



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
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  
GOLD-QUEST INTERNATIONAL, HEALTH AND HARMONEY,  
IAIN BUCHANAN, AND LISA BUCHANAN**

**ORDER  
(Section 127 of the *Securities Act*)**

**WHEREAS** on the 1st day of April, 2008, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that all trading in any securities of Gold-Quest International ("Gold-Quest") shall cease (the "Temporary Order");

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Health and HarMONEY, Iain Buchanan and Lisa Buchanan (the "Ontario Respondents") shall cease;

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to Gold-Quest and the Ontario Respondents;

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to Gold-Quest's officers, directors, agents or employees;

**AND WHEREAS** on April 8, 2008, the Commission issued a Notice of Hearing in this matter (the “Notice of Hearing”);

**AND WHEREAS** Gold-Quest and the Ontario Respondents were served with the Temporary Order, the Notice of Hearing and the Evidence Brief of Staff of the Commission (“Staff”) as set out in the Affidavit of Service of Dale Grybauskas dated April 14, 2008;

**AND WHEREAS** no correspondence has ever been sent to Staff on behalf of Gold-Quest and no one has ever appeared for Gold-Quest;

**AND WHEREAS** upon hearing submissions from counsel for Staff and on written consent of counsel for the Ontario Respondents dated April 11, 2008, the Commission extended the Temporary Order until July 14, 2008 or until further order of the Commission, subject to a carve-out to permit Iain Buchanan to trade in securities listed on a recognized public exchange only in his own existing account(s), for his own benefit, and through a dealer registered with the Commission, and a carve-out to permit Lisa Buchanan to trade in securities listed on a recognized public exchange only in her own existing account(s), for her own benefit, and through a dealer registered with the Commission (the “Amended Temporary Order”);

**AND WHEREAS** on May 6, 2008, the U.S. Securities and Exchange Commission (the “SEC”) filed an emergency civil enforcement action against Gold-Quest, and U.S. District Court Judge Lloyd D. George issued numerous orders against Gold-Quest and persons related to Gold-Quest, including orders prohibiting the trading in securities of Gold-Quest, freezing assets related to the sale of Gold-Quest securities and appointing a permanent receiver for Gold-Quest;

**AND WHEREAS** on July 14, 2008, counsel for Staff attended before the Commission while counsel for the Ontario Respondents did not attend but provided correspondence with respect to the Temporary Order;

**AND WHEREAS** on July 14, 2008, upon hearing submissions from counsel for Staff and considering the correspondence from counsel for the Ontario Respondents, the Commission

extended the Amended Temporary Order against Gold-Quest and the Ontario Respondents until October 7, 2008;

**AND WHEREAS** on October 7, 2008, counsel for Staff and counsel for the Ontario Respondents did not oppose the extension of the Amended Temporary Order;

**AND WHEREAS** on October 7, 2008, upon considering the correspondence from counsel for the Ontario Respondents, the Commission extended the Amended Temporary Order against Gold-Quest and the Ontario Respondents until December 9, 2008;

**AND WHEREAS** on December 9, 2008, counsel for Staff and counsel for the Ontario Respondents did not oppose the extension of the Amended Temporary Order;

**AND WHEREAS** on December 9, 2008, upon considering the correspondence from counsel for the Ontario Respondents, the Commission extended the Amended Temporary Order against Gold-Quest and the Ontario Respondents until February 10, 2009;

**AND WHEREAS** on February 10, 2009, counsel for Staff and counsel for the Ontario Respondents did not oppose the extension of the Amended Temporary Order;

**AND WHEREAS** on February 10, 2009, upon considering the correspondence from counsel for the Ontario Respondents, the Commission extended the Amended Temporary Order against Gold-Quest and the Ontario Respondents until March 20, 2009;

**AND WHEREAS** on March 12, 2009, Staff of the Commission issued a Statement of Allegations against Gold-Quest, the Ontario Respondents, the Harmony Club Inc., and Sandra Gale alleging breaches of the Act related to trades in the securities of Gold-Quest and the Harmony Club Inc.;

**AND WHEREAS** on March 20, 2009, upon considering the correspondence from counsel for the Ontario Respondents, the Commission extended the Amended Temporary Order against Gold-Quest and the Ontario Respondents until May 27, 2009 and adjourned the hearing

into the extension of the Amended Temporary Order against Gold-Quest and the Ontario Respondents until May 26, 2009;

**AND WHEREAS** on May 26, 2009, as no counsel appeared for Gold-Quest and Health and HarMONEY, and upon being informed that counsel for Iain Buchanan and Lisa Buchanan did not oppose the extension of the Amended Temporary Order until June 25, 2009, the Commission extended the Amended Temporary Order against Gold-Quest and the Ontario Respondents until June 25, 2009 and adjourned the hearing into the extension of the Amended Temporary Order against Gold-Quest and the Ontario Respondents until June 25, 2009;

**AND WHEREAS** on June 25, 2009, no counsel appeared for Gold-Quest and Health and HarMONEY;

**AND WHEREAS** on June 25, 2009, counsel for Iain Buchanan and Lisa Buchanan did not oppose the extension of the Amended Temporary Order until August 21, 2009, and it is in the public interest to extend the Amended Temporary Order without prejudice to the right of the Ontario Respondents to bring an application before the Commission to challenge the scope of the Amended Temporary Order;

**AND WHEREAS** on June 25, 2009, counsel for Staff and counsel for Iain Buchanan and Lisa Buchanan agreed that the hearing to extend the Amended Temporary Order shall be scheduled for August 20, 2009;

**IT IS ORDERED THAT:**

1. The Amended Temporary Order against Gold-Quest and the Ontario Respondents is extended to August 21, 2009 on the terms and conditions set forth in the Amended Temporary Order; and
2. A hearing to extend the Amended Temporary Order shall be held on August 20, 2009 at 10:00 a.m. or such other date as is agreed by the parties and determined by the Office of the Secretary.

DATED at Toronto this 25<sup>th</sup> day of June, 2009.

*“Carol S. Perry”*

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