



Ontario
Securities
Commission

Commission des
valeurs mobilières
de l'Ontario

P.O. Box 55, 19th Floor
20 Queen Street West
Toronto ON M5H 3S8

CP 55, 19e étage
20, rue queen ouest
Toronto ON M5H 3S8

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

- and -

**IN THE MATTER OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,
PORTUS ASSET MANAGEMENT INC., BOAZ MANOR, MICHAEL MENDELSON,
MICHAEL LABANOWICH AND JOHN OGG**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on October 5, 2005, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the “Act”) accompanied by a Statement of Allegations issued by Staff of the Commission, in respect of Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg (collectively, the “Respondents”);

AND WHEREAS on October 4, 2005, the Commission authorized the commencement of proceedings against Boaz Manor (“Manor”) in the Ontario Court of Justice pursuant to section 122 of the Act;

AND WHEREAS on April 20, 2006, the Commission authorized the commencement of proceedings against Michael Mendelson (“Mendelson”) and the laying of additional charges against Manor, in the Ontario Court of Justice, pursuant to section 122 of the Act (collectively, the “Section 122 Proceeding”);

AND WHEREAS on March 31, 2006, Manor brought an application (the “Application”) requesting the adjournment of the sections 127 and 127.1 proceeding (the “Administrative Proceeding”) against him, pending the conclusion of the Section 122 Proceeding;

AND WHEREAS on June 16, 2006, each of the Respondents in the Administrative Proceeding consented to the adjournment requested in the Application;

AND WHEREAS on June 16, 2006, each of the Respondents in the Administrative Proceeding requested that the Commission grant an adjournment of the Administrative Proceeding against them pending the conclusion of the Section 122 Proceeding;

AND WHEREAS on June 16, 2006, Staff consented to the granting of an adjournment of the Administrative Proceeding against each of the Respondents pending the conclusion of the Section 122 Proceeding;

AND WHEREAS on June 16, 2006, the Commission ordered that the Administrative Proceeding be adjourned against each of the Respondents pending the conclusion of the Section 122 Proceeding and that Staff and the Respondents appear before the Commission within eight weeks of judgment being rendered in the Section 122 Proceeding;

AND WHEREAS on November 19, 2007, Mendelson was convicted of a charge under the *Criminal Code of Canada* before the Ontario Court of Justice and was sentenced to two years in jail and three years probation;

AND WHEREAS on May 25, 2011, Manor was convicted of two charges under the *Criminal Code of Canada* before the Superior Court of Justice (Ontario) and was sentenced to four years in jail;

AND WHEREAS the convictions registered against Manor and Mendelson under the *Criminal Code of Canada* were for acts related to the Administrative Proceeding and the Section 122 Proceeding;

AND WHEREAS on July 13, 2011, the Section 122 Proceeding was concluded;

AND WHEREAS on August 4, 2011, a Notice of Hearing was issued giving notice that the Administrative Proceeding would continue on August 8, 2011;

AND WHEREAS on August 8, 2011, Staff and counsel for Manor attended before the Commission and requested that the Administrative Proceeding be adjourned to October 13, 2011;

AND WHEREAS on October 13, 2011, Staff and an agent for counsel for Manor attended before the Commission and requested that the Administrative Proceeding be adjourned to November 22, 2011;

AND WHEREAS on November 22, 2011, Staff informed the Commission that each of the Respondents were given notice of the adjournment of the Administrative Proceeding until November 22, 2011;

AND WHEREAS on November 22, 2011, Staff, counsel for Manor, and Ogg attended before the Commission and made submissions;

AND WHEREAS on November 22, 2011, it was ordered that the Administrative Proceeding be adjourned to January 12, 2012 at for the purposes of a pre-hearing conference;

AND WHEREAS on November 22, 2011, it was further ordered that the hearing on the merits shall commence on September 4, 2012, and shall continue on September 5, 6, 7, 10, 12, 13, 14, 19, 20, 21, 24, 26, 27, 28, and October 1, 2, 3, 4, and 5, 2012;

AND WHEREAS on January 12, 2012, Staff, counsel for the Court Appointed Receiver for Portus, counsel for Manor and counsel for Labanowich appeared before the Commission for a pre-hearing conference, and made submissions to the Commission;

AND WHEREAS on January 12, 2012, it was ordered that the hearing be adjourned to April 25, 2012 for the purpose of continuing the pre-hearing conference;

AND WHEREAS on April 25, 2012, Staff, and counsel for Manor attended before the Commission and made submissions;

AND WHEREAS on April 25, 2012, it was ordered that the hearing be adjourned to July 6, 2012 for the purpose of continuing the pre-hearing conference;

AND WHEREAS on July 6, 2012, Staff and counsel for Manor attended before the Commission and made submissions;

AND WHEREAS on July 6, 2012, it was ordered that the hearing be adjourned to August 10, 2012 for the purpose of continuing the pre-hearing conference;

AND WHEREAS on August 10, 2012, Staff and an agent for the counsel for Manor attended before the Commission and made submissions;

AND WHEREAS on August 10, 2012, it was ordered that the hearing be adjourned to August 16, 2012 for the purpose of continuing the pre-hearing conference;

AND WHEREAS on August 16, 2012, Mendelson attended before the Commission and made submissions;

AND WHEREAS on August 16 2012, Staff, counsel for Manor, counsel for Ogg attended before the Commission and Labanowich attended via teleconference for the purpose of having a settlement conference in accordance with Rule 12 of the Commission's *Rules of Procedure* (2010), 33 O.S.C.B. 8017;

AND WHEREAS on August 27, 2012, following a settlement hearing, the Commission approved a settlement agreement between Staff and Manor and made an Order against Manor(*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8105);

AND WHEREAS on August 27, 2012, following a settlement hearing, the Commission approved a settlement agreement between Staff and Labanowich and made an Order against Labanowich (*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8104);

AND WHEREAS on August 27, 2012, following a settlement hearing, the Commission approved a settlement agreement between Staff and Ogg and made an Order against Ogg (*Re Portus Alternative Asset Management Inc. et al.* (2012), 35 O.S.C.B. 8106);

AND WHEREAS on September 4, 2012, Staff appeared and Mendelson attended via teleconference before the Commission and made submissions including that Staff and Mendelson had reached an agreement regarding the facts against Mendelson in this matter;

AND WHEREAS on September 4, 2012, Staff indicated that the corporate respondents are in receivership and that the allegations pending against them will be dealt with separately at a future date;

AND WHEREAS on September 4, 2012, Staff and Mendelson requested that the currently scheduled dates for the hearing on the merits in the matter be vacated and that a sanctions hearing for Mendelson be scheduled to commence on October 2, 2012 at 10:00 a.m. until 1:00 p.m. and continue on October 4, 2012 at 10:00 a.m.;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this Order;

IT IS HEREBY ORDERED that the currently scheduled dates for the hearing on the merits in the matter be vacated;

IT IS FURTHER ORDERED that a sanctions hearing for Mendelson shall commence on October 2, 2012 at 10:00 a.m. until 1:00 p.m. and will continue on October 4, 2012 at 10:00 a.m.

DATED at Toronto this 4th day of September, 2012.

“Edward P. Kerwin”

Edward P. Kerwin