



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

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

- AND -

**IN THE MATTER OF NEST ACQUISITIONS AND MERGERS,
IMG INTERNATIONAL INC., CAROLINE MYRIAM FRAYSSIGNES,
DAVID PELCOWITZ, MICHAEL SMITH, and
ROBERT PATRICK ZUK**

ORDER

WHEREAS on January 18, 2010, the Secretary to the Ontario Securities Commission (the "Commission") issued a Notice of Hearing, pursuant to sections 37, 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), for a hearing to commence at the offices of the Commission at 20 Queen Street West, 17th Floor Hearing Room on Monday, January 28th, 2010 at 10 a.m., or as soon thereafter as the hearing can be held;

AND WHEREAS on January 18, 2010, Staff of the Commission ("Staff") filed with the Commission a Statement of Allegations in this matter;

AND WHEREAS previously on April 8, 2009 a temporary cease trade order was issued, pursuant to subsections 127(1) and 127(5) of the Act, ordering that all trading in securities by Nest Acquisitions and Mergers and Caroline Myriam Frayssignes shall cease, and on January 22, 2010, pursuant to subsection 127(8), this order was extended until the end of the hearing on the merits;

AND WHEREAS previously on June 11, 2009 a temporary cease trade order was issued, pursuant to subsections 127(1) and 127(5) of the Act, ordering that all trading in

securities by IMG International Inc./Investors Marketing Group International Inc. and Michael Smith shall cease, and on January 22, 2010, pursuant to subsection 127(8) of the Act, this order was extended until the end of the hearing on the merits;

AND WHEREAS Staff served the respondents with copies of the Notice of Hearing and the Statement of Allegations dated January 18, 2010, as evidenced by the Affidavit of Tammy Orta sworn on January 27, 2010, and filed with the Commission;

AND WHEREAS on January 28, 2010, counsel for Staff, counsel for Robert Patrick Zuk, who was also acting as agent for counsel for Caroline Myriam Frayssignes and Nest Acquisitions and Mergers, and David Pelcowitz appeared before the Commission;

AND WHEREAS on January 28, 2010, no one appeared on behalf of Michael Smith and IMG International Inc.;

AND WHEREAS the parties present on January 28, 2010 consented to the adjournment of the hearing until March 22, 2010 for the purpose of reviewing the status of disclosure, determining whether any motions by any party will be brought, to set a date for a pre-hearing conference, if necessary, and to set dates for the hearing on the merits in this matter;

AND WHEREAS on March 22, 2010, counsel for Staff, counsel for Robert Patrick Zuk, and counsel for Caroline Myriam Frayssignes and Nest Acquisitions and Mergers appeared before the Commission;

AND WHEREAS on March 22, 2010, no one appeared on behalf of David Paul Pelcowitz, Michael Smith and IMG International Inc.;

AND WHEREAS on March 22, 2010, Staff advised that disclosure of 18 volumes of information was made available to the respondents on February 19, 2010, and that the balance of disclosure would be available in approximately one week;

AND WHEREAS the parties present on March 22, 2010 consented to the setting of a pre-hearing conference for July 15, 2010 for purpose of reviewing the status of

disclosure, determining whether any motions by any party will be brought, and to set dates for the hearing on the merits in this matter;

AND WHEREAS on July 15, 2010, counsel for Staff, counsel for Robert Patrick Zuk, counsel for Caroline Myriam Frayssignes and Nest Acquisitions and Mergers, and David Pelcowitz appeared before the Commission for the purpose of a pre-hearing conference;

AND WHEREAS on July 15, 2010, no one appeared on behalf of Michael Smith and IMG International Inc., and the Commission was satisfied that Michael Smith and IMG International Inc. had been provided with notice of the pre-hearing conference;

AND WHEREAS on July 15, 2010, counsel for Staff, counsel for Robert Patrick Zuk, counsel for Caroline Myriam Frayssignes and Nest Acquisitions and Mergers, and David Pelcowitz agreed to a timetable in this matter, including the service of Staff's hearing briefs by November 8, 2010, a further pre-hearing conference on November 25, 2010 at 2:00 p.m., and the hearing on the merits from January 31, 2011 to February 11, 2011 (except for February 8, 2011);

IT IS ORDERED that this matter is adjourned to November 25, 2010 at 2:00 p.m. for the purpose of a continued confidential pre-hearing conference; and

IT IS FURTHER ORDERED that the hearing on the merits is set down for the period January 31, 2011 to February 11, 2011 (except for February 8, 2011).

DATED at Toronto this 15th day of July 2010.

"Mary G. Condon"

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