

Report on Enforcement Activities

From April 1, 2006 to September 30, 2006

CSA/ACVM

**Canadian Securities
Administrators**

**Autorités canadiennes
en valeurs mobilières**

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INTRODUCTION

This report provides information about enforcement activity undertaken by members of the Canadian Securities Administrators (CSA) during the 6 months ended September 30, 2006. The CSA is the council of the securities regulators of Canada's provinces and territories whose objectives are to improve, coordinate and harmonize regulation of the Canadian capital markets. References in this report to the CSA include reference to its member regulators and associated tribunals.

ENFORCEMENT: A CORE CSA RESPONSIBILITY

Investigation and enforcement are core CSA activities. By identifying contraventions of securities laws or conduct in the capital markets that is contrary to the public interest, and by imposing appropriate sanctions, the CSA deter wrongdoing, protect investors, and foster fair and efficient capital markets in which investors have confidence. Enforcement personnel of CSA member authorities deal with potential securities law violations identified through internal CSA compliance and surveillance or as a result of complaints from market participants and the public.

COMPLEMENTARY ENFORCEMENT ROLES

The CSA's enforcement activity complements that of other agencies, with which we cooperate and share information on matters of mutual interest. This allows us to focus activity and resources where most appropriate.

KEY PLAYERS

SECURITIES TRIBUNALS

Enforcement personnel of CSA members can bring matters before a specialized administrative tribunal, which in most jurisdictions is the local securities commission. Such tribunals can impose sanctions including orders that trading in securities cease or that exemptions are unavailable, bans on individuals acting as corporate directors and officers, mandatory filing of specified disclosure, monetary administrative penalties and payment of costs. Enforcement personnel often negotiate settlement agreements under which those alleged to have contravened securities laws submit to agreed sanctions. In some jurisdictions settlement agreements are approved by staff; in other cases they are presented for the approval of the local securities commission or tribunal.

SROs

Self-regulatory organizations (SROs) oversee regulated conduct of their members. For example, if the Investment Dealers Association of Canada (IDA) finds that a member has contravened its by-laws, it can impose monetary penalties and suspend or revoke IDA membership and registration under securities laws. The Mutual Fund Dealers Association of Canada (MFDA) assumes a similar role for members in its sector.

INTRODUCTION

Market Regulation Services Inc. (RS Inc.) oversees trading activity on Canadian equity markets. It imposes sanctions for contraventions of the Universal Market Integrity Rules (“UMIRs”), including fines and suspension or restriction of market access. The *Chambre de la sécurité financière* oversees some securities intermediaries and financial planners in Quebec.

EXCHANGES

Exchanges monitor compliance, by listed companies, with the terms of Exchange listing agreements and policies. Where appropriate, they can deny pre-approval of certain transactions, require corrective disclosure, halt or suspend trading and, in egregious cases, terminate a listing.

POLICE

The RCMP and local and provincial police investigate commercial crimes, including market fraud. The federal government recently established IMET (Integrated Market Enforcement Teams, with combined RCMP and civilian membership) to target major economic crime.

COURTS

Provincial and territorial Attorneys-General or equivalents can bring contraventions of securities laws, as well as of criminal laws, before a court. In some provinces, enforcement personnel of CSA members can also bring securities law contraventions before a court. Fraud and other contraventions of the Criminal Code can attract stiff penalties including large fines and imprisonment. The sanctions available to courts for securities law violations are also more extensive than those available to securities regulatory authorities, including imprisonment.

CSA ENFORCEMENT ACTIVITY IN THE FIRST HALF OF 2007

From April 1, 2006 to September 30, 2006, CSA members pursued 57 new enforcement matters. During the same period, 59 cases resulted in sanctioning orders or settlements that often included several persons or companies. During the same period, self-regulatory organizations (“SROs”: RS, MFDA and IDA) concluded 13 settlement agreements, and ordered sanctions in 17 cases, including one expulsion. This activity is summarized in the following tables and graphs.

HEARING AND ENFORCEMENT JOINT ACTIONS

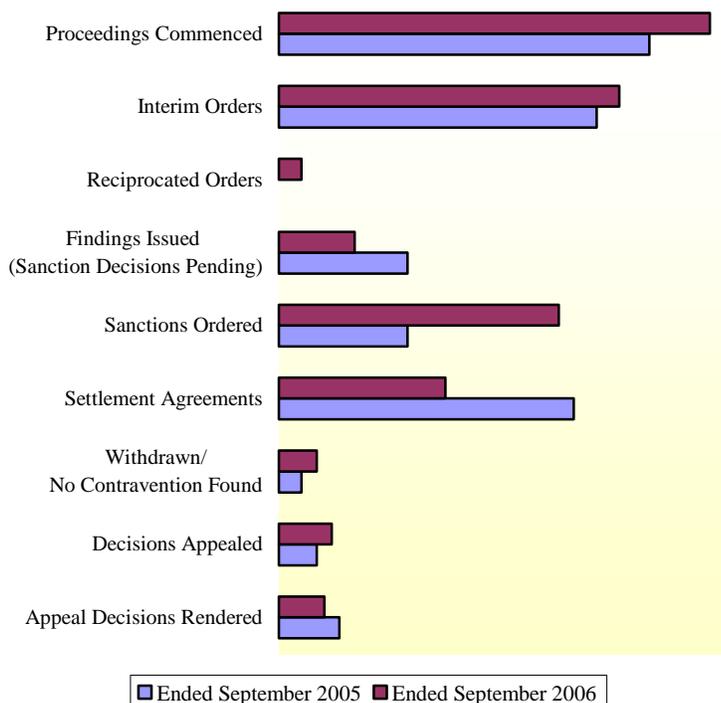
Members act jointly in approving some settlements and taking enforcement action. They also reciprocate certain decisions. In this report, there are three such cases, please see page 27 of this report.

A number of enforcement matters are explained in more detail in the sections that follow.

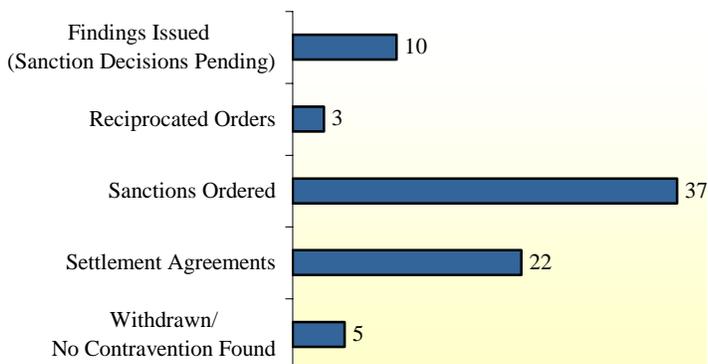
INTRODUCTION

CSA Enforcement Activities for the Period from April 1, 2006 to September 30, 2006		
Enforcement Activities		Number
Proceedings commenced ¹		57
Interim Order ²		45
Matters Concluded	Reciprocated Orders	3
	Findings Issued (Sanction Decision Pending)	10
	Sanctions Ordered	37
	Settlement Agreements	22
	Withdrawn/No Contravention Found	5
	Decisions Appealed	7
Appeals	Appeal Decision Rendered	6

Comparative Table for the Period of 6 months ended September 2005 versus 6 months ended September 2006



CSA Enforcement Activities - Matters Concluded (April 1, 2006 to September 30, 2006)



¹ Proceedings before a CSA member Commission or associated tribunal may be commenced by a Notice of Hearing. Court proceedings may be commenced by way of "Information".

² Includes freeze orders and interim cease trade orders.

CONVICTIONS AND MONETARY SANCTIONS

Court Convictions and Fines			
April 1, 2006 to September 30, 2006			
		Sentence	Fine
Illegal Distribution	Jean-Pierre Nadeau		\$11,000
Illegal Distribution	Sylvain Tessier		\$33,000
Illegal Distribution	Gary Peter Perch	10 months in jail, 12 months supervised probation	
Illegal Distribution	9009-0002 Québec inc.		\$10,000
Illegal Distribution	Millenium Concepts Export inc.		\$15,000
Illegal Distribution	James Harvey Cameron	3-year Probation	\$9,000
Illegal Distribution	Sonnum Capital Corp.		\$2,000
Illegal Distribution	Sonnum Capital Leasing Corp.		\$2,000
Disclosure Violations	Alain Vézina		\$5,000
Disclosure Violations	Hervé Rolland		\$9,000
Disclosure Violations	François C. Desrosiers		\$21,000
Miscellaneous	Louise Lessard		\$2,000
Total:			\$169,000

Securities Regulators Fines and Costs for the period			
from April 1, 2006 to September 30, 2006			
	Fine	Disgorgement	Costs
Illegal Distribution	\$155,500.00	\$600,624.00	\$38,478.50
Insider Trading¹	\$7,776,093.76		\$81,500.00
Disclosure Violations	\$1,000.00		\$25,000.00
Misconduct by Registrants	\$905,000.00		\$7,500.00
Miscellaneous	\$42,000.00		\$26,000.00
Total:	\$8,879,593.76	\$600,624.00	\$178,478.50

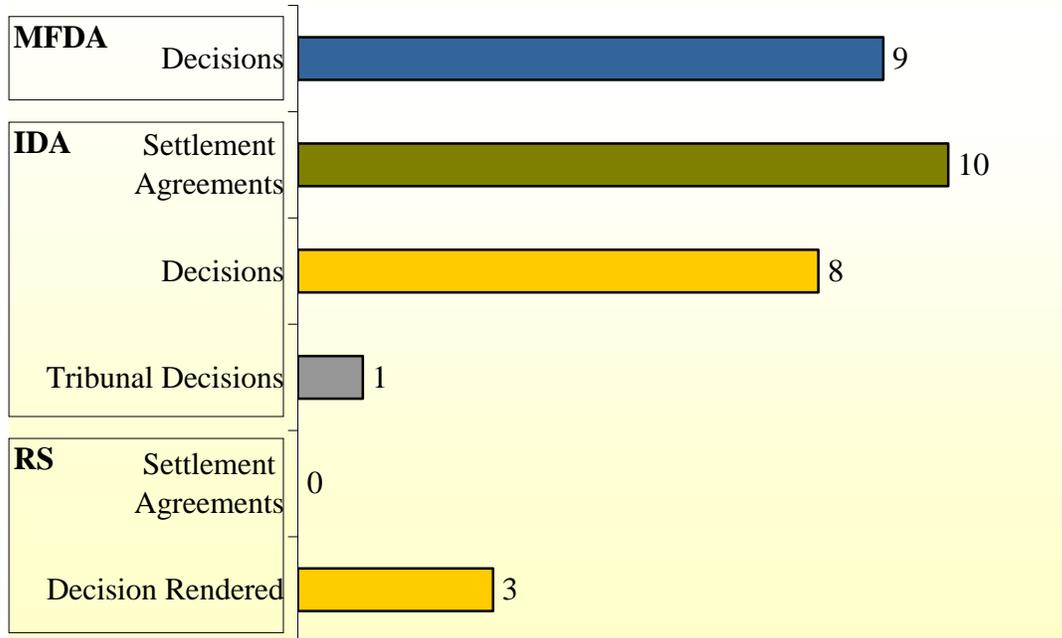
SROs Fines, Disgorgements and Costs for the period			
from April 1, 2006 to September 30, 2006			
	Fine	Disgorgement	Costs
MFDA	\$391,000.00		\$24,000.00
RS	\$880,000.00		\$225,000.00
IDA	\$912,500.00	\$391,199.00	\$211,000.00
Total:	\$2,183,500.00	\$391,199.00	\$460,000.00

⁽¹⁾ A fine of \$136,077.00 was initially given in United States dollars and, for calculation purposes; we converted it into Canadian dollars at the rate of 1.1112% on May 16, 2006.

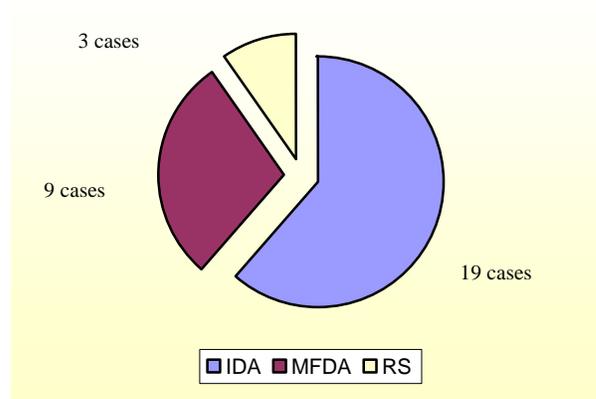
INTRODUCTION

SELF-REGULATORY ORGANIZATIONS (SROs) ACTIVITIES

SROs - Matters Concluded
April 1, 2006 to September 30, 2006



SROs - Matters Concluded
April 1, 2006 to September 30, 2006



ILLEGAL DISTRIBUTION

COURT RULINGS

PRINCE EDWARD ISLAND

Electronic Benefits Incorporated, Advantage Financial Group Inc. and Everett R. Stuckless: This matter was heard on the 25th day of May, 2006 in the Supreme Court of the Province of Prince Edward Island (Trial Division). By way of Supreme Court Order dated May 26, 2006, a permanent injunction was issued enjoining the respondents from trading in securities in the jurisdiction. In addition, costs were issued against the respondents. The respondents were engaged in the solicitation of investments in Prince Edward Island without being registered or a prospectus having been filed in the jurisdiction. See: <http://www.gov.pe.ca/news/getrelease.php3?number=4646> for details.

QUÉBEC

Jean-Pierre Nadeau (Clubs d'investissement HT 103 and HT 105)- On May 31, 2006, Jean-Pierre Nadeau was found guilty of having acted as a securities dealer without being registered as such (1 count) and of having helped the Clubs d'investissement HT 103 and HT 105 to illegally distribute their securities (2 counts). Ms. Justice Raymonde Verreault of the Court of Québec (Criminal and penal division) fined Nadeau \$11,000, plus costs. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5293/en/> for details.

Sylvain Tessier, 9009-0002 Québec inc. and Millenium Concepts Export inc.-On August 8, 2006, Sylvain Tessier was found guilty of having acted as a securities dealer without being duly registered (5 counts) and of having made misrepresentations to investors (5 counts). For their part, 9009-0002 Québec inc. (2 counts) and Millenium Concepts Export inc. (3 counts) were found guilty of having illegally distributed their securities to the public. Consequently, Ms. Justice Micheline Paradis of the Court of Québec (Criminal and penal division) fined Tessier \$33,000, 9009-2002 Québec inc. \$10,000 and Millenium Concepts Export inc., \$15,000. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5588/en/> for details.

MANITOBA

Gary Peter Perch – On November 10, 2005, Gary Peter Perch pled guilty in the Provincial Court of Manitoba to thirteen (13) counts of trading in securities without registration. Perch, while acting as a golf pro at a club in Winnipeg, solicited \$380,000 from eight investors over a 2 ¾ year period. On April 28, 2006, Perch was sentenced to a period of incarceration of ten (10) months, followed by twelve (12) months supervised probation, with conditions of reporting, community service, and refraining from involvement in the securities industry. See <http://www.msc.gov.mb.ca/investigation/reasons/perch.html> for details.

ILLEGAL DISTRIBUTION

James Harvey Cameron - On December 8, 2005, James Harvey Cameron pled guilty in the Provincial Court of Manitoba to nine (9) counts of trading in securities without registration. Sonnum Capital Corporation pled guilty to two (2) counts of trading in securities without registration and Sonnum Capital Leasing Corp. also pled guilty to two (2) counts of trading in securities without registration. All three accused were sentenced on June 22, 2006. Cameron was ordered to pay a fine in the amount of \$9,000.00, and was placed on probation for a period of 3 years. The probation order included a restitution order. Sonnum Capital Corporation and Sonnum Capital Leasing Corp. were each fined \$2,000.00. Costs and surcharges were waived. See <http://www.msc.gov.mb.ca/investigation/reasons/cameron.html> for details.

CSA COMMISSION OR TRIBUNAL DECISIONS

NEW BRUNSWICK SECURITIES COMMISSION (NBSC)

Maitland Capital Ltd., Al Grossman, Hanoch Ulfan, Steve Lanys, Jack Travin, Leonard Waddingham, Saul Messinger and Kim Wadhvani- These respondents were engaged in the solicitation and sale of shares in Maitland Capital Ltd. without being registered or a prospectus having been filed in New Brunswick. In addition, prohibited representations were made to potential investors.

See: <http://nbsc-cvmnb.ca/PDF/Maitland-Order-ext-e.pdf> for details.

Limelight Capital Management Ltd., Limelight Entertainment Inc., Al Grossman, Hanoch Ulfan and Tom Mezinski- These respondents were engaged in the solicitation and sale of shares in Maitland Capital Ltd. without being registered or a prospectus having been filed in New Brunswick. In addition, prohibited representations were made to potential investors.

See: <http://nbsc-cvmnb.ca/PDF/Limelight-exParte-TempOrder-e.pdf> for details.

Permanent Order issued with respect to certain respondents, extended with respect to others, on April 26, 2006.

See: <http://nbsc-cvmnb.ca/PDF/Limelight-Order-e.pdf> for details.

David Campbell and Carlos da Silva were added as parties and a Permanent Order was issued against these respondents on June 14, 2006. See: <http://nbsc-cvmnb.ca/PDF/Limelight-Order-14-Jun-06-e.pdf> for details.

First Global Ventures S.A., and Al Grossman- These respondents were engaged in the solicitation and sale of shares in First Global Ventures S.A. without being registered or a prospectus having been filed in New Brunswick.

See: <http://nbsc-cvmnb.ca/PDF/FirstGlobal-ExPTempOrder-e.pdf> for details.

See: <http://nbsc-cvmnb.ca/PDF/FirstG-Order-24-May-06-a-e.pdf> for details.

See: <http://nbsc-cvmnb.ca/PDF/FirstGOrder-14-Jun-06-e.pdf> for details.

ILLEGAL DISTRIBUTION

BUREAU DE DÉCISION ET DE RÉVISION EN VALEURS MOBILIÈRES (BDRVM)

Groupe financier Fides inc. and La Fiducie Fides (9166-6198 Québec inc. and André Lacombe)- On June 14, 2006, the BDRVM issued a freeze order on the funds, securities and other assets of the Groupe financiers Fides inc. la Fiducie Fides and 9166-6198 Québec inc. The BDRVM also issued a cease trading order in respect to the Groupe and the Fiducie because an illegal distribution of securities (loan agreements) had taken place. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/comunique-5463/en/> for details.

ONTARIO SECURITIES COMMISSION (OSC)

Richard Ochnik and 1464210 Ontario Inc. – In March 2006, the OSC found that Mr. Ochnik and 1464210 Ontario Inc. illegally distributed securities and traded securities without registration. These breaches of the Act were done by the Respondents, without required disclosure, and based on misinformation provided by Ochnik and others acting in conjunction with him, particularly in connection with an RRSP/loan scheme. This scheme was deliberately hidden from T-D Waterhouse Canada Inc., who were induced to participate in facilitating investments in 1464210 Ontario Inc. and involving investors in financial difficulty who were induced to invest in 1464210 Ontario Inc.

Order: The OSC ordered that trading in any securities by Mr. Ochnik and 1464210 Ontario Inc. cease permanently; that any exemptions do not apply to them permanently; that they pay \$30,748.50 in costs; that they are reprimanded; and that Mr. Ochnik is permanently prohibited from acting as a director or officer of any issuer permanently.

Court proceedings: In May 2006, the OSC commenced proceedings in the Ontario Superior Court of Justice for a declaration that the Respondents failed to comply with Ontario securities law, and an order that money raised by them in violation of Ontario securities law be recovered for restitution. The OSC issued a Certificate of Direction which was registered against the title of the real property to give notice of this claim.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060504_ochnikr.pdf; and http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060629_ochnikr.jsp for details.

James Patrick Boyle, Lawrence Melnick, and John Michael Malone – In April 2006, the OSC dismissed the proceeding against Messrs. Boyle and Melnick on the basis that the proceeding had been brought out of time. See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060412_boylejp.jsp for details.

Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore, and Joseph Daniels – In April 2006, the OSC issued Temporary Orders that all trading cease in the securities of Limelight Entertainment; that each of the respondents cease trading in all securities; and that exemptions do not apply to the respondents. The Temporary Orders were extended in April, May and Sept. 2006, until October 30, 2006. See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060912_limelight.jsp for details.

Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse, and Jason Snow -- In April, May and June 2006, the OSC extended its Temporary Order (originally issued in January 2006) that all trading by Maitland Capital Ltd. and its officers, directors,

ILLEGAL DISTRIBUTION

employees and/or agents in securities of Maitland shall cease; that the Respondents cease trading in all securities; and that any exemptions do not apply to the Respondents -- until Sept. 12, 2006. In September 2006, the OSC extended the Temporary Order until the conclusion of the Commission Hearing, which was adjourned until judgment is rendered in the Ontario Court of Justice proceeding against Maitland Capital Ltd., Allen Grossman, and Hanoch Ulfan. Maitland shall post a copy of this Order on its website.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060912_maitland.jsp for details.

Euston Capital Corp. and George Schwartz – In May 2006, the OSC issued a Temporary Order that all trading in securities of Euston cease; that trading in any securities by Euston and Schwartz cease; and that exemptions do not apply to them. The Temporary Order was continued on May 11th and June 9th, 2006, until October 19th, 2006, and the Respondents undertook to keep investors advised of the status of this proceeding through notices, updates, and news releases to be displayed prominently on the home page of Euston’s website by May 19, 2006. See

http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060609_eustoncapital.jsp for details.

Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani, and Syed Kabir – In May 2006, the OSC issued its decision regarding sanctions against these Respondents. In October 2005, the OSC had found that the Respondents illegally distributed securities and traded securities without registration. The OSC had also found that Mr. Allen failed to disclose to investors that he or his employees would receive commissions on the sale of the securities, and the rate of the commissions.

Order: The OSC ordered that Allen permanently cease trading in any securities [with certain exceptions]; that exemptions permanently do not apply to him; that he disgorge \$600,624; and that he be reprimanded. The OSC ordered that Ramdhani, Da Silva, and Kabir cease trading in any securities [with certain exceptions] for 7 years; that exemptions do not apply to them for 7 years; and that they each pay \$7,500 in costs.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060510_allenj.jsp for details.

ILLEGAL DISTRIBUTION

First Global Ventures, S.A., Allen Grossman, and Alan Marsh Shuman – In May 2006, the OSC issued a Temporary Order that all trading by First Global and its officers, directors, employees and/or agents shall cease; that trading cease in the securities of First Global; and that any exemptions do not apply to First Global. Mr. Grossman was already subject to an ongoing temporary cease trade order dated Jan. 24, 2006. In June 2006, the OSC extended the Temporary Order until the conclusion of the hearing in this matter, and further ordered that Alan Marsh Shuman cease trading in all securities and that exemptions do not apply to him for 15 days; and that First Global cease purchasing the names of potential investors from any company or person while subject to the Temporary Order. In July 2006, the OSC extended the Second Temporary Order until the conclusion of the hearing.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060713_firstglobal.jsp for details.

Universal Settlements International Inc. – In September 2006, the OSC found that the viatical products offered by Universal Settlements International Inc. (“USI”) are investment contracts, and hence securities, and that USI will need to comply with the registration and prospectus requirements of the Act in order to continue to offer such products. The OSC ordered that USI permanently cease trading in securities unless it fulfills the registration and prospectus requirements in Ontario securities law, or it meets the requirements for an exemption. USI and its agents are exempt from the order to the extent necessary to complete tasks relating to existing investments.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060929_universal.pdf for details.

MANITOBA SECURITIES COMMISSION (MSC)

Robert Wayne Bennett and Celebration of Your Financial Success Online Inc. – On June 28, 2006, the Commission issued a denial of exemptions order against Robert Wayne Bennett (“Bennett”) for an indefinite period, a cease trade order against Celebration of Your Financial Success Online Inc. (“Celebration”), and financial loss compensation orders against Bennett and Celebration jointly and severally in the total amount of \$25,500.00. Bennett had previously been a registrant in Manitoba. See http://www.msc.gov.mb.ca/orders/bennett_2.html for details.

**Note: On September 14, 2005, Bennett and Celebration had each been convicted in the Provincial Court of Manitoba for eight (8) counts under The Securities Act: four (4) each of trading without registration and four (4) each of trading without prospectus. Sentencing is pending.*

SASKATCHEWAN FINANCIAL SERVICES COMMISSION (SFSC)

Gerald Wilfrid Blerot, Plain Investments Inc., Executive Marketing and Strategies Ltd., Jean Sayers, Jennifer Dawn Sayers, Ryan Sayers - On August 23, 2006 the Director issued a temporary cease trade order against the Respondents. Executive Marketing is based in Calgary and the Sayers are the principals of Executive Marketing. Blerot resides in Saskatchewan and controls Plain Investments. Blerot, through Plain Investments, sold the securities of Executive Marketing to Saskatchewan residents in breach of the registration and prospectus requirements. The temporary order was extended on September 6, 2006, and is still in place.

See [http://www.sfsc.gov.sk.ca/ssc/files/enforcementorders/2006_enf/temporary/blerot-et-al\(temp\)aug23-06.pdf](http://www.sfsc.gov.sk.ca/ssc/files/enforcementorders/2006_enf/temporary/blerot-et-al(temp)aug23-06.pdf) for details.

ILLEGAL DISTRIBUTION

Fernando Fagundes, Allan Kowalchuk, Kim Kowalchuk, Investors Research Centre Inc. et al - On May 24, 2006 the Director issued a temporary cease trade order against the Respondents for trading in securities and exchange contracts without being registered. Fagundes, who has been convicted of fraud and income tax evasion in the U.S., also acted as a portfolio manager without being registered. The temporary order was extended on June 8, 2006, and is still in place. See [http://www.spsc.gov.sk.ca/ssc/files/enforcementorders/2006_enf/temporary/fagundes-et-al\(temp\)may24-06.pdf](http://www.spsc.gov.sk.ca/ssc/files/enforcementorders/2006_enf/temporary/fagundes-et-al(temp)may24-06.pdf) for details.

Wellington Trading Group S.S., Eric Aquavia, Dan Davis, Al Moxey, Ronnie Bethel, Timothy Bell, Russell Finklestein - On July 31, 2006 the SFSC issued a temporary cease trading order against the Respondents. Wellington is based in San Jose, Costa Rica, and the individual Respondents conduct business for Wellington. The Respondents sold to Saskatchewan residents investments in gasoline and oil options as well as foreign currency exchange contracts in breach of Saskatchewan securities laws. The temporary order was extended on August 14, 2006, and is still in place. See: [http://www.spsc.gov.sk.ca/ssc/files/enforcementorders/2006_enf/temporary/wellingtontradinggroup\(temp\)july31-06.pdf](http://www.spsc.gov.sk.ca/ssc/files/enforcementorders/2006_enf/temporary/wellingtontradinggroup(temp)july31-06.pdf) for details.

Edouard Yvon Elzear Bonamie, Pat Theriault, Ives Business Services Inc. - On May 11, 2006 the SFSC, after a hearing, issued a decision ordering that Bonamie, Theriault and Ives Business Services, *inter alia*, cease trading in securities and that they not be entitled to use exemptions from Saskatchewan securities laws. The Commission also ordered that Bonamie and Theriault each pay an administrative penalty of \$50,000 plus costs of \$1,7350. The Commission found that Bonamie and Theriault had set up a Web site offering securities in two hedge funds to be managed by Ives Business Services Inc. Bonamie has a long record of convictions for fraud and theft. Theriault has a close personal relationship with Bonamie. The Commission found that they were not fit and proper persons to be involved in the securities industry. See: [http://www.spsc.gov.sk.ca/ssc/files/enforcementorders/2005_enf/temporary/ivesbusinessservices\(temp\)mar31-05.pdf](http://www.spsc.gov.sk.ca/ssc/files/enforcementorders/2005_enf/temporary/ivesbusinessservices(temp)mar31-05.pdf) for details.

ALBERTA SECURITIES COMMISSION (ASC)

Limelight Capital Inc/Limelight Entertainment Inc. et al - On April 13, 2006, the ASC extended its order cease trading the securities of Limelight Capital Management Ltd., cease trading this corporation, Abraham Herbert Grossman, and Hanoch Ulfan and denying them exemptions pending hearing and decision in the case. On April 13th, 2006, the ASC also temporarily cease traded the securities of Limelight Entertainment Inc., cease traded this corporation, David Campbell, Carlos Da Silva, Tim McCarty and Jacob Moore, and denied them exemptions. On April 26, 2006, the ASC extended this temporary order pending hearing and decision in the case.

See http://www.albertasecurities.com/dms/1404/13521/13957_Limelight_Entertainment_Inc._-ICTO_-2006-04-13_-2137567v1.pdf and http://www.albertasecurities.com/dms/1404/13521/14023_Limelight_Entertainment_Inc._-ICTO_EXTN_-2006-04-26_-2149429v1.pdf for details.

ILLEGAL DISTRIBUTION

Hampton Court Resources Inc. et al - On May 10, 2006, the ASC found that each of the Respondents engaged in illegal trades and distributions of the corporate Respondent's securities, that Sellars made a prohibited representation, and that each of the individual Respondents acted contrary to the public interest. Sanctioning submissions were made on August 9, 2006 and decision is pending.

See http://www.albertasecurities.com/dms/1404/13521/14064_Hampton_Court_Resources_Inc._-Dec_-2006-05-10_-_2173117v1.pdf for details.

Coadum Capital Fund - On May 12, 2006, the ASC temporarily ceased traded the securities of Coadum Capital Fund 1, LLC, Coadum Advisors Inc., and Daystar Holdings Inc. and all these corporations and the other individual Respondents as provided in the order. On March 26, 2006, the ASC extended the temporary order as modified in that order pending hearing and decision in the case. See:

http://www.albertasecurities.com/dms/1404/13521/14071_KEARL,_Richard_George_-_ICTO_-_2006-05-12_-_2176574v1.pdf and http://www.albertasecurities.com/dms/1404/13521/14116_Coadum_ICTO_Extension_-_2006-05-26_-_2191556v1.pdf for details.

526053 B.C. Ltd. et al - On May 29, 2006, the ASC found that each of the Respondents engaged in illegal trades and distributions of the corporate Respondent's securities and that McCarney made prohibited representations. Sanctioning submissions were made on October 12, 2006 and decision is pending. See:

http://www.albertasecurities.com/dms/1404/13521/14156_526053_BC_Ltd._-DEC_-2006-05-29_-_2195814_v1.pdf for details.

Peter J. Workum, Theodor Hennig - On June 28, 2006, the ASC issued Reasons for Decision denying the Respondents' application for a stay or adjournment of the Alberta Securities Commission hearing then in progress until completion of pending criminal proceedings against them and declining to declare that their rights under s. 7 of the Charter entitled them to not be compelled to proceed with their defence in the ASC hearing. See:

[http://www.albertasecurities.com/dms/1404/13521/14274_HENNIG,_Theodor_-_Ruling_\(Workum_Application\)_-2006-06-28_-_2214920_v7.pdf](http://www.albertasecurities.com/dms/1404/13521/14274_HENNIG,_Theodor_-_Ruling_(Workum_Application)_-2006-06-28_-_2214920_v7.pdf) for details.

SETTLEMENT AGREEMENTS

NOVA SCOTIA SECURITIES COMMISSION (NSSC)

Oxford Investment Holdings Inc.- This matter was heard on the 18th day of April 2006. The Commission decided upon hearing representations from staff and the respondent that a settlement agreement negotiated by staff and the respondent should be approved. The respondent admitted to contravening sections 31(1)(a) and 58(1) of the Securities Act in respect to sales of securities in purported reliance on the Accredited Investor exemption, by selling to Nova Scotia residents who were not accredited investors. The panel imposed an administrative penalty in the amount of \$ 10,000.00, ordered costs in the amount of \$ 2,730.00 and denied the respondents the exemptions provided for in sections 41,77,78 and NI 45-106 for a period of two years. See:

<http://www.gov.ns.ca/nssc/docs/oxfordsettlementagreement18april06.pdf> , and <http://www.gov.ns.ca/nssc/docs/oxfordorder18april06.pdf> for details.

ILLEGAL DISTRIBUTION

Jeremiah David Langille (aka Jerry Wayne Langille)- This matter was heard on the 12th day of May 2006. The Commission decided upon hearing representations from staff that a settlement agreement negotiated by staff and the respondents should be approved. The respondent admitted to contravening sections 44(1), 44(2), 44A (2) of the Securities Act and General Securities Rules 30(1),31(1)(a), 33(1), 36, 40(1), 40(2) and 61. Langille engaged in a number of practices such as using blank forms signed by clients to transfer accounts and to misappropriate client funds for his own use and other conduct contrary to the public interest. The panel imposed an administrative penalty in the amount of \$ 75,000.00 , awarded costs in the amount of \$ 2,500 and cancelled the respondents registration under the Securities Act.

See: <http://www.gov.ns.ca/nssc/docs/langillesettlementagreement.pdf>, and <http://www.gov.ns.ca/nssc/docs/langilleorder.pdf> for details.

Bruce Patrick Schriver- This matter was heard on the 28th day of September 2006. The Commission decided upon hearing submissions from staff and the respondents counsel that a settlement agreement negotiated by staff and the respondent should be approved. The respondent admitted to making in appropriate leveraging recommendations to clients thereby contravening section 31 of the General Securities Rules; section 30(3) of the Securities Act for contravening MFDA Rules 1.2.1(d)(iii), (v) and (vi), 2.1.4 and 2.4.2; holding himself out as being registered under the Securities Act contravening section 51 of the Securities Act and General Securities Rules section 61 for dealing unfairly with his clients for off book referrals of mutual fund clients to Portus Asset Management generating commissions of approximately \$ 100,000 for himself. The panel imposed an administrative penalty of \$ 12,500 and suspended his registration for a period of two years. A separate hearing was held in respect to costs and a decision is pending.

See: <http://www.gov.ns.ca/nssc/docs/schriversettlementagreement16082006.pdf>, and <http://www.gov.ns.ca/nssc/docs/orderschriversettlement16082006.pdf> for details.

IPC Securities Corporation- This matter was heard on the 12th day of July 2006. The Commission heard submissions from staff and counsel for the respondent and decided that a settlement agreement negotiated by staff and the respondent should be approved. The respondent admitted to having failed to comply with Nova Scotia securities law in respect to the registration of sales persons and offices operating in Nova Scotia and failing to comply with a prior order of the Commission. The panel imposed an administrative penalty in the amount of \$ 10,000.00 and awarded costs in the amount of \$ 2,500 together with an order that imposed terms and conditions upon the respondent.

See: <http://www.gov.ns.ca/nssc/docs/settlementagreementipcsecuritiescorp.pdf>, and <http://www.gov.ns.ca/nssc/docs/orderipcsecuritiescorporation.pdf> for details.

APPEALS

QUÉBEC

Stevens Demers (Enviromondial inc.)- In 2005, the Superior court of Québec, sitting on appeal, had confirmed Demers's conviction for having helped Enviromondial inc. to distribute illegally its securities and the fine of \$89,000 assessed by the Court of Québec (Criminal and penal division). In addition, Mr. Justice André Denis had also sentenced Demers to spend 90 days in jail. Demers appealed this decision. On May 5, 2006, the Court of appeal granted Demers' appeal in part and annulled his jail sentence of 90 days. However, the Court confirmed his conviction and his fine of \$89,000.

SETTLEMENT AGREEMENTS

ONTARIO SECURITIES COMMISSION (OSC)

Khaldoun Kader – In May 2006, the OSC concluded a settlement agreement with Mr. Kader with respect to his trading of IMAX Corporation shares while an insider of IMAX, and while possessed of a material undisclosed fact. Mr. Kader also made misleading statements to Commission Staff.

Order: The OSC ordered that Kader cease trading securities for 10 years (except for mutual funds in his RRSPs); that exemptions do not apply to him for 10 years; that he be prohibited from acting as a director or officer of a reporting issuer for 10 years; that he pay \$5,000 in costs and make a settlement payment of US\$136,077; and that he be reprimanded.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060530_kaderk.jsp for details.

Allan Bulckaert – In June 2006, the OSC concluded a settlement agreement with Mr. Bulckaert, President and CEO of Bennett Environmental Inc. (“BEI”), with respect to his trading of BEI shares with knowledge of an undisclosed material fact; and with respect to his authorizing, permitting, or acquiescing in BEI’s continuing failure to disclose forthwith a material change in its affairs.

Order: The OSC ordered that Mr. Bulckaert make a settlement payment of \$64,165.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060630_311_bulckaerta.jsp for details.

Andrew Oestreich – In June 2006, the OSC concluded a settlement agreement with Mr. Oestreich, an officer of AiT Advanced Information Technologies Inc. (“AiT”), with respect to his trading of AiT shares with knowledge of undisclosed material facts concerning the merger of AiT and 3M Canada Company. Mr. Oestreich also failed to file his Insider Trading Reports within the required deadline.

Order: The OSC ordered that Mr. Oestreich cease trading in securities for 2 years; that he be prohibited from acting as a director or officer of any reporting issuer for 2 years; that he make a settlement payment of \$24,000 and pay \$5,000 in costs; and that he be reprimanded.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060728_oestreicha.jsp for details.

Graham Desson – In August 2006, the Executive Director concluded a settlement agreement with Mr. Desson, a consultant to OntZinc Corporation, with respect to his trading of OntZinc shares while in possession of undisclosed material facts relating to the potential acquisition by OntZinc of Hudson Bay Mining and Smelting.

Order: Desson agreed to pay \$16,720, plus \$5,000 in costs; and undertook that, for one year, he will not trade in any securities of any company to which he provides accounting services unless he receives prior written confirmation from in-house counsel of such company.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060803_desson.pdf for details.

ALBERTA SECURITIES COMMISSION (ASC)

100128 Alberta Ltd. - On August 24, 2006 100128 Alberta Ltd. an Alberta subsidiary of CNPC International (Canada) Ltd., concluded a settlement with the ASC in which admitted to insider trading contraventions in the purchase and sale of Petrokazikstan (PKZ) shares during the negotiation of CNPC's acquisition of PKZ in June and July, 2005. Owing to the significance of this case, Enforcement staff sought and on August 24th received approval for this settlement from a panel of the Commission. The Respondent paid \$7.5 million to settle the matter without a hearing and \$65,000.00 on account of costs. The Respondent had made a \$5 million gain from its trading. This illegal insider trading case resulted in the largest single payment to the ASC to date.

See http://www.albertasecurities.com/dms/1404/13521/14491_1000128_Alberta_Ltd._SA&U_-2006-08-24_-2242210_v1.pdf for details.

Cameron MacNaughton - On September 15, 2006 the Respondent concluded settlement and admitted to insider trading contraventions and acting contrary to the public interest as a result of his purchase of Producer Oilfield Services shares at a time when he knew financing approval for an acquisition by it was being arranged. He made an about \$8,500.00 trading gain in the process. The Respondent paid \$12,000.00 to settle these allegations, \$1,500.00 towards costs and undertook with some exceptions to cease trading in or purchasing securities for 5 years.

See http://www.albertasecurities.com/dms/1404/13521/14621_MACNAUGHTON,Cameron_-SA&U_-2006-09-15_-2238184_v1.pdf for details.

MARKET MANIPULATION AND FRAUD

CSA COMMISSION OR TRIBUNAL DECISIONS

ONTARIO SECURITIES COMMISSION (OSC)

Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella, and Michael Mitton – In July 2006, the OSC ordered that the Temporary Cease Trading Orders against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella, and Michael Mitton, preventing them from trading in the shares of Pender International Inc., and the Temporary Cease Trading Order against Michael Mitton preventing him from trading in any securities in Ontario, be continued until October 12, 2006.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060731_firestarcapital.jsp for details.

BRITISH COLUMBIA SECURITIES COMMISSION (BCSC)

Hidden Valley Power Company Ltd., Hidden Valley Enterprises Inc. and Daryl Desjardins – In a notice of hearing issued February 2006, the executive director alleged that the respondents defrauded US investors and at the same time made misrepresentations and illegal distributions. On August 3, 2006, the BCSC found that the executive director had not proved the allegations and dismissed them. For details see www.bcsc.bc.ca, type one full name or 2006 BCSECCOM 466 in the search box, and go to the decision.

Arthur Murray Smolensky – In a notice of hearing issued September 2001, the executive director alleged that Smolensky had manipulated the shares of Trooper Technologies Inc. and traded the shares using undisclosed inside information. Smolensky acknowledged this manipulation and insider trading in a settlement with the TSX Venture Exchange in April 2001. In August 2006, the executive director discontinued the hearing. For details see www.bcsc.bc.ca, type Smolensky's full name or 2006 BCSECCOM 502 in the search box, and go to the notice of discontinuance.

SETTLEMENT AGREEMENTS

BRITISH COLUMBIA SECURITIES COMMISSION (BCSC)

Derrick W. Cleveland – On June 15, 2006, Cleveland entered into a settlement with the BCSC. He had pleaded guilty to securities fraud in the US. In committing the fraud, Cleveland had traded some shares through a BC dealer. The BCSC ordered Cleveland permanently not to buy or sell securities, act as a director or officer and engage in investor relations. For details see www.bcsc.bc.ca, type Cleveland's full name or 2006 BCSECCOM 372 in the search box, and go to the settlement.

MARKET MANIPULATION AND FRAUD

Darryl Wayne Halisky – On July 24, 2006, Halisky entered into a settlement with the BCSC. Halisky was an insider of Cora Capital Corporation when it did an IPO. He set up a number of nominee accounts and purchased 23% of the IPO offering. The TSX Venture Exchange rules limited his purchases to 2%. Halisky did not file insider trading reports. Halisky must pay the BCSC \$8,000. The BCSC ordered Wilson for 5 years not to buy or sell securities, except for his own account, act as a director or officer and engage in investor relations. For details see www.bpsc.bc.ca, type Halisky's full name or 2006 BCSECCOM 438 in the search box, and go to the settlement.

DISCLOSURE VIOLATIONS

COURT RULINGS

QUÉBEC

Alain Vézina (Ressources minières Normabec Ltée)- On May 24, 2006, Mr Justice Denis Lavergne of the Court of Québec (Criminal and penal division) found Alain Vézina guilty on five counts of having failed, as an insider, to disclose within 10 days of the event, the changes in his control over the securities of Ressources minières Normabec Ltée. Mr Justice Lavergne fined Vézina \$5,000 (\$1,000 per count), plus costs. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5388/en/> for details.

Hervé Rolland (Rolland Virtual Business Systems Ltd.)– On May 5, 2006, Ms. Justice Danielle Michaud of the Court of Québec (Criminal and penal division) found Hervé Rolland guilty on nine counts of having failed, as an insider, to disclose within 10 days of the event, the changes in his control over the securities of Rolland Virtual Business Systems Ltd. Consequently, on May 17, 2006 Ms. Justice Michaud fined Rolland \$9,000 (\$1,000 per count), plus costs. See: <http://www.lautorite.qc.ca/salle-de-presse/comuniqués-presse/2004/communiqué-5337/en/> for details.

François C. Desrosiers (Corporation Big Red Diamond, Ressources Melkior inc. et Ressources Antoro inc.)– On June 8, 2006, François C. Desrosiers pled guilty to 21 counts of having failed, as an insider, to disclose within 10 days of the event, changes in his control over the securities of Big Red Diamond Corporation, Melkior Resources inc. and Antoro Resources inc. Ms Justice Anne-Marie Jacques of the Court of Québec (Criminal and penal division) ordered Desrosiers to pay a fine of \$21,000, plus costs. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5436/en/> for details.

CSA COMMISSION OR TRIBUNAL DECISIONS

ONTARIO SECURITIES COMMISSION (OSC)

Eugene N. Melnyk, Roger D. Rowan, Watt Carmichael Inc., Harry J. Carmichael, and G. Michael McKenney – In September 2006, the OSC heard two motions by Mr. Melnyk for (1) immediate disclosure of materials generated in an OSC investigation, and (2) permission to use the materials to refresh his memory in preparation for an SEC interview. In the circumstances of this case, the OSC decided that staff should disclose the requested materials forthwith, and that the intended use by Mr. Melnyk of the disclosed materials would not place him in contempt of the Commission or result in any breach of the Act or of any implied undertaking to the Commission. See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060929_melnyke.jsp for details.

DISCLOSURE VIOLATIONS

SETTLEMENT AGREEMENTS

ONTARIO SECURITIES COMMISSION (OSC)

Bennett Environmental Inc. – In June 2006, the OSC concluded a settlement agreement with Bennett Environmental Inc. (“BEI”) with respect to its misleading or untrue disclosure statements, and its failure to disclose forthwith a material change in its affairs. **Order:** The OSC ordered that BEI shall initiate a review of its disclosure and reporting practices and procedures by an independent third party acceptable to both BEI and Staff, at BEI’s expense, and within 30 days of the Order. BEI shall implement any recommendations made by the independent third party that are approved by Staff, within a reasonable period of time.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060630_312_bennettenviro.jsp for details.

Patrick Gouveia, Andrew Peters, Ronald Perryman, and Paul Vickery –

In August 2006, the OSC concluded a settlement agreement with Paul Vickery, an officer of Atlas Cold Storage Holdings Inc. and its Corporate Controller and then Director of Business Controls, with respect to his role in the preparation of financial statements for Atlas Cold Storage that were materially misleading.

Order: The OSC ordered that Mr. Vickery be prohibited from acting as a director or officer of any issuer for 5 years; that he be reprimanded; and that he pay \$5,000 in costs.

The proceedings against Andrew Peters were discontinued in August 2006.

In September 2006, the OSC concluded a settlement agreement with Ronald Perryman, the Vice-President of Finance of Atlas Cold Storage Income Trust, with respect to the filing of materially misleading financial statements for Atlas Cold Storage, and the failure of his due diligence obligations.

Order: The OSC ordered that Mr. Perryman be prohibited from acting as a director or officer of any issuer for 10 years; that he be reprimanded; and that he pay \$20,000 in costs.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060823_vickeryp.jsp; and http://www.osc.gov.on.ca/Enforcement/Proceedings/OTH/nod_20060825_petersa.jsp; and http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060915_perryman.jsp for details.

APPEALS

QUÉBEC

Regroupement des marchands actionnaires inc. (Métro inc.)– In 2004, the BDRVM had decided to impose a reprimand on the Regroupement des marchands actionnaires inc. for having failed, as an insider, to report any change in its control over the securities of Métro inc. On June 28, 2006, Mr Justice Michel Lassonde of the Court of Québec allowed the AMF’s appeal of that decision and ordered the Regroupement to pay an administrative penalty of 1,000\$.

See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5503/en/> for details.

MISCONDUCT BY REGISTRANTS

CSA COMMISSION OR TRIBUNAL DECISIONS

NEW BRUNSWICK SECURITIES COMMISSION (NBSC)

Alain Brien - This respondent made misrepresentations to Staff in the course of an investigation. The matter was settled on the basis of an administrative penalty of \$10,000 as well as a prohibition to trade in New Brunswick for a period of 10 years. See: <http://nbsc-cvmnb.ca/PDF/ABrien-StlmtAgree-f.pdf> for details.

ONTARIO SECURITIES COMMISSION (OSC)

Terrence William Marlow, Marlow Group Private Portfolio Management Inc. and Marlow Group Securities Inc. – In April 2006, the OSC varied its Temporary Order of January 4, 2006 by: continuing the Temporary Order against Mr. Marlow, but permitting trading of securities by A. Farber & Partners Inc. pursuant to the Receivership Order; and ordering that the Temporary Order shall cease to apply to Marlow Group Private Portfolio Management Inc. and Marlow Group Securities Inc.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060425_marlow.jsp for details.

Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown – In May and September 2006, the OSC extended its Temporary Order of March 8, 2006, that all trading in the securities of the Juniper Income Fund and the Juniper Equity Growth Fund cease, until Nov. 8, 2006. The OSC also ordered that Juniper Fund Management Corporation (“JFM”) is not to be paid any monthly management fees; that JFM’s requests for funds to pay expenses incurred by the Funds is to continue to be subject to approval by NBCN; that weekly lists of expenses by the Funds is to continue to be provided to and reviewed by Staff; and that neither JFM nor Roy Brown is to deal in any way with the assets or investments of the Funds. The OSC issued two Directions freezing bank accounts of JFM, the Funds, and Roy Brown.

In May and June 2006, the Ontario Superior Court of Justice ordered that the two Directions freezing bank accounts of JFM, the Funds, and Roy Brown be extended (with the exception of 3 personal accounts and one JFM account) until Sept. 30, 2006. The Court also appointed Grant Thornton Limited as Receiver over the assets, undertakings and properties of JFM and the Funds.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060921_juniperfunds.jsp for details.

Matterhorn Capital Corp. and Paul Barnard – In May 2006, the OSC issued a Temporary Order suspending the registration of Matterhorn Capital and of Mr. Barnard, in light of pending proceedings before the Competition Bureau, the U.S. Federal Trade Commission, and a U.S. Court relating to alleged deceptive telemarketing schemes.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060531_matterhorn.jsp for details.

MISCONDUCT BY REGISTRANTS

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich, and John Ogg – In June 2006, the OSC issued an Order adjourning the Commission proceeding against the respondents until a judgment is rendered in the Provincial Court proceeding initiated against Boaz Manor and Michael Mendelson. The individual respondents provided undertakings to the OSC that, pending the OSC’s final decision on liability and sanctions, they would each refrain from (i) acting as an officer or director of a reporting issuer; (ii) applying to become a registrant or from being an employee, director or officer of a registrant; or (iii) engaging directly or indirectly in the solicitation of investment funds from the general public.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060616_portus.pdf for details.

Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison, and Malcolm Rogers – In September 2006, the OSC found that Momentas Corporation had been acting as a market intermediary and distributing securities without being registered, and that Momentas, Howard Rash, and Alexander Funt had engaged in conduct that constituted ‘trading’ in securities without being registered. Mr. Rash and Mr. Funt were found liable for Momentas’ breaches of the Act as *de facto* officers and directors of Momentas. [Submissions on sanctions to follow.]

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060905_momentas.pdf for details.

BRITISH COLUMBIA SECURITIES COMMISSION (BCSC)

Pacific International Securities Inc., Max Meier, Lawrence Hugh McQuid, Jean-Paul Philippe Bachelier, Robert Herbert Blades, John Todd Eymann, Alberto John Quattrociochi, Martin J. Reynolds – In a notice of hearing issued in July 2001, the executive director alleged that the respondents failed to comply with the know your client and business procedures rules and acted contrary to the public interest. The allegations related to US clients of Pacific International trading in US markets. The executive director argued that Pacific International ought to have ceased doing business with all its US clients that traded on the Bulletin Board by March 24, 1997. In a split decision issued in September 2006, the majority found that the executive director had not proved any of the allegations, except for insignificant ones for which they would impose no sanctions. For details see www.bcsc.bc.ca, type one full name or 2006 BCSECCOM 532 in the search box, and go to the decision.

MISCONDUCT BY REGISTRANTS

SETTLEMENT AGREEMENTS

ONTARIO SECURITIES COMMISSION (OSC)

Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison, and Malcolm Rogers –

In April 2006, the OSC concluded a settlement agreement with Malcolm Rogers, a director and CEO of Momentas Corporation, with respect to his failure to appropriately discharge his duties as an officer and director of an issuer offering securities to the public; and his acquiescence in Momentas' acting as a market intermediary and distributing its securities without being registered.

Order: The OSC ordered that Rogers be prohibited from acting as an officer or director of any issuer for 3 years [except with his current employer, XtraKare Corporation of America Inc. or its affiliates]. Rogers agreed to testify as a witness at any proceeding before the Commission in respect of the sale of Momentas securities.

In April 2006, the OSC concluded a settlement agreement with Suzanne Morrison, a director and officer of Momentas Corporation, with respect to her failure to appropriately discharge her duties as an officer and director of an issuer offering securities to the public.

Order: The OSC ordered that Morrison cease trading in securities for 10 years and that exemptions shall not apply to her for 10 years [except for trading in securities for her own RRSP after 2 years]; that she be prohibited from acting as an officer or director of any issuer for 10 years; and that she pay \$7,500 in costs. Morrison agreed to testify as a witness at the Commission hearing of the Momentas Corporation proceeding.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060403_rogersm.jsp (Rogers); and http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060331_morrisonm.jsp (Morrison) for details.

Terrence William Marlow – In May 2006, the OSC concluded a settlement agreement with Mr. Marlow with respect to his failure to deal fairly, honestly, and in good faith with his clients; his failure to maintain necessary books and records; his failure to deposit into a trust account and properly identify funds held on behalf of his clients; and his failure to file audited financial statements for Marlow Group Private Portfolio Management Inc. for 2003.

Order: The OSC ordered that Mr. Marlow's registration be permanently suspended; that he permanently cease trading in securities (except for trading pursuant to the receivership order); that exemptions permanently do not apply to him; (except for those exemptions necessary to permit trading pursuant to the receivership order); that he be permanently prohibited from acting as an officer or director of any issuer; and that he be reprimanded. See http://www.osc.gov.on.ca/Enforcement/Proceedings/SET/set_20060519_marlowm.jsp for details.

Olympus United Group Inc. – In June 2006, the OSC continued the Temporary Orders of May 13th and 20th, 2005 suspending the registration of Olympus and precluding redemptions from any existing client accounts. See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060608_olympusm.jsp for details.

Norshield Asset Management (Canada) Ltd. – In June 2006, the OSC continued the Temporary Order of May 20th, 2005 suspending the registration of Norshield and requiring that a monitor be retained by Norshield to oversee its financial and business affairs.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060608_olympusm.jsp for details.

MISCONDUCT BY REGISTRANTS

BRITISH COLUMBIA SECURITIES COMMISSION (BCSC)

Union Securities Ltd., John P Thompson, Rex W. Thompson and Norman F Thompson – On April 18, 2006, Union and the Thompsons entered into a settlement with the executive director. They acted contrary to the securities law and SRO rules when they failed (1) to establish and apply written prudent business procedures; (2) to establish appropriate procedures for supervising account activity to ensure a high standard of ethics and good business conduct; (3) to monitor their compliance personnel; and (4) to approve the opening of new client accounts and to supervise client transactions. The Thompsons agreed to pay the BCSC \$650,000. Union agreed to engage an independent auditing firm to audit annually its compliance and supervision practices. The Thompsons agreed that if the auditor is unable to state that Union is in compliance, then they will surrender their registrations. Also on April 18, Union and John Thompson entered into a settlement with the IDA under which Union agreed to pay \$1 million and gave undertakings relating to its business. For details see www.bcsc.bc.ca, type one full name or 2006 BCSECCOM 220 in the search box, and go to the settlement.

Martin Browne, Dominic Busto and Elliot Kagna – In the spring 2006, Browne, Busto and Kagna entered into settlements with the executive director. While they were registered representatives at Union Securities Ltd., they failed to comply with the know your client rule. Each agreed to pay the BCSC \$50,000. Busto and Kagna agreed to conditions on their registrations that their employer must strictly supervised them and that, within 6 months, they must complete the industry's conduct and practices handbook course. Browne, who is no longer registered, agreed not to apply for registration for 3 years and ,if he becomes registered to comply with conditions, including the Busto and Kagna conditions. For details of each party, see www.bcsc.bc.ca, type the party's full name in the search box, and go to the settlement.

Sagit Investment Management Ltd. and Raoul Noel Tsakok – On June 30, 2006, the respondents entered into a settlement with the BCSC. Sagit was a mutual fund manager and Tsakok was an advising and trading officer. They failed to manage Sagit's funds with the degree of care, diligence and skill that a reasonable person would exercise in the circumstances. Tsakok agreed to pay the BCSC \$45,000 and not to apply for registration as an advising or trading officer. For details see www.bcsc.bc.ca, type one full name or 2006 BCSECCOM 404 in the search box, and go to the settlement.

Quantum Financial Service (Canada) Ltd. and Phillip Moy – On July 16, 2006, Quantum and Moy entered into a settlement with the BCSC for compliance failures, including filing misleading financial information. Quantum is an exchange contracts dealer and Moy was its chief financial officer. The BCSC reprimanded Quantum and Moy. Quantum must pay the BCSC \$50,000 and must comply with conditions on its registration. For 2 years, Moy must not act as a director or officer of an issuer whose primary business is trading in or advising on securities or exchange contracts. For details see www.bcsc.bc.ca, type one full name or 2006 BCSECCOM 423 in the search box, and go to the settlement.

MISCELLANEOUS

COURT RULINGS

QUÉBEC

Louise Lessard (Coopérative de producteurs de bois précieux Québec Forestales)-- On May 23, 2006, Mr. Justice Louis A. Legault of the Court of Québec (Criminal and penal division) found Louise Lessard guilty of having refused to testify before and to remit items to an agent of the AMF in the course of an investigation. Lessard was fined \$2,000 (\$1,000 per count) plus costs. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5374/en/> for details.

CSA COMMISSION OR TRIBUNAL DECISIONS

BUREAU DE DÉCISION ET DE RÉVISION EN VALEURS MOBILIÈRES (BDRVM)

Stevens Demers, Raymond Bréard, Claude Charbonneau, Nathalie Demers and Ronald Demers (Enviromondial inc.) – On June 29, 2006, the BDRVM issued a cease trading order against Stevens Demers, Raymond Bréard, Claude Charbonneau, Nathalie Demers and Ronald Demers. The BDRVM found that these persons , in particular Stevens Demers, were using companies incorporated abroad to try to sidestep the application of the Securities Act to the trading of shares of Enviromondial inc. which are already the subject of an earlier cease trading order of the BDRVM.

See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5528/en/> for details.

Jacques Gagné – On May 11, 2006, the BDRVM confirmed its earlier decision that had ordered Jacques Gagné to cease trading in securities and to cease carrying on business as an adviser. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5387/en/> for details.

La Libératrix Corporation, Gaby Cournoyer and David Allaire (La Financière Man Canada Cie) – On August 10, 2006, the BDRVM issued a freeze order on the funds, securities or other assets of la Libératrix Corporation, Gaby Cournoyer and David Allaire that are held in an account at Man Financial Canada Co. The BDRVM also ordered these persons to cease carrying on business as advisers by managing portfolios or providing advice or acquiring, disposing of or participating in commodity, financial instrument and stock index futures contracts, without being duly registered. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5624/en/> for details.

ONTARIO SECURITIES COMMISSION (OSC)

Howard Rash – In July 2006, the OSC found that Howard Rash had traded in securities in violation of a Cease Trade Order issued by the Commission on July 8, 2005.

Order: The OSC ordered that Rash cease trading in any securities for 3 years; that any exemptions do not apply to him for 3 years; and that he pay \$15,000 in costs.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060905_rashh.pdf for details.

MISCELLANEOUS

SETTLEMENT AGREEMENTS

ONTARIO SECURITIES COMMISSION (OSC)

Thomas Hinke – In May 2006, the OSC concluded a settlement agreement with Thomas Hinke with respect to his failure to file insider trading reports, and his breach of a prior settlement agreement which also dealt with his failure to file insider trading reports.

Order: The OSC ordered that Hinke cease trading in the securities of Thermal Energy International Inc. for 6 months and cease trading in the securities of all other reporting issuers in which he holds more than 5% of any class of securities, or for which he is deemed an insider, for 1 year; that he pay an administrative penalty of \$32,000, and \$5,000 in costs; and that he be reprimanded. Hinke agreed to provide a copy of the Commission Order to any registrant with whom he deals for 1 year; and agreed to take a relevant corporate governance course prior to becoming an insider or an officer or director of a reporting issuer.

See http://www.osc.gov.on.ca/Enforcement/Proceedings/RAD/rad_20060512_hinket.jsp for details.

ALBERTA SECURITIES COMMISSION (ASC)

Russell Dean Berscht - On April 27, 2006, the ASC concluded a settlement with Mr. Berscht. The Respondent admitted to failing to file some 175 insider trading reports respecting one issuer's shares over two year period agreed to pay \$10,000 to settle these allegations and \$6,000 towards costs, and undertook for two years to cease trading in or purchasing securities and acting as a director or officer of any issuer.

See [http://www.albertasecurities.com/dms/1404/13521/14036_BERSCHT, Russell Dean - SAU - 2006-04-27 - 2151972_v1.pdf](http://www.albertasecurities.com/dms/1404/13521/14036_BERSCHT,_Russell_Dean_-_SAU_-_2006-04-27_-_2151972_v1.pdf) for details.

APPEALS

QUÉBEC

Michel Maheux (Coopérative de producteurs de bois précieux Québec Forestales) – In 2005, the Court of Québec (Criminal and pénal division) had found Michel Maheux guilty of having helped the Coopérative de producteurs de bois précieux Québec Forestales contravene a decision of the Commission des valeurs mobilières du Québec and make misrepresentations with respect to transactions in its securities. Maheux appealed his conviction and fine of 222,000.\$ to the Superior Court. On July 5, 2006, Mr Justice Jean-Guy Boilard rejected Maheux's appeal. See: <http://www.lautorite.qc.ca/salle-de-presse/communiqués-presse/2004/communiqué-5525/fr/> (French only) for details.

RECIPROCAL ORDERS

MANITOBA SECURITIES COMMISSION (MSC)

Trevor William Park – On August 31, 2006 the MSC issued an order against Park, reciprocating a BCSC order. The MSC Order provided for a prohibition on purchasing securities and a denial of exemptions until the later of June 1, 2017 and of 12 years from the date Park pays \$5,000 to the BCSC in accordance with its Order and further provided that he resign and be prohibited from being a director or officer of any issuer and be prohibited from investor relations for the same period. An exception was made for trading and purchasing securities in an account of which he is the beneficial owner. See <http://www.msc.gov.mb.ca/orders/park.html> for details.

ALBERTA SECURITIES COMMISSION (ASC)

Dianne Oslund - On April 26, 2006, the ASC applied within Alberta the non-monetary sanctions imposed earlier against the Respondent by the BCSC. Oslund was ordered until October 31, 2020 to cease trading in or purchasing securities, denied exemptions and prohibited from acting as a director or officer of any issuer. See [http://www.albertasecurities.com/dms/1404/13521/14024_OSLUND, Dianne - DEC - 2006-04-26 - 2158055v1.pdf](http://www.albertasecurities.com/dms/1404/13521/14024_OSLUND,_Dianne_-_DEC_-_2006-04-26_-_2158055v1.pdf) for details.

Michael Ruge - On June 16, 2006, the ASC applied within Alberta the non-monetary sanctions imposed earlier against the Respondent by the BCSC. Ruge was ordered until May 5, 2030 to cease trading or purchasing securities (with one exception), denied exemptions, and with one exception prohibited from acting as a director or officer of any issuer. See [http://www.albertasecurities.com/dms/1404/13521/14250_RUGE, Michael Ernst - DEC -2006-06-16-2216004.pdf](http://www.albertasecurities.com/dms/1404/13521/14250_RUGE,_Michael_Ernst_-_DEC_-_2006-06-16-2216004.pdf) for details.

SELF-REGULATORY ORGANIZATIONS

COURT RULINGS

ALBERTA

Macleod and Miszczuk v. ASC and TSXV - On July 31, 2006, the Alberta Court of Appeal released Reasons for Judgment, upholding the TSXV suitability decisions rejecting the Appellants as directors and officers for the listing issuer and the ASC confirmation of such decisions and dismissing the appeals. See [http://www.albertasecurities.com/dms/1404/13521/14795_MCLEOD, Murdo C. - Court of Appeal - 2006-07-31.pdf](http://www.albertasecurities.com/dms/1404/13521/14795_MCLEOD,_Murdo_C._-Court_of_Appeal_-_2006-07-31.pdf) for details.

MUTUAL FUND DEALERS ASSOCIATION OF CANADA (MFDA)

NEW BRUNSWICK

Barry James Coleman (“Coleman”)- On June 14, 2006, the MFDA found that Coleman misappropriated \$28,250 from a client and redeemed \$31,400 from the account of the same client without authorization. The MFDA ordered that he be permanently prohibited from conducting securities related business, pay a fine of \$25,000 and costs of \$7,500. See <http://www.mfda.ca/enforcement/hearings05/Decision200513.pdf> for details.

Tandem Wealth Management Inc. (“Tandem”)- On September 14, 2006, the MFDA terminated the rights, privileges and membership of Tandem in the MFDA. See <http://www.mfda.ca/enforcement/hearings06/OrderTermination200601.pdf> for details.

ONTARIO

Donald Kent Coleman (“Coleman”)- On April 10, 2006, the MFDA found that Coleman misappropriated \$18,234 from two clients. The MFDA ordered that he be permanently prohibited from conducting securities related business, pay a fine of \$10,000 and costs of \$2,500. See <http://www.mfda.ca/enforcement/hearings05/Decision200511.pdf> for details.

Ernest Ming Chung Lo (“Lo”)- On April 3, 2006, the MFDA found that Lo engaged in securities related business outside the Member, failed to observe high standards of ethics and conduct, and failed to cooperate with an investigation. The MFDA ordered that he be permanently prohibited from conducting securities related business, pay a fine of \$35,000 and costs of \$2,000. See <http://www.mfda.ca/enforcement/hearings05/Decision200512.pdf> for details.

iForum Financial Services Inc. (“iForum”)- On September 26, 2006, the MFDA terminated the rights, privileges and membership of iForum in the MFDA. See <http://www.mfda.ca/enforcement/hearings06/OrderTermination200603.pdf> for details.

SELF-REGULATORY ORGANIZATIONS

Olympus United Group Inc. (“Olympus”)- On September 26, 2006, the MFDA terminated the rights, privileges and membership of Olympus in the MFDA.

See <http://www.mfda.ca/enforcement/hearings06/OrderTermination200604.pdf> for details.

Shawn Sandink (“Sandink”)- On July 19, 2006, the MFDA found that Sandink misappropriated \$34,250 from a client. The MFDA ordered that he be permanently prohibited from conducting securities related business, pay a fine of \$35,000 and costs of \$2,500.

See <http://www.mfda.ca/enforcement/hearings06/Decision200602.pdf> for details.

Scott Andrew Stevens (“Stevens”)- On June 14, 2006, the MFDA found that Stevens misappropriated \$77,500 from four clients and failed to cooperate with an investigation. The MFDA ordered that he be permanently prohibited from conducting securities related business, pay a fine of \$61,000 and costs of \$2,000.

See <http://www.mfda.ca/enforcement/hearings05/Decision200514.pdf> for details.

ALBERTA

Glenn Murray Greeyes (“Greeyes”) – On June 5, 2006, the MFDA found that Greeyes borrowed \$243,000 from two clients and repaid only \$25,000, thereby placing his own interests ahead of the clients' interests and engaging in conduct unbecoming. The MFDA ordered that he be permanently prohibited from conducting securities related business, pay a fine of \$225,000 and costs of \$7,500.

See <http://www.mfda.ca/enforcement/hearings05/Decision200510.pdf> for details.

MARKET REGULATION SERVICES INC. (RS INC.)

ONTARIO

Raymond James Ltd. and Marc Deslongchamps – On June 30, 2006, an RS hearing panel approved a Settlement Agreement with Raymond James Ltd. and Marc Deslongchamps. Under the Settlement Agreements, Raymond James admitted that (i) in the period February 2003 to February 2005, it contravened UMIR 5.3(1) and 5.3(2) (client priority), 5.3(6) (failure to record client consent), 6.2(1)(b) (order marking) and 10.11(1) (audit trail) on numerous occasions; and (ii) in the period July 2003 to February 2005, Raymond James failed to comply with its trading supervision obligations under UMIR 7.1(1) and Policy 7.1. Raymond James agreed to pay a fine of \$400,000 and costs of \$125,000. Mr Deslongchamps admitted that in the period February 2003 and February 2005, he failed to comply with his trading supervision obligations under UMIR 7.1(4) and Policy 7.1. Mr. Deslongchamps agreed to pay a fine of \$50,000. Mr. Deslongchamps was also prohibited against acting in a supervisory capacity for a period of 1 year.

See <http://www.rs.ca/en/enforce/noticesDisciplinary.asp> for details.

SELF-REGULATORY ORGANIZATIONS

TD Securities Inc. – On July 5, 2006, an RS hearing panel approved a Settlement Agreement with TD Securities Inc. Under the Settlement Agreement, TD Securities Inc. admitted that on hundreds of occasions between December 2003 and January 2005 it contravened UMIR 5.1 (best execution obligation for client orders), 6.3(1) (exposure of client orders), 10.11(1) (audit trail) and 10.12(1) (retention of records). TD Securities Inc. agreed to pay a fine of \$350,000 and costs of \$80,000. See <http://www.rs.ca/en/enforce/noticesDisciplinary.asp> for details.

Standard Securities Inc. – On July 6, 2006, an RS hearing panel approved a Settlement Agreement Standard Securities Inc. Under the Settlement Agreement, Standard Securities admitted that between April 1, 2002 and April 1, 2004, it failed to adopt written policies and procedures to be followed by Standard's directors, officers, partners and employees that were adequate, taking into account Standard's business and affairs, to ensure compliance with the Universal Market Integrity Rules and UMIR Policies, contrary to UMIR 7.1 and Policy 7.1. Standard Securities agreed to pay a fine of \$80,000 and costs of \$20,000. See <http://www.rs.ca/en/enforce/noticesDisciplinary.asp> for details.

INVESTMENT DEALERS ASSOCIATION (IDA)

COURT RULINGS

ONTARIO

Malcolm Robert Bruce Kyle and Derivative Services Inc. – On May 26, 2006 the Ontario Court of Appeal refused to grant leave to appeal, to Mr. Kyle, from the decision of the Ontario Divisional Court. The Divisional Court upheld the IDA's investigative powers and that Mr. Kyle, at that time President and CEO of DSI, an IDA Member firm, had unreasonably refused to cooperate with an IDA investigation. It affirmed the Ontario District Council's decision that refusal to comply was a serious infraction and that the failure to provide information undermined the integrity of the self-regulatory system. The discipline proceedings were commenced by the IDA's Enforcement staff against Mr. Kyle and DSI in 1998. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

IDA PANEL DECISIONS

QUÉBEC

Sylvie Brunet – On April 4, 2006 a Hearing Panel accepted a Settlement Agreement negotiated between Enforcement Staff and Sylvie Brunet. Ms. Brunet has admitted that she engaged in conduct unbecoming and contrary to By-law 29.1 as well as violating By-law 19.5. That is that she engaged in transactions that constituted a conflict of interest and then failed to co-operate with the subsequent investigation. Ms. Brunet is prohibited from approval in any capacity with an IDA member firm, for a period of twelve (12) years and fined \$5,000. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

SELF-REGULATORY ORGANIZATIONS

iForum Securities Inc. – Following an expedited *ex parte* hearing held on May 3, 2006, a Hearing Panel ordered the expulsion of iForum Securities Inc. from the Association. On November 30, 2005, iForum Securities Inc. was the subject of various orders by a hearing panel, including an order of immediate suspension. All of its client accounts were then transferred to another investment dealer. iForum Securities Inc. is now in bankruptcy and a trustee has been appointed to liquidate its assets. The order of expulsion of iForum Securities Inc. was effective on May 5, 2005. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Resolution Capital Inc. – Following an expedited *ex parte* hearing held on May 9, 2006, a Hearing Panel ordered the expulsion of Resolution Capital Inc. from the Association. The Panel noted the deregistration of Resolution Capital Inc. as a securities dealer by the Autorité des marchés financiers, given the cessation of its activities in this capacity, and the failure of Resolution Capital Inc. to pay the fines and costs imposed on it at the conclusion of two disciplinary proceedings. Resolution Capital Inc.'s status of member had been suspended since April 13, 2005. The expulsion was effective as of May 9, 2006. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Christian Guilbault – On June 16, 2006 a Hearing Panel accepted a Settlement Agreement negotiated between IDA Staff and Mr. Guilbault. Mr. Guilbault admitted that between April 2002 and January 2004 he violated Regulation 1300.1 (a) (c) and (d) and contradicted Regulation 1300.4 and 1300.5 as well as violating By-law 29.1 and 29.7. These included failing in his due diligence to learn essential facts about his client, recommending unsuitable investments for his clients, discretionary trading, and presenting reports to clients not properly authorized by his firm. Mr. Guilbault is permanently prohibited from registration approval in any registered capacity with an IDA Member firm and fined \$35,000 and assessed \$5,000 in costs. Mr. Guilbault withdrew the motion he had previously filed for a stay of the discipline proceedings, recognizing that he is subject to the IDA's jurisdiction in disciplinary matters and that the Hearing Panel has the power to rule on the acceptance of a Settlement Agreement although he is no longer registered with an IDA Member firm. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Roger Racine – On June 7, 2006 a Hearing Panel accepted a Settlement Agreement negotiated between IDA Staff and Roger Racine. Mr. Racine has admitted that between April 2002 and December 2003 he acted contrary to Policy No. 2 and By-law 29.27(b). In his role as a branch manager he failed to use the appropriate due diligence in approval of opening new client accounts, failed to adequately supervise the transactions under his supervision and failed to properly verify that certain transaction strategies met regulatory requirements., Mr. Racine has agreed to a fine in the amount of \$30,000 and \$5,000 towards the Association's cost of investigating and prosecuting this matter. Mr. Racine will also be suspended as Branch Manager for a period of six (6) months and as a condition to his re-approval as Branch Manager or for any new approval in such a capacity following the period of suspension he will successfully complete the Branch Managers Course administered by the Canadian Securities Institute. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

SELF-REGULATORY ORGANIZATIONS

ONTARIO

GRS Securities Inc. – On March 28, 2006, a Hearing Panel accepted a Settlement Agreement negotiated between IDA Staff and GRS Securities Inc. GRS admitted that during the period April 2004 to August, 2004, it failed to maintain risk adjusted capital in excess of zero, as required pursuant to By-law 17.1. The penalty assessed against GRS is a fine in the amount of \$40,000. In addition, GRS was ordered to pay \$7,000 towards the Association's costs of the investigation and prosecution of this matter.

See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Larry Jay Tobin – On April 21, 2006, a Hearing Panel accepted a Settlement Agreement negotiated between IDA Staff and Larry Jay Tobin. Mr. Tobin admitted that during 2003 he engaged in conduct unbecoming, contrary to Association By-law 29.1 and also that he failed to use due diligence contrary to Regulation 1300.1 (c). Mr. Tobin was assessed a fine in the amount of \$30,000, disgorgement in the amount of \$28,000 and directed to pay \$5,000 towards the Association's costs. Mr. Tobin was also suspended from approval for six (6) months, and subject to strict supervision for twelve (12) months upon any subsequent registration. Mr. Tobin must also re-write and pass the Conduct and Practices Handbook exam.

See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Denes Luciano Fransesco Peroni and Robert Paul Joseph Hetu – In a written decision released on May 2, 2006 a Hearing Panel found Mr. Peroni and Mr. Hetu were found to have violated IDA By-law 29.1. The Hearing Panel found that between January 2002 and February 2003 misled their firm and a mutual fund company the costs of a joint advertising program. Subsequently written submissions on Penalty were filed with the National Hearing Coordinator's Office on September 5, 2006. Copies of the Hearing Panel's decision on the sanction will be made available when released.

See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

MGI Securities Inc. and Crawford Gordon – On May 10, 2006, a Hearing Panel considered, , and accepted a Settlement Agreement negotiated between IDA Staff, MGI Securities Inc. and Crawford Gordon. MGI and Mr. Gordon admitted that, commencing in April 2000, they violated Regulation 1300.2 by failing to establish and maintain procedures and controls to effectively supervise trading by clients who are insiders of public issuers or who are in control positions of public issuers. MGI was fined \$250,000 as well as costs in the amount of \$45,000. Mr. Gordon was fined \$150,000, he has also undertaken not to apply for approval with the IDA for the position of Ultimate Designated Person, Alternate Designative Person or any other position with compliance supervisory duties. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Robertson Rodger Dow – In a written decision dated July 12, 2006, following a disciplinary hearing held on June 27, 2006, a Hearing Panel found that Robertson Rodger Dow engaged in conduct unbecoming, contrary to By-law 29.1, by accepting orders to trade from an individual he knew or ought to have known to have had a history of securities violations and/or association with organized crime. Mr. Dow was permanently prohibited from approval to act in any registered capacity with a Member of the Association and assessed a fine in the amount of \$300,000, disgorgement of commissions in the amount of \$361, 972 as well as required to pay costs of \$110,000 towards the Association's investigation and prosecution of this matter. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

SELF-REGULATORY ORGANIZATIONS

Randal Jerome Hazen – In a written decision dated July 12, 2006 following a disciplinary hearing held on June 21, 2006, pursuant to an Agreed Statement of Facts, Mr. Hazen admitted that during the period February, March and August, 2000 he engaged in business conduct which is unbecoming or detrimental to the public interest in that he acted contrary to s. 53 of the Ontario Securities Act and violated Association By-law 29.1. Mr. Hazen agreed to a fine in the amount of \$10,000 and costs in the amount of \$5,000. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Stephen Taub – In a written decision dated August 1, 2006, the Motion for an order that the IDA does not have jurisdiction to proceed with the allegations against Mr. Taub was dismissed. The Hearing Panel accepted IDA Staff's position that the IDA continued to have jurisdiction over Taub pursuant to By-law 20.7, which gives the IDA jurisdiction over former Approved Persons for five years from the date on which they cease to be Approved Persons. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

ALBERTA

Kara Lee Cubbon – On March 29, 2006 a Hearing Panel accepted a Settlement Agreement negotiated between IDA Staff and Ms. Cubbon. Ms. Cubbon admitted that between March 2000 and November 2000 inclusive she engaged in conduct unbecoming contrary to By-law 29.1, by distributing securities contrary to the Alberta Securities Act and for being involved in personal dealings with two clients, without knowledge or consent of the firm. Ms. Cubbon was fined \$22,500 and assessed costs in the amount of \$10,000. Ms. Cubbon was also subject to a six (6) month period of close supervision and will have to re-write and pass the Conduct and Practices Handbook examination within twelve (12) months of the acceptance of the Settlement Agreement as a condition of continued approval in any capacity with the Association. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Kelly John Campbell Husky – On May 1, 2006, a Hearing Panel accepted a Settlement Agreement negotiated between IDA Staff and Mr. Husky. Pursuant to the terms of the Settlement Agreement, Mr. Husky admitted that in April 2004 he violated Regulation 1300.1(a) and By-law 29.1, by failed to use due diligence to learn all essential facts about a client and executing a trade for each of two clients without their knowledge or consent. Mr. Husky was fined \$25,000, assessed costs in the amount of \$4,000 and disgorgement of commissions in the amount of \$1,227. Mr. Husky was also subject to close supervision for a period of six (6) months. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

John Kevin Letun – On June 23, 2005 a Hearing Panel accepted a Settlement Agreement negotiated between IDA Staff and John Kevin Letun. Mr. Letun admitted that from 1998 through 2001, he violated By-law 29.1 by participating in a distribution of securities contrary to the Alberta Securities Act. Mr. Letun was assessed a fine in the amount of \$15,000 as well as \$1,500 in costs towards the Association's investigation and prosecution in this matter. Mr. Letun is also required to re-write and pass the *Conduct and Practices Handbook* examination, administered by the Canadian Securities Industry, within six (6) months of the date of acceptance of the Settlement Agreement; and be subjected to a four (4) month period of close supervision. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

SELF-REGULATORY ORGANIZATIONS

BRITISH COLUMBIA

Tiffany Yen Siam Mu – In a written decision, dated April 6, 2005, the Hearing Panel dismissed the charges against Tiffany Yen Siam Mu. Ms. Mu was alleged to have filed a registration document containing misleading information. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Union Securities Ltd. and John P. Thompson – On April 18, 2006 a Hearing Panel accepted a Settlement Agreement negotiated between IDA staff and, Union Securities Ltd. and John P. Thompson. Union and Thompson admitted that they failed to develop and implement adequate compliance systems to ensure effective supervision of activity at the firm, and thereby acted contrary to Association By-law 29.1. The penalty assessed against Union is a global fine inclusive of costs in the amount of one million dollars (\$1,000,000). Mr. Thompson is permanently prohibited from acting as UDP for Union or any other Member firm. The Respondents are also bound by undertakings provided to Staff. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

Charles Kamal Dass – In a written decision dated July 19, 2006, a Hearing Panel dismissed Mr. Dass's Motion. The Motion was for an order that the Association does not have jurisdiction to proceed with the allegations against Mr. Dass contained in the Notice of Hearing on the basis that he is no longer an approved person since he resigned from the industry on July 21, 2004. See http://www.ida.ca/Enforcement/DisciplinaryBulletins_en.asp for details.

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