



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  
INNOVATIVE GIFTING INC., TERENCE LUSHINGTON, Z2A CORP.,  
and CHRISTINE HEWITT**

**ORDER  
(Section 127)**

**WHEREAS** on March 2, 2010, the Commission issued a Notice of Hearing to consider, *inter alia*, whether to make orders, pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”), against Innovative Gifting Inc. (“IGI”), Terence Lushington (“Lushington”), Z2A Corp. (“Z2A”) and Christine Hewitt (“Hewitt”) (collectively the “Respondents”);

**AND WHEREAS** on March 2, 2010, Staff of the Commission issued a Statement of Allegations against the Respondents;

**AND WHEREAS** Staff served the Respondents with the Notice of Hearing dated March 2, 2010 and Staff’s Statement of Allegations dated March 2, 2010. Service by Staff was evidenced by the Affidavit of Service of Joanne Wadden, sworn on March 4, 2010, which was filed with the Commission;

**AND WHEREAS** on March 5, 2010, the Commission ordered that the hearing with respect to the matter be adjourned to April 12, 2010;

**AND WHEREAS** on April 12, 2010, counsel for Staff, counsel for IGI and Lushington, and counsel for Z2A and Hewitt appeared before the Commission and made submissions;

**AND WHEREAS** on April 13, 2010, the Commission issued an order that, *inter alia*, the hearing with respect to the Notice of Hearing dated March 2, 2010 be adjourned to July 21, 2010 at 10:00 a.m., at which time a pre-hearing conference will be held;

**AND WHEREAS** on July 21, 2010, a pre-hearing conference was commenced and counsel for Staff, counsel for IGI and Lushington, and counsel for Z2A and Hewitt appeared before the Commission and made submissions;

**AND WHEREAS** on July 21, 2010, the Commission issued an order that, *inter alia*, the hearing with respect to the Notice of Hearing dated March 2, 2010 be adjourned to September 9, 2010 at 10:00 a.m., at which time the pre-hearing conference will be continued;

**AND WHEREAS** on September 9, 2010, the pre-hearing conference was continued and counsel for Staff and counsel for IGI and Lushington appeared before the Commission and made submissions. Counsel for Z2A and Hewitt did not attend but counsel for Staff advised the Commission of counsel's submissions;

**AND WHEREAS** on September 9, 2010, all counsel submitted that the hearing be adjourned;

**AND WHEREAS** on September 9, 2010, the Commission ordered, *inter alia*, that the hearing with respect to the Notice of Hearing dated March 2, 2010 be adjourned to November 4, 2010 at 3:00 p.m., at which time the confidential pre-hearing conference will be continued and dates will be fixed for the hearing on the merits in this matter;

**AND WHEREAS** on November 3, 2010, all parties requested, in writing, that the pre-hearing conference scheduled for November 4, 2010 be adjourned to 10:00 a.m. on December 6<sup>th</sup>, 2010 and at that time dates will be fixed for the hearing on the merits in this matter;

**AND WHEREAS** on November 4, 2010, the Commission ordered that, *inter alia*, the hearing with respect to the Notice of Hearing dated March 2, 2010 be adjourned to December 6<sup>th</sup>, 2010 at 10:00 a.m., at which time the confidential pre-hearing conference will be continued and dates will be fixed for the hearing on the merits in this matter;

**AND WHEREAS** on December 6, 2010, all parties attended the pre-hearing conference and all parties made submissions to the Commission;

**AND WHEREAS** on December 6, 2010 the Commission ordered the hearing on the merits in this matter to commence on May 2, 2011 and continue until May 16, 2011, with the exception that the hearing on the merits would not be heard on May 3, 2011;

**AND WHEREAS** on December 6, 2010, the Commission also scheduled Z2A and Hewitt to make a motion to the Commission on March 30, 2011 at 2:00 p.m. for severance of the hearing as to the allegations relating to them;

**AND WHEREAS** on March 29, 2011, the Commission approved a Settlement Agreement dated March 24, 2011 between Staff and Lushington and IGI;

**AND WHEREAS** on April 26, 2011 counsel for Z2A and Hewitt (the "Remaining Respondents") and Staff attended a pre-hearing conference at which time a motion was scheduled for April 28, 2011 at 11:00 a.m. before the panel scheduled to hear this matter on the merits, to hear the Remaining Respondents' request to adjourn the hearing of this matter;

**AND WHEREAS** on April 28, 2011, the Commission ordered that the hearing on the merits be adjourned to June 6, 2011 and continue until June 10, 2011 and, if necessary, continue on June 15 and 16, 2011, commencing each day at 10:00 a.m., with the exception of June 7, 2011, which hearing day would commence at 2:00 p.m. and continue until 5:00 p.m.;

**AND WHEREAS** on June 6, 2011, the Commission ordered that the hearing on the merits of this matter be adjourned to and commence on July 18, 2011 peremptory on the Remaining Respondents and continue on July 20, 21, 22 and 25, 2011, commencing each day at 10:00 a.m.;

**AND WHEREAS** the Remaining Respondents sought, through their counsel, at the commencement of the hearing on July 18, 2011, an adjournment of the hearing on the merits on the basis that Hewitt was ill and not able to attend;

**AND WHEREAS** on July 18, 2011, the panel adjourned the hearing to July 20, 2011 to assess any evidence to be provided by the Remaining Respondents as to Hewitt's medical condition;

**AND WHEREAS** on July 20, 2011, the Commission vacated the hearing dates and ordered that a conference call be scheduled for July 27, 2011 to review the status of Hewitt's health in relation to her ability to attend the hearing on the proposed hearing dates of August 3, 4, 5 and 15, 2011;

**AND WHEREAS** on July 27, 2011, the Commission ordered that the hearing be adjourned and commence on October 3, 2011 and continue on October 4, 5, 6 and 12, 2011;

**AND WHEREAS** the hearing commenced on October 3, 2011 and continued on October 4 and 5, 2011;

**AND WHEREAS** the Remaining Respondents advised, through their counsel, on the morning of October 6, 2011 that Hewitt was unable to attend the continuation of her cross-examination scheduled to take place that day, due to illness;

**AND WHEREAS** the Remaining Respondents sought, through their counsel, on October 12, 2011, an adjournment of the hearing on the basis that Hewitt was ill and not able to attend;

**AND WHEREAS** on October 12, 2011, the Remaining Respondents consented, through their counsel, to adjourning the hearing to October 24, 2011 and advised that in the event that Hewitt was unable to attend the hearing on October 24, 2011 due to illness, the Remaining Respondents would call their final witness on October 24, 2011, with the continued cross-examination of Hewitt to take place on another date;

**AND WHEREAS** on October 12, 2011, the Commission ordered that the Remaining Respondents provide, by the close of business on October 14, 2011, medical records confirming Hewitt's inability to attend the hearing on October 6 and 12, 2011;

**AND WHEREAS** on October 12, 2011, the Commission further ordered that the hearing be adjourned to October 24, 2011, commencing at 10:00 a.m. and that it continue on November 8, 2011 at 2:30 p.m. and that the Remaining Respondents provide, by the close of business on October 20, 2011, an update as to Hewitt's ability to attend the hearing on October 24, 2011 and, if the Remaining Respondents took the position that Hewitt was unable to attend the hearing on October 24, 2011, that they provide medical records as to Hewitt's medical condition;

**AND WHEREAS** on October 24, 2011, the Remaining Respondents sought, through their counsel, an adjournment of the hearing on the basis that Hewitt was ill and not able to attend and that their remaining witness was not able to attend that day;

**AND WHEREAS** the Commission is of the view that it is in the public interest to make this order;

**IT IS ORDERED** that the hearing is adjourned to November 8, 2011 commencing at 2:00 p.m.;

**IT IS FURTHER ORDERED** that the Remaining Respondents provide, by the close of business on October 26, 2011, additional medical documentation regarding the nature of Hewitt's medical condition and her anticipated ability to attend the hearing on November 8, 2011

and that they confirm that their remaining witness is able to attend the hearing on November 8, 2011;

**IT IS FURTHER ORDERED** that the Remaining Respondents provide, by 3:00 p.m. on November 7, 2011, an update as to Hewitt's ability to attend the hearing on November 8, 2011 and, if the Remaining Respondents take the position that Hewitt is unable to attend the hearing on November 8, 2011, that they provide medical records as to Hewitt's medical condition by that time and that date.

**DATED** at Toronto this 24<sup>th</sup> day of October, 2011.

*"Paulette L. Kennedy"*

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Paulette L. Kennedy