

IN THE MATTER OF THE SECURITIES ACT  
R.S.N.S. 1989, CHAPTER 418, AS AMENDED ("Act")

- AND -

IN THE MATTER OF AN INVESTIGATION IN RESPECT OF  
KNOWLEDGE HOUSE INC.

- AND -

IN THE MATTER OF THE MOTIONS OF DAN POTTER, KNOWLEDGE HOUSE INC.,  
CALVIN WADDEN AND KENNETH MACLEOD

**ORDER**

(varying confidentiality orders)

**WHEREAS** by Order of the Nova Scotia Securities Commission (the "Commission") dated July 12, 2006, Commissioner R. Daren Baxter (as he then was) ordered that:

"None of Staff of the Commission, the Respondents or their counsel shall disclose, nor cause to be disclosed, the Notice of Hearing of May 19, 2006, as amended, or the Statement of Allegations attached to the Notice of Hearing of May 19, 2006, as amended, until determined otherwise by the Commission."

**AND WHEREAS** by Order of the Commission dated September 9, 2008, Commissioner David W. Gruchy ordered:

"That the matter commenced by Notice of Hearing dated May 19, 2006 shall remain confidential until otherwise ordered."

**AND WHEREAS** by Order of the Commission dated January 17, 2007, Commissioner Baxter ordered that:

"R. Scott Peacock and as necessary, all other investigators named in the Investigation Order, shall be crossed-examined as a form of pre-hearing disclosure in relation to the Motions at a time to be determined by the Commission."

**AND WHEREAS** by Order of the Commission dated November 13, 2009 Commissioner Gruchy ordered that:

"The scope of the discovery examinations to be conducted pursuant to this order is as directed by Commissioner Baxter in his December 11, 2006 decision together with the full scope of

discovery regarding all materials provided on July 10, 2009 and July 29, 2009 in relation to the pending motions of Mr. Potter, Knowledge House Inc., Calvin Wadden and Kenneth MacLeod and any issues identified in the Notice of Hearing in this matter."

**AND WHEREAS** the discovery of Brian Connell-Tombs, an investigator named in the Investigation Order commenced April 6, 2010, and was adjourned on April 7, 2010;

**AND WHEREAS** during the discovery of Brian Connell-Tombs, certain questions were asked to which counsel for staff of the Commission objected on the basis of relevance, and on the basis that the answer may violate Nova Scotia securities laws;

**AND WHEREAS** in a Decision issued by Commissioner Gruchy on April 20, 2010, it was determined that the following question called for irrelevant evidence and hearsay:

"Do you have any knowledge/information as to why the decision was made to not bring enforcement proceedings against particular subjects of the investigation with respect to whom you had recommended there was sufficient evidence to support a violation?"

**AND WHEREAS** in the April 20, 2010 Decision, Commissioner Gruchy directed the parties as follows:

"If and when an impasse occurs, I direct that an application be made to the Supreme Court of Nova Scotia by staff to obtain a ruling on the validity of staff's objections and admissibility of the question. I will authorize and direct my counsel to assist in the framing and presentation of the matter to the Court so as to give me directions as to the procedure and rulings to be made."

**AND WHEREAS** it is necessary to disclose information related to the matter commenced by Notice of Hearing dated May 19, 2006 to facilitate an application to the Supreme Court of Nova Scotia;

**AND UPON** obtaining the consent of all the parties;

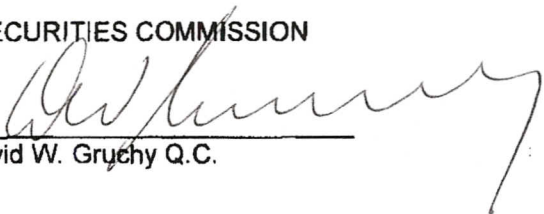
**IT IS HEARBY ORDERED** that:

1. The style of cause for the Notice of Application may refer to Staff of the Nova Scotia Securities Commission as the applicant and the Respondents will be referred to by non-revelatory designations (A, B, C, etc.);
2. The parties may disclose to the Nova Scotia Supreme Court Administration and the Justice assigned to hear the Application information necessary to set the Application down to be heard, provided that such communications are private; and

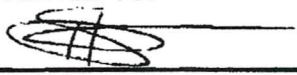
3. In the event that the Application proceeds in-camera, any relevant information respecting the Application may be disclosed in the course of the in-camera proceeding without restriction.

DATED at Halifax, Nova Scotia, this <sup>12<sup>th</sup></sup> day of <sup>July</sup> ~~June~~, 2010.

NOVA SCOTIA SECURITIES COMMISSION

  
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Commissioner David W. Gruchy Q.C.

CONSENTED TO:

  
\_\_\_\_\_  
Heidi Schedler  
Counsel to Staff of the Nova Scotia Securities  
Commission

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Dan Potter  
On behalf of himself & Knowledge House Inc.

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Dale Dunlop  
Counsel to Calvin Wadden & Kenneth MacLeod

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Tim Hill  
Counsel to Raymond Courtney

3. In the event that the Application proceeds in-camera, any relevant information respecting the Application may be disclosed in the course of the in-camera proceeding without restriction.

DATED at Halifax, Nova Scotia, this       day of June, 2010.

NOVA SCOTIA SECURITIES COMMISSION

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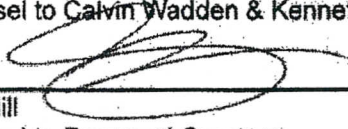
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