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

- and -

IN THE MATTER OF
AiT ADVANCED INFORMATION TECHNOLOGIES CORPORATION,
BERNARD JUDE ASHE and DEBORAH WEINSTEIN

STATEMENT OF ALLEGATIONS OF THE ONTARIO SECURITIES COMMISSION

Background

1. AiT Advanced Information Technologies Corporation, now 3M Canada Company ("AiT" or the "Company"), was a reporting issuer in Ontario, located in Ottawa, until September 2002.

2. On or about May 23, 2002, AiT entered into a definitive agreement in respect of a merger with a wholly owned subsidiary of 3M Canada Company (the "Definitive Agreement"). AiT had been negotiating the underlying transaction with 3M Company ("3M") since February, 2002 (the "Merger Transaction").

3. Bernard Jude Ashe ("Ashe") joined AiT in March of 1997 as Vice-President Sales. From August 1998 until July 2002, Ashe was the President, Chief Executive Officer and a director of AiT.

4. Deborah L. Weinstein ("Weinstein") became a director of AiT in approximately 1996. She was one of eight directors and continued as director to the Company until the

closing of the Merger Transaction. Weinstein was a partner at LaBarge, Weinstein LLP, AiT's legal counsel.

Chronology of the Merger Transaction

5. In November 2001, AiT engaged an investment banking firm for the purpose of completing a private placement of between $3 million to $5 million. The financing initiative was not successful and was terminated by AiT in January 2002.

6. At a meeting of the board of directors (the "AiT Board") held on or about February 19, 2002, the AiT Board authorized management to interview and engage a financial advisor (the "M&A Advisor") under the direction of the strategic committee of AiT (the "Strategic Committee") to find a strategic buyer or merger partner for AiT.

7. Between October 2001 and February 2002, representatives of 3M and AiT, including the Department Manager of 3M's Security Markets Centre ("3M's Representative"), and Ashe met to discuss mutual opportunities in the travel documentation and personal authentication markets. During this period, the companies executed a confidentiality agreement with respect to their discussions.

8. 3M's Representative and Ashe met on or about February 27, 2002 at which time they began to discuss broader strategic possibilities, including the possibility of an acquisition of AiT by 3M.

9. On or about March 4, 2002, in a phone call from 3M's Representative to Ashe, 3M confirmed its interest in a potential acquisition of AiT. Ashe informed the Strategic Committee and Weinstein about this call. The two companies entered into a non-disclosure agreement dated March 12, 2002, relating specifically to such a potential transaction.

10. On or about March 19, 2002, the Strategic Committee reported to the AiT Board that it had deferred the appointment of an M&A advisor.

11. On or about March 27 and March 28, 2002, representatives from 3M visited AiT's offices to conduct due diligence and receive presentations from management.

12. On or about April 8, 2002, the AiT Board struck a valuation committee (the "Valuation Committee") comprised of Ashe, Weinstein and another director to negotiate an offer price and transaction structure with 3M.

13. On or about April 12, 2002, 3M provided the members of the Valuation Committee with an initial price range of between $35 million to $45 million for AiT's identification business, excluding its affinitex product line and including its tax loss carry forward position.

14. On or about April 25, 2002, 3M advised Ashe that 3M was willing to offer C$2.88 per fully-diluted common share of AiT (representing an aggregate purchase price of $41 million) and Ashe immediately advised the AiT Board of this. After discussion, the AiT Board unanimously passed a resolution dated April 25, 2002 to recommend 3M's C$2.88 per share offer to shareholders and option holders, subject to confirmation of the fairness of this price by its financial adviser, CIBC Investment Banking, and satisfaction of the AiT Board with the other terms of the transaction, including the tax consequences to shareholders.

15. On or about April 25, 2002, Ashe sent an e-mail to AiT's principal commercial banker advising of an approval by the Chief Executive Officer of 3M.

16. On or about April 25, 2002 a letter was circulated to certain directors and employees of AiT. The letter indicated that the AiT Board had approved "the entry into an agreement in principal" [sic] with 3M and warned that it was unlawful to trade in securities of the company until the information was publicly disclosed.

17. On or about April 26, 2002, the two companies signed a non-binding letter of intent with respect to 3M's offer to acquire all of the common shares of AiT at a price of C$2.88 per common share.

18. On or about May 7, 8 and 9, 2002, due diligence resumed, including aspects of integration planning.

19. On or about May 9, 2002, staff of Regulation Services Inc. telephoned AiT and made inquiries regarding unusual trading in the shares of AiT. On the same date, AiT issued a press release captioned “AiT Comments on Recent Stock Activity” that indicated, in response to recent share activity, that the Company was “exploring strategic alternatives that would ultimately enhance value for our shareholders.” The press release did not refer to the Merger Transaction.

20. On or about May 14, 2002, the 3M Board authorized the Merger Transaction.

21. On or about May 22, 2002, the AiT Board approved the definitive merger agreement and related documents and received the fairness opinion referred to in paragraph 14, above, from its financial adviser, which concluded that the consideration offered to the shareholders of AiT in connection with the Merger Transaction was fair, from a financial point of view, to the shareholders.

22. On May 23, 2002, AiT and 3M executed the Definitive Agreement. On the same date, AiT issued a press release and subsequently filed a material change report announcing that it had entered into the Definitive Agreement.

23. The Merger Transaction constituted a material change within the meaning of the Securities Act by April 25, 2002 and in any event not later than May 9, 2002.

Conduct Contrary to Securities Law and Contrary to the Public Interest

24. AiT contravened section 75 of the Securities Act and engaged in conduct contrary to the public interest by failing to disclose forthwith the Merger Transaction as a material change.

25. Weinstein and Ashe committed an offence pursuant to section 122(3) of the Securities Act and engaged in conduct contrary to the public interest by authorizing, permitting or acquiescing in AiT’s failure to disclose forthwith the Merger Transaction as a material change.

26. Staff reserve the right to make such further and other allegations as Staff may submit and the Commission may permit.

DATED at Toronto this 8th day of February, 2007.