



Ontario
Securities
Commission

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de l'Ontario

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

- AND -

PORTUS ALTERNATIVE ASSET MANAGEMENT INC. and BOAZ MANOR

**ORDER
(Section 144)**

WHEREAS on February 10, 2005, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act"), that trading in any securities by Portus Alternative Asset Management Inc. ("Portus") cease, except with respect to certain pre-authorized periodic withdrawals;

AND WHEREAS, pursuant to section 144 of the Act, the Executive Director of the Commission has applied for an Order varying the Commission's Order dated February 10, 2005 in the manner set out herein;

AND WHEREAS, between approximately February of 2003 and May of 2003, Portus offered the Market Neutral Preservation Fund (the "MNPF") product to investors. The MNPF structure is a non-prospectus qualified mutual fund purportedly offered directly to accredited investors by way of Offering Memorandum;

AND WHEREAS, the MNPF was designed to be advantageous from a taxation perspective through, among other things, the use of a derivative structure involving non-dividend paying Canadian securities including shares of Precision Drilling Corp. ("Precision") and Patheon Inc. ("Patheon");

AND WHEREAS, Precision has announced its intention to reorganize into an income trust. Pursuant to such reorganization, in exchange for their non-dividend paying shares, shareholders in Precision will receive units in the income trust, common shares in Weatherford International Ltd (currently owned by Precision) and cash. This would result in unfavourable tax consequences for investors in the MNPF as a consequence of the related distribution of income and/or capital gains;

AND WHEREAS, KPMG Inc. ("KPMG"), as Receiver over Portus, intends to bring a motion before Justice Campbell of the Ontario Superior Court of Justice (Commercial List) on October 14, 2005, requesting an Order authorizing it to take such action as it considers appropriate for the purposes of removing the shares of Precision from the Canadian basket of non-dividend paying securities purchased in connection with the MNPF and replacing those shares with other non-dividend paying securities;

AND WHEREAS, the Receiver states in its Eleventh Report dated October 7, 2005 that it is necessary to remove the shares of Precision from the MNPF structure in order to preserve the integrity of the MNPF structure and to avoid the adverse tax consequences associated with the reorganization of Precision into an income trust;

AND WHEREAS, the making of this Order is not prejudicial to the public interest;

AND WHEREAS by Commission order made on June 29, 2005 pursuant to section 3.5(3) of the Act, each of Susan Wolburgh Jenah, Paul M. Moore, Robert W. Davis, Harold P. Hands and Paul K. Bates, acting alone, is authorized to make orders under section 144 of the Act;

IT IS HEREBY ORDERED that, pursuant to section 144 of the Act, the Commission's Temporary Order of February 10, 2005 is varied to permit the Receiver to take such action as it considers appropriate (including trading in the shares of Precision and Patheon) for the purposes of removing the shares of Precision from the Canadian basket of non-dividend paying securities purchased in connection with the MNPF structure and replacing those shares with other non-dividend paying securities.

DATED at Toronto this 13th day of October, 2005.

"Paul Moore"

Paul M. Moore