



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

22<sup>nd</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

22e étage  
20, rue queen ouest  
Toronto ON M5H 3S8

---

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

**-AND-**

**IN THE MATTER OF PRO-FINANCIAL ASSET MANAGEMENT INC.**

**ORDER  
(Subsections 127(1), (2) and (8))**

**WHEREAS** on May 17, 2013, the Ontario Securities Commission (the “Commission”) issued a temporary order (the “Temporary Order”) with respect to Pro-Financial Asset Management Inc. (“PFAM”) pursuant to subsections 127(1) and (5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) ordering that:

1. Pursuant to paragraph 1 of subsection 127(1) of the Act, the registration of PFAM as a dealer in the category of exempt market dealer is suspended and the following terms and conditions apply to the registration of PFAM as an adviser in the category of portfolio manager and to its operation as an investment fund manager:

- (a) PFAM’s activities as a portfolio manager and investment fund manager shall be applied exclusively to the Managed Accounts and to the Pro-Hedge Funds and Pro-Index Funds; and
- (b) PFAM shall not accept any new clients or open any new client accounts of any kind in respect of the Managed Accounts;

2. Pursuant to subsection 127(6) of the Act, 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** it appeared to the Commission that PFAM: (i) is capital deficient contrary to subsection 12.1(2) of NI 31-103; and (ii) there is an ongoing reconciliation being conducted by PFAM for the nine series of principal protected notes (“PPNs”);

**AND WHEREAS** on May 28, 2013, the Commission ordered that: (i) the Temporary Order be extended to June 27, 2013; (ii) the hearing to consider whether to further extend the terms of the Temporary Order and/or to make any further order as to PFAM's registration, would proceed on June 26, 2013 at 10:00 a.m.;

**AND WHEREAS** on June 26, 2013, Staff and counsel for PFAM advised that the parties had agreed that: (i) the Temporary Order should be extended to July 15, 2013; (ii) PFAM would provide Staff with its plan for a sale of its assets by July 3, 2013; and (iii) the hearing be adjourned to July 12, 2013 at 10:00 a.m. for the purposes set out below;

**AND WHEREAS** on June 26, 2013, the Commission ordered that:

- (i) the Temporary Order be extended to July 15, 2013;
- (ii) the affidavit of Michael Denyszyn sworn May 24, 2013 not be marked as an exhibit until the next appearance in the absence of a Commission order to the contrary; and
- (iii) the hearing to consider whether to: (a) further extend or vary the terms of the Temporary Order; (b) make further orders as to PFAM's registration; (c) review PFAM's plan for a sale of PFAM's assets; and (d) consider whether to order PFAM to deliver the final PPN reconciliation report, will proceed on July 12, 2012;

**AND WHEREAS** the parties were asked by the Secretary's office to consider adjourning the hearing to July 18, 2013 at 11:00 a.m. and extending the Temporary Order to July 22, 2013:

**AND WHEREAS** the parties have agreed that:

- (i) the Temporary Order be extended to July 22, 2013;
- (ii) the hearing be adjourned to July 18, 2013 at 11:00 a.m.; and
- (iii) the hearing date of July 12, 2013 at 10:00 a.m. be vacated;

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

**AND WHEREAS** by Authorization Order made April 12, 2013, pursuant to subsection 3.5(3) of the Act, the Commission authorized each of Howard I. Wetston, James E. A. Turner, Mary G. Condon, James D. Carnwath, Edward P. Kerwin, Vern Krishna, Alan J. Lenczner, Christopher Portner and C. Wesley M. Scott acting alone, to exercise the powers of the Commission to make Orders under section 127 of the Act;

**IT IS HEREBY ORDERED** that:

1. the Temporary Order is extended to July 22, 2013;
2. the hearing to consider whether to: (i) further extend or vary the terms of the Temporary Order; (ii) make any further orders as to PFAM's registration; (iii) review PFAM's plan for a sale of PFAM's assets; and/or (iv) consider whether to order PFAM to deliver the final PPN reconciliation report to Staff, will proceed on July 18, 2013 at 11:00 a.m.; and
3. the hearing date of July 12, 2013 at 10:00 a.m. is vacated.

**DATED** at Toronto this 11<sup>th</sup> day of July, 2013.

*"James E. A. Turner"*

---

James E. A. Turner