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THE INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO

DISCIPLINE COMMITTEE - P

M. SCOTT SINCLAIR

L FILED DECEMBER 1 20 10

ADW

IN THE MATTER OF: A CHARGE AGAINST M. SCOTT
 SINCLAIR CA, A MEMBER OF THE
 INSTITUTE, BEFORE THE DISCIPLINE
 COMMITTEE

SETTLEMENT AGREEMENT

*made pursuant to Bylaw 510 (7.1) of the Bylaws of the
Institute of Chartered Accountants of Ontario*

Member Background

1. M. Scott Sinclair, CA ("Sinclair") obtained his CA designation on March 1, 1991. He is not presently engaged in the practice of public accounting and does not have a public accountant's licence.
2. During the period May 2002 through August 2004 Sinclair was the Chairman, President, CEO and directing mind of "MCGI".
3. Since 2004 Sinclair is self-employed as a management consultant on a contract basis in the area of mergers and acquisitions and restructuring.

Introduction

4. On or about April 2, 2009 Sinclair signed a Settlement Agreement with the Ontario Securities Commission ("OSC") (Schedule 1).

5. On April 3, 2009 the OSC made an Order approving the Settlement Agreement and imposing a sanction (Schedule 2).
6. The Professional Conduct Committee ("PCC"), at their meeting of February 9, 2010, considered the OSC Settlement Agreement and Order and approved draft charges against Sinclair based on the facts agreed to in the OSC Settlement. The Charges were signed by the Deputy Chair on April 16, 2010 (Schedule 3).
7. The facts set out in the OSC Settlement Agreement occurred in the period August 2002 through August 2004.
8. The OSC Settlement Agreement refers to section 53 of the Securities Act R.S.O. 1990, C.S.5, as amended. Section 53 of the Securities Act is attached (Schedule 4).
9. Sinclair agrees that the facts and conclusions set out in the OSC Settlement Agreement signed by him on April 2, 2009 constitute conduct that fails to maintain the good reputation of the profession and its ability to serve the public interest. He further agrees that by signing the OSC Settlement Agreement and agreeing to the facts stated therein he is in breach of Rule 201.1 of the Rules of Professional Conduct.

Terms of Settlement

10. Sinclair and the PCC agree to the following Terms of Settlement:
 - a) Sinclair will make a payment by way of fine in the amount of \$10,000;
 - b) There will be full publicity of this Settlement, including the member's name, in CheckMark Magazine and on the Institute website;
 - c) Sinclair will pay costs of the investigation and prosecution in the amount of \$10,000;
 - d) Sinclair will pay the fine and costs to the Institute on or before June 1, 2011;
 - e) Failure to pay the fine or costs within the time agreed will result in the immediate suspension from membership of Sinclair which suspension will continue until the fine and costs are paid. In the event the fine and costs remain unpaid after

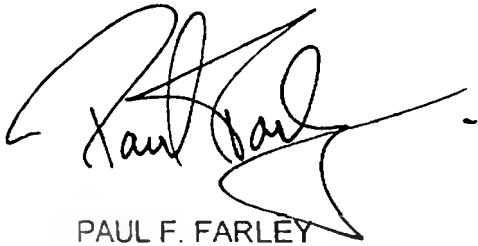
September 1, 2011 Sinclair will be expelled with full publicity in accordance with Bylaw 575(3) of the Bylaws of the Institute.

11. Should the Discipline Committee accept this Settlement Agreement, Sinclair agrees to waive his right to a full hearing, judicial review or appeal of the matter subject to the settlement agreement. The charges approved by the PCC and dated April 16, 2010 shall be forever stayed.
12. If, for any reason, this Settlement Agreement is not approved by the Discipline Committee, then;
 - a) This Settlement Agreement and its terms, including all settlement negotiations between the PCC and Sinclair leading up to its presentation to the Discipline Committee, shall be without prejudice to the PCC and Sinclair;
 - b) The PCC and Sinclair shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing on the merits of the allegations set out in the charge, or negotiating a new Settlement Agreement, unaffected by this Settlement Agreement or the settlement negotiations;

Disclosure of Settlement Agreement

13. This Settlement Agreement and its terms will be treated as confidential by the PCC and Sinclair, until approved by the Discipline Committee and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Discipline Committee, except with the written consent of the Professional Conduct Committee and Sinclair, or, as may be required by law.
14. Any obligations of confidentiality shall terminate upon approval of the Settlement Agreement by the Discipline Committee.

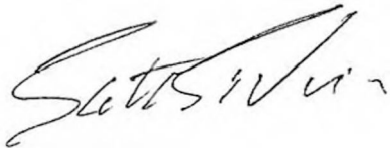
All of which is agreed to for the purpose of this proceeding alone this 29th day of November 2010.

A handwritten signature in black ink, appearing to read "Paul Farley", with a large, sweeping flourish extending from the bottom right.

PAUL F. FARLEY
SENIOR COUNSEL

on behalf of;

THE PROFESSIONAL CONDUCT COMMITTEE

A handwritten signature in black ink, appearing to read "M. Scott Sinclair", with a large, sweeping flourish extending from the bottom right.

M. SCOTT SINCLAIR, CA
on his own behalf