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

## **AND**

## IN THE MATTER OF INNOVATIVE GIFTING INC., TERENCE LUSHINGTON, Z2A CORP., and CHRISTINE HEWITT

## ORDER (Section 127)

**WHEREAS** on February 20, 2009, the Ontario Securities Commission (the "Commission") issued a temporary cease trade order pursuant to subsections 127(1) and 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") ordering, *inter alia*, that all trading in securities by Innovative Gifting Inc. ("IGI") shall cease (the "Temporary Order");

**AND WHEREAS** on February 20, 2009, the Commission ordered that the Temporary Order shall expire on the 15<sup>th</sup> day after its making unless extended by order of the Commission;

**AND WHEREAS** on February 23, 2009, the Commission issued a Notice of Hearing to consider, among other things, the extension of the Temporary Order, to be held on March 6, 2009 at 10:00 a.m.;

**AND WHEREAS** the Notice of Hearing set out that the Hearing was to consider, *inter alia*, whether, in the opinion of the Commission, it was in the public interest, pursuant to subsections 127(7) and (8) of the Act, to extend the Temporary Order until the conclusion of the hearing, or until such further time as considered necessary by the Commission;

**AND WHEREAS** on March 6, July 10 and November 30, 2009, and on February 3, 2010, hearings were held before the Commission and the Commission ordered that the Temporary Order be extended;

**AND WHEREAS** on February 3, 2010, the Commission ordered that the Temporary Order be extended until March 8, 2010 and the hearing with respect to the matter be adjourned to March 5, 2010;

- **AND WHEREAS** on March 2, 2010, the Commission issued a Notice of Hearing to consider, *inter alia*, whether to make orders, pursuant to sections 127, and 127.1 of the Act, against IGI, Terence Lushington ("Lushington"), Z2A Corp. ("Z2A"), and Christine Hewitt ("Hewitt") (collectively the "Respondents");
- **AND WHEREAS** on March 2, 2010, Staff of the Commission issued a Statement of Allegations against the Respondents;
- **AND WHEREAS** Staff served the Respondents with the Notice of Hearing dated March 2, 2010 and Staff's Statement of Allegations dated the same date. Service by Staff was evidenced by the Affidavit of Service of Joanne Wadden, sworn on March 4, 2010, which was filed with the Commission;
- **AND WHEREAS** on March 5, 2010, the Commission ordered that the Temporary Order be extended until April 13, 2010 and the hearing with respect to the matter be adjourned to April 12, 2010;
- **AND WHEREAS** on April 12, 2010, counsel for Staff, counsel for IGI and Lushington, and counsel for Z2A and Hewitt, appeared before the Commission and made submissions;
- **AND WHEREAS** on April 12, 2010, counsel for Staff requested an extension of the Temporary Order as against IGI;
- **AND WHEREAS** on April 12, 2010, counsel for IGI and Lushington consented to the extension of the Temporary Order as against IGI;
- **AND WHEREAS** on April 12, 2010, counsel for Staff provided counsel for the Respondents with Staff's initial disclosure in this matter;
- **AND WHEREAS** on April 13, 2010, the Commission issued an order that: (1) the Temporary Order be extended as against IGI until July 22, 2010; and (2) the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order be adjourned to July 21, 2010 at 10:00 a.m., at which time a pre-hearing conference will be held;
- **AND WHEREAS** on July 21, 2010, a pre-hearing conference was commenced and counsel for Staff, counsel for IGI and Lushington, and counsel for Z2A and Hewitt, appeared before the Commission and made submissions:
- **AND WHEREAS** on July 21, 2010, counsel for Staff requested an extension of the Temporary Order as against IGI, and counsel for IGI and Lushington consented to the extension of the Temporary Order as against IGI;
- **AND WHEREAS** on July 21, 2010, the Commission issued an order that: (1) the Temporary Order be extended as against IGI until September 10, 2010; and (2) the hearing with

respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order be adjourned to September 9, 2010 at 10:00 a.m., at which time the pre-hearing conference will be continued;

**AND WHEREAS** on September 9, 2010, the pre-hearing conference was continued and counsel for Staff and counsel for IGI and Lushington appeared before the Commission and made submissions. Counsel for Z2A and Hewitt did not attend but counsel for Staff advised the Commission of counsel's submissions;

**AND WHEREAS** on September 9, 2010, all counsel submitted that the hearing be adjourned and counsel for Staff requested an extension of the Temporary Order as against IGI and counsel for IGI and Lushington consented to the extension of the Temporary Order as against IGI;

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

**IT IS ORDERED**, pursuant to subsection 127(8) of the Act, that the Temporary Order is extended as against IGI until November 5, 2010; and

**IT IS FURTHER ORDERED** that the hearing with respect to the Notice of Hearing dated March 2, 2010 and with respect to the Temporary Order is adjourned to November 4, 2010 at 3:00 p.m., at which time the confidential pre-hearing conference will be continued and dates will be fixed for the hearing on the merits in this matter.

**DATED** at Toronto this 9<sup>th</sup> day of September, 2010.

James E. A. Turner"

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