

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

- and -

**PORTUS ALTERNATIVE ASSET MANAGEMENT INC.
and BOAZ MANOR**

**TEMPORARY ORDER
(Section 127)**

WHEREAS it appears to the Ontario Securities Commission (the “Commission”) that:

1. Portus Alternative Asset Management Inc. (“Portus”) is a registered Investment Counsel/Portfolio Manager and Limited Market Dealer. The most accurate information provided to date indicates that Portus has approximately \$730 million under management. The majority of these funds are from Ontario clients.
2. At present, Portus has opened managed client accounts for approximately 26,000 clients across Canada. The majority of these clients are resident in Ontario. Portus appears to be offering clients the same portfolio of Canadian equities and assets. Each portfolio appears to contain securities and assets which are held and/or traded to mimic the performance of BancNote Trust mutual funds, non-prospectus mutual funds which Portus also manages.
3. The structure of the investment provided by Portus appears to be such that clients’ funds flow through bank accounts held by Portus on behalf of Portus’s off-shore counterparties, and eventually flow to an account held by Portus. Portus deposits sufficient client funds into five to seven year term notes issued by Société Générale (Canada) (the “Notes”) to guarantee a minimum return of the principal invested with Portus. Société Générale then promises to return to the holder of the Note (BancNote Trust) the higher of the principal invested with Portus or the return achieved by a fund of funds selected by Portus. This appears to be the basis for Portus’s representation to clients that their investments are guaranteed.

4. At the same time, Portus transacts with two off-shore counterparties to achieve a position whereby the Canadian equities referred to in paragraph 2 above, appear to be held in client name by one of the off-shore counterparties. Portus transacts in two derivatives which provide the client with the return on the Notes in exchange for the return on the Canadian equities.
5. The Notes are presently held in an account at RBC Dominion Securities Inc. ("RBCDS") over which Boaz Manor ("Manor") has trading authority. At maturity, the Notes will have a value of at least the principal invested by the clients.
6. Withdrawals of clients' funds prior to maturity of the Notes could result in a loss to certain clients and preferential treatment for some clients to the detriment of others.
7. Manor is the owner and Managing Director of Portus. Manor is registered as an Associate Investment Counsel/Portfolio Manager. Manor has trading authority with respect to the RBCDS account.
8. BancNote Trust buys the Notes on behalf of investors. Manor is the advisor to BancNote Trust.
9. Portus appears to have contravened sections 113 and 123 of Ontario Regulation 1015, R.R.O. 1990 of the *Securities Act*, and subsections 2.1(1) and 1.5(1)(b) of OSC Rule 31-505 and, to date, has failed to take adequate steps to remedy these breaches.
10. The conduct referred to above appears to be contrary to the public interest.

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

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS by Commission order made March 15, 2004 pursuant to section 3.5(3) of the Act, any one of David A. Brown, Paul M. Moore and Susan Wolburgh Jenah acting alone, is authorized to make orders under section 127 of the Act;

IT IS HEREBY ORDERED that, pursuant to subsections 127(1)1 and 2 and 127(5) of the *Act*:

1. Trading in any securities by Portus cease, except with respect to the pre-authorized periodic withdrawals permitted pursuant to paragraph 2(b) below; and
2. The following terms and conditions are imposed on Portus' and Manor's registration (the "Terms"):
 - a) Effective immediately, Portus shall not pay out, redeem or otherwise return any funds or other assets from any existing client accounts, except as provided in paragraph (b), below.
 - b) Notwithstanding the restrictions imposed under paragraph 2(a), above, Portus may continue to make periodic payments from any existing client account in respect of which a client has entered into a pre-authorized periodic withdrawal plan with Portus, provided (a) such plan was entered into before February 10, 2005, (b) such payments are made in compliance with the provisions of the plan, and (c) the amount of such future payments may not be increased from the amount of the most recent previous payment.
 - c) Effective immediately, Manor shall not undertake any action that directly or indirectly constitutes a trade or act in furtherance of a trade in the Notes.
 - d) Without limiting the generality of the foregoing, Manor shall not authorize, direct or execute trades in the Notes or appoint, authorize or direct any other party to make trades in the Notes.

IT IS FURTHER ORDERED that the Terms supplement and do not replace any other specific terms and conditions that currently apply to Portus and Manor, including but not limited to the terms and conditions imposed on Portus' registration pursuant to the Temporary Order issued by the Commission on February 2, 2005, and Portus and Manor continue to be subject to all applicable general terms, conditions and other requirements contained in the *Act* and any Regulations made thereunder; and

IT IS FURTHER ORDERED that, pursuant to subsection 127(6) of the *Act*, this Order shall take effect immediately and shall expire on February 17, 2005, unless extended by the Commission.

DATED at Toronto this "10th" day of February, 2005.

"Paul M. Moore"

Paul M. Moore