

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

- and -

**IN THE MATTER OF
ROBERT THOMISLAV ADZIJA, LARRY ALLEN AYRES, DAVID ARTHUR
BENDING, MARLENE BERRY, DOUGLAS CROSS, ALLAN JOSEPH DORSEY,
ALLAN EIZENGA, GUY FANGEAT, RICHARD JULES FANGEAT, MICHAEL
HERSEY, GEORGE EDWARD HOLMES, TODD MICHAEL JOHNSTON, MICHAEL
THOMAS PETER KENNELLY, JOHN DOUGLAS KIRBY, ERNEST KISS,
ARTHUR KRICK, FRANK ALAN LATAM, BRIAN LAWRENCE, LUKE JOHN
MCGEE, RON MASSCHAELE, JOHN NEWMAN, RANDALL NOVAK, NORMAND
RIOPELLE, ROBERT LOUIS RIZZUTO AND MICHAEL VAUGHAN**

ORDER

(Subsection 127(1) and section 127.1)

WHEREAS on September 24, 1998, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) respecting Michael Thomas Peter Kennelly (“Kennelly”) and others;

AND WHEREAS on September 24, 1998, the Commission made a Temporary Order as against Kennelly and others, such Temporary Order which was extended by Commission Orders dated October 9, 1998 and February 5, 1999 (the “Temporary Order”);

AND WHEREAS Kennelly entered into a Settlement Agreement executed October 3 and 8, 2002 (the “Settlement Agreement”) in which he agreed to a proposed settlement of the proceedings, subject to the approval of the Commission;

AND UPON reviewing the Settlement Agreement and the Statement of Allegations of Staff of the Commission and upon hearing submissions from Cross 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 pursuant to subsection 127(1) and section 127.1 of the Act;

IT IS ORDERED THAT:

1. the attached Settlement Agreement is approved;
2. pursuant to subsection 127(1), paragraph 2, trading in any securities by Kennelly cease for eight years commencing on the date of this Order except that, after two years, Kennelly may trade securities for the account of his registered retirement savings plan (as defined in the *Income Tax Act (Canada)*);
3. pursuant to subsection 127(1), paragraph 8, Kennelly is prohibited from becoming or acting as a director or officer of any issuer for eight years commencing on the date of this Order;
4. pursuant to subsection 127(1), paragraph 6, Kennelly is reprimanded;
5. the Temporary Order as against Kennelly no longer has any force or effect; and
6. pursuant to section 127.1, Kennelly will pay costs to the Commission in the amount of \$2,500.

DATED at Toronto this 9th day of October, 2002

H. Lorne Morphy

Robert L. Shirriff

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WRITTEN UNDERTAKING

I, MICHAEL THOMAS PETER KENNELLY undertake to the Ontario Securities Commission that I will not apply to the Commission for registration in any capacity for 8 years commencing on October 9, 2002. This undertaking is given pursuant to my Settlement Agreement with Staff of the Ontario Securities Commission executed October 3, 2002 and October 8, 2002.

DATED this day of October, 2002.
