

IN THE MATTER OF THE SECURITIES ACT,  
R.S.N.S. 1989, C. 418, AS AMENDED ( the “Act”)

- and -

IN THE MATTER OF  
Portus Alternative Asset Management Inc. (the “Respondent”) and Boaz Manor ( “Manor”)

**AMENDED ORDER**  
**(SECTIONS 134 and 136A of the Act )**

**WHEREAS** it appears to the Nova Scotia Securities Commission (the “Commission”) that:

1. the Respondent is a registered investment counsel/portfolio manager under the Act.
2. at present, the Respondent has opened managed client accounts for approximately 300 residents of Nova Scotia. The Respondent appears to be selling to all clients the same portfolio of Canadian equities and assets which are held and or traded to mimic the performance of BancNote Trust mutual funds, non-prospectus cleared mutual funds which the Respondent and related corporate entities also manage.
3. at present the Respondent has approximately thirty million dollars under management for Nova Scotia residents.
4. The structure of the investment provided by Portus appears to be such that clients’ funds flow through bank accounts held by the Respondent on behalf of the Respondent’s off-shore counterparties, and eventually flow to an account held by the Respondent. The Respondent deposits sufficient client funds into five to seven year term notes issued by Societe Generale (Canada) ( the “Notes”) to guarantee a minimum return of the principal invested with the Respondent. Societe Generale then promises to return to the holder of the Notes ( BancNote Trust) the higher of the principal invested with the Respondent or the return achieved by a fund of funds selected by the Respondent. This appears to be the basis for the Respondent’s representation to clients that their investments are guaranteed.
5. At the same time, the Respondent 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. The Respondent transacts in two derivatives which provide the client with the return on the Notes in exchange for the return on the Canadian equities.

6. The Notes are presently held in an account at RBC Dominion Securities Inc. (“RBCDS”) over which Manor has trading authority. At maturity, the Notes will have a value of at least the principal invested by the clients.
7. Withdrawal 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.
8. Manor is the owner and Managing Director of the Respondent. Manor is registered under the Act as an Associate Investment Counsel/Portfolio Manager. Manor has trading authority with respect to the RBCDS account.
9. BancNote Trust buys the Notes on behalf of investors. Manor is the advisor to BancNote Trust.
10. The Respondent appears to have contravened sections 30 and 31 of the General Securities Rules and has failed to date to take adequate steps to remedy these contraventions.
11. The conduct referred to above appears to be contrary to the public interest.

**AND WHEREAS** the Respondent and Manor have waived notice of the hearing set forth in the Amended Notice of Hearing dated the 11<sup>th</sup> day of February 2005;

**AND WHEREAS** the Respondent and Manor have waived the holding of a hearing and have consented to the making of this order;

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

**IT IS ORDERED** pursuant to section 134(1)(a)(i) of the Act that the Respondent cease contravening and that the directors and senior officers of the Respondent cause the Respondent to cease contravening the provisions of sections 30 and 31 of the General Securities Rules.

**IT IS FURTHER ORDERED** pursuant to section 136A of the Act that:

1. trading in any securities by the Respondent cease, except with respect to the pre-authorized periodic withdrawals permitted pursuant to paragraph 2(b) below;
2. the following terms and conditions are imposed on the Respondent’s and Manor’s registrations ( the “Terms”):

- a. effective immediately, the Respondent 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, the Respondent 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 the Respondent, provided that such plan was entered into before the 10<sup>th</sup> day of February, 2005, such payments are made in compliance with the provisions of the plan, and 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 forgoing, 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** pursuant to section 136A of the Act that the Terms supplement and do not replace any other specific terms and conditions that currently apply to the Respondent and Manor, including but not limited to the terms and conditions imposed on the Respondent pursuant to the Temporary Order issued by the Commission on the 2<sup>nd</sup> day of February 2005, and the Respondent and Manor continue to be subject to all applicable general terms, conditions and other requirements in the Act and regulations; and

**IT IS FURTHER ORDERED** pursuant to section 136(A) of the Act, that this order shall take effect immediately and shall remain in effect until the Commission makes a further order.

**DATED** at Halifax, Nova Scotia, this 11<sup>th</sup> day of February, 2005.

NOVA SCOTIA SECURITIES COMMISSION

“H. Leslie O’Brien”

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( Chairman )