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, 19e étage, 20, rue queenouest, 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 PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BOAZ MANOR, MICHAEL MENDELSON, MICHAEL LABANOWICH AND JOHN OGG

SETTLEMENT AGREEMENT BETWEEN STAFF AND JOHN OGG

PART I - INTRODUCTION[1]

1. By Notice of Hearing dated October 5, 2005, the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing, commencing on November 14, 2005, pursuant to sections 127, and 127.1 of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "Act"), to consider whether it is in the public interest to make the following orders as specified therein, against Portus Alternative Asset Management Inc. ("PAAM"), Boaz Manor ("Manor"), Michael Mendelson ("Mendelson"), Michael Labanowich ("Labanowich") and John Ogg ("Ogg") (collectively the "Respondents"). The Notice of Hearing was issued in connection with the allegations as set out in the Statement of Allegations of Staff of the Commission dated October 5, 2005.

2. The Commission will issue a Notice of Hearing to announce that it will hold a hearing to consider whether, pursuant to sections 127 and 127.1 of the Act, it is in the public interest for the Commission to approve this Settlement Agreement and to make certain orders in respect of Ogg.

[1] Staff and the Respondents all agree that any references to sections of the Act, the Rules or Regulations contained in this Settlement Agreement and any Orders issued by the Commission in relation to this Settlement Agreement are consistent with the Act, Rules or Regulations as they existed at the filing of the Notice of Hearing dated October 5, 2005.

PART II – JOINT SETTLEMENT RECOMMENDATION

3. Staff agree to recommend settlement of the proceeding initiated by the Notice of Hearing dated October 5, 2005 against Ogg (the "Proceeding") in accordance with the terms and conditions set out below. Ogg consents to the making of an order in the form attached as Schedule "A", based on the facts set out below.

PART III – AGREED FACTS

4. From July of 2003 to May 20, 2004, Ogg's primary responsibility was to create a compliant operational structure for Portus. On May 20, 2004, Ogg was designated as Chief Compliance Officer. He held this position until March 4, 2005, at which time his employment was terminated as a consequence of the Receivership. Portus itself effectively ceased to operate on February 5, 2005.

5. Despite his role as Chief Compliance Officer, Ogg did not have adequate information about the various roles of the entities that comprised Portus nor did he learn the specifics of the duties of the principals of Portus, Mendelson and Manor.

6. Accordingly, Ogg does not dispute the facts as set out in paragraphs 7 to 46. Ogg does acknowledge the compliance deficiencies set out in paragraphs 47 to 50.

The Corporate Structure

7. PAAM, formerly Paradigm Alternative Asset Management Inc., is a corporation incorporated pursuant to the laws of Ontario on January 10, 2003. Its headquarters were located in Toronto.

8. On March 14, 2003, PAAM was registered with the Ontario Securities Commission (the "Commission") as an Investment Counsel & Portfolio Manager ("IC/PM") and Limited Market Dealer ("LMD"). PAAM was similarly registered in all other Canadian jurisdictions with the exception of Quebec. PAAM developed the financial products, distributed directly and indirectly to both accredited and retail investors, that are the subject of this proceeding.

9. Paradigm Asset Management Inc. is a corporation incorporated pursuant to the laws of Ontario on January 8, 2003. Portus Asset Management Inc. is a corporation incorporated pursuant to the laws of Ontario on May 12, 2004. These two entities were amalgamated on May 27, 2004 and the combined entity was continued as Portus Asset Management Inc. (these entities hereinafter are collectively referred to as “PAM”).

10. At all material times, PAM operated out of the same business premises as PAAM in Toronto. PAM was identified as the Fund Manager for the investment products offered by PAAM. PAM was primarily responsible for the marketing of the investment products created by PAAM.

11. Portus Alternative Asset Management Inc. (BVI) (“PAAM BVI”), formerly Paradigm Alternative Asset Management Inc. (BVI), is a corporation incorporated pursuant to the laws of the British Virgin Islands on December 10, 2003.

12. At all material times, the business and affairs of PAAM, PAAM BVI and PAM were so inextricably intertwined that PAAM, PAAM BVI and PAM operated as a single functional entity. They are therefore referred to herein collectively as “Portus”.

13. Manor was the President and Director of PAAM from its inception on January 10, 2003 until March 4, 2005 (the “Material Time”), when KPMG Inc. ("KPMG")was appointed Receiver over the assets, undertakings and properties of PAAM, PAM and other related entities (the "Receivership"). On February 19, 2003, Manor was registered with the Commission as the Associate Portfolio Manager for PAAM. Manor also held the positions of President and Secretary for PAM from January 8, 2003 to April of 2003. Manor was the chief architect of all of the investment products that are the subject of this proceeding and was a directing mind of all of the entities involved in those products.

14. Mendelson was the primary directing mind of PAM during the Material Time.

Domestic and International Investment Structures

15. Portus marketed three different investment structures (two domestically and one offshore) to investors during the Material Time:

a) The Market Neutral Preservation Fund (MNPF), offered to accredited investors in Canada beginning in February of 2003;

b) The BancNote Trust Series (BNT) and the BancLife Trust Series (BLT), offered to Canadian investors through their respective wholesalers from August 2003 to February 2005;

c) The Offshore Structure, was purportedly identical in structure to the BNT and BLT, except that investments were made in U.S. dollars.

The Market Neutral Preservation Fund

16. Portus' first product, the Market Neutral Preservation Fund (the "MNPF"), was launched in February of 2003 and closed in or about May of 2003. Approximately $19.2 million was invested in the MNPF primarily by Canadian investors.

17. The MNPF was a non-prospectus qualified mutual fund offered directly to accredited investors by way of Offering Memorandum in reliance upon the accredited investor exemption set out in section 2.3 of OSC Rule 45-501. Units of the MNPF were sold by investment dealers to their clients.

18. PAM was designated as the manager to the MNPF and the MNB Trust (the value of the units of which establish the returns achieved by investors in the MNPF). PAAM was designated as the advisor.

19. The MNPF was professed to offer investors principal protection in addition to a minimum return of 1.12 times the original amount invested. This fund also purportedly offered

tax benefits through the deferral of taxes on income/gains and the reduction of taxes on capital gains versus income.

20. These tax benefits would accrue by virtue of a swap agreement whereby the $19.2 million was to be paid to the Royal Bank of Canada ("RBC") which, through its subsidiary Royal Bank of Canada Dominion Securities ("RBCDS"), invested the funds in a basket of non-dividend paying shares of Canadian companies. RBCDS would then short sell the shares and invest the proceeds back into the trust.

21. The MNPF Offering Memorandum stated that "the manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Trust and to exercise the care, diligence and skill of a prudent and qualified manager."

The BancNote Trust Series and the BancLife Trust Series

22. The next investment product created and issued by Portus in July of 2003, following the close of the MNPF, were the BNT and BLT (collectively, the "Trusts").

23. The BLT largely mirrored the BNT but was distinguished by a "death benefit" and a longer term to maturity. Unlike the MNPF, the Trusts were sold via investment dealers or referral agents to non-accredited investors through a series of agreements between Portus and these entities (the "Portfolio Management Agreements"). A total of 12 different BNT series and two BLT series were created and marketed by Portus. Portus' promotional materials indicated an historical annual return of 7%.

24. The Trusts were designed to be tax efficient. By way of example, one of the Portfolio Management Agreements stated that "Paradigm initially intends to invest all of the assets in the Account in a structure intended to provide you with substantially the economic investments in the BancNote Trust – Series-IV with certain tax deferral and capital gains (rather than income) treatment."

25. According to the proposed scheme of the BNT, clients could open a "discretionary managed account" with minimum contributions of $5,000. Offshore counterparties were to

purchase Canadian equities on behalf of those clients. These counterparties were Premiers Derive Paris Inc. ("PDP") and BNote Management Inc ("BNote").

26. Both PDP and BNote were represented to the public to be arms-length offshore counterparties to the Trusts. On behalf of its clients, Portus would purport to enter into option contracts with the counterparties which had the effect of a swap such that, at maturity, the economic value of the units of the Trusts would be swapped for the economic value of the Canadian Equities.

27. The alleged arms-length offshore counterparty (PDP) purchased Canadian equities (the "Canadian Equities"), on a weekly basis, on behalf of Portus' clients. Portus, on behalf of its clients, then entered into option contracts with the alleged arms-length offshore counterparties (PDP and BNote Management) which had the effect of a swap such that, at maturity, the economic value of the units of the Trusts would be swapped for the economic value of the Canadian Equities. The option contracts were over-the-counter derivative contracts which were not prospectus qualified.

28. The investment objective of the BNT was to be ultimately realized by purchasing principal protected notes issued by Societe Generale Canada (the "Soc Gen Notes") as a well as a linked hedge fund. The return on the notes was the greater of the principal amount invested or the returns achieved by the linked hedge fund. Investors were assured of a floor value at maturity equal to the principal invested.

29. Notwithstanding the description above, the investment scheme for the most part was not implemented as described.

30. During the Material Time, approximately 26,000 invested approximately $750 million in the Trusts created by Portus. Manulife Securities requested specific offerings of BNT for its clients. Ultimately, six of the BNT series were marketed exclusively to Manulife.

The Implementation of the Trusts

31. When funds were received from investors, they were not initially placed into a segregated account for particular investments, but were instead pooled and placed in custodial accounts and thereafter were placed into separate accounts.

32. The "arms length" entities to which these investor funds were transferred were in actuality companies controlled by nominees with the ultimate controlling mind being Manor. As a result, there was a non arms length relationship between the Trusts and the PDP/BNote. These non arms length entities did not purchase securities as represented.

33. Nigel Freeman was the Director, Signatory and Beneficial owner of PDP. Freeman informed investigators from the Royal Canadian Mounted Police (the "RCMP") that he did not have knowledge of what PDP did as a company nor did he have any knowledge of any of the transactions that took place between PDP, BNote and Portus.

34. Similarly, Arthur Berelowitz was the Director, Signatory and Beneficial owner of BNote. Berelowitz informed investigators from the RCMP that he did not have any knowledge of any of the transactions that took place between PDP, BNote and Portus.

35. For BNT Series II, III, IV, and parts of VI and VIa, funds from investors were paid from the PAAM custodial accounts to a PAAM trading account at Lines Overseas Management ("LOM"). According to the purported investment structure, these funds were to be used by PAAM to purchase shares of non-dividend paying Canadian securities and engaged in the swap described in paragraph 26 above.

36. In fact, these collected investor funds totaling $185.0 million were moved at the direction of Manor between four separate foreign bank accounts in the names of PAAM, PDP, BNote and another offshore company controlled by Manor called BNote Limited. At the direction of Manor, these investor funds were then transferred back into PAAM accounts in the name of each of the Trusts at RBC in Toronto. Manor then transferred these funds from the PAAM accounts at RBC to another PAAM account at RBCDS. These funds were then used to buy the Soc Gen Notes.

37. Commencing with a portion of BNT Series VI and Via and through the remaining BNT and BLT series, no further funds were transferred through the LOM accounts. Of the total of $732.9 million in investor funds collected for the BNT/BLT series, $93.5 million was not invested. Of these funds, $41.2 million were sent from an account in the name of PDP at Basel Trust in Jersey in the Channel Islands to Bank Hapoalim, in Switzerland. Using a series of purported loans, funds were then returned to PAM, PAAM or a company incorporated and controlled by Manor and/or Mendelson called BancNote Corp. These funds were further traced to assorted Portus bank accounts from which Portus paid operating expenses including commissions, referral fees, rent, utilities, salaries and payroll.

The Implementation of the Offshore Structure

38. From September of 2003 until February of 2005, Portus offered an identical investment structure to that of the Trusts for clients who opened international accounts (the "Offshore Structure"). Investments in this structure were made in US dollars.

39. The client documentation and marketing information prepared for the Offshore Structure were the same in all material respects to that of the Trusts. Portus' staff in Toronto performed all sales and back-office administration for the Offshore Structure in substantially the same manner as for the Trusts.

40. Approximately 700 investors placed approximately $52.8 million (U.S.) accounts under the Offshore Structure. However, none of this money was actually invested by Portus.

Information Provided to Investors

A. The Nature of the Investment was not Adequately Disclosed

41. Investors were advised through marketing, client confirmations and other materials prepared and disseminated by Portus that they were investing directly in the Trusts. However, investors were, concurrently, required to sign managed account agreements granting Portus full

discretion over their investments and were informed that their investments would receive favourable tax treatment.

42. In addition, employees of Portus and, as a consequence, referring agents, largely believed that the structure was such that clients were investing directly in the Trusts (both domestic and offshore). This belief was routinely conveyed to clients of Portus by Portus' wholesalers and employees and by referral agents.

B. Management Fees

43. In relation to the investment structures (both domestic and offshore), the fee disclosure made by Portus was contained in the managed account agreement which describes the applicable fees as 2.25% annually of the market value of the assets in each managed account plus 18% of the growth in the market value of these assets over and above their previous highest market value. Pursuant to the disclosure, these fees were to be calculated and accrued weekly and paid at the end of each quarter.

44. The offering memorandum for the Trusts provided to investors described the fees for unitholders identically to the disclosure contained in the above-referenced managed account agreement.

45. Portus took approximately 13.3% of the principal invested by clients prior to the investment of funds (approximately $95.4 million) and used those funds for the ongoing operations of Portus. For instance, a portion of these funds were used to pay management fees, performance fees, referral fees (4% or 5%), trailer fees (1% plus other performance fees) and salaries. These funds were also used to satisfy redemption requests. The amount of funds used for these purposes was approximately equal to the fees Portus would have been entitled to at the maturity date of the Trusts.

46. Investors in Portus received at least 97% and up to 102% of the funds invested. This was primarily the result of the fact that, as described above, in all of the domestic investment structures, investor funds were invested in guaranteed notes with Soc Gen. The funds returned to

investors also included the return of referral and brokerage fees from registered brokers and dealers who sold units in the Portus investment structures.[2]

Compliance Deficiencies at Portus

47. Despite his role as Chief Compliance Officer, Ogg did not have adequate information about the various roles of the entities that comprised Portus nor was he able to learn the specifics of the duties of Mendelson and Manor. Manor misled Ogg about the operations of Portus.

48. Staff conducted an investigation and compliance review of Portus between January 24, 2005 and February 18, 2005 (the "Review"). During the Review, the following compliance deficiencies were noted in relation to the investment structures being offered by Portus:

> (a) Portus did not properly collect and assess Know Your Client ("KYC") and suitability information, contrary to subsection 1.5(1) of OSC Rule 31-505, in that suitability information collected was inadequate, incomplete and not properly followed-up;
>
> (b) Portus maintained deficient books and records, contrary to subsection 19(1) of the Act, and subsections 113(1), 113(3)1, 113(3)6 and 113(3)10 of Regulation 1015 to the Act, and Portus failed to provide Staff with numerous books and records required to be maintained, contrary to subsection 19(3) of the Act, in that i) records of monthly calculations of minimum free capital were not prepared or maintained; ii) trade instructions were not maintained regarding the alleged purchase and sale of securities; iii) the trades allegedly conducted on behalf of the Trusts were not contained in the trading blotter; iv) Staff were not provided with: sufficient evidence to ascertain client holdings, ledgers and/or other records that accurately reflect assets, liabilities, income, expenses and capital accounts; back-up information regarding Net Asset Value calculations; supporting documentation regarding performance data included in marketing materials; and, accurate and, in some cases any,

[2] For complete reports and analysis of funds seized by KPMG Inc., Trustee in Bankruptcy & Court-Appointed Receiver for Portus, please refer to www.portusgroup.ca.

back-up support for the alleged reconciliation of deposits and investments prepared by Ali Hamid; and v) Minutes of board of directors', management, portfolio management and executive meetings were either not kept or were withheld from Staff.

(c) Portus engaged in improper or inadequate pricing of the units of the Trusts, contrary to subsection 116(1) of the Act and 2.1 of OSC Rule 31-505, in that prices were calculated exclusively by Manor. This was not in accordance with the manner of pricing disclosed in the relevant offering memoranda;

(d) Portus maintained inadequate policies, procedures and internal controls in several key areas of business, contrary to subsection 1.2 of OSC Rule 31-505, these deficiencies include but are not limited to (i) the written policies and procedures manuals for Portus' IC/PM management operations did not adequately address several key issues, including but not limited to: the collection and updating of KYC and suitability information; the preparation, review and monitoring of monthly capital calculations; the preparation and maintenance of trade orders; and the performance of research; (ii) Portus did not follow all of the policies and procedures contained in its procedures manual; (iii) written policies and procedures for Fund Manager activities did not exist and oversight of Fund Manager activities was inadequate; (iv) the following weaknesses in internal controls were identified: the BancNote and BancLife Trusts' assets initially flowed into one broker account and were not properly segregated into the assets of the BancNote and BancLife Trusts; cheques were accepted on which the payee was not identified as PAAM; inadequate reviews were performed with respect to referral agreements, client statements, client confirmations and bank account reconciliations; bank reconciliations were not prepared; ongoing monitoring of clients' holdings was not performed; and (v) Portus' most recent statement of policies was not filed with the Commission, contrary to paragraph 223(3)(a) of the Regulation.

49. Nonetheless, Ogg, in his capacity as Chief Compliance Officer for Portus from May 20, 2004 to March 4, 2005, should also have known of the above-listed deficiencies. Ogg should have taken all reasonable steps, commensurate with his position at Portus and his corresponding duties to investors, to remedy such deficiencies and to determine whether such deficiencies were, in fact, indicia that the investment structures being offered by Portus were not as they were alleged to be. However, Ogg was not aware of any fraudulent activity at Portus.

50. When Ogg did learn of the compliance deficiencies at Portus, Ogg did not not alert Staff promptly.

PART IV – CONTRAVENTION OF ONTARIO SECURITIES LAW AND CONDUCT CONTRARY TO THE PUBLIC INTEREST

51. By engaging in the conduct described above, Ogg admits and acknowledges that he contravened Ontario securities law during the Material Time in the following ways:

(i) by engaging in the conduct described herein related to Portus' breaches of Ontario securities laws, Ogg's actions were contrary to sections 2.1(1) and 2.1(2) of OSC Rule 31-505 respectively;

(ii) as a consequence of his position of seniority and responsibility at Portus, Ogg authorized, permitted or acquiesced in Portus' failure to exercise its powers and discharge its duties as a Fund Manager in the best interests of the mutual funds and, in connection therewith, failed to exercise the degree of care, diligence and skill expected of a reasonably prudent Fund Manager in the circumstances, contrary to section 116(1) of the Act; and

52. Ogg admits and acknowledges that he acted contrary to the public interest by contravening Ontario securities law as set out in sub-paragraphs 51 (i) to (ii).

PART V –RESPONDENT'S POSITION

53. Ogg requests that the settlement hearing panel consider the following mitigating circumstances.

54. Ogg cooperated with Staff's investigation.

55. On June 13, 2006, Ogg signed a undertaking with the Commission in which he agreed to refrain from the following activity, pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against Ogg, or an Order of the Commission releasing Ogg from this undertaking or aspects of the undertaking:

(i) acting or becoming an officer or director of a "reporting issuer", "affiliated company" of a reporting issuer, as these terms are defined in the Act, and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;

(ii) applying to become a "registrant" or from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

(iii) engaging directly or indirectly in the solicitation of funds from the general public for investment in "securities," as that term is defined in the Act and, in particular, subsection 1(1) thereof

56. As a result of signing the undertaking, Ogg has been effectively unable to participate in his chosen field of business in the capital markets since June 13, 2006. Staff have no reason to believe that Ogg has not complied with this undertaking.

PART V - TERMS OF SETTLEMENT

57. Ogg agrees to the terms of settlement listed below.

58. The Commission will make an order, pursuant to sections 127(1) and section 127.1 of the Act, that:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 7 of subsection 127(1), Ogg resign all positions he holds as a director or officer of an issuer;

(c) pursuant to clauses 8 of the Act, Ogg is prohibited for a period of six years from the date of this Order from becoming or acting as a director or officer of any reporting issuer;

(d) pursuant to clause 8.2 of subsection 127(1), Ogg is prohibited from becoming or acting as a compliance officer of a registrant; and,

(e) pursuant to section 127.1 of the Act, Ogg shall pay costs to the Commission in the amount of $25,000.

59. Ogg undertakes to consent to a regulatory Order made by any provincial or territorial securities regulatory authority in Canada containing any or all of the prohibitions set out in sub-paragraph 58 (b) above.

PART VI - STAFF COMMITMENT

60. If this Settlement Agreement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Ogg in relation to the facts set out in Part III herein, subject to the provisions of paragraph 61 below.

61. If this Settlement Agreement is approved by the Commission, and at any subsequent time Ogg fails to honour the terms of the Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Ogg based on, but not limited to, the facts set out in Part III herein as well as the breach of the Settlement Agreement.

PART VII - PROCEDURE FOR APPROVAL OF SETTLEMENT

62. Approval of this Settlement Agreement will be sought at a hearing of the Commission scheduled on a date to be determined by the Secretary to the Commission, or such other date as may be agreed to by Staff and Ogg for the scheduling of the hearing to consider the Settlement Agreement.

63. Staff and Ogg agree that this Settlement Agreement will constitute the entirety of the agreed facts to be submitted at the settlement hearing regarding Ogg's conduct in this matter, unless the parties agree that further facts should be submitted at the settlement hearing.

64. If this Settlement Agreement is approved by the Commission, Ogg agrees to waive all rights to a full hearing, judicial review or appeal of this matter under the Act.

65. If this Settlement Agreement is approved by the Commission, neither party will make any public statement that is inconsistent with this Settlement Agreement or inconsistent with any additional agreed facts submitted at the settlement hearing.

66. Whether or not this Settlement Agreement is approved by the Commission, Ogg agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement or the settlement negotiations as the basis of any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

PART VIII – DISCLOSURE OF SETTLEMENT AGREEMENT

67. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or the order attached as Schedule "A" is not made by the Commission:

(a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Ogg leading up to its presentation at the settlement hearing, shall be without prejudice to Staff and Ogg; and

(b) Staff and Ogg shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by the Settlement Agreement or the settlement discussions/negotiations.

68. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission. The terms of the Settlement Agreement will be treated as confidential forever if the Settlement Agreement is not approved for any reason whatsoever by the Commission, except with the written consent of Ogg and Staff or as may be required by law.

PART IX. - EXECUTION OF SETTLEMENT AGREEMENT

69. This Settlement Agreement may be signed in one or more counterparts which together will constitute a binding agreement

70. A facsimile copy of any signature will be as effective as an original signature.

Dated this 27th day of August, 2012.

Signed in the presence of:

"John Bassani"	"John Ogg"
Witness	**John Ogg**

Dated this 27th day of August, 2012

STAFF OF THE ONTARIO SECURITIES COMMISSION

Per: "Karen Manarin"

Tom Atkinson
Director, Enforcement Branch

Dated this 27th day of August, 2012

SCHEDULE "A"

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, 19e étage 20, rue queenouest 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 PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BOAZ MANOR, MICHAEL MENDELSON, MICHAEL LABANOWICH AND JOHN OGG

ORDER
(Sections 127(1))

WHEREAS on , the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") in respect of John Ogg ("Ogg");

AND WHEREAS Ogg entered into a Settlement Agreement with Staff of the Commission dated , 2012 (the "Settlement Agreement") in which Ogg agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement, and upon hearing submissions from counsel for Ogg and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT:

(a) the Settlement Agreement is approved;

(b) pursuant to clause 7 of subsection 127(1) of the Act, Ogg resign all positions he holds as a director or officer of an issuer;

(c) pursuant to clause 8 of subsection 127(1) of the Act, Ogg is prohibited for a period of six years from the date of this Order from becoming or acting as a director or officer of any reporting issuer;

(d) pursuant to clause 8.2 of subsection 127(1) of the Act, Ogg is prohibited from becoming or acting as a compliance officer of a registrant; and,

(e) pursuant to section 127.1 of the Act, Ogg shall pay costs to the Commission in the amount of $25,000.

DATED AT TORONTO this day of , 2012.

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