



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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Toronto ON M5H 3S8

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Toronto ON M5H 3S8

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

- AND -

**IN THE MATTER OF
ZUNGUI HAIXI CORPORATION, YANDA CAI and FENGYI CAI**

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

WHEREAS on November 7, 2011, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing (the “Notice of Hearing”) pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) and a related Statement of Allegations (the “Statement of Allegations”) with respect to Zungui Haixi Corporation (“Zungui”), Yanda Cai and Fengyi Cai (collectively, the “Respondents”);

AND WHEREAS the Notice of Hearing stated that a hearing would be held at the Offices of the Commission on November 23, 2011 at 11:00 a.m.;

AND WHEREAS on November 23, 2011, Staff of the Commission (“Staff”) attended before the Commission and no one appeared on behalf of the Respondents;

AND WHEREAS the Commission was satisfied that the Respondents were served with the Notice of Hearing and Statement of Allegations and had received reasonable notice of the hearing;

AND WHEREAS on November 23, 2011, Staff requested that a further appearance be scheduled for November 30, 2011;

AND WHEREAS on November 23, 2011, the Commission made an order, *inter alia*, adjourning the hearing to November 30, 2011;

AND WHEREAS on November 30, 2011, Staff attended before the Commission and no one appeared on behalf of the Respondents;

AND WHEREAS the Commission was satisfied that the Respondents were served with the Commission's Order dated November 23, 2011;

AND WHEREAS Staff advised the Commission that, in accordance with the Order of the Commission dated November 23, 2011, Staff would, prior to the end of the day, make available for inspection by the Respondents at the Offices of the Commission all of the documents or things in Staff's possession or control relevant to the allegations set out in the Statement of Allegations;

AND WHEREAS Staff advised the Commission that, in accordance with the Order of the Commission dated November 23, 2011, Staff would, prior to the end of the day, make available for inspection by the Respondents at the Offices of the Commission all of the documents or things that Staff intends to produce or enter as evidence at the hearing on the merits;

AND WHEREAS Staff advised the Commission that it had canvassed previously proposed December 2011 hearing dates with potential witnesses and that certain witnesses were unavailable on those dates;

AND WHEREAS Staff requested that the hearing be scheduled for the next available dates;

AND WHEREAS Staff advised the Commission that they intend to bring a motion to request that the Commission conduct the hearing on the merits, in whole or in part, by means of a written hearing, including through the use of affidavit evidence (the "Motion");

AND WHEREAS Staff requested that the Motion be conducted by means of a written hearing;

IT IS ORDERED that the Motion will be conducted by means of a written hearing;

IT IS FURTHER ORDERED that, pursuant to its ongoing disclosure obligations, Staff shall make available for inspection by the Respondents at the Offices of the Commission as soon as is reasonably practicable all of the relevant documents or things that may come into Staff's possession or control;

IT IS FURTHER ORDERED that the hearing on the merits is to commence on February 2, 2012 at 10:00 a.m. at the Offices of the Commission, 20 Queen Street West, 17th Floor, Toronto, and shall continue on February 3, 2012 or such further or other dates as may be agreed to by the parties and fixed by the Office of the Secretary.

Dated at Toronto this 30th day of November, 2011.

“Christopher Portner”

Christopher Portner