



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

- and -

IN THE MATTER OF MI DEVELOPMENTS INC.

ORDER

(Subsection 104(1) and section 127 of the Act)

Hearing: September 9 and 10, 2009

Decision: September 14, 2009

Panel: James E. A. Turner - Vice-Chair
Paulette L. Kennedy - Commissioner

Counsel: Thomas G. Heintzman - For Greenlight Capital, Inc.
René R. Sorell
Andrew B. Matheson
(McCarthy Tétrault LLP)

Michael E. Barrack - For Farallon Capital Management,
Jessica S. Bookman - LLC, Hotchkis and Wiley Capital
(ThorntonGroutFinnigan LLP) Management, LLC, Donald Smith &
Co. Inc., Owl Creek Asset
Management, LP, North Run Capital,
Shane Priemer LP, Pzena Investment Management,
(Voorheis & Co. LLP) LLC

Kent E. Thomson - For MI Developments Inc.
James W. E. Doris
Andrea L. Burke
Vincent A. Mercier
Derek D. Ricci
(Davies Ward Phillips &
Vineberg LLP)

Laura K. Fric
Emmanuel Z. Pressman
Craig T. Lockwood
(Osler, Hoskin & Harcourt
LLP)

- For Magna Entertainment Corp.

Peter F. C. Howard
Sean F. Dunphy
Edward J. Waitzer
Ellen Snow
Amanda Linett
(Stikeman Elliott LLP)

- For Fair Enterprise Limited

James Sasha Angus
Michelle Vaillancourt
Usman Sheikh
Naizam Kanji
Shannon O'Hearn
Jason Koskela

- For Staff of the Ontario Securities
Commission

ORDER

WHEREAS Farallon Capital Management, LLC, Hotchkis and Wiley Capital Management, LLC, Donald Smith & Co. Inc., Owl Creek Asset Management, LP, North Run Capital, LP and Pzena Investment Management, LLC (the “Shareholders”) on behalf of themselves and funds and entities under their management requested by way of an application dated July 10, 2009 (the “Farallon Application”) that the Commission convene a hearing to review compliance by MI Developments Inc. (“MID”) with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”), in connection with certain transactions;

AND WHEREAS Greenlight Capital, Inc. (“Greenlight”) has also requested by way of an application dated July 13, 2009 (the “Greenlight Application”) that the Commission convene a hearing to review MID’s compliance with MI 61-101 in connection with the same transactions;

AND WHEREAS on August 11, 2009, the Commission issued a Notice of Hearing pursuant to subsection 104(1) and section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (“the Act”) to consider the Farallon Application and the Greenlight Application (the “Applications”);

AND WHEREAS The Commission held a motions hearing on August 19, 2009 (the “Motions Hearing”) to hear and determine various procedural matters in anticipation of the hearing on the merits of the Applications;

AND WHEREAS Magna Entertainment Corp. (“MEC”) filed a motion for intervenor status and was granted intervenor status at the Motions Hearing allowing MEC to make submissions with respect to the appropriateness and scope of any potential Commission order disposing of the Applications, as that order could affect MEC;

AND WHEREAS Fair Enterprise Limited (“Fair Enterprise”) filed a motion for intervenor status and was granted intervenor status at the Motions Hearing allowing Fair Enterprise to adduce evidence regarding its involvement in the transactions and agreements to which it is a party and that are at issue in connection with the Applications, and to make oral and written submissions on those issues;

AND WHEREAS in response to document requests, the parties and Fair Enterprise have produced and filed with the Commission non-public documents on the basis that those documents will be kept confidential by all parties and intervenors and will not be used for any purpose other than the Applications and, accordingly, a protective order was issued by the Commission on August 21, 2009;

AND WHEREAS the Commission held a hearing on the merits on September 9 and 10, 2009 to consider the Applications and determine whether the Commission should make an order

under subsection 104(1) and/or section 127 of the Act as requested by the Shareholders and Greenlight or as otherwise determined by the Commission;

AND WHEREAS the Commission intends to issue reasons for this Order in due course;

AND UPON considering the written materials filed by the Shareholders, Greenlight, MID, MEC, Fair Enterprise and Staff of the Commission (“Staff”) and considering the oral submissions made;

AND UPON being satisfied that it would not be in the public interest to make an order under subsection 104(1) or section 127 of the Act in connection with the Applications;

IT IS ORDERED THAT:

1. The Farallon Application and the Greenlight Application are hereby dismissed; and
2. MID is hereby unconditionally released from its undertaking provided to Staff on May 11, 2009 relating to transactions with MEC.

DATED at Toronto this 14th day of September, 2009.

“James E. A. Turner”

James E. A. Turner

“Paulette L. Kennedy”

Paulette L. Kennedy