

**IN THE MATTER OF
*THE SECURITIES ACT, 1988, S.S. 1988, c. S-42.2***

**AND
IN THE MATTER OF**

**PORTUS ALTERNATIVE ASSET
MANAGEMENT INC.**

**TEMPORARY ORDER
(Section 134)**

WHEREAS it has been represented to the Saskatchewan Financial Services Commission, (the "Commission") by the staff of the Securities Division that:

1. Portus Alternative Asset Management Inc. ("Portus") is a registered non-resident investment counsel/portfolio manager pursuant to *The Securities Act, 1988, S.S. 1988, c. S-42.2*, (the "Act");
2. At present, Portus has opened managed client accounts for approximately 26,000 clients across Canada of which approximately 1104 are Saskatchewan residents. Portus appears to be selling same portfolio of securities to all clients. Each portfolio contains securities which are held and/or traded to mimic the performance of BancNote Trust mutual funds, which are non-prospectus mutual funds that Portus also manages (the "BancNote Funds").
3. Portus Asset Management Inc. ("PAM") created the BancNote Funds. PAM is not registered with any securities commission in Canada. Portus acts as the investment counsel of the BancNote Trust.
4. Portus receives approximately \$20 million of new investment funds or assets from a combination of existing and new clients each week.
6. Portus has approximately \$800 million under management at present.

7. Portus appears to have contravened section 44.1 of the Act, sections 25 and 34 of *The Securities Regulations*, R.R.S., c. S-42.2, Reg 1, (the "Regulations") and to date has failed to take adequate steps to remedy these breaches.
8. The conduct referred to above is 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 length of time required for a hearing would be prejudicial to the public interest;

IT IS HEREBY ORDERED that pursuant to clause 134(1)(j) of the Act, the following restrictions and terms are imposed on Portus' registration (the "Terms"):

1. Effective immediately, Portus shall not open any new client accounts; and
2. Effective immediately, Portus shall not accept any new funds or other assets for investment in respect of any existing client accounts.

IT IS FURTHER ORDERED that the Terms supplement and do not replace any other specific terms and conditions that currently apply to Portus and Portus continues 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 134(3) of the Act, this Order shall take effect forthwith up to and including February 18, 2005;

AND TAKE NOTICE THAT:

1. This Order may be extended for such period as the Commission considers necessary where sufficient information is not provided to the Commission on or before February 18, 2005;
2. The Commission will, at the request of any person or company named in this Order, grant a hearing before the Commission with respect to the within matter, such hearing to be held at such time and place as the Commission shall determine;

3. The purpose of such hearing will be to consider whether it is in the public interest that the registration of the Portus be suspended, cancelled or restricted by reason of the conduct herein before described and by reason of failing to provide the Commission with satisfactory information on or before the date of the hearing or any extension thereof by the Commission;
4. Any party to these proceedings may be represented by counsel of their choice at any such hearing before the Commission; and
5. Upon failure of any party to attend any such hearing at the time and place set therefore, the hearing may proceed in the absence of such party and such party is not entitled to any further notice of the proceedings therein.

DATED at Regina, Saskatchewan February 4, 2005.

"David Wild"

David Wild, Chairman