15 per
Underwriter(s) or Distributor(s):
TD SECURITIES INC.
CIBC WORLD MARKETS INC.
BMO NESBITT BURNS INC.
NATIONAL BANK FINANCIAL INC.
RBC DOMINION SECURITIES INC.
SCOTIA CAPITAL INC.
FIRSTENERGY CAPITAL CORP.
CANACCORD GENUITY CORP.
MACQUARIE CAPITAL MARKETS CANADA LTD.
PETERS & CO. LIMITED
Promoter(s):
-
Project #2112827

Issuer Name:
Marquis Institutional Global Equity Portfolio
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated September 17, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
Series F units
Underwriter(s) or Distributor(s):
GCIC Ltd.
Promoter(s):
GCIC Ltd.,
Project #2114195

Issuer Name:
Premium Brands Holdings Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated September 18, 2013
NP 11-202 Receipt dated September 18, 2013
Offering Price and Description:
$50,000,000.00 - 5.50% Convertible Unsecured Subordinated Debentures
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Genuity Corp.
PI Fiancial Corp.
Promoter(s):
-
Project #2112130

Issuer Name:
Regal Lifestyle Communities Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated September 18, 2013
NP 11-202 Receipt dated September 19, 2013
Offering Price and Description:
$25,000,000.00 - 6.0% Convertible Unsecured Subordinated Debentures due December 31, 2018
Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Canaccord Genuity Corp.
Dundee Securities Ltd.
Raymond James Ltd.
Promoter(s):
-
Project #2112097

Issuer Name:
Tourmaline Oil Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated September 20, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
$125,250,000.00 - 3,000,000 Common Shares
Price: $41.75 per Common Share
and
$43,860,000.00 - 850,000 Flow-Through Common Shares
Price: $51.60 per Flow-Through Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Scotia Capital Inc.
FirstEnergy Capital Corp.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #2112747

Issuer Name:
Bioniche Life Sciences Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated September 18, 2013
NP 11-202 Receipt dated September 19, 2013
Offering Price and Description:
$9,000,000.00 - 31,034,483 UNITS Price: $0.29 per Unit
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2092085

Issuer Name:
BMO SelectTrust Equity Growth Portfolio
BMO SelectTrust Balanced Portfolio
BMO SelectTrust Conservative Portfolio
BMO Floating Rate Income Fund
BMO SelectTrust Growth Portfolio
BMO SelectTrust Security Portfolio
BMO U.S. Dollar Monthly Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment No.5 dated September 6, 2013 to Final Simplified Prospectuses and Annual Information Form dated March 28, 2013
NP 11-202 Receipt dated September 19, 2013
Offering Price and Description:
Series A, F, I, C, T5, T6, T8, R and Advisor Series
Underwriter(s) or Distributor(s):
BMO Investments Inc.
BMO Investments Inc.
Guardian Group of Funds Ltd.
Promoter(s):
BMO Investments Inc.
Project #2007623

Issuer Name:
BMO Balanced ETF Portfolio
BMO Conservative ETF Portfolio
BMO Equity Growth ETF Portfolio
BMO Fixed Income ETF Portfolio
BMO Growth ETF Portfolio
BMO Security ETF Portfolio
BMO SelectTrust Fixed Income Portfolio
BMO U.S. Dollar Balanced Fund
BMO U.S. Dollar Dividend Fund
Principal Regulator - Ontario
Type and Date:
Amendment No.1 dated September 6, 2013 to Final Simplified Prospectuses and Annual Information Form dated August 7, 2013
NP 11-202 Receipt dated September 18, 2013
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
BMO Investments Inc.
BMO Investments Inc.
Promoter(s):
BMO Investments Inc.
Project #2076905

Issuer Name:
Dynamic U.S. Value Balanced Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated September 20, 2013
NP 11-202 Receipt dated September 23, 2013
Offering Price and Description:
Series A, E, F, FH, FI, H, I, O Units
Underwriter(s) or Distributor(s):
GCIC Ltd.
GCIC Ltd.
Promoter(s):
GCIC Ltd.
Project #2096387

Issuer Name:
Frontenac Mortgage Investment Corporation
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated September 19, 2013
NP 11-202 Receipt dated September 23, 2013
Offering Price and Description:
Common Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
W.A. ROBINSON ASSET MANAGEMENT LTD.
Project #2094251

Issuer Name:
International Forest Products Limited
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated September 23, 2013
NP 11-202 Receipt dated September 23, 2013
Offering Price and Description:
6,250,000.00 Class “A” Subordinate Voting Shares
Price: $12.00
Underwriter(s) or Distributor(s):
RBC DOMINION SECURITIES INC.
RAYMOND JAMES LTD.
BMO NESBITT BURNS INC.
CIBC WORLD MARKETS INC.
SCOTIA CAPITAL INC.
TD SECURITIES INC.
Promoter(s):
-
Project #2113289

Issuer Name:
Lysander Equity Fund
Lysander Short Term and Floating Rate Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated September 16, 2013
NP 11-202 Receipt dated September 18, 2013
Offering Price and Description:
Series A, Series F and Series O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Lysander Funds Limited
Project #2096715

Issuer Name:
Manac Inc.
Principal Regulator - Quebec
Type and Date:
Final Long Form Prospectus dated September 20, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
$40,000,000.00
4,761,905 Subordinate Voting Shares
Price: $8.40 per Subordinate Voting Share
Underwriter(s) or Distributor(s):
NATIONAL BANK FINANCIAL INC.
CIBC WORLD MARKETS INC.
TD SECURITIES INC.
STIFEL NICOLAUS CANADA INC.
DESJARDINS SECURITIES INC.
GMP SECURITIES L.P.
Promoter(s):
-
Project #2097968

Issuer Name:
NEI Global Total Return Bond Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated September 18, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
Series A units, Series F units, and Series I units
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Credential Asset Management Inc.
Promoter(s):
Northwest & Ethical Investments L.P.
Project #2087726

Issuer Name:
Slate U.S. Opportunity (No. 3) Realty Trust
Principal Regulator - Ontario
Type and Date:
Final Long Form Prospectus dated September 20, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
Minimum: U.S. $10,000,000.00 of Class A Units, Class F Units, Class U Units and/or Class I Units
Maximum: U.S. $75,000,000.00 of Class A Units, Class F Units, Class U Units and/or Class I Units
Price: C$10.00 per Class A Unit or Class F Unit and U.S. $10.00 per Class U Unit
Underwriter(s) or Distributor(s):
CIBC WORLD MARKETS INC.
RBC DOMINION SECURITIES INC.
GMP SECURITIES L.P.
BMO NESBITT BURNS INC.
MACQUARIE PRIVATE WEALTH INC.
NATIONAL BANK FINANCIAL INC.
RAYMOND JAMES LTD.
SCOTIA CAPITAL INC.
DUNDEE SECURITIES LTD.
MACKIE RESEARCH CAPITAL CORPORATION
Promoter(s):
SLATE PROPERTIES INC.
Project #2100569

Issuer Name:
Veresen Inc.
Principal Regulator - Alberta
Type and Date:
Final Shelf Prospectus dated September 20, 2013
NP 11-202 Receipt dated September 20, 2013
Offering Price and Description:
Common Shares - Preferred Shares
Debt Securities - Warrants
Subscription Receipts
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #2110640

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Maxam Capital Management Ltd.	Investment Fund Manager, Portfolio Manager and Exempt Market Dealer	September 23, 2013

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Chapter 13

SROs, Marketplaces and Clearing Agencies

13.2 Marketplaces

13.2.1 TSX Inc. – Notice of Proposed Change and Request for Comments

TSX INC.

NOTICE OF PROPOSED CHANGE AND REQUEST FOR COMMENTS

TSX has announced its plans to implement the change described below for Toronto Stock Exchange ("TSX" or "Exchange"). We are publishing this Notice of Proposed Changes in accordance with the "Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits Thereto".

The change will be effective upon approval by the Ontario Securities Commission (the "OSC") following public notice and comment. Comments should be in writing and delivered by October 28, 2013 to:

Colin Yao
Legal Counsel, Regulatory Affairs (Equity Trading)
Toronto Stock Exchange
The Exchange Tower
130 King Street West
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
Email: tsxrequestforcomments@tsx.com

A copy should also be provided to:

Market Regulation Branch
Ontario Securities Commission
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
Email: marketregulation@osc.gov.on.ca

Comments will be publicly available unless confidentiality is requested. Upon completion of the review by commission staff, and in the absence of any regulatory concerns, notice will be published to confirm completion of commission staff's review.

Overview

TSX is seeking public comment on a proposed change to introduce the ability for participating organizations to enter a limit price on dark midpoint orders at a non standard trading increment ("Proposed Change"). As a result of this change, traders will be able to assign an upper or lower limit price to their dark midpoint order to ensure that when that order executes at the National Best Bid/Offer ("NBBO") midpoint the execution price does not exceed their intended limit price.

Expected Date of Implementation

The expected date of implementation will depend on when approval is received. It is anticipated that this functionality will be introduced in November or December 2013.

Rationale for the Proposal and Supporting Analysis

TSX dark midpoint orders are currently only permitted to execute at the midpoint of the NBBO. The NBBO midpoint may be a standard trading increment or a half trading increment if the NBBO spread is one trading increment wide. Currently on a one trading increment NBBO spread TSX dark midpoint orders will only be eligible to execute at the NBBO midpoint if, for a buy order the limit price is a standard trading increment greater than the NBBO midpoint, or for a sell order, the limit price is a standard trading increment lower than the NBBO midpoint.

The existing requirement for the limit prices on dark midpoint orders to be a standard trading increment introduces the risk that the NBBO midpoint may change and the Dark midpoint order could become eligible to trade at the new NBBO midpoint price which may be more aggressive than what was originally intended.

Example:

NBBO (10.00, 10.01)

NBBO Midpoint: 10.005

Currently on a one trading increment NBBO spread a buy dark midpoint order will not be accepted by the Exchange with a limit set at the price which the order is eligible to execute (in this scenario 10.005). To be eligible to execute at the NBBO midpoint, the order must be submitted with a limit price which is a standard trading increment greater than the NBBO midpoint (ex.10.01). If the National Best Offer is lifted and NBBO midpoint becomes 10.01, the TSX dark midpoint order will be eligible to trade at 10.01, even though the intention was to only execute at the previous NBBO midpoint price of 10.005. The Proposed Change will permit a dark midpoint with a 10.005 limit price to be accepted by the Exchange, eliminating this risk.

Expected Impact on the Market Structure

There is no expected impact on market structure, members, investors, issuers or the capital Markets. This feature will only be extended to the TSX dark midpoint order type. TSX dark midpoint orders will continue to only be eligible to execute at the midpoint of the NBBO in full compliance with UMIR. The limit price of dark midpoint orders will continue to be excluded when determining allocation priority and will not determine the execution price of a dark midpoint order. A result of the Proposed Change is that participants who wish to provide meaningful price improvement and a reduced transaction cost to the opposite side of the trade can do so without incurring the additional risk of executing at a price more aggressive than their desired limit.

Expected Impact of Amendments on the Exchange's Compliance with Ontario Securities Law and in particular on requirements for Fair Access and Maintenance of Fair and Orderly Markets

The Proposed Change does not impact the Exchange's compliance with Ontario securities law and in particular on requirements for fair access and maintenance of fair and orderly markets. The existing TSX dark midpoint order type can now be used by traders that are price sensitive and require the ability to limit the uncertainty of their execution price.

Estimated Time Required by Members and Service Vendors to Modify Their Own Systems (or Why a Reasonable Estimate was Not Provided)

We do not anticipate a technology implementation impact on members or service vendors. The TSX dark midpoint order is an optional order type and this change will not necessitate an update to the TSX order entry or feed protocols.

Does this Approach Currently Exist in Other Markets or Jurisdictions

On August 1st, 2013, changes to the Form 21-101F2 of TriAct Canada Marketplace LP (TriAct) were approved to allow for fractional execution price limits to be entered on orders submitted to MATCH Now at permissible trading increments.

On August 21, 2013, the Ontario Securities Commission approved changes proposed by Chi-X Canada ATS Limited, applicable to both Chi-X Canada ATS and CX2 Canada ATS, to introduce the ability for subscribers to enter a limit price on mid-peg orders at a half-tick increment.

The Proposed Change will permit the order message provider to achieve the same result which has recently been approved for TriAct and Chi-X.

13.2.2 TSX Inc. et al.

TSX INC.
ALPHA EXCHANGE INC.
TMX SELECT INC.
CNSX MARKETS INC.

NOTICE OF ONTARIO SECURITIES COMMISSION APPROVAL OF PROPOSED CHANGES

AMENDMENTS TO THE TRADING RULES OF THE TORONTO STOCK EXCHANGE, ALPHA EXCHANGE, CNSX AND THE POLICIES OF TMX SELECT TO ADD AN ADDITIONAL CLASS OF ENTITIES TO THE PRESCRIBED CLASSES OF ENTITIES ELIGIBLE TO TRANSMIT ORDERS USING DIRECT ELECTRONIC ACCESS

Introduction

In accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto (Exchange Protocol) for recognized exchanges, the Ontario Securities Commission (OSC) has approved amendments to the Rules of the Toronto Stock Exchange (TSX Rules) which are attached at **Appendix A**, amendments to the Trading Policies of Alpha Exchange Inc. (Alpha Rules) which are attached at **Appendix B** and amendments to the Rules of CNSX Markets Inc. (CNSX Rules) which are attached at **Appendix D**.

The OSC has also approved amendments to TMX Select's (TMX Select) Trading Policy Manual (TMX Select Policies) which are attached at **Appendix C**, in accordance with the Process for the Review and Approval of Rules and the Information Contained in Form 21-101F1 and the Exhibits thereto (ATS Protocol) for alternative trading systems.

The amendments to the TSX Rules, Alpha Rules, CNSX Rules and TMX Select Policies are collectively referred to as the "Amendments".

The Amendments are public interest amendments. In accordance with the Exchange Protocol, TSX Inc. (TSX), Alpha Exchange Inc. (Alpha), CNSX Markets Inc. (CNSX) and TMX Select Inc. (TMX Select) have each requested and received a waiver of the requirement to publish the Amendments for public comment. A similar waiver was requested and granted to TMX Select in accordance with the ATS Protocol. The OSC granted these waivers on the basis that the proposed Amendments would be in line with recently approved amendments to National Instrument 23-103 *Electronic Trading and Direct Electronic Access to Marketplaces* (NI 23-103) that were previously published for comment on October 25, 2012 at (2012) 35 OSCB 9627.

Reasons for the Amendments

The CSA have finalized amendments to NI 23-103 that relate to the offer and use of direct electronic access (DEA) which will come into effect on March 1, 2014. These amendments do not set out an "eligible client list" that imposes specific financial standards upon DEA clients as found in the current DEA rules and policies at the marketplace level. Rather the amendments allow a dealer providing DEA to have flexibility to determine the specific levels of the minimum standards of DEA clients in order to accommodate its business model and appetite for risk. This approach is in keeping with global standards related to DEA. The Amendments are also consistent with the requirement in section 4.7 of NI 23-103 that sets out the parameters under which entities that trade for the account of another person of company may receive DEA from a participant dealer.

As the amendments to NI 23-103 will not be in place until March 1, 2014, requests from the dealer member community have been made to various marketplaces to expand the list of eligible categories to accommodate potential DEA clients that do not currently qualify under the existing regime, but will qualify under the amendments to NI 23-103 once they come into effect.

We note that marketplaces must revoke their rules or policies related to DEA upon implementation of the amendments to NI 23-103 on March 1, 2014.

Effect of the Amendments

In general, the Amendments will provide for a new category of DEA client. Specifically, this client would be a non-individual that has a total amount of securities under administration or management that exceeds $10 million, that carries on business in a foreign jurisdiction and may trade under the laws of the foreign jurisdiction for the account of another person or company using DEA and is regulated in the foreign jurisdiction by a signatory to the International Organization of Securities Commissions' Multilateral Memorandum of Understanding.

This new category will expand the category of entities that are eligible to use DEA but is consistent with the requirements set out in NI 23-103.

Text of the Amendments

The Amendments are attached in blackline at **Appendix A** for TSX, **Appendix B** for Alpha, **Appendix C** for TMX Select and **Appendix D** for CNSX.

Effective Date of the Amendments

The Amendments will become effective on September 30, 2013.

Appendix A

TSX Trading Rules

2-501 Designation of Eligible Clients

The Exchange may from time to time prescribe classes of entities as eligible to transmit orders to the Exchange through a Participating Organization.

1) Prescribed Classes of Entities

For the purposes of Rule 2-501, the following classes of entities are prescribed as eligible to transmit orders to the Exchange through a Participating Organization:

a) a client that falls within the definition of “acceptable counterparties” or “acceptable institutions” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report;

b) a client that is registered as an investment counsellor or portfolio manager under the *Securities Act* of one or more of the Provinces of Canada;

[…]

h) a client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other Qualified Institutions, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least $25 million;

i) a client that is a non-individual with total securities under administration or management exceeding $10 million, where the client is resident in a jurisdiction that falls within the definition of “Basle Accord Countries” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report; ~~and~~

j) a client that enters an order through an Order-Execution Account; and

k) a client that is; (i) a non-individual; (ii) with total securities under administration or management exceeding $10 million; and (iii) carries on business in a foreign jurisdiction and may trade under the laws of the foreign jurisdiction for the account of another person or company using direct market access and is regulated in the foreign jurisdiction by a signatory to the International Organization of Securities Commissions' Multilateral Memorandum of Understanding

Appendix B

Alpha Trading Policies

DMA Eligible Client

A DMA Eligible Client is a client of a Sponsoring Member to which it provides sponsored access to Alpha Systems and that is :

(1) A client that falls within the definition of “acceptable counterparties” or “acceptable institutions” or “regulated entities” as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.

(2) A client that is registered as a portfolio manager under the Securities Act of one or more of the Provinces of Canada.

[…]

(7) A client, all of the equity owners of which are Eligible Clients, acting for its own account or the accounts of other Eligible Clients.

(8) A client that is not an individual, with total securities under administration or management exceeding $10 million, where the client is a resident in a Basel Accord country as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report.

(9) A client that is a bank as defined in section 3(a)(2) of the U.S. Securities Act of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the U.S. Securities Act of 1933, acting for its own account or the accounts of other Eligible Clients, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least $25 million.

(10) A client that is; (i) a non-individual; (ii) with total securities under administration or management exceeding $10 million; and (iii) carries on business in a foreign jurisdiction and may trade under the laws of the foreign jurisdiction for the account of another person or company using direct market access and is regulated in the foreign jurisdiction by a signatory to the International Organization of Securities Commissions’ Multilateral Memorandum of Understanding

Appendix C

TMX Select Trading Policies

5.1 Designation of Eligible Clients

(a) TMX Select may from time to time prescribe classes of entities as eligible to transmit orders electronically to the trading system through a Subscriber.

(b) Prescribed Classes of Entities

For the purposes of section 5.1(1), the following classes of entities are prescribed as eligible to transmit orders to TMX Select through a Subscriber:

(i) a client that falls within the definition of "acceptable counterparties" or "acceptable institutions" as defined in the General Notes and Definitions section of the IIROC Joint Regulatory Financial Questionnaire and Report;

(ii) a client that is registered as an investment counsellor or portfolio manager under the Securities Act of one or more of the Provinces of Canada;

[…]

(iii) a client that is a bank as defined in section 3(a)(2) of the *U.S. Securities Act* of 1933, or any savings and loan institution or other institution as referenced in section 3(a)(5)(A) of the *U.S. Securities Act* of 1933, acting for its own account or the accounts of other qualified institutions, that in the aggregate owns and invests on a discretionary basis at least $100 million in securities of issuers that are not affiliated with it and that has an audited net worth of at least $25 million;

(iv) a client that is a non-individual and not resident in Canada with total securities under administration or management exceeding $10 million, where the client is resident in a jurisdiction that falls within the definition of "Basle Accord Countries" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report; ~~and~~

(v) a client that enters an order through an Order Execution Account; and

(vi) a client that is; (i) a non-individual; (ii) with total securities under administration or management exceeding $10 million; and (iii) carries on business in a foreign jurisdiction and may trade under the laws of the foreign jurisdiction for the account of another person or company using direct market access and is regulated in the foreign jurisdiction by a signatory to the International Organization of Securities Commissions' Multilateral Memorandum of Understanding

Appendix D

CNSX Rules

12-101 Eligibility Requirements

(1) In this Rule,

"**eligible client**" means

(a) a client that falls within the definition of "acceptable counterparties" or "acceptable institutions" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report;

[…**]**

(i) a client that is a non-individual with total securities under administration or management exceeding $10 million, where the client is resident in a jurisdiction that falls within the definition of "Basle Accord Countries" as defined in the General Notes and Definitions section of the Joint Regulatory Financial Questionnaire and Report; ~~and~~

(j) a client that enters an order through an order execution account; and an "order execution account" is a client account in respect of which a CNSX Dealer is exempted, in whole or in part, from making a determination on the suitability of trades for the client in accordance with the requirements of a securities regulatory authority of a recognized self regulatory organization~~.~~; and

(k) a client that is a non-individual with total securities under administration or management exceeding $10 million, where the client carries on business in a foreign jurisdiction and may trade under the laws of the foreign jurisdiction for the account of another person or company using direct market access and is regulated in the foreign jurisdiction by a signatory of the International Organization of Securities Commissions' Multilateral Memorandum of Understanding.

13.3 Clearing Agencies

13.3.1 CDS – Notice of Commission Approval – Amendments to By-law No. 1

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

CDS CLEARING AND DEPOSITORY SERVICES INC. (CDS CLEARING)

AMENDMENTS TO BY-LAW NO.1

NOTICE OF COMMISSION APPROVAL

Pursuant to section 4.6 of the Recognition Order for CDS and CDS Clearing (collectively CDS), the Commission approved on September 6th, 2013 amendments to By-law No.1, which is a by-law generally relating to the transaction of the business and affairs of CDS. The amendments to the definition of "independent director" have been made to ensure consistency with CDS' recognition order.

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