



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

CP 55, 19^e étage
20, rue queen ouest
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 NEST ACQUISITIONS AND MERGERS,
IMG INTERNATIONAL INC., CAROLINE MYRIAM FRAYSSIGNES,
DAVID PELCOWITZ, MICHAEL SMITH, and
ROBERT PATRICK ZUK**

ORDER

WHEREAS on January 18, 2010, the Secretary to the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Monday, January 28th, 2010 at 10 a.m., or as soon thereafter as the hearing can be held;

AND WHEREAS on January 18, 2010, Staff of the Commission ("Staff") filed with the Commission a Statement of Allegations in this matter;

AND WHEREAS on January 25, 2011, counsel for Staff, counsel for Robert Patrick Zuk ("Zuk"), and counsel for Caroline Myriam Frayssignes ("Frayssignes") and Nest Acquisitions and Mergers ("Nest") appeared before the Commission for the purpose of a further pre-hearing conference;

AND WHEREAS on January 25, 2011, no one appeared on behalf of David Paul Pelcowitz ("Pelcowitz"), Michael Smith ("Smith") and IMG International Inc. ("IMG"), and the Commission was satisfied that Pelcowitz, Smith and IMG had been provided with notice of the pre-hearing conference;

AND WHEREAS on January 25, 2011, the Commission heard submissions by counsel for Staff, counsel for Frayssignes and Nest, and counsel for Zuk as to the unavailability of certain documents from a third party and to an anticipated motion to be brought by Frayssignes, Nest and Zuk;

AND WHEREAS on January 25, 2011, counsel for Staff, counsel for Zuk, and counsel for Frayssignes and Nest consented that the dates for the hearing on the merits set for January 31, 2011 to February 11, 2011 (except for February 8, 2011) be vacated and agreed to tentative dates for the hearing on the merits from June 20, 2011 to June 30, 2011 (except June 21, 2011);

AND WHEREAS on January 25, 2011, counsel for Staff, counsel for Zuk, and counsel for Frayssignes and Nest consented to a hearing for the anticipated motion to be held on June 6, 2011;

AND WHEREAS the Commission wished to allow Pelcowitz a further opportunity to make submissions on the tentative dates for the hearing on the merits prior to making an order;

AND WHEREAS on January 25, 2011, the Commission ordered that the dates for the hearing on the merits set for January 31, 2011 to February 11, 2011 be vacated and that the motion by Zuk, Frayssignes and Nest be heard on June 6, 2011;

AND WHEREAS Pelcowitz consented to the scheduling of the hearing on the merits from June 20, 2011 to June 30, 2011 (except June 21, 2011);

AND WHEREAS on March 4, 2011, the Commission ordered that the hearing on the merits be set for June 20, 2011 to June 30, 2011 (except June 21, 2011);

AND WHEREAS on June 20, 2011, Pelcowitz, counsel for Staff and counsel for Zuk attended before the Commission and no one attended on behalf of the other respondents;

AND WHEREAS counsel for Staff requested that the hearing on the merits be adjourned to June 27, 2011;

AND WHEREAS Zuk, through his counsel, and Pelcowitz consented to the adjournment;

AND WHEREAS on June 27, 2011, Zuk, Frayssignes and counsel for Staff attended before the Commission and no one attended on behalf of the other respondents;

AND WHEREAS on June 27, 2011, Frayssignes requested that she be provided with a simultaneous French translation of the hearing on the merits and a translation of the documents Staff proposes to tender at the hearing on the merits;

AND WHEREAS on June 27, 2011, upon hearing submissions from Staff counsel and Zuk, on behalf of Frayssignes, the Commission ordered, *inter alia*, that the hearing on the merits be adjourned to a date to be fixed by the Office of the Secretary, the Commission will provide a simultaneous translation into French of the hearing on the merits, and that a motion be heard in respect of Frayssignes' request for translation of the documents sought to be tendered by Staff on September 26, 2011 at 2:00 p.m. ("Frayssignes' Motion");

AND WHEREAS on September 26, 2011, Zuk, Frayssignes and counsel for Staff attended before the Commission;

AND WHEREAS on September 26, 2011, the Commission adjourned the hearing of Frayssignes' Motion to a date to be fixed by the Office of the Secretary, upon consultation with the parties;

AND WHEREAS on December 16, 2011, Zuk, Frayssignes and counsel for Staff attended before the Commission for the hearing of Frayssignes' Motion;

AND WHEREAS on December 16, 2011, upon hearing submissions from Frayssignes and upon considering the written submissions of Frayssignes and Staff, the Commission dismissed Frayssignes' Motion, with written reasons and decision to follow and ordered that the hearing on the merits be set on a date to be fixed by the Office of the Secretary, upon consultation with the parties;

AND WHEREAS on January 26, 2012, the Commission was advised that Staff, Zuk, Frayssignes, and Pelcowitz consent that the hearing on the merits be set for May 16, 17, 18, 23, 24, and 25, and June 4 and 6, 2012;

AND WHEREAS on February 1, 2012, the Commission ordered the hearing on the merits is set for May 16, 17, 18, 23, 24, and 25, and June 4 and 6, 2012;

AND WHEREAS on February 3, 2012, the Commission issued written reasons for dismissing Frayssignes' Motion;

AND WHEREAS the hearing on the merits began on May 16, 2012 and continued thereafter periodically;

AND WHEREAS on December 5, 2012, the Commission approved a settlement agreement between Staff and Zuk;

AND WHEREAS on December 6, 2012, Staff filed a Notice of Withdrawal solely in respect of the allegations against Frayssignes;

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

IT IS ORDERED that:

1. the hearing on the merits dates scheduled for December 11 and 14, 2012 be vacated;
2. on or before December 19, 2012, Staff shall serve and file with the Commission final submissions with respect to allegations against the remaining respondents;
3. on or before January 7, 2013, the remaining respondents shall serve and file with the Commission final submissions, if any; and
4. the hearing on the merits shall continue on January 15, 2013 at 3:00 p.m. for closing submissions from the parties.

DATED at Toronto this 7th day of December, 2012.

“James D. Carnwath”

James D. Carnwath

“Margot C. Howard”

Margot C. Howard