



Ontario
Securities
Commission

Commission des
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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 -

IN THE MATTER OF BIOVAIL CORPORATION, EUGENE N. MELNYK, BRIAN H. CROMBIE, JOHN R. MISZUK AND KENNETH G. HOWLING

ORDER
(Sections 127 and 127.1)

WHEREAS on March 24, 2008 the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and related Statement of Allegations (the "Notice of Hearing") against Biovail Corporation ("Biovail"), Eugene N. Melnyk, Brian H. Crombie, John R. Miszuk and Kenneth G. Howling;

AND WHEREAS Biovail has entered into a settlement agreement with Staff of the Commission dated January 7, 2009 (the "Settlement Agreement") in relation to the matters set out in the Notice of Hearing;

UPON reviewing the Notice of Hearing and Settlement Agreement, and upon hearing submissions from counsel for Biovail 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 is approved.
2. Biovail is reprimanded.
3. Biovail shall pay an administrative penalty of CAN\$5,000,000.00 to be paid to or for the benefit of third parties designated by the Commission, pursuant to section 3.4(2) of the Act.
4. Biovail shall pay CAN\$1,500,000.00 in respect of a portion of the costs of the investigation and hearing in relation to his matter.
5. Pursuant to a Consent Final Judgment entered in the United States District Court for the Southern District of New York in *Securities and Exchange Commissions v. Biovail Corporation, et al.*, dated March 18, 2008, Biovail has retained a consultant (the “Consultant”) to conduct a comprehensive examination and review of Biovail’s internal accounting controls, policies and procedures, training, ethics and compliance policies and procedures and other matters (the “Review”). The terms of reference for the Consultant are attached to the Settlement Agreement as Schedule “C”. The Consultant is required to provide reports from time to time to Biovail’s board of directors, audit committee and the United States Securities and Exchange Commission. Biovail will provide Staff with copies of any such reports.
6. Biovail shall retain a further consultant acceptable to Staff (the “Ontario Consultant”) to examine and report on Biovail’s training of its personnel concerning compliance with the financial and other reporting requirements of Ontario securities law (the “Ontario Review”). In conducting the Ontario Review, the Ontario Consultant shall consider the investigations carried out by, and the reports prepared by, the Consultant pursuant to the Review, and may conduct such further investigations as are reasonably necessary. The terms of reference for the Ontario Review are attached to the Settlement Agreement as Schedule “D”.

7. Biovail shall use its best efforts to ensure that individuals who are current or former Biovail employees, and whom Staff wishes to interview, or call to testify at the hearing in this proceeding, are made available as Staff may reasonably require. Biovail shall use its best efforts to provide such additional documentation as Staff may reasonably require for the purposes of this proceeding.

Dated at Toronto this 9th day of January, 2009.

“Suresh Thakrar”
Suresh Thakrar

“Margot C. Howard”
Margot C. Howard

“Paul K. Bates”
Paul K. Bates