

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

-AND-

**IN THE MATTER OF
OXFORD INVESTMENT HOLDINGS INC. (“Oxford”)**

SETTLEMENT AGREEMENT

PART I – INTRODUCTION

1. By Notice of Hearing dated March 3, 2006 (“Notice of Hearing”), the Nova Scotia Securities Commission (“Commission”) announced that it proposed to hold a hearing to consider whether, pursuant to sections 135 and 135A of the Act, in the opinion of the Commission, it is in the public interest for the Commission:
 - a. To make an order pursuant to section 135(a) of the Act determining that the Respondents have contravened the Act or its regulations;
 - b. To make an order pursuant to section 135(b) that the Respondents should pay an administrative penalty in an amount to be determined by the Commission upon hearing Staff of the Commission; and
 - c. To make an order pursuant to section 135A of the Act that the Respondents should pay costs in connection with the Staff’s investigation and conduct of the proceedings in an amount to be determined by the Commission upon hearing Staff of the Commission.

PART II – JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) agree to recommend settlement of the proceedings initiated in respect of Oxford by the Notice of Hearing in accordance with the terms and conditions set out below. Oxford agrees to the settlement on the basis of the facts agreed to as hereinafter provided and consents to the making of an Order, in the form attached as Schedule “A”, on the basis of the facts set out below in respect to the violation of the Act.

PART III – STATEMENT OF FACTS AND CONCLUSIONS

Acknowledgment

3. Staff and Oxford agree with the facts and conclusions set out in this Part of this Settlement Agreement (“Agreement”).

Introduction

4. Oxford is an Ontario incorporated company, with its head office in Toronto. Oxford does not operate any offices in Nova Scotia, nor is it registered in any capacity with the Commission.
5. Oxford was formerly known as Oxford Software Developers Inc.
6. Michael Bernard Donaghy (“Donaghy”) is the President, CEO and sole Director of Oxford and at all material times managed and controlled Oxford. Donaghy has never been registered in any capacity with the Commission.

Facts

7. Oxford engaged Joseph Allen, carrying on business as J. Allen Capital (“Allen”) for the purpose of trading securities on its behalf. On April 4, 2003, Oxford entered into a Consultant Agreement with Allen, whereby Allen would identify potential purchasers of Oxford securities in the exempt market.
8. Pursuant to the Consultant Agreement Allen solicited potential investors of Oxford shares throughout Canada.
9. During all material times Allen employed Joseph Edward Allen and Syed Kabir, and possibly other people (collectively “Allen Employees”).
10. Thirteen Nova Scotia residents purchased Oxford shares through Allen (“Investors”), investing approximately \$43,500. Distributions to the Investors were made as follows:

October 3, 2003	19500	Common Shares
October 20, 2003	3000	Common Shares
November 17, 2003	2000	Common Shares
December 1, 2003	10500	Common Shares
December 30, 2003	1000	Common Shares
February 16, 2004	7500	Common Shares

11. The Oxford shares were securities, the sales to investors were trades, and the sales were distributions, all as defined by the Act.

12. All of the trades made by Allen on behalf of Oxford were made pursuant to the Accredited Investor exemption, Part 5 of the Multilateral Instrument 45-103. Oxford filed Form 45-103F4s ("Forms") in respect of all these trades.
13. Some of the trades did not qualify for the Accredited Investor exemption under Nova Scotia securities law. The trades and distributions of Oxford securities to the Investors were not made pursuant to any other appropriate exemptions from the registration or prospectus requirements under the Act.
14. At no time did Oxford file a preliminary or final prospectus, nor has the Commission issued a receipt for a preliminary or final prospectus pursuant to the Act.
15. Donaghy, on behalf of Oxford, prepared, signed and filed the Forms for all distributions made to the Investors. Oxford ought to have known that the Forms contained misrepresentations, and in particular, that there was no basis upon which to rely on the Accredited Investor exemption for all distributions in Nova Scotia. Oxford acknowledges that this is a violation of Nova Scotia securities laws.

Mitigating Factors

16. Oxford acknowledges and accepts responsibility for its conduct which is the subject matter of Staff's allegations. Oxford is remorseful to have been associated with such conduct and the effect it may have had on its investors.
17. Oxford commits to making any and all efforts to increase the value of its shares.
18. Donaghy, on behalf of Oxford, cooperated fully with Staff's investigation by providing documentary evidence and a sworn statement explaining Oxford's participation, and the involvement of Allen and Allen Employees in the events outlined above.
19. Oxford is the subject of a number of other regulatory proceedings with securities commissions of other jurisdictions in Canada.

Conduct Contrary to the Public Interest

20. In summary, during material times Oxford's actions violated Nova Scotia securities law and were contrary to the public interest. Oxford's conduct was detrimental to the integrity and efficiency of the capital markets in Nova Scotia and was prejudicial to the interests of its Nova Scotian investors.

PART IV – POSITION OF OXFORD

21. Oxford admits the facts set forth in Part III herein and acknowledges its violation of the Act.

PART V – TERMS OF SETTLEMENT

22. The terms of settlement are set forth in the order contained in Schedule “A” to this Agreement which is expressly incorporated herein.

PART VI – COMMITMENTS

23. If this Agreement is approved by the Commission, Staff will not initiate any further complaint to the Commission in accordance with the procedures described herein and such further procedures as may be agreed upon between Staff and Oxford, nor will any further proceedings be instituted against Oxford in connection with its activities relating to Allen and/or Allen Employees.
24. If this Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting Oxford in this matter and Oxford agrees to waive any right to a full hearing and appeal of this matter under the Act.
25. If this Agreement is approved by the Commission, the parties to this Agreement will not make any statement that is inconsistent with the Agreement.
26. If, for any reason whatsoever, this Agreement is not approved by the Commission, or the Order set forth in schedule “A” is not made by the Commission:
 - a. Each of Staff and Oxford will be entitled to proceed to a hearing of the allegations in the Notice of Hearing and related Statement of Allegations unaffected by the Agreement or the settlement negotiations;
 - b. The terms of the Agreement will not be raised in any other proceeding or disclosed to any person except with the written consent of Staff and Oxford or as may otherwise be required by law; and
 - c. Oxford agrees that it will not raise in any proceeding the Agreement or the negotiations or process of approval thereof as a basis of any attack or challenge of the Commission’s jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other challenge that may otherwise be available.

27. If, in the view of Staff and prior to the approval of this Agreement by the Commission, there are new facts or issues of substantial concern regarding the facts set out in Part III of this Agreement, Staff will be at liberty to withdraw from this Agreement. Notice of such intention will be provided to Oxford in writing. In the event of such notice being given, the provisions of paragraph 26 in this Part will apply as if this Agreement had not been approved in accordance with the procedures set out herein.

VIII DISCLOSURE OF SETTLEMENT AGREEMENT

28. Staff or Oxford may refer to any or all parts of this Agreement in the course of the hearing convened to consider this Agreement. Otherwise, this Settlement Agreement and its terms will be treated as confidential by all parties to it until approved by the Commission, and forever if, for any reason whatsoever, this settlement is not approved by the Commission.

IX EXECUTION OF SETTLEMENT AGREEMENT

29. This Agreement may be signed in one or more counterparts that together shall constitute a binding agreement and a facsimile copy of any signature shall be as effective as an original signature.

Dated this day of April, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:

_"M. Lianne Bradshaw:" _____
Witness

 { Oxford Software Developers Inc.

 { Per:_"M Donaghy" _____
 { Michael Donaghy
 { President

Dated this 18th day of April, 2006.

SIGNED, SEALED AND DELIVERED
In the presence of:

_"S. Diane Smith" _____
Witness

 { Staff of the Nova Scotia Securities
 { Commission

 { Per:_"R. Scott Peacock" _____
 { R. Scott Peacock
 { Deputy Director
 { Compliance and Enforcement
 { Nova Scotia Securities Commission

SCHEDULE "A"**IN THE MATTER OF THE SECURITIES ACT
R.S.N.S. 1989, C. 418 as amended ("Act")****-AND-****IN THE MATTER OF
OXFORD INVESTMENT HOLDINGS INC. ("Respondent")****ORDER**

(Sections 134, 135, 135A)

WHEREAS on March 3, 2006, the Nova Scotia Securities Commission ("Commission") issued a Notice of Hearing pursuant to sections 134, 135 and 135A of the Act in respect to the Respondent;

AND WHEREAS the Respondent entered into a settlement agreement with Staff of the Commission ("Staff") whereby it agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

AND WHEREAS Staff recommended approval of the settlement agreement;

AND UPON reviewing the settlement agreement and the Notice of Hearing, and upon hearing submissions of counsel for Staff and the Respondent himself;

AND WHEREAS the Commission is of the opinion that the Respondent has contravened the Act and it is in the public interest to make this Order;

IT IS HEREBY ORDERED, pursuant to sections 134, 135 and 135A of the Act, that:

1. the settlement agreement dated April _____, 2006, a copy of which is attached, is approved;
2. pursuant to section 134(1)(c), Oxford shall be denied all exemptions described or referred to in sections 41, 77 and 78 of the Act and all exemptions in National Instrument 45-106 for a period of two years;
2. pursuant to section 135 of the Act, the Respondent shall pay an administrative penalty in the amount of ten thousand dollars (\$10,000.00) forthwith;

3. pursuant to section 135A of the Act, the Respondent shall pay costs in connection with the investigation and conduct of the proceedings in the amount of two thousand seven hundred and thirty dollars (\$2,730.00) forthwith;

DATED at Halifax, Nova Scotia, this _____ day of April, 2006.

NOVA SCOTIA SECURITIES COMMISSION

(Chairman)