

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

**- and -**

**IN THE MATTER OF EUGENE N. MELNYK, ROGER D. ROWAN,  
WATT CARMICHAEL INC., HARRY J. CARMICHAEL  
AND G. MICHAEL McKENNEY**

**ORDER  
(Sections 127 and 127.1)**

WHEREAS on July 28, 2006 the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (the “Notice of Hearing”) and Statement of Allegations (the “Statement of Allegations”) pursuant to sections 127 and 127.1 of the *Securities Act* (the “Act”) in respect of the parties listed above;

AND WHEREAS Eugene N. Melnyk (“Melnyk”) has entered into a settlement agreement with Staff of the Commission dated May 16, 2007 in relation to the matters set out in the Statement of Allegations (the “Settlement Agreement”);

AND WHEREAS Melnyk has provided the Commission with a written undertaking, attached hereto as Schedule “1”;

UPON reviewing the Notice of Hearing, Statement of Allegations and Settlement Agreement, and upon hearing submissions from counsel for Melnyk and for Staff of the Commission;

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

IT IS HEREBY ORDERED that:

1. The Settlement Agreement, a copy of which is attached to this Order as Schedule “2”, is approved.
2. Pursuant to clause 9 of subsection 127(1) of the Act, Melnyk will pay an administrative penalty to the Commission in the amount of \$750,000.00. This payment will be allocated by the Commission to or for the benefit of third parties pursuant to section 3.4(2)(b) of the Act.
3. Pursuant to clause 8 of subsection 127(1) of the Act, Melnyk is prohibited from acting as a director of Biovail for a period of one year beginning June 30, 2007.
4. Pursuant to clause 6 of subsection 127(1) of the Act, Melnyk is reprimanded.
5. Pursuant to section 127.1 of the Act, Melnyk will make a payment to the Commission in the amount of \$250,000.00 representing a portion of the costs of the Commission’s investigation in relation to this proceeding.

DATED at Toronto this 18th day of May, 2007

*“James E. A. Turner”*

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James E. A. Turner

*“C. S. Perry”*

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Carol S. Perry

*“Margot Howard”*

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Margot C. Howard