

**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, C. S.5, as amended**

AND

**IN THE MATTER OF AN APPLICATION BY THE SPECIAL COMMITTEE OF
DIRECTORS OF THE VENGROWTH FUNDS**

AND

**IN THE MATTER OF GROWTHWORKS CANADIAN
FUND LTD. AND GROWTHWORKS LTD.**

APPLICATION

To: **THE SECRETARY OF THE COMMISSION**
Ontario Securities Commission
19th Floor, 20 Queen Street West
Toronto, Ontario
M5H 3S8

This application to the Ontario Securities Commission is brought by the applicant, the Special Committee of Directors of The VenGrowth Investment Fund Inc., The VenGrowth II Investment Fund Inc., The VenGrowth III Investment Fund Inc., The VenGrowth Advanced Life Sciences Fund Inc., and The VenGrowth Traditional Industries Fund Inc. (the "**VenGrowth Funds**").

This application will come on for a hearing on a date, at a time and at a place to be set by the Secretary of the Commission.

1. The applicant makes application for:
 - (a) an order permitting this application to be heard,
 - (b) an order pursuant to subsection 127(1)2 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "**Act**") that trading in securities of GrowthWorks Canadian Fund Ltd. ("**GrowthWorks**") by or on behalf of the respondents, GrowthWorks and GrowthWorks Ltd., with respect to GrowthWorks' proposed acquisition of the VenGrowth Funds, cease for such period as is specified in the order,

- (c) an order pursuant to subsection 127(1)5 of the Act that GrowthWorks' information circular dated March 14, 2011, and its related support agreement and other documents sent to VenGrowth Shareholders or published on the GrowthWorks website not be provided by or on behalf of the respondents to any VenGrowth Shareholders and that these documents be removed from the GrowthWorks website, and
- (d) such further and other relief as counsel may request and the Commission may order.

2. The grounds for this application are:

- (a) GrowthWorks is attempting to acquire the VenGrowth Funds by soliciting their shareholders (the "**VenGrowth Shareholders**") to sign support agreements giving GrowthWorks an irrevocable power of attorney to requisition shareholder meetings of the VenGrowth Funds and vote VenGrowth Shareholders' shares at such meetings,
- (b) the solicitation is being made, in part, through an "information circular" dated March 14, 2011 and other documents and statements that are misleading and omit material information,
- (c) GrowthWorks' solicitation is a solicitation of proxies that contravenes Ontario securities law and the *Canada Business Corporations Act* ("**CBCA**"),
- (d) GrowthWorks' support agreement contravenes the CBCA and Ontario securities law and is itself misleading,
- (e) GrowthWorks' attempt to create an irrevocable proxy to enable it to acquire the VenGrowth Funds is inconsistent with the animating principles of the Act with respect to take-over bids and proxy solicitation,
- (f) it is in the public interest for the Commission to permit this application to be heard,
- (g) it is in the public interest for the Commission to make orders prohibiting the continuation of GrowthWorks' solicitation and other conduct in furtherance of its proposed acquisition of the VenGrowth Funds,
- (h) section 127 of the Act,
- (i) Rule 16 of *the Ontario Securities Commission Rules of Procedure*, and
- (j) such further and other grounds as counsel may advise.

3. The documentary evidence to be used at the hearing of this application is:

- (a) the Application Record,
- (b) any further material as may be necessary for the hearing of this Application,

Date: May 2, 2011

PHILIP ANISMAN

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Jonathan R. Grant

AND TO: **GROWTHWORKS LTD.**

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J. Alex Moore

AND TO: **ONTARIO SECURITIES COMMISSION
CORPORATE FINANCE BRANCH, MERGERS AND ACQUISITIONS**

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Naizam Kanji, Deputy Director

AND TO: **ONTARIO SECURITIES COMMISSION
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