

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

AND
IN THE MATTER OF

MATRIX FINANCIAL CORPORATION

ORDER
(Section 134)

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

1. Matrix Financial Corporation ("Matrix") is registered in Saskatchewan as a dealer in the category of investment dealer;
2. Matrix is a member of the Investment Dealers Association (the "IDA");
3. Several of Matrix's former clients have commenced legal actions against Matrix;
4. Matrix has accepted an offer from Raymond James Ltd. ("Raymond James") to purchase certain of its assets and assume certain of its liabilities, which transaction has closed on January 24, 2001 (the "Raymond James transaction");
5. Most of the salespersons registered with Matrix have applied to have their registration transferred to Raymond James effective on February 1, 2001;
6. Effective on or before February 28, 2001 Matrix will cease to carry on business as a dealer;
7. It is necessary to preserve the assets remaining with Matrix after the completion of the Raymond James transaction so they are available to satisfy any judgements that may be awarded against Matrix in relation to the legal actions mentioned in paragraph 3; and
8. Matrix has consented to this order;

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

THE COMMISSION HEREBY ORDERS pursuant to clause 134(1)(j) of *The Securities Act, 1988* ("the Act") that the registration of Matrix is hereby suspended as of the date of this order provided that Matrix shall:

- a. Place all monies held by Matrix on or before February 28, 2001 in an escrow account administered by the Saskatoon office of the MacPherson, Leslie and Tyerman law firm provided that the only disbursements that may be paid out of the escrow account shall be funds to settle or otherwise satisfy any judgements issued in connection with the legal actions mentioned in paragraph 3, legal costs, accounting and auditing, fees and expenses of the escrow agent, corporate and other taxes, and other costs associated with Matrix to maintain its corporate existence;

- b. File with the IDA and the Commission, quarterly, a status report listing all the legal actions mentioned in paragraph 3 as prepared by the Saskatoon office of the McKercher, McKercher & Whitmore law firm;
- c. Maintain its registration as a dealer with the Commission;
- d. File annually with the IDA and the Commission within 7 weeks after its September 30 year-end a Special Compliance Procedures Auditor's Report as to compliance with paragraph a. above;
- e. File annually with the IDA and the Commission within 7 weeks after its September 30 year-end an annual audited balance sheet of Matrix with accompanying note disclosures;
- f. File annually with the IDA and the Commission within 7 weeks after its September 30 year-end a copy of the corporate resolution to retain Ernst & Young or other appointed panel auditor as external auditors of Matrix; and

Dated at Regina, Saskatchewan on February 1, 2001.

"Rand Flynn"

Rand Flynn
Commission Member
Saskatchewan Securities Commission

Amended on March 19, 2002.

"Dave Wild"

Dave Wild
Chair
Saskatchewan Securities Commission

To: Matrix Financial Corporation
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