

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

-and-

**IN THE MATTER OF MARY DE LA TORRE,
AND ALAN RAE**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated January 16, 2003 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to s. 127 and s. 127.1(1) and (2) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*"), it is in the public interest to make an Order that:
 - (a) an order pursuant to subsection 127(1) clause 3 of the *Act* that the exemptions contained in Ontario securities law, particularly Rule 45-503, Part 3, Section 3.1, that exempts trades by a listed issuer of its own issues to executives, not apply to ATI for such a period as is specified in the order;
 - (b) an order pursuant to subsection 127(1) clause 4 that ATI submit to a review of its practices and procedures and institute such changes as may be ordered by the Commission;
 - (c) an order pursuant to subsection 127(1) clause 6 that the Respondents be reprimanded;

- (d) an order pursuant to subsection 127(1) clause 2 that trading in securities by K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae, or Sally Daub cease permanently or for such period as specified in the order;
- (e) an order pursuant to subsection 127(1) clause 3 that any exemptions contained in Ontario securities law not apply to K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae or Sally Daub permanently or for such period as specified in the order;
- (f) An order pursuant to subsection 127(1) clause 7 that K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae or Sally Daub resign one or more positions that they hold or may hold as officers or directors of any issuers;
- (g) an order pursuant to subsection 127(1) clause 8 that K.Y. Ho, Betty Ho, Jo-Anne Chang, David Stone, Mary de la Torre, Alan Rae or Sally Daub be prohibited from becoming or acting as a director or officer of any issuer;
- (h) an order pursuant to subsection 127.1 of the *Act* that the Respondents pay the costs of Staff's investigation and the costs of and related to this proceeding incurred by or on behalf of the Commission; and
- (i) to make such other orders as the Commission deems appropriate.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff recommend settlement of the proceeding initiated in respect of the respondents Mary de la Torre (“de la Torre”) and Alan Rae (“Rae”), by the Notice of Hearing in accordance with the terms and conditions set out below. De la Torre and Rae agree to the settlement on the basis of the facts agreed to as provided in Part III and consent to the making of an Order in the form attached as Schedule “A” on the basis of the facts set out below.

III. FACTS

Acknowledgement

3. Solely for the purposes of this agreement and as a basis for the undertakings contained herein, Staff, de la Torre, and Rae agree with the facts and conclusions set out in Part III of the Settlement Agreement.
4. Staff acknowledge that de la Torre and Rae were cooperative during the investigation of this matter and during the process of reaching settlement.

Introduction

5. De la Torre and Rae have been married for approximately 25 years. De la Torre began working for ATI Technologies Inc. (“ATI”) in 1996.
6. In May 2000, de la Torre was the administrative assistant to both Henry Quan and Dave Orton. Her role was primarily to coordinate their calendars, meetings and travel. Her title was “Manager, Marketing Administration”, as she managed the other administrative assistants within the marketing department. Mr. Orton also had an assistant in Santa Clara, California.

7. De la Torre did not attend ATI board meetings, Audit Committee Meetings, nor weekly sales meetings. She does not recall receiving weekly sales forecasts or summaries relating to Q3 2000 prior to May 23, 2000. Her role was to administer and coordinate Mr. Orton's and Mr. Quan's calendars and arrange meetings and travel for them. She was not an "Insider" within ATI's corporate policy.
8. Nevertheless, de la Torre now understands that in May 2000, she was in a special relationship with ATI and had access to material facts with respect to ATI that had not been generally disclosed.
9. Some time over the weekend between May 19 and 23, 2000, De La Torre communicated to Rae information about ATI's financial performance, which communications she and Rae now understand constituted a material fact with respect to ATI that had not been generally disclosed.
11. On May 23, 2000, Rae sold 1000 shares of ATI in his RRSP account. The order was filled at 9:30 a.m.
12. On May 24, 2000, ATI issued a press release announcing that it would report "lower than expected revenues and a loss for the third quarter ending May 31, 2000" ("Pre-announcement").
13. As a result of selling his shares before the May 24, 2000 press release, Rae avoided a loss of \$11,050.00.

IV. TERMS OF SETTLEMENT

14. The Respondents agree to the following terms of Settlement:
- (a) Pursuant to clause 6 of subsection 127(1) of the *Act*, the respondents shall be reprimanded;
 - (b) Pursuant to clause 2 of subsection 127(1) of the *Act*, the respondents shall cease trading in securities for a period of six months, commencing on March 29, 2005; and
 - (c) De la Torre and Rae agree to make a settlement payment of \$11,050.00 to the Commission for allocation to or for the benefit of third parties in accordance with section 3.4 (2) of the *Act*.

V. STAFF COMMITMENT

15. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceedings under the *Act* against de la Torre or Rae respecting the facts set out in Part III of this Settlement Agreement.
16. This Settlement Agreement constitutes full answer to the allegations alleged in the Notice of Hearing.

VI. PROCEDURE FOR APPROVAL OF SETTLEMENT

17. Approval of this Settlement Agreement shall be sought at a public hearing of the Commission (the "Settlement Hearing") scheduled for March 29, 2005 at 2:00 p.m.
18. Counsel for Staff and counsel for de la Torre and Rae may refer to any part or all of this Settlement Agreement at the Settlement Hearing. Staff and de la Torre agree that this Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing.

19. If this Settlement Agreement is approved by the Commission, de la Torre and Rae agree to waive their rights under the *Act* to a full hearing, judicial review or appeal of the matter.
20. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an Order in the form attached as Schedule "A" is not made by the Commission:
 - (a) this Settlement Agreement and its terms including all discussions and negotiations between Staff and de la Torre and Rae leading up to its presentation at the Settlement Hearing, shall be without prejudice to Staff, de la Torre and Rae; and
 - (b) except as set out in paragraph 20 above, Staff, de la Torre, and Rae shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by this Settlement Agreement or the settlement discussion/negotiations.

VII. DISCLOSURE OF AGREEMENT

21. Except as required above, this Settlement Agreement and its terms will be treated as confidential by Staff, de la Torre, and Rae until approved by the Commission, and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission, except with the written consent of Staff, de la Torre and Rae, or as may be required by law.
22. Any obligations of confidentiality attaching to this Settlement Agreement shall terminate upon approval of this settlement by the Commission.

23. Staff, de la Torre and Rae agree that if this Settlement Agreement is approved by the Commission, they will not make any public statement inconsistent with this Settlement Agreement.

VIII. EXECUTION OF SETTLEMENT AGREEMENT

24. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement
25. A facsimile copy of any signature shall be as effective as an original signature.

DATED AT TORONTO this 29th day of March, 2005.

"M. de la Torre"

Mary de la Torre

"Kelley McKinnon"

Ontario Securities Commission
*Acting Director for
Michael Watson*

"A. Rae"

Alan Rae

SCHEDULE "A"

**IN THE MATTER OF THE SECURITIES ACT
R.S.O. 1990, c. S. 5 as amended**

-and-

IN THE MATTER OF MARY DE LA TORRE AND ALAN RAE

**ORDER
(Section 127 and 127.1)**

WHEREAS on January 16, 2003, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127(1) and 127.1 of the *Securities Act* in respect of Mary de la Torre ("de La Torre") and Alan Rae ("Rae");

AND WHEREAS de la Torre and Rae entered into a settlement agreement with Staff of the Commission dated March 29, 2005 (the "Settlement Agreement") in which they agreed to a proposed settlement of the proceedings commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS Staff recommend approval of the Settlement Agreement;

AND UPON reviewing the Settlement Agreement and the Notice of Hearing of Staff of the Commission, and upon hearing submissions of Staff and counsel for de la Torre and Rae;

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

IT IS HEREBY ORDERED THAT:

1. the Settlement Agreement attached to this Order as Schedule "A" is hereby approved;
2. pursuant to clause 6 of subsection 127(1) of the *Act*, de la Torre and Rae shall be reprimanded; and
3. Pursuant to clause 2 of subsection 127(1) of the *Act*, the respondents shall cease trading for a period of six months commencing on March 29, 2005.

DATED at Toronto this 29th date of March, 2005.
