

IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended ("Act")

-AND-

IN THE MATTER OF
Trusthouse Mercantile Inc. ("Trusthouse") and
Robert Ernest Raymond ("Raymond")
(collectively the "Respondents")

NOTICE OF HEARING

(Sections 134, 135 and 135A of the Act)

TAKE NOTICE that the Nova Scotia Securities Commission ("Commission") will hold a hearing pursuant to sections 134, 135 and 135A of the Act at the offices of the Commission located at 1690 Hollis Street, 2nd floor, Halifax, Nova Scotia, or such other place as the Commission may designate on notice to the parties, on the 20th day of February, 2007, at ten o'clock in the forenoon, or so soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing will be for the Commission to consider whether pursuant to sections 134, 135 and 135A of the Act, it is in the public interest for the Commission to:

- a. Approve a Settlement Agreement entered into by the Respondents and staff of the Commission and make a finding that the Respondents have contravened a provision of the Act or the regulations pursuant to section 135(a)(i) of the Act;
- b. Order pursuant to section 134(1)(b)(i) of the Act that Trusthouse shall permanently cease trading in any and all classes of securities;
- c. Order pursuant to section 134(1)(b)(i) of the Act that Raymond shall permanently cease trading in any and all classes of securities with the exception of a personal account controlled by him, in which case he shall cease trading in any and all classes of securities for a period of twelve months from the date of the order;
- d. Order pursuant to section 134(1)(c) of the Act that the Respondents shall be permanently denied all exemptions described or referred to in any of sections 40, 41, 77, 78 and 99 of the Act;
- e. Order pursuant to section 135(b) of the Act that the Respondents shall pay an administrative penalty in the amount of one hundred thousand dollars (\$100,000.00) forthwith; and

- f. Order pursuant to section 135A of the Act that the Respondents shall pay costs in connection with the Staff's investigation and conduct of the proceedings in the amount of twelve thousand dollars (\$12,000.00) forthwith.

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission attached to this notice and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

AND TAKE NOTICE that upon failure of any party to attend at the hearing, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

DATED at Halifax, Nova Scotia, this 15th day of February, 2007.

NOVA SCOTIA SECURITIES COMMISSION



Barbara (Basia) H. Dzierzanowska, Secretary