



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  
GOLD-QUEST INTERNATIONAL  
and SANDRA GALE**

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

**WHEREAS** on April 1, 2008, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act"), that all trading in any securities of Gold-Quest International ("Gold-Quest") shall cease (the "Temporary Order");

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that pursuant to clause 2 of subsection 127(1) and subsection 127(5) of the Act that all trading in any securities by Health and HarMONEY, Donald Iain Buchanan and Lisa Buchanan shall cease;

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to Gold-Quest, Health and HarMONEY, Donald Iain Buchanan and Lisa Buchanan;

**AND WHEREAS** the Commission further ordered as part of the Temporary Order that pursuant to clause 3 of subsection 127(1) and subsection 127(5) of the Act that any exemptions contained in Ontario securities law do not apply to Gold-Quest's officers, directors, agents or employees;

**AND WHEREAS** on April 8, 2008, the Commission issued a Notice of Hearing to consider among other things, the extension of the Temporary Order;

**AND WHEREAS** on April 15, 2008 the Temporary Order was extended by the Commission with some amendments (the "Amended Temporary Order");

**AND WHEREAS** the Amended Temporary Order has been extended from time to time, most recently, on December 10, 2009, until the completion of the hearing on the merits;

**AND WHEREAS** on March 13, 2009, the Commission issued a Notice of Hearing of pursuant to sections 127 and 127.1 of the Act, accompanied by a Statement of Allegations dated March 12, 2009, issued by Staff of the Commission (“Staff”) with respect to Gold-Quest, 1725587 Ontario Inc. carrying on business as Health and HarMONEY, the Harmony Club, Donald Iain Buchanan, Lisa Buchanan and Sandra Gale;

**AND WHEREAS** on March 20, 2009, upon hearing submissions from Sandra Gale, counsel for Staff and counsel for Donald Iain Buchanan and Lisa Buchanan, it was ordered that the hearing be adjourned to May 26, 2009;

**AND WHEREAS** on May 26, 2009, upon hearing submissions from Sandra Gale, counsel for Staff and counsel for Donald Iain Buchanan and Lisa Buchanan, it was ordered that the hearing be adjourned to June 25, 2009;

**AND WHEREAS** on June 25, 2009, upon hearing submissions from counsel for Staff, counsel for Sandra Gale, and counsel for Donald Iain Buchanan and Lisa Buchanan, it was ordered that the hearing be adjourned to August 20, 2009;

**AND WHEREAS** on August 20, 2009, upon hearing submissions from counsel for Staff and counsel for Sandra Gale, it was ordered that a pre-hearing conference be held on October 9, 2009;

**AND WHEREAS** on October 9, 2009, a pre-hearing conference was commenced and counsel for Staff, counsel for Sandra Gale and counsel for Donald Iain Buchanan and Lisa Buchanan attended before the Commission;

**AND WHEREAS** on October 9, 2009, counsel for Staff, counsel for Sandra Gale and counsel for Donald Iain Buchanan and Lisa Buchanan requested, and it was ordered, that the pre-hearing conference be continued on December 10, 2009;

**AND WHEREAS** on December 10, 2009, the pre-hearing conference was continued and counsel for Staff, Sandra Gale, counsel for Sandra Gale and counsel for Donald Iain Buchanan and Lisa Buchanan made submissions to the Commission;

**AND WHEREAS** Staff advised that certain of the parties intended to file an agreed statement of facts prior to the commencement of the hearing scheduled to commence on March 25, 2010 to consider sanctions and other related matters;

**AND WHEREAS** on December 10, 2009, the Commission ordered that the hearing be adjourned to March 25, 2010 and March 26, 2010 for the purpose of considering sanctions for certain of the respondents and for any other purpose that the parties may advise the Office of the Secretary;

**AND WHEREAS** on December 10, 2009, it was further ordered that the motion for leave of the Commission to withdraw brought by counsel for Sandra Gale was granted and leave of the Commission was granted for counsel to withdraw;

**AND WHEREAS** Staff and the respondents agreed to request that the hearing should be further adjourned;

**AND WHEREAS** on March 23, 2010, the hearing was adjourned to April 28, 2010 and April 29, 2010 for the purpose of considering sanctions against certain of the respondents and for any other purpose that the parties may advise the Office of the Secretary;

**AND WHEREAS** on April 28, 2010, Staff and counsel for Donald Iain Buchanan and Lisa Buchanan submitted an Agreed Statement of Facts on behalf of each of Donald Iain Buchanan and Lisa Buchanan;

**AND WHEREAS** on April 28 and September 3, 2010, Staff and counsel for Donald Iain Buchanan and Lisa Buchanan appeared before the Commission for the purpose of considering sanctions and costs;

**AND WHEREAS** on November 26, 2010, the Commission issued its reasons and decision on sanctions and costs with respect to Donald Iain Buchanan and Lisa Buchanan;

**AND WHEREAS** on March 4, 2013, Staff withdrew the allegations against Harmony Club and Health and HarMONEY, because these companies had been administratively dissolved and cancelled, respectively;

**AND WHEREAS** on March 6, 2013, Staff filed an Amended Statement of Allegations with respect to Gold-Quest and Sandra Gale;

**AND WHEREAS** Staff requested that a pre-hearing conference be held on February 6, 2014 and such pre-hearing conference was scheduled for that date;

**AND WHEREAS** counsel for Sandra Gale requested that the pre-hearing conference be adjourned and Staff consented to the adjournment;

**AND WHEREAS** on February 5, 2014, the Commission ordered that the pre-hearing conference scheduled for February 6, 2014 be vacated and was adjourned to April 1, 2014 at 10:00 a.m.;

**AND WHEREAS** on April 1, 2014, the Commission held a confidential pre-hearing conference, and Staff appeared and requested that the hearing be adjourned to a status update and advised the Commission that counsel for Sandra Gale consented to adjourning the hearing to a status update;

**AND WHEREAS** Gold-Quest did not appear, although properly served with notice of the hearing;

**AND WHEREAS** on April 1, 2014, the Commission ordered that the hearing was adjourned for a status update on June 4, 2014 at 10:00 a.m.;

**AND WHEREAS** on June 4, 2014, Staff and counsel for Sandra Gale appeared before the Commission for a status update;

**AND WHEREAS** Gold-Quest did not appear, and the Commission was satisfied with Staff's attempt to serve Gold-Quest with notice of the hearing;

**AND WHEREAS** upon hearing the submissions of Staff and counsel for Sandra Gale, the Commission is of the opinion that it is in the public interest to issue this Order;

**IT IS ORDERED** that the hearing is adjourned and shall continue on September 10, 2014 at 11:00 a.m. for a sanctions hearing in the event that an Agreed Statement of Facts is executed by both parties;

**IT IS FURTHER ORDERED** that in the event that an Agreed Statement of Facts is not reached, the parties shall appear at a confidential pre-hearing conference on August 13, 2014 at 1:00 p.m., or such other date as are agreed to by the parties and determined by the Office of the Secretary.

**DATED** at Toronto this 4th day of June, 2014.

*“Alan J. Lenczner, Q.C.”*

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Alan J. Lenczner, Q.C.