



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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Web site: [www.osc.gov.on.ca](http://www.osc.gov.on.ca)

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

**- AND -**

**IN THE MATTER OF  
COVENTREE INC.,  
GEOFFREY CORNISH and DEAN TAI**

**ORDER  
(Sections 127 and 127.1 of the *Securities Act*)**

**WHEREAS** on December 7, 2009, a Statement of Allegations and a Notice of Hearing were issued by the Ontario Securities Commission (the “Commission”) pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in respect of Coventree Inc. (“Coventree”), Geoffrey Cornish (“Cornish”) and Dean Tai (“Tai”) (collectively, the “Respondents”);

**AND WHEREAS** the hearing on the merits of this matter took place over 45 hearings days from May 12, 2010 to December 9, 2010;

**AND WHEREAS** by reasons for decision dated September 28, 2011, the Commission determined that:

- (a) Coventree contravened subsection 75(1) of the Act by failing to forthwith issue and file a news release disclosing a material change with respect to Coventree that occurred on January 22, 2007;
- (b) Coventree contravened subsection 75(2) of the Act by failing to file a material change report in respect of the material change referred to in paragraph (a) above in accordance with that subsection;

- (c) Coventree contravened subsection 75(1) of the Act by failing to forthwith issue and file a news release disclosing the material changes with respect to Coventree that occurred by the close of business on August 1, 2007;
- (d) Coventree contravened subsection 75(2) of the Act by failing to file a material change report in respect of the material changes referred to in paragraph (c) above in accordance with that subsection;
- (e) each of Cornish and Tai authorized, permitted or acquiesced in Coventree's non-compliance with Ontario securities law referred to in paragraphs (a) to (d) above and were deemed also to have not complied with Ontario securities law in accordance with section 129.2 of the Act; and
- (f) the conduct of Coventree in contravening Ontario securities law as provided in paragraphs (a) to (d) above, and the conduct of each of Cornish and Tai in contravening Ontario securities law as provided in paragraph (e) above, was contrary to the public interest;

**AND WHEREAS** the allegations of Staff that Coventree breached section 56 and subsection 126.2(1) of the Act were dismissed;

**AND WHEREAS** on October 26 and 27, 2011, a hearing was held before the Commission to consider pursuant to sections 127 and 127.1 of the Act whether it is in the public interest to make an order imposing sanctions on, and the payment of costs of the hearing by, Coventree, Cornish or Tai;

**AND WHEREAS** Coventree is in the process of winding up its affairs and distributing its property and assets to shareholders (referred to in this Order as "winding-up");

**AND WHEREAS** in coming to its conclusions on sanctions the Commission carefully considered the submissions of all the parties, the principle of proportionality, and the numerous other factors and circumstances that the Commission considered relevant;

**AND WHEREAS** it is the intention of the Commission to issue, in due course, reasons for imposing the sanctions and costs set forth in this Order;

**AND WHEREAS** in all the circumstances, the Commission is of the opinion that it is in the public interest to make this Order;

**1. IT IS HEREBY ORDERED WITH RESPECT TO COVENTREE THAT:**

- (a) pursuant to clause 2 of subsection 127(1) of the Act, trading in any securities by Coventree cease until such time as Coventree completes its winding-up;
- (b) pursuant to clause 3 of subsection 127(1) of the Act, any exemptions contained in Ontario securities law do not apply to Coventree until such time as Coventree completes its winding-up;
- (c) pursuant to clause 9 of subsection 127(1) of the Act, Coventree pay an administrative penalty of \$1,000,000; and
- (d) pursuant to section 127.1 of the Act, Coventree pay \$250,000 of the costs incurred by the Commission in connection with the hearing of this matter;

**2. IT IS HEREBY ORDERED WITH RESPECT TO EACH OF CORNISH AND TAI THAT:**

- (e) pursuant to clause 6 of subsection 127(1) of the Act, each of Cornish and Tai be reprimanded;
- (f) pursuant to clause 7 of subsection 127(1) of the Act, each of Cornish and Tai resign any positions he may hold as a director or officer of a reporting issuer, other than Coventree;
- (g) pursuant to clause 8 of subsection 127(1) of the Act, each of Cornish and Tai are prohibited from becoming or acting as a director or officer of a reporting issuer, other than Coventree, for a period of one year; and
- (h) pursuant to clause 9 of subsection 127(1) of the Act, each of Cornish and Tai shall pay an administrative penalty of \$500,000;

**3. IT IS FURTHER ORDERED THAT:**

- (i) the Commission's orders in paragraphs (a) and (b) above shall not prevent the winding-up of Coventree or any trade in securities reasonably related to the winding-up;
- (j) for greater certainty, this Order is not intended to prevent Cornish or Tai making any claim for indemnity from Coventree in respect of the amounts payable by them pursuant to paragraph (h) of this Order;

- (k) the amounts referred to in paragraphs (c) and (h) above of this Order shall be allocated by the Commission to or for the benefit of third parties in accordance with subsection 3.4(2)(b) of the Act; and
- (l) Staff or any of the Respondents shall be entitled to apply to the Commission with respect to any issue or question that may arise related to the interpretation or application of this Order.

**DATED** at Toronto this 8<sup>th</sup> day of November, 2011.

*“James E. A. Turner”*

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James E. A. Turner

*“Mary G. Condon”*

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Mary G. Condon

*“Paulette L. Kennedy”*

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Paulette L. Kennedy