

IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, c.S.5, as amended

- AND -

IN THE MATTER OF FIRST FEDERAL CAPITAL (CANADA) CORPORATION
and MONTE MORRIS FRIESNER

AMENDED AMENDED STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

1. First Federal Capital (Canada) Corporation (AFirst Federal@) was incorporated under the laws of Ontario on January 7, 1999.
2. Monte Morris Friesner (AFriesner@) is a resident of Toronto, Ontario. Friesner is a Director and is the President and Chief Executive Officer of First Federal.
3. In the period between September, 1999 and December, 2000, First Federal operated a web site at www.firstfederalcanada.com (the "Web Site") and distributed documents which solicited potential investors to invest in Asset Securitization Management Portfolios (the "Trading Programs").
4. The Web Site advertised that First Federal administrated, created and managed the Trading Programs and that First Federal could not "perceive any circumstances in which the Investor receives a return of less than 20% per annum". The Web Site further advertised that "[t]he Investors' assets are guaranteed" and invited potential investors to contact First Federal to obtain copies of further information regarding the Trading Programs.
5. When contacted, First Federal would provide potential investors with documents which reiterated the Web Site's promises regarding the risk-free nature of the Trading Programs, as well as their high rates of return.
6. Neither First Federal nor Friesner, is or has ever been, registered in any capacity under Ontario securities law.
7. The activities of First Federal and Friesner in connection with the Trading Programs constituted advising in securities without registration, contrary to section 25 of the *Securities Act*.

8. The activities of First Federal and Friesner in connection with the Trading Programs constituted trading in securities without registration, contrary to section 25 of the *Securities Act*.
9. The Trading Programs offered by First Federal and Friesner constituted a distribution of securities for which no prospectus was issued and no exemption was available, contrary to section 53 of the *Securities Act*.
10. Friesner authorized, permitted or acquiesced in First Federal's conduct in connection with the Trading Programs.

Conduct Contrary To the Public Interest

11. The conduct of the respondents as described above contravened Ontario securities law and was contrary to the public interest.
12. Staff reserves the right to make such further and other allegations as the Commission may permit.

Dated at Toronto this 2nd day of April, 2003.