



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19<sup>e</sup> étage  
20, rue queen ouest  
Toronto ON M5H 3S8

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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  
MERAX RESOURCE MANAGEMENT LTD.  
carrying on business as CROWN CAPITAL PARTNERS,  
RICHARD MELLON and ALEX ELIN**

**ORDER**

**WHEREAS** on November 29, 2006 the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing as amended on November 30, 2006 pursuant to s.127 of the *Securities Act*, R.S.O. 1990, c.S.5, to consider whether it is in the public interest to make certain orders against Merax Resource Management Ltd. carrying on business as Crown Capital Partners, Richard Mellon (“Mellon”) and Alex Elin (“Elin”);

**AND WHEREAS** on December 6, 2006, Staff of the Commission (“Staff”) and counsel for Mellon and Elin attended a hearing and requested that the matter be adjourned to February 27, 2007 in order to allow counsel for Mellon and Elin to review disclosure and possibly set a hearing date;

**AND WHEREAS** on February 27, 2007, Staff and counsel for Mellon and Elin attended a hearing and requested that the matter be adjourned to April 16, 2007 in order to have a pre-hearing conference on or before that date;

**AND WHEREAS** on April 12, 2007, Staff and counsel for Mellon and Elin attended a pre-hearing conference before Commissioner Paul Bates;

**AND WHEREAS** on April 16, 2007, Staff and counsel for Mellon and Elin requested that this matter be adjourned to April 27, 2007 for the purpose of setting a hearing date;

**AND WHEREAS** on April 27, 2007, Mellon, Elin and Staff attended a hearing and the panel was advised that Mellon and Elin were no longer represented and Mellon, Elin and Staff requested that this matter be adjourned to May 4, 2007 for the purpose of setting a hearing date;

**AND WHEREAS** on May 4, 2007 the Commission ordered the hearing to commence on October 22, 2007;

**AND WHEREAS** on October 12, 2007, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Bates; and following an adjournment request by the Respondent Elin, the Commission adjourned the hearing scheduled for October 22, 2007 to December 12, 2007 to set a new date for a hearing;

**AND WHEREAS** on December 12, 2007, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Bates, and on consent the Commission ordered the hearing to commence on July 14, 2008 at 10:00 a.m., subject to further instructions from the Office of the Secretary, and that the pre-hearing conference would be continued on May 13, 2008;

**AND WHEREAS** on May 13, 2008, Staff, Mellon and Elin attended a further pre-hearing conference before Vice-Chair Turner who was updated on the continuing discussions between the parties including whether the hearing currently scheduled to commence on July 14, 2008 would be a hearing on the merits or a sanctions hearing;

**AND WHEREAS** Staff, Mellon and Elin agreed that the pre-hearing conference should be continued as soon as reasonably possible, on a date agreed by the parties and fixed by the Office of the Secretary, to address outstanding issues relating to the hearing currently scheduled to commence on July 14, 2008;

**AND WHEREAS** on May 30, 2008, Staff attended a further pre-hearing conference before Commissioner Bates and filed an Amended Statement of Allegations dated May 30, 2008;

**AND WHEREAS** Mellon and Elin were advised of this further pre-hearing conference but declined to attend;

**AND WHEREAS** Staff advised Commissioner Bates that Mellon and Elin had communicated to Staff that they would agree to the facts as set out in the Amended Statement of

Allegations and therefore the hearing currently scheduled to commence on July 14, 2008 would be a hearing on sanctions only;

**AND WHEREAS** Staff advised Commissioner Bates that, since Mellon and Elin were admitting to the facts as set out in the Amended Statement of Allegations filed May 30, 2008 and that the hearing scheduled for July 14, 2008 would not be a hearing on the merits, the only witness to be called by Staff at the hearing commencing on July 14, 2008 would be Scott Boyle, the investigator in this matter;

**AND WHEREAS** the Commission ordered that a hearing on sanctions only shall commence on July 14, 2008 at 10:00 a.m.

**AND WHEREAS** on May 30, 2008, the Commission ordered that a hearing on sanctions only shall commence on July 14, 2008 at 10:00 a.m.;

**AND WHEREAS** on July 14, 2008, Staff, Mellon and Elin appeared before the Commission;

**AND WHEREAS** Staff, Mellon and Elin did not file, prior to or at the hearing on July 14, 2008, an agreed statement of facts or submissions as to sanctions;

**AND WHEREAS** the Respondents submitted that they did not receive sufficient notice as to the scope of the hearing scheduled to commence on July 14, 2008, and in particular whether it is a hearing on the merits or a sanctions hearing;

**AND WHEREAS** the hearing was adjourned to a date to be agreed to by Staff, Mellon and Elin, and determined by the Office of the Secretary;

**AND WHEREAS** on April 7, 2010, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Knight and made submissions;

**AND WHEREAS** Commissioner Knight advised that the Amended Statement of Allegations submitted to the panel on May 30, 2008 was not formally issued as an Amended Statement of Allegations;

**AND WHEREAS** Commissioner Knight encouraged Staff, Mellon and Elin to work cooperatively to identify facts agreed upon and facts not agreed upon;

**AND WHEREAS** Commissioner Knight requested that Staff, Mellon and Elin advise the Commission, in writing, by May 7, 2010:

- (a) what facts are agreed upon and what facts are not agreed upon;
- (b) what, if any, legal issues remain outstanding;
- (c) further to the settlement discussions, details of sanctions sought by Staff and sanctions each of the Respondents are prepared to agree to; and
- (d) precedent cases being relied by each party to support that party's position with respect to sanctions;

**AND WHEREAS** Commissioner Knight requested that the Respondents file all materials with respect to any motions that they wish to bring by May 12, 2010;

**AND WHEREAS** Commissioner Knight ordered the pre-hearing conference be adjourned to May 20, 2010;

**AND WHEREAS** on May 20, 2010, Staff, Mellon and Elin attended a further pre-hearing conference before Commissioner Knight;

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

**IT IS ORDERED THAT** a hearing on the merits shall commence on January 17, 2011 at 10:00 a.m. and continue on January 18, 19, 20 and 21, 2011 or such further or other dates as shall be agreed to by the parties and fixed by the Office of the Secretary.

**DATED** at Toronto this 20<sup>th</sup> day of May, 2010.

*"David L. Knight"*

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David L. Knight, F.C.A.