

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

AND

IN THE MATTER OF MARK KASSIRER

Hearing: June 17, 2002

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| Panel: | Paul M. Moore, Q.C. | - | Vice-Chair (Chair of the Panel) |
| | M. Theresa McLeod | - | Commissioner |
| | Harold P. Hands | - | Commissioner |

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| Counsel: | Tracy Pratt | - | For the Staff of the Ontario |
| | Yvonne Lo | | Securities Commission |

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| | Chris G. Paliare | - | For Mark Kassirer |
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**EXCERPT FROM THE SETTLEMENT HEARING
CONTAINING THE ORAL REASONS FOR DECISION**

The following statement has been prepared for purposes of publication in the Ontario Securities Commission Bulletin and is based on the transcript of the hearing, including oral reasons delivered at the hearing, in the matter of Mark Kassirer. The transcript has been edited, supplemented and approved by the panel for the purpose of providing a public record of the panel's decision in the matter. This decision should be read together with the settlement agreement and order attached.

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**Vice-Chair Moore:**

We approve the settlement agreement as being in the public interest.

We note that Mr. Kassirer was not directly responsible for the supervision of the parties involved, although he was indirectly responsible as the chairman of Phoenix. We also note that he thought there was an adequate system of controls in place, although he now realizes it was inadequate. Mr. Kassirer's conduct was not that of someone who did not care whether or not there were controls. We also saw no evidence of moral culpability or dishonesty on anyone's part, and we're not exactly sure why the unauthorized investing activity took place. But we certainly are satisfied that there is no evidence that Mr. Kassirer profited in any way from it.

We think the crucial matter, from the public interest point of view, is addressed in the settlement agreement itself: namely, the requirement that Mr. Kassirer take courses as outlined and that an examination of the company's procedures be undertaken to ensure that prudent controls are now properly in place.

Having said all that, it is important to record that we do agree with the fact that this matter was brought, and the guilty plea, because the public requires assurance when investors hand over their money for investment and they are promised certain investment strategies, that someone is going to be watching the shop to make sure their money is invested as promised.

The buck stops at the top. Accordingly, we really have to look right up the chain to senior management and ask what went wrong. And while we think it would be unreasonable to expect absolute liability in every case where there is a loss, merely because there is a loss, we do not believe it is unreasonable for the public to expect, and to insist, that adequate safeguards be in place to make sure, as best as possible, things will be delivered as promised.

Accordingly, we believe that this is an excellent settlement. It is right for this particular case and very appropriate. On that basis, we approve the settlement agreement.

Dated as of June 17, 2002

Approved on behalf of the panel

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Paul M. Moore, Vice-Chair