

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

- and -

**THE MOUNTAIN INN AT RIBBON CREEK LIMITED PARTNERSHIP,
THE LODGE AT KANANASKIS LIMITED PARTNERSHIP,
and JOHN PENNINGTON**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

I. The Respondents

1. The Mountain Inn at Ribbon Creek Limited Partnership (“Mountain”) and the Lodge at Kananaskis Limited Partnership (“Kananaskis”) are each limited partnerships that became reporting issuers in Ontario in 1986. Their head office is located in Oakville, Ontario and each has a December 31st calendar year end. Neither is listed on a stock exchange or market.
2. John Pennington has been the CEO and CFO for Mountain and Kananaskis at all relevant times described below.

II. Annual and Interim Filings

3. Effective March 30, 2004, National Instrument 51-102 (“NI 51-102”) requires reporting issuers to make interim and annual filings. Mountain and Kananaskis must file audited annual financial statements (“AFS”) within 120 days of their financial year end and must file interim financial statements (“IFS”) within 60 days of the end of the interim period pursuant to s. 4.2(b)(i) and 4.4(b)(i) of NI 51-102, respectively. Pursuant to s. 5.1(2)(a) of NI 51-102, Mountain and Kananaskis must file Management Discussion & Analysis (“MD&A”) at the same time as AFS and IFS.

4. Prior to March 30, 2004, pursuant to Rule 52-501, Mountain and Kananaskis were required to file AFS within 140 days of their financial year end and to file IFS within 60 days of the end of the interim period.

5. Effective March 30, 2004, Multilateral Instrument 52-109 (“MI 52-109”) requires the CEO and CFO of a reporting issuer to personally sign interim and annual certificates attesting to the completeness and accuracy of the interim and annual filings (“CEO/CFO Certificates”). Pursuant to s. 2.2 and 3.2 of MI 52-109, Mountain and Kananaskis must file CEO/CFO Certificates at the same time as their annual and interim filings.

III. Repeated Late Filing

6. From 2003 to 2005, despite requests by Staff, Mountain and Kananaskis have failed to file on time their AFS, IFS, the related MD&A and the CEO/CFO Certifications required to be signed by Pennington.

7. The interim and annual filings for fiscal 2003-2005 for Mountain and Kananaskis are detailed at Appendix “A”.

8. In summary, over the past 18 months Mountain and Kananaskis have:
- a) failed to make annual filings on time, resulting in the following cease-trade orders:
 - (i) from May 28, 2004 to June 11, 2004 for failing to file AFS on time for fiscal 2003.
 - (ii) from May 3, 2005 and May 17, 2005 for failing to file AFS on time for fiscal 2004, together with MD&A and CEO/CFO Certificates.
 - b) failed to make interim filings on time by:
 - (i) failing to file IFS on time for three of the past five filing deadlines. Filings were late from one business day to nine business days.
 - (ii) failing to file interim MD&A and interim CEO/CFO Certificates by Pennington on time for three of the past five filing deadlines. Filings were late from six business days to 203 business days.

IV. Conduct Contrary to the Public Interest

9. Mountain and Kananaskis have breached their continuous disclosure obligations required by NI 51-102 and MI 52-109.
10. Pennington authorized, permitted or acquiesced in contraventions of NI 51-102 and MI 52-109 by Mountain and Kananaskis.
11. Each of the Respondents has breached Ontario securities law and engaged in conduct contrary to the public interest.
12. Staff reserve the right to make such further allegations as Staff may advise and the Commission may permit.

DATED at Toronto this 16th day of November, 2005.

Appendix “A”**FILING HISTORY FOR THE MOUNTAIN INN AND KANANASKIS LODGE (2003-2005)
2003**

Date	Filing	Period Ending	Due Date	Date Filed	Late Period (Business Days)
First quarter	IFS	Mar 31/03	May 30/03	June 3/03	2 days
Second quarter	IFS	June 30/03	Aug 29/03	Aug 28/03	On time
Third quarter	IFS	Sept 30/03	Nov 29/03	Nov 28/03	On time
Fourth Quarter	AFS	Dec 31/03	May 19/04	June 10/04	15 days

2004

Date	Filing	Period Ending	Due Date	Date Filed	Late Period (Business Days)
First quarter	IFS	Mar 31/04	May 31/04	May 31/04	On time
	MD&A Certificates	Mar 31/04	May 31/04	July 14/04	31 days
Second quarter	IFS	June 30/04	Aug 30/04	Aug 31/04	1 day
	MD&A Certificates	June 30/04	Aug 30/04	May 17/05	203 days
Third quarter	IFS	Sept 30/04	Nov 29/04	Nov 30/04	1 day
	MD&A Certificates	Sept 30/04	Nov 29/04	Dec 9/04	8 days
Fourth quarter	AFS	Dec 31/04	May 2/05	May 13/05	9 days
	MD&A Certificates	Dec 31/04	May 2/05	May 17/05	11 days

2005

Date	Filing	Period Ending	Due Date	Date Filed	Late Period (Business Days)
First quarter	IFS	Mar 31/05	May 30/05	May 13/05	On time
	MD&A Certificates	Mar 31/05	May 30/05	June 7/05	6 days
Second quarter	IFS	June 30/05	Aug 29/05	Aug 16/05	On time
	MD&A Certificates	June 30/05	Aug 29/05	Aug 16/05	On time