



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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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 PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,
PORTUS ASSET MANAGEMENT INC., BOAZ MANOR, MICHAEL MENDELSON,
MICHAEL LABANOWICH AND JOHN OGG**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on October 5, 2005, the Ontario Securities Commission (the “Commission”) issued a 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”) in relation to a Statement of Allegations issued by Staff of the Commission (“Staff”) on the same day, to commence proceedings (“Administrative Proceeding”) in respect of Portus Alternative Asset Management Inc. (“PAAM”), Portus Asset Management Inc. (“PAM”), Boaz Manor (“Manor”), Michael Mendelson (“Mendelson”), Michael Labanowich (“Labanowich”) and John Ogg (“Ogg”) (collectively, the “Respondents”);

AND WHEREAS on October 4, 2005, the Commission authorized the commencement of proceedings against Manor in the Ontario Court of Justice pursuant to section 122 of the Act;

AND WHEREAS on April 20, 2006, the Commission authorized the commencement of proceedings against Mendelson and the laying of additional charges against Manor in the Ontario Court of Justice pursuant to section 122 of the Act (collectively, the “Section 122 Proceeding”);

AND WHEREAS on June 16, 2006, the Commission ordered, among other things, that the Administrative Proceeding be adjourned until judgment is rendered in respect of the Section

122 Proceeding and that Staff and the Respondents appear before the Commission within eight weeks of judgment being rendered in the Section 122 Proceeding;

AND WHEREAS on November 19, 2007, Mendelson was convicted of a charge under the *Criminal Code*, R.S.C., 1985, c. C-46 (the “*Criminal Code*”) before the Ontario Court of Justice and was sentenced to two years in jail and three years probation;

AND WHEREAS on May 25, 2011, Manor was convicted of two charges under the *Criminal Code* before the Superior Court of Justice (Ontario) and was sentenced to four years in jail;

AND WHEREAS the convictions registered against Manor and Mendelson under the *Criminal Code* were for acts related to the Administrative Proceeding and the Section 122 Proceeding;

AND WHEREAS on July 13, 2011, the Section 122 Proceeding was concluded;

AND WHEREAS on August 4, 2011, a Notice of Hearing was issued giving notice that the Administrative Proceeding would continue;

AND WHEREAS on November 22, 2011, the Commission ordered, among other things, that the hearing on the merits commence on September 4, 2012, and continue on September 5, 6, 7, 10, 12, 13, 14, 19, 20, 21, 24, 26, 27, 28, and October 1, 2, 3, 4, and 5, 2012;

AND WHEREAS on August 16, 2012, Mendelson attended before the Commission and made submissions;

AND WHEREAS on August 27, 2012, the Commission approved settlement agreements between Staff and Manor (*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8105), between Staff and Labanowich (*Re Portus Alternative Asset Management Inc. et*

al. (2012), 35 O.S.C.B. 8104) and between Staff and Ogg (*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8106);

AND WHEREAS on September 4, 2012, Staff appeared and Mendelson attended via teleconference before the Commission and made submissions including that Staff and Mendelson had reached an agreement regarding the facts against Mendelson in this matter and that a sanctions hearing be scheduled with respect to Mendelson;

AND WHEREAS on September 4, 2012, Staff indicated that PAAM and PAM are in receivership and that the allegations pending against them will be dealt with separately at a future date;

AND WHEREAS on September 4, 2012, the Commission ordered that the scheduled dates of September 5, 6, 7, 10, 12, 13, 14, 19, 20, 21, 24, 26, 27, 28, and October 1, 2, 3, 4, and 5, 2012 for the hearing on the merits in the matter be vacated and that a sanctions hearing for Mendelson commence on October 2, 2012 at 10:00 a.m. until 1:00 p.m. and continue on October 4, 2012 at 10:00 a.m.;

AND WHEREAS on October 2, 2012, Staff and Mendelson appeared before the Commission and made submissions indicating that there is a proposed agreed statement of facts and requesting that the currently scheduled dates for the sanctions hearing for Mendelson be vacated and that the sanctions hearing for Mendelson be rescheduled;

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

IT IS ORDERED THAT the currently scheduled date of October 4, 2012 for the sanctions hearing for Mendelson in the matter is vacated;

IT IS FURTHER ORDERED THAT the sanctions hearing for Mendelson shall commence on October 16, 2012 at 10:00 a.m. until 4:30 p.m. and, if necessary, will continue on October 19, 2012 at 10:00 a.m. until 1:00 p.m.; and

IT IS FURTHER ORDERED THAT Staff shall file written submission on sanctions with the Commission by October 5, 2012 at 5:00 p.m. and Mendelson shall file written submissions on sanctions with the Commission by October 12, 2012 at 5:00 p.m.

DATED at Toronto this 2nd day of October, 2012.

“Edward P. Kerwin”

Edward P. Kerwin