I. INTRODUCTION

1. By Notice of Hearing dated December 17, 2001 (the "Notice of Hearing"), the Ontario Securities Commission (the "Commission") announced that it proposed to hold a hearing to consider whether, pursuant to sections 127(1) and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended (the "Act"), it is in the public interest for the Commission:

(a) to make an order approving the proposed settlement entered into between Staff of the Commission ("Staff") and Roger Arnold Dent ("Dent") of this proceeding, pursuant to sections 127 and 127.1 of the Act, which approval will be sought jointly by Staff and Dent;

(b) to make an order that the respondent Dent be reprimanded; and
(c) to make an order that the respondent Dent pay costs to the Commission.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff agree to recommend settlement of the proceeding initiated in respect of the respondent Dent by the Notice of Hearing in accordance with the terms and conditions set out below. Dent consents to the making of an order against him in the form attached as Schedule "A" on the basis of the facts set out below.

III. STATEMENT OF FACTS

ACKNOWLEDGEMENT

3. Solely for the purpose of this proceeding, Dent agrees with the facts as set out in this Part III.

FACTS

YORKTON SECURITIES INC.

4. Yorkton Securities Inc. ("Yorkton") is registered as, among other things, a broker and investment dealer under the Act and is a member of, among other things, the Toronto Stock Exchange (the "TSE") and the Investment Dealers Association of Canada (the "IDA"). Yorkton is an employee-owned firm with over 600 employees. Yorkton is a wholly-owned subsidiary of Yorkton Financial Inc.

5. Dent has been registered since September 1998 as a trading officer and director with the title of Vice-Chairman, Executive Vice-President and Director of Research of Yorkton. Dent was registered as a trading officer with the title of Vice-President and Director from

6. The conduct of Dent that is the subject matter of this Settlement Agreement occurred prior to February 2001 (the “Material Time”).

**GTR GROUP INC.**

7. GTR Group Inc. (“GTR”) was the continuing company formed through the reverse takeover (the “RTO”) by Games Trader Inc. (“GTI”) of the listed “shell” then known as Xencet Investments Inc. (“Xencet”) in October 1998 and the concurrent exchange of securities with shareholders of 1308129 Ontario Inc. (“1308129”). Effective September 5, 2001, GTR changed its name to Mad Catz Interactive Inc. During the Material Time GTR was a reporting issuer in British Columbia, Alberta and Ontario and its common shares were listed and posted for trading on the TSE under the symbol GTR.

8. During the Material Time GTR carried on business through two operating subsidiaries. Through the first of those subsidiaries (which carried on business under the name “Games Trader”), GTR was a supplier of video games to mass merchant and specialty retailers in the United States and Canada, with its principal business activity being the sourcing, refurbishing, repackaging and distribution of previously played video game software. Through the second of those subsidiaries, GTR designed, developed, manufactured (through third parties) and marketed interactive video game control devices and accessories.

9. GTI was, until it was taken public through the RTO, a closely-held company that carried on the business later operated under the “Games Trader” name.
1. **Investments by Yorkton Group in GTI**

10. In March 1997, Capital Canada Limited ("CCL") made a presentation to representatives of Yorkton concerning an opportunity to participate in the acquisition and financing of GTI. In this presentation, CCL expressed the view that individuals at Yorkton should acquire shares in GTI as a sign of their good faith.

11. In response to this presentation, ultimately Yorkton acquired 250,000 common shares, representing approximately 6% of the outstanding common shares of GTI. Yorkton then transferred for value those shares to various persons and entities including Dent and other Yorkton personnel (collectively, the "Yorkton Group").

2. **Xencet**

12. Xencet was incorporated in 1993 as a “junior capital pool” under the name Patch Ventures Inc. ("Patch"). In 1994, Patch acquired all of the issued and outstanding shares of Legacy Manufacturing Corporation pursuant to a reverse take-over, following which the name of the company was changed to Legacy Storage Systems International Inc. ("Legacy"). In 1995, Legacy’s shares were listed and posted for trading on the TSE.

13. Since 1995, Yorkton has regularly acted as underwriter and financial advisor for Xencet and its predecessor companies and was also a security holder. In particular, Yorkton was the underwriter in respect of two special warrant offerings of Legacy completed in May 1995 and December 1995, and the underwriter in respect of the unit offering of Legacy completed in March 1996. Yorkton also acted as financial advisor to Legacy in connection with the acquisition by Legacy of shares and assets of Rexon Inc., completed in March 1996. Legacy subsequently changed its name to Tecmar Technologies International Inc. in December 1996. In January 1998, its name again was changed to Xencet Investments Inc. ("Xencet") in connection with the proposed sale of the last of its operating businesses.
14. Upon completion of the sale of the last of Xencet’s operating businesses, in mid-February 1998, Xencet had no significant operations. It held cash and cash equivalents in excess of $7.5 million. Its only other asset was a listing on the TSE. To preserve this listing, the TSE required that Xencet enter into a legally binding agreement by August 18, 1998 to acquire an operating business that, if completed, would result in Xencet meeting the original listing requirements of the TSE. Failing that, the shares of Xencet would be delisted.

3. Xencet and GTI RTO

15. In March 1998, employees of Yorkton reviewed possible merger or RTO candidates and reported the results of the review to the Xencet Board.

16. Through 1997 and into 1998, representatives of GTI met with Yorkton’s employees, on various occasions to discuss the timing of an initial public offering of GTI and the company’s financing requirements. As described below, in March 1998 and the months that followed, certain Yorkton senior officers and investment bankers were acting as financial advisors to GTI.

17. On or about April 16, 1998, Dent, along with certain Yorkton employees met with the President of GTI for a general business update on GTI. Yorkton’s Vice-President and Director of Investment Banking for the Media, Entertainment & Leisure Group arranged for the GTI President to give a presentation to the then President of Yorkton, on or about April 24, 1998.

18. At the meeting on April 24, 1998, GTI was advised of a TSE-listed company that was looking for merger or acquisition candidates. Shortly after this meeting, discussions ensued concerning a possible transaction, and the identity of Xencet was disclosed to GTI.
19. During April and May 1998, GTI was in discussions with Movies & Games 4 Sale, L.P. ("M4S"), a Dallas-based private limited partnership engaged in the same type of business as GTI, with respect to the possible combination of the businesses of GTI and M4S.

20. In early May, Xencet and GTI negotiated the share exchange ratio in respect of the three businesses, such that Xencet, GTI and M4S were agreed to be valued as one-third interests of the proposed business combination.

21. On or about June 12, 1998, it was determined by the interested parties that the proposed merger/RTO would no longer include M4S as a party to the transaction.

22. On or about June 16, 1998, Xencet and GTI reached an agreement in respect of the share exchange ratio for the proposed RTO of GTI and Xencet. The parties agreed to a 50/50 share exchange ratio. The share exchange ratio agreed to by the parties was not publicly announced at this time. The information concerning the share exchange ratio agreed to by Xencet and GTI was available to Dent in or about mid-June 1998 by virtue of his role. On Friday, June 19, 1998, Xencet and GTI also entered into a confidentiality agreement, and began to exchange information under that agreement on Monday, June 22, 1998.

23. In order to proceed with the proposed RTO, GTI also approached the shareholders of GTI and requested that the original shareholders (which included Dent and two other senior officers of Yorkton) purchase shares from the founder of GTI.

24. On June 30, 1998, Dent and certain of his relatives purchased 30,990 shares of GTI.

25. On July 31, 1998, Xencet and GTI entered into an acquisition agreement (the "Acquisition Agreement"), as amended and restated on August 20, 1998, providing for the acquisition of all the issued and outstanding common shares of GTI, pursuant to securities exchange agreements to be entered into with the holders of GTI common shares in exchange for units of Xencet comprised of common shares and a fractional number of common share purchase warrants.
26. The RTO transaction was publicly announced by Xencet on August 26, 1998, which announcement included disclosure to the share exchange ratio agreed to by Xencet and GTI, as reflected in the Acquisition Agreement, as amended and restated on August 20, 1998. The RTO was completed by October 30, 1998, and the name of the company was changed to Games Traders Inc. (“GTR”) as of November 11, 1998. Following the RTO, the common shares of Xencet/GTR traded on the TSE at prices substantially above the price of the GTI shares purchased by Dent on June 30, 1998.

BOOK4GOLF.COM CORPORATION

27. Book4golf.com Corporation ("Book4golf") has since September 22, 1999 been incorporated pursuant to the *Canada Business Corporations Act*. Book4golf is the developer and owner of Book4golf.com, an e-commerce Web portal that allows golfers to book tee times at various types of golf courses over the Internet. Book4golf is a reporting issuer in British Columbia and Ontario. The common shares of Book4golf are listed and posted for trading on the Canadian Venture Exchange ("CDNX") under the symbol BFG.

28. Dent, Yorkton’s Director of Research, became a director of Book4golf on September 22, 1999 and resigned as a director effective January 10, 2001.

Book4golf Research Reports

29. Yorkton commenced research coverage of Book4golf effective February 1, 2000. On February 1, 2000, Yorkton issued a "Research Comment" about Book4golf authored by a Yorkton Research Analyst (the “Yorkton Research Analyst”), that contained a "strong buy" recommendation. The Research Comment disclosed that Yorkton had acted as "agent for financing of or financial advisor for" Book4golf within the preceding three years, but did not disclose that Dent was a director of Book4golf.
30. The strong buy recommendation was repeated in research documents on Book4golf authored by the Yorkton Research Analyst dated March 17, 2000; March 22, 2000; April 11, 2000; April 28, 2000; May 3, 2000; June 5, 2000; June 26, 2000; July 17, 2000 and July 31, 2000, variously titled as “Online”, “The Wake-Up Call” and “Research Comment”. The Yorkton Research Analyst authored two further research documents dated September 26, 2000 and October 16, 2000 in which Yorkton’s recommendations changed from “strong buy” to “speculative buy”. Each of the foregoing documents (collectively, referred to as the “Research Reports”) disclosed that Yorkton had acted as "agent for financing of or financial advisor for" Book4golf, but did not disclose that Dent was a director of Book4golf.


32. During the material time, Dent supervised the Yorkton Research Analyst.

33. At no time did Dent instruct or direct the Yorkton Research Analyst to disclose in the Research Reports that Dent was a director of Book4golf or the existence of a conflict of interest arising from Dent’s position as a Book4golf director and Yorkton’s research coverage of Book4golf.

STORAGE ONE MARCH 1999 PRIVATE PLACEMENT

34. On February 2, 1999, Storage One announced a proposed private placement offering up to a maximum of 2,920,000 units of Storage One at a price of $0.10 per unit. Each unit consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at an exercise price of $.15 per share for a period of two years from the closing date. The private placement closed on March 5, 1999, (the
“Storage One Placement”). The Storage One Placement was completed under several private placement exemptions.

35. Following the completion of the Storage One Placement, Yorkton Staff approached Yorkton’s Chairman and Chief Executive Officer (“CEO”) and expressed their disappointment that their clients did not have an opportunity to participate in the recent offering. Yorkton’s CEO contacted Alberta counsel to Storage One to determine if certain investors in the Storage One Placement would consider selling their units.

36. As a result of the request made by Yorkton’s CEO, arrangements were made on or about July 7, 1999, through Storage One’s Alberta counsel, for the sale of approximately 1,062,500 shares of Storage One from an offshore corporation to 17 persons, 12 of which were clients of Yorkton. Yorkton’s CEO advised Yorkton personnel that the Storage One shares could only be sold to a non pro client.

37. Dent understood the requirement that Storage One shares be sold to a non pro client, but nonetheless arranged for the sale of 40,000 Storage One shares to a close relative and loaned his close relative funds to purchase shares.

CONDUCT CONTRARY TO THE PUBLIC INTEREST

38. Dent’s conduct was contrary to the public interest for the reasons set out below.

39. Dent’s purchase of GTI shares on June 30, 1998 placed Dent in a conflict of interest, given his position as a registrant, and either Dent’s knowledge of undisclosed information in respect of the proposed RTO or the availability to Dent of such undisclosed information by virtue of Dent’s position in Yorkton.

40. Dent’s conduct was contrary to the public interest in that he failed to direct or instruct the Yorkton Research Analyst to disclose in the Research Reports Dent’s position as a director of Book4golf. Dent further failed to direct or instruct the Yorkton Research
Analyst that the Research Reports disclose the existence of a conflict of interest arising from Dent’s position as a director of Book4golf and the research coverage provided by Yorkton in the Research Reports.

41. As described in paragraphs 34 to 37 above, Dent’s conduct was contrary to the public interest in that Dent arranged for the sale of Storage One shares to a close relative, and loaned his close relative funds to purchase shares, in conflict with the interests of Yorkton’s clients.

IV. TERMS OF SETTLEMENT

42. Dent agrees to the following terms of settlement:

(a) at the time of approval of this settlement agreement, Dent will make a voluntary payment to the Commission in the amount of $50,000, such payment to be allocated to such third parties as the Commission may determine for purposes that will benefit Ontario investors;

(b) that the Commission make an order under subsection 127(1)(6) of the Act that Dent be reprimanded; and

(c) that the Commission make an order under subsection 127.1(1)(b) of the Act that Dent make payment to the Commission in the amount of $10,000 in respect of the costs of the Commission’s investigation in relation to this proceeding, such payment to be made at the time of approval of this settlement.
V. CONSENT

43. Dent hereby consents to an order of the Commission incorporating the provisions of Part IV above in the form of an order attached as Schedule "A".

VI. STAFF COMMITMENT

44. If this settlement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Dent respecting the facts set out in Part III of this Settlement Agreement. If the related settlement entered into between Staff and Yorkton Securities Inc. dated December 14, 2001 is approved by the Commission (the “Yorkton Settlement Agreement”), Staff will not initiate any other proceeding under the Act against Dent respecting the facts set out in Part III of the Yorkton Settlement Agreement.

VII. APPROVAL OF SETTLEMENT

45. Approval of the settlement set out in this Settlement Agreement shall be sought at the public hearing of the Commission scheduled for December 19, 2001, or such other date as may be agreed to by Staff and the respondent (the “Settlement Hearing”).

46. Counsel for Staff or for Dent may refer to any part, or all, of this Settlement Agreement at the Settlement Hearing. Staff and Dent agree that this Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing.

47. If this settlement is approved by the Commission, Dent agrees to waive his rights to a full hearing, judicial review or appeal of the matter under the Act.

48. Staff and Dent agree that if this settlement is approved by the Commission, they will not make any public statement inconsistent with this Settlement Agreement.
49. If, for any reason whatsoever, this settlement 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 Dent leading up to its presentation at the Settlement Hearing, shall be without prejudice to Staff and Dent;

(b) Staff and Dent 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 discussions/negotiations;

(c) the terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person except with the written consent of Staff and Dent, or as may be required by law; and

(d) Dent agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement discussions/negotiations or the process of approval of this Settlement Agreement 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.

VIII. DISCLOSURE OF AGREEMENT

50. Except as permitted under paragraph 49 above, this Settlement Agreement and its terms will be treated as confidential by Staff and Dent until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission, except with the written consent of Staff and Dent, or as may be required by law.
51. Any obligations of confidentiality shall terminate upon approval of this settlement by the Commission.

IX. EXECUTION OF SETTLEMENT AGREEMENT

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

53. A facsimile copy of any signature shall be as effective as an original signature.

DATED this 17th day of December, 2001.

_______________________________  _______________________________
WITNESS ROGER ARNOLD DENT

DATED this 17th day of December, 2001.

STAFF OF THE
ONTARIO SECURITIES COMMISSION

(Per) __________________________________
Michael Watson
Director, Enforcement Branch
WHEREAS on December 17, 2001, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127(1) and 127.1 of the Securities Act, R.S.O. 1990 c. S.5, as amended (the "Act") in respect of Roger Arnold Dent ("Dent");

AND WHEREAS Dent entered into a settlement agreement dated December 17, 2001 (the "Settlement Agreement") in which it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission ("Staff"), and upon hearing submissions from counsel for Dent and from Staff;
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 dated December 17, 2001, attached to this Order, is hereby approved;

2. pursuant to subsection 127(1)(6) of the Act, Dent is hereby reprimanded; and

3. pursuant to subsection 127.1(2)(b) of the Act, at the time of approval of this settlement, Dent is ordered to pay $10,000 to the Commission in respect of a portion of the Commission's costs with respect to this matter.

DATED at Toronto this 19th day of December, 2001.