

The Ontario Securities Commission

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The Ontario Securities Commission Administers the Securities Act of Ontario (R.S.O. 1990, c.S.5) and the Commodity Futures Act of Ontario (R.S.O. 1990, c.C.20)

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 23, 2004

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar	—	ST
Wendell S. Wigle, Q. C.	—	WSW

SCHEDULED OSC HEARINGS

DATE: TBA

Ricardo Molinari, Ashley Cooper, Thomas Stevenson, Marshall Sone, Fred Elliott, Elliott Management Inc. and Amber Coast Resort Corporation

s. 127

E. Cole in attendance for Staff

Panel: TBA

DATE: TBA

Patrick Fraser Kenyon Pierrepont Lett, Milehouse Investment Management Limited, Pierrepont Trading Inc., BMO Nesbitt Burns Inc.*, John Steven Hawkyard⁺ and John Craig Dunn

s. 127

K. Manarin in attendance for Staff

Panel: HLM/MTM/ST

* BMO settled Sept. 23/02
+ April 29, 2003

DATE: TBA

ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub

s. 127

M. Britton in attendance for Staff

Panel: TBA

April 26, 2004

Brian Anderson and Flat Electronic Data Interchange ("F.E.D.I.")

10:00 a.m.

s. 127

K. Daniels in attendance for Staff

Panel: HLM/RLS

April 28, 2004 **Donald Greco**
10:00 a.m. s. 8(2) and 21.7

A. Clark in attendance for Staff

Panel: PMM/SWJ/RLS

June 2004 **Gregory Hyrniw and Walter Hyrniw**

s. 127

K. Wootton in attendance for Staff

Panel: TBA

1.1.2 CSA Staff Notice 51-311 REVISED Frequently Asked Questions Regarding National Instrument 51-102 Continuous Disclosure Obligations

**CANADIAN SECURITIES ADMINISTRATORS
STAFF NOTICE 51-311
REVISED FREQUENTLY ASKED
QUESTIONS REGARDING
NATIONAL INSTRUMENT 51-102 CONTINUOUS
DISCLOSURE OBLIGATIONS**

First published March 26, 2004, revised April 23, 2004

Background

On March 30, 2004, National Instrument 51-102 *Continuous Disclosure Obligations* came into force in each jurisdiction.

Frequently asked questions on NI 51-102

Users of NI 51-102 should first consult NI 51-102 itself, its companion policy, and the instructions to the forms for answers to their questions about NI 51-102. As is often the case with the introduction of a new rule, even after reviewing the instrument, users of NI 51-102 often find they have questions regarding its application and interpretation. To assist those persons and companies that will be using NI 51-102, we have compiled a list of frequently asked questions (FAQs). These FAQs have been updated on April 23, 2004.

This list is not exhaustive, but does represent the types of inquiries we have received.

Some terms we have used in these FAQs are defined in NI 51-102 or in National Instrument 14-101 *Definitions*.

We have divided the FAQs into the following categories:

- A. Definitions
- B. Financial statements
- C. MD&A
- D. Annual information forms (AIFs)
- E. Business acquisition reports (BAR)
- F. Information circulars and proxy solicitations
- G. Filing material documents
- H. Transition

A. Definitions

A-1 **Q:** I am a scholarship plan. Am I an *investment fund*, and so not subject to NI 51-102?

ADJOURNED SINE DIE

Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Harold Seidel, Rampart Securities Inc., W.D. Latimer Co. Limited, Canaccord Capital Corporation, BMO Nesbitt Burns Inc., Bear, Stearns & Co. Inc., Dundee Securities Corporation, Caldwell Securities Limited and B2B Trust

Global Privacy Management Trust and Robert Cranston

Philip Services Corporation

Robert Walter Harris

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

- A:** A scholarship plan is an investment fund as defined in NI 51-102. As a result, you are not subject to NI 51-102.
- A-2 **Q:** The definition of *non-redeemable investment fund* in NI 51-102 is different than the definition in OSC Rule 14-501. Does the term in NI 51-102 include different issuers than it does in OSC Rule 14-501?
- A:** No. Even though the wording of the two definitions is different, they are not intended to have different meanings. The definition in NI 51-102 was drafted to clarify that holding companies are generally not non-redeemable investment funds.
- A-3 **Q:** I am a large debt issuer, but none of my securities are listed or quoted on a marketplace. Am I still a *venture issuer*?
- A:** Yes, any issuer without securities listed or quoted on a marketplace is a venture issuer.
- A-4 **Q:** I have securities listed on the TSX Venture Exchange (TSXV), and quoted on the Over-the-Counter Bulletin Board in the United States. Am I still a *venture issuer*?
- A:** You are still a venture issuer. As long as none of the marketplaces on which you are listed or quoted are identified in the definition of *venture issuer*, you are a venture issuer, regardless of how many marketplaces your securities are listed or quoted on.
- A-5 **Q:** If I have securities listed on a junior exchange in Europe, am I a *venture issuer*?
- A:** You are not a venture issuer if you have securities listed or quoted on any exchange outside of Canada and the United States, whether the listing was voluntary or involuntary. Some jurisdictions have issued blanket orders so that issuers that trade on the Regulated Unofficial Market of the Frankfurt Stock Exchange or the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange will be treated as venture issuers for the purposes of NI 51-102. Some jurisdictions cannot issue blanket orders, so issuers will have to apply for that relief in those jurisdictions. [Amended April 23, 2004]
- A-6 **Q:** According to the definition of *venture issuer*, if I am listed on an exchange registered as a "national securities exchange" under section 6 of the 1934 Act, I am not a *venture issuer*. How do I find out what exchanges are registered as national securities exchanges?
- A:** The SEC publishes the names of the registered national securities exchanges in their annual report every year under the heading "Regulation of Securities Markets - Oversight of Self-Regulatory Organizations". The annual report is available on the SEC's web page at www.sec.gov.
- A-7 **Q:** When do I make the determination of whether or not I am a *venture issuer* for the purposes of NI 51-102?
- A:** The definition of *venture issuer* sets out the times at which you determine if you are a venture issuer for the various requirements in NI 51-102. That time differs depending on the part of NI 51-102 you are applying.
- B. Financial statements**
- B-1 **Q:** My auditors did not review my interim financial statements. As a result, under NI 51-102 my interim financial statements must be accompanied by a notice. What form should this notice take?
- A:** NI 51-102 does not specify the form of notice that should accompany the financial statements. The notice accompanies, but does not form part of, the financial statements. We expect that the notice will normally be provided on a separate page appearing immediately before the financial statements, in a manner similar to an audit report that accompanies annual financial statements.
- B-2 **Q:** Do I have to file a notice indicating that my interim financial statements have not been reviewed by my auditor, if a public accountant that is not my auditor, reviews them?
- A:** Yes. If your auditor does not review your interim financial statements, you must file the notice, even if a public accountant reviews the statement. Refer to subsection 3.4(3) of Companion Policy NI 51-102CP (NI 51-102CP) for a discussion of what is meant by "review" if your annual financial statements are audited in accordance with Canadian GAAS, or auditing standards other than Canadian GAAS. If your annual financial statements are audited in accordance with Canadian GAAS, the relevant requirements for a review of interim financial statements by the auditor are set out in the Handbook section 7050.
- B-3 **Q:** Do I have to file a notice indicating that my interim financial statements have not been reviewed if only the current period, and not the comparative interim period, have been reviewed by my auditor?
- A:** Yes. The review of the interim financial statements must cover all periods presented in the statements.
- B-4 **Q:** When does the annual request form under section 4.6 have to be sent?

A: Once a year – at any time during the year.

B-5 Q: If I send my annual financial statements to all my securityholders, do I still have to send a request form under subsection 4.6(1) in respect of my interim financial statements?

A: No. Subsection 4.6(5) is a complete exemption from having to send an annual request form, if you send your annual financial statements to all your securityholders. You will still have to send a copy of your interim financial statements to any securityholder that requests a copy.

B-6 Q: My current auditor does not intend to register with the Canadian Public Accountability Board. As a result, I am changing my auditor in order to comply with National Instrument 52-108 *Auditor Oversight*. Do I have to comply with the change of auditor requirements?

A: Yes, you must comply with the change of auditor requirements, even if the change in your auditor is only to comply with NI 52-108.

C. MD&A

General

C-1 Q: Since my MD&A is filed with my financial statements, do my auditors have to review my MD&A before I file it?

A: NI 51-102 does not include a direct requirement for MD&A to be reviewed by an issuer's auditor. However, under CICA Handbook section 7500 *Auditor association with annual reports, interim reports and other public documents*, an auditor is deemed to be associated with MD&A corresponding to annual financial statements on which the auditor has issued an auditor's report. Also, an auditor is deemed to be associated with interim MD&A if the auditor has been engaged to audit or review the corresponding interim financial statements.

If an auditor is deemed to be associated with MD&A, the auditor must perform the procedures specified in section 7500 of the Handbook. The auditor's specific aims when performing those procedures are to: (a) determine whether the financial statements, and when applicable, the report of the auditor, have been accurately reproduced; and (b) consider whether any of the other information in the document raises questions regarding, or appears to be otherwise inconsistent with, the financial statements.

Handbook section 7500 specifies that the auditor should arrange to obtain the MD&A prior to its release and perform the procedures set out in the section. Further, when circumstances prevent the auditor from obtaining the MD&A prior to its

release, the auditor should perform the procedures required by Handbook as soon as possible after its release, and consider advising the audit committee of the circumstances.

If the reporting issuer's annual financial statements are audited in accordance with auditing standards other than Canadian GAAS, then the auditor's association with, and the requirement for procedures relating to, annual and interim MD&A would be determined by those other auditing standards.

Form

C-2 Q: Do I have to duplicate in my MD&A information already included in the notes to the financial statements?

A: Information specifically required by Form 51-102F1 must be included in the MD&A, and simply cross-referencing to a note in the financial statements would not be sufficient. For example, although the various notes to the financial statements may include information about contractual obligations, Form 51-102F1 requires an issuer that is not a venture issuer to include in the MD&A a summary, in tabular form, of contractual obligations. In this example a cross-reference would not meet the Form 51-102F1 requirement.

Issuers should use their judgment to ensure the MD&A complements and supplements the financial statements. This may include a discussion and analysis, but not a repetition of details disclosed in notes to the financial statements that are not specifically required by Form 51-102F1.

C-3 Q: The MD&A form says that, if the first MD&A I file in Form 51-102F1 is an interim MD&A, the interim MD&A must include all the disclosure called for in the annual MD&A. Does that mean that my interim MD&A must include a discussion of my annual financial statements **and** my interim financial statements?

A: No. It means that all the disclosure elements set out in Item 1 of Part 2 of the Form 51-102F1, such as a discussion of critical accounting estimates and changes in accounting policies, must be provided for the first interim MD&A. Except for Item 1.3, the discussion is still focussed on your interim financial statements. As a result, you do not have to provide discussion of a one-year plus three month period – just the three-month interim period. As the disclosure in Item 1.3 does not have to be updated in the interim MD&A, when that disclosure is provided in the interim MD&A, it should still be based on the annual financial statements.

C-4 **Q:** The first MD&A I am filing in Form 51-102F1 is an interim MD&A. However, my annual MD&A from my previous financial year contains many of the same elements of the Form 51-102F1. Can my first interim MD&A just update the information from my annual MD&A that is consistent with the requirements in Form 51-102F1, and supplement it with the disclosure that is missing?

A: No, the first MD&A you file in Form 51-102F1 must contain **all** the elements set out in Item 1 of Part 2 of Form 51-102F1. This ensures there is a comprehensive platform that will be the basis for future MD&A that you file.

D. Annual information forms (AIFs)

General

D-1 **Q:** Are there situations when a venture issuer may have to file an AIF?

A: Venture issuers do not have to file an AIF under NI 51-102. There are other policies or rules that require the filing of an AIF to benefit from those instruments. For example, to use the short form prospectus system under National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101), an issuer must file an AIF, regardless of whether the issuer is a venture issuer or not. Similarly, if a TSXV listed issuer intends to complete a public offering by short form offering document under TSXV Policy 4.6, or an issuer wants to use the offering memorandum for qualifying issuers under Multilateral Instrument 45-103 *Capital Raising Exemptions*, the issuer must file an AIF.

D-2 **Q:** I am required to file an AIF under NI 51-102. I also intend to rely on that AIF for the purposes of NI 44-101. Where do I file the AIF on SEDAR? Do I have to file it twice?

A: All issuers filing an AIF must file it under the filing type "Annual Information Form (NI 51-102)" on SEDAR. If you also intend to rely on that AIF for the purposes of NI 44-101, you do not have to file the AIF twice. Instead, you should file a notice under the filing type "Annual Information Form (NI 44-101)" indicating you are relying on your NI 51-102 AIF as your AIF under NI 44-101, and giving the SEDAR project number the AIF was filed under.

Form

D-3 **Q:** Can I use my information circular in connection with an arrangement or reverse takeover as an alternative form of AIF?

A: No. The acceptable alternative forms of annual information forms are set out in the definition of AIF. They include a Form 10-K, Form 10-KSB or

Form 20-F for SEC issuers, as defined in NI 51-102. Information circulars are not acceptable alternative forms of AIFs.

E. Business acquisition reports (BAR)

E-1 **Q:** The optional significance tests in section 8.3(4) are based on financial information relating to my most recently completed interim period. In calculating the optional significance tests, can I use financial information relating to financial statements for a completed interim period that have not yet been approved by my board of directors or audit committee, and have not yet been filed?

A: Yes. However, you run the risk that adjustments to the financial statements from subsequent review by your external auditors, audit committee or board of directors may change the results of the calculation. For example, the acquisition may be a significant acquisition based on the adjusted financial statements, when it initially did not meet the significance thresholds, in which case you may be in default of the BAR requirements.

E-2 **Q:** If I am acquiring a business, there are no financial statements, and confidentiality provisions prevent disclosure of certain information about the business, how do I file a BAR?

A: Paragraph 8.1(4) of NI 51-102CP discusses the term "business" and indicates that whether or not the business previously prepared financial statements, an acquisition may be considered a business and trigger the requirement for financial statements in a BAR. As well, section 8.6 of NI 51-102CP provides guidance on the preparation of divisional and carve-out financial statements. If an issuer is considering the acquisition of a business, it must consider its obligations under NI 51-102 to file a BAR and the issuer must plan its acquisition in a manner that will ensure it can meet those obligations.

E-3 **Q:** If I acquire a business that will be accounted for by the equity method and the acquisition qualifies for the exemption in section 8.6, does my BAR have to name the auditor of the investee and indicate that the auditor of the investee has not consented?

A: Section 8.6 of the NI 51-102 does not require an issuer to name the auditor of the financial information or underlying financial statements or to include the auditor's report on the financial information or underlying financial statements. As a result, the issuer does not have to disclose the absence of consent from the auditor of the investee.

F. Information circulars and proxy solicitations

F-1 **Q:** If I send out materials on May 1, 2004 for my meeting scheduled for June 15, 2004, do I have to use the new form of information circular?

A: If you have mailed the materials before June 1, 2004, your information circular must include the information prescribed in the old form of information circular. Some jurisdictions, such as Alberta and British Columbia, have issued blanket orders that permit issuers to use the new form of information circular (Form 51-102F5) between March 30 and June 1, 2004. [Amended April 23, 2004]

G. Filing material documents

G-1 **Q:** Do material documents, such as constating documents or material contracts, dated before March 30, 2004 have to be filed under the new filing requirements? When do they have to be filed?

A: Any constating documents, including articles of incorporation, that are dated before March 30, 2004 do have to be filed under the new filing requirements, as long as they are still effective. The documents must be filed no later than when you first file an AIF under NI 51-102, if you are not a venture issuer. If you are a venture issuer, you must file the document within 120 days of the end of your first financial year beginning on or after January 1, 2004. However, if the making of the document constitutes a material change for the issuer, the document must be filed no later than the time of filing a material change report.

G-2 **Q:** Do the original forms of constating documents or material contracts that have been amended before March 30, 2004 have to be filed under the new filing requirements?

A: Only the current versions of documents have to be filed - that is, the documents, as amended, not the original forms that are no longer applicable.

G-3 **Q:** Will material contracts be public documents?

A: Yes.

H. Transition

Financial statements

H-1 **Q:** My current financial year began July 1, 2003. Do I have to follow the new filing deadlines for my March 31, 2004 third quarter interim statements?

A: No. The new filing deadlines apply to interim periods in financial years **beginning on or after January 1, 2004**. In this case, that is your financial year beginning July 1, 2004. As a result,

the new deadlines will first apply to your first quarter ending September 30, 2004.

H-2 **Q:** I am not a venture issuer. Because I still have 140 days to file my 2003 annual financial statements, my first quarter interim financial statements are due a few days before my annual financial statements. What do I do?

A: You do still have 140 days to file your annual financial statements; however, you will want to ensure your annual numbers are finalized before you file your first interim statements. You may wish to file your annual financial statements on or before the deadline for the interim statements.

H-3 **Q:** Do I have to deliver my 2003 annual financial statements to my shareholders?

A: Yes, you must deliver your 2003 annual financial statements in accordance with pre-NI 51-102 continuous disclosure (CD) requirements.

H-4 **Q:** I have filed and delivered my 2003 annual financial statements in accordance with pre-NI 51-102 CD requirements. During this transition year, do I have to send a request form with my proxy materials relating to the interim financial statements I will be filing for my 2004 financial year?

A: You do not have to send a request form until 2005. You will still have to deliver a copy of your interim financial statements for your 2004 financial year to any securityholder that asks for a copy.

H-5 **Q:** How do the financial statement delivery requirements in NI 51-102 interact with National Instrument 54-102 *Interim Financial Statement and Report Exemption* (NI 54-102)?

A: We expect NI 54-102 will be repealed when proposed National Instrument 81-106 *Investment Fund Continuous Disclosure* is implemented. Until then, NI 54-102 will be irrelevant for issuers that are subject to NI 51-102, as the exemption in NI 54-102 from having to send interim financial statements is not necessary given that NI 51-102 only requires issuers to send those statements on request. The request form system established under NI 51-102 effectively replaces the supplemental mailing list system under NI 54-102.

MD&A

H-6 **Q:** I am required under the securities laws in some jurisdictions to file annual MD&A for my financial year that began before January 1, 2004. I am intending to file that MD&A before March 30, 2004. The form of MD&A is based on Form 44-101F2. Instead, I would like to use Form 51-102F1 MD&A for my 2003 annual MD&A, so that, for my first interim MD&A, I can simply provide

information that updates my annual MD&A. Can I use the new form of MD&A before March 30, 2004?

A: We believe that the disclosure requirements in Form 51-102F1 meet the current MD&A disclosure requirements that are based on Form 44-101F2. As a result, an issuer that files MD&A in Form 51-102F1 for financial years beginning before January 1, 2004 will satisfy the current MD&A requirements that are based on Form 44-101F2.

H-7 **Q:** What will happen to the BC Securities Commission's current Quarterly Report in Form 51-901F? Will it be revoked?

A: Yes, after a transition period, the Form 51-901F will be revoked. In the meantime, issuers that file an MD&A in Form 51-102F1 will be exempt from having to file the Quarterly Report.

H-7.1 **Q:** I am a reporting issuer in Alberta and Ontario. I have a decision from the Alberta and Ontario Securities Commissions from before NI 51-102 came into effect exempting me from the requirement to file financial statements in both provinces and MD&A in Ontario. Under section 13.2, I can rely on that exemption from filing financial statements under NI 51-102 in both provinces, but, since Alberta did not have a "substantially similar provision" to the MD&A requirement before NI 51-102 came into effect, I do not have a pre-existing exemption in Alberta from filing MD&A. Do I now have to apply to get relief from having to file MD&A under NI 51-102 in Alberta?

A: The requirement to file MD&A under section 5.1(1) of NI 51-102 only applies if you are required to file annual and interim financial statements under Part 4. Since you have an exemption from filing financial statements in Alberta, and you can continue to rely on that exemption under section 13.2, the requirement to file MD&A in Alberta is never triggered. As a result, you do not have to apply in Alberta for relief from the MD&A requirement. [Added April 23, 2004]

AIFs

H-8 **Q:** I am a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario and Québec, listed on the TSXV. Do I still have to file an AIF for my 2003 financial year under the pre-NI 51-102 CD requirements in Saskatchewan, Ontario and Québec?

A: The AIF requirements in NI 51-102 apply to financial years beginning on or after January 1, 2004. As a result, for financial years beginning before then, you must continue to comply with your pre-NI 51-102 CD requirements including any requirement to file an AIF.

H-9 **Q:** I have a December 31, 2003 financial year-end. Can I file my annual information form in the new Form 51-102F2?

A: Effective March 30, 2004, at the earliest, NI 44-101 and the local CD requirements in Saskatchewan, Ontario and Québec will be amended to permit you to use either the new form of AIF (Form 51-102F2), or the old form (Form 44-101F1), for financial years beginning before January 1, 2004. You must use the new Form 51-102F2 for financial years beginning on or after January 1, 2004.

General

H-10 **Q:** Will SEDAR be updated to reflect the new filing requirements in NI 51-102?

A: Yes, SEDAR will be updated by March 30, 2004 to reflect the new filing requirements in NI 51-102. A SEDAR subscriber update will be issued advising filers of the changes.

H-11 **Q:** Before NI 51-102 was implemented, I obtained relief from my CD obligations in all the provinces that had CD requirements. NI 51-102 has been now been adopted as a policy in Prince Edward Island, New Brunswick, the Northwest Territories, the Yukon Territory and Nunavut. None of those jurisdictions previously had any CD policies or requirements. Do I now have to apply for relief from NI 51-102 in those jurisdictions?

A: No. You do not have to get relief from NI 51-102 where it has been adopted as a policy, not a rule. An issuer that does not comply with NI 51-102 in those jurisdictions will not be considered in default of their requirements. You will have to seek relief in the future, if NI 51-102 is later adopted in one of those jurisdictions as a rule. [Added April 23, 2004]

April 23, 2004.

1.1.3 CSA Staff Notice 81-310 Frequently Asked Questions Fund of Fund Amendments

**CSA STAFF NOTICE 81-310
FREQUENTLY ASKED QUESTIONS
FUND OF FUND AMENDMENTS**

On December 31, 2003, the Fund of Fund Amendments (the "Amendments") to National Instrument 81-102 Mutual Funds ("NI 81-102") and National Instrument 81-101 Mutual Fund Prospectus Disclosure ("NI 81-101") came into force in every jurisdiction except Québec. The Amendments came into force in Québec on March 3, 2004.

Over the last several months, staff of the Canadian Securities Commission (referred to as "we" below) has been responding to a number of questions surrounding the transition to the new fund of fund regime. Accordingly, we are publishing this notice in order to address your frequently asked questions.

Disclosure Issues

Q1. NI 81-101 now imposes several disclosure requirements for funds of funds which were not previously imposed by way of exemptive relief orders. Consequently, does a fund of funds which decides to continue to invest in other mutual funds in accordance with its prior exemptive relief order (until the revocation of that order on December 31, 2004) have to amend its prospectus immediately upon the coming into force of the Amendments in order to include the new required disclosure?

A1. We would not expect a fund of funds that intends to continue to invest in other mutual funds on a passive basis in accordance with its exemptive relief order to have to immediately file an amendment to comply with the additional disclosure requirements for funds of funds. Staff would consider it appropriate for that fund to incorporate the required disclosure in its renewal prospectus in the year that follows the coming into force of the Amendments.

Q2. NI 81-101 now requires that all mutual funds (and not just underlying funds) include an additional risk factor in their simplified prospectus about the risks associated with a possible redemption by any security holder that holds more than 10 percent of the securities of the mutual fund as of the date of the prospectus. Will a mutual fund that has more than 10 percent of its securities owned by one security holder as of December 31, 2003, be required to immediately amend its simplified prospectus to include the new risk disclosure?

A2. We would not expect that a mutual fund would file an amendment solely to comply with the new risk disclosure requirement. We would consider it appropriate to comply with the new risk disclosure requirement (if applicable) upon the filing of the

fund's renewal prospectus in the year that follows the coming into force of the Amendments.

Transition Issues

Q3. *Can an existing fund of funds who wishes to take advantage of the flexibility of the new rules do so without being constrained by the conditions in their previously granted exemptive relief order?*

A3. An existing fund of funds may immediately take advantage of the new rules provided it gives its existing security holders **60 days' notice** of its intended transition to active management. Although NI 81-102 does not prescribe the 60 day notice requirement, we are of the view that the fund manager is required to give such a notice if it previously disclosed in the fund of funds' prospectus that it would do so in respect of any change to the underlying funds or the percentage invested in underlying funds. The fund manager will have to act consistently with what has been disclosed in the prospectus even though the 60 day notice requirement, which is a condition of previously granted exemptive relief, may no longer apply by operation of the revocation provision in s.19.3 of NI 81-102.

In addition, for those funds of funds that specified their passive investments in their fundamental investment objective, a **security holder vote** will have to be held in accordance with the requirements of paragraph 5.1(c) of NI 81-102 in order to make the change to active management of mutual fund securities.

As well, in almost all cases, an **amendment** to the fund of funds' prospectus will have to be filed to reflect the transition to active management under the new rules. This amendment will need to comply with each of the new disclosure requirements for funds of funds in NI 81-101.

It is clear that an amendment will have to be filed where there will have been a change in the investment objective. However, for those funds of funds whose passive investments were specified only in the fund's investment strategies, the requirement to file an amendment to their prospectus will depend on whether the change from a passive to an active investment strategy will constitute a "significant change" as defined in NI 81-102. The occurrence of a significant change will trigger the requirement in section 5.10 of NI 81-102 to file an amendment to reflect that change.

In the most common types of funds of funds, where substantially all the fund's assets are invested in other mutual funds, we would suggest that the change from a passive to an active investment strategy would almost always be a significant change, since the core prospectus

disclosure naming the underlying funds and target percentages is no longer true. However, there may be other cases where, for example, only a portion of the assets is invested in other mutual funds, with the rest of the fund being actively managed. In such cases, the manager would have to consider carefully whether or not this constitutes a significant change.

Q4. *Prior exemptive relief orders and decision documents for funds of funds often incorporated other exemptive relief that did not specifically relate to the purchase of mutual fund securities. This additional relief does not appear to have been codified in the Amendments. What will happen to this additional relief upon the revocation of the prior exemptions (by operation of s. 19.3 of NI 81-102) on December 31, 2004?*

A4. In many cases, exemptive relief orders and decision documents for funds of funds did indeed incorporate relief that did not specifically relate to a mutual fund investing in other mutual funds. Examples of this additional relief are as follows:

- relief from paragraph 2.8(1)(d) of NI 81-102 so as to allow a RSP Clone Fund to have a shortfall in its cash cover position for a period of no more than one business day in respect of its exposure under a forward contract;
- relief from section 4.2 of NI 81-102 and from related "self-dealing" provisions in the legislation of the jurisdictions to allow RSP Clone Funds to enter into forward contracts with related counterparties;
- approvals under paragraph 5.5(1)(d) of NI 81-102 to allow certain funds of funds to suspend the right of security holders to redeem their securities when the right to redeem securities of the underlying fund is suspended.

We are of the view that, where "future-oriented" relief was granted from these additional provisions prior to the coming into force of the Amendments, funds of funds may continue to rely on such relief after December 31, 2004, despite the application of the revocation provision in section 19.3 of NI 81-102. However, all filers should review their existing fund of fund exemptive relief decisions to determine where the sunset provision occurs. Unless the sunset provision clearly applies to the additional relief mentioned above, the additional relief will not expire.

We however stress that in order to be able to continue to rely on this additional relief on a going forward basis, the fund in question, whether existing or new, should be operated in a manner that is consistent with the representations made in

the exemptive relief order and/or decision document. If the current facts differ from those presented in the original application, the additional relief may not be relied upon. An application for exemptive relief should be submitted for consideration in those circumstances.

In those situations where relief was not granted on a "future-oriented" basis, the additional relief may continue to be relied upon only by those funds that were the subject of the exemptive relief order and/or decision document. This is again on the assumption that those existing funds will continue to operate in a manner similar to that described in the representations. Any new fund created by the fund manager in the future will need to apply for exemptive relief in order to be able to benefit from the additional relief.

Questions regarding this notice may be directed to:

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April 23, 2004.

1.2 Notices of Hearing

1.2.1 Donald Parker - ss. 127(1) and 127.1

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990 c. S.5, AS AMENDED**

AND

**IN THE MATTER OF
DONALD PARKER**

NOTICE OF HEARING

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c.S.5 at the offices of the Commission on the 17th Floor, Main Hearing Room, 20 Queen Street West, Toronto, Ontario commencing on April 23, 2004 at 10:00 a.m. or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to sections 127(1) and 127.1 of the Act, it is in the public interest for the Commission to make an order that:

- (a) the respondent cease trading in securities permanently or for such period as the Commission may order;
- (b) the exemptions contained in Ontario securities law do not apply to the respondent permanently or for such period as the Commission may order;
- (c) the respondent resign any positions he holds as a director or officer of any issuer;
- (d) the respondent be prohibited from becoming or acting as a director or officer of any issuer permanently or for such period as the Commission may order;
- (e) the respondent be reprimanded;
- (f) the respondent pay the costs of Staff's investigation and this proceeding; and
- (g) such other order as the Commission may deem appropriate.

BY REASON of the allegations set out in the Statement of Allegations of Staff and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

April 14, 2004.

"John Stevenson"

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, C.S.5, AS AMENDED**

AND

**IN THE MATTER OF
DONALD PARKER**

**STATEMENT OF ALLEGATIONS OF
STAFF OF THE ONTARIO SECURITIES COMMISSION**

I. Background

1. Donald Parker is an individual resident in the city of Toronto in the province of Ontario. At the material time, Parker was the President and Chief Executive Officer of SmartSales Inc. ("SmartSales"), then a publicly listed company which traded on the Canadian Venture Exchange. Parker obtained his Certified Management Accountant designation in 1983.
2. Sheila Parker is married to Parker. Parker made the investment decisions with respect to his wife's spousal RRSP account.
3. Roman Corporation Limited ("Roman") was at all material times a reporting issuer within the meaning of subsection 1(1) of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "Act"). Roman's common shares are listed and posted for trading on the Toronto Stock Exchange.
4. The Chief Financial Officer, Vice-President and Secretary of Roman was also a director of SmartSales at the material time (the "CFO of Roman"). As a senior officer of Roman, the CFO of Roman was a "person in a special relationship" with Roman within the meaning of subsection 76(5) of the Act.
5. At the material time, Roman was a significant shareholder of SmartSales. Roman was also advancing loans to SmartSales, pursuant to a secured convertible debenture, and was SmartSales's primary source of working capital and long-term financing.

II. Communication of Non-Public Material Fact/Change

6. The CFO of Roman frequently met with Parker to discuss SmartSales's financing arrangements with Roman. The CFO of Roman was directly involved in assisting and advising Parker on the day-to-day operations of SmartSales and the structuring of any financing transactions.
7. On or about December 1, 2001, Parker attended a meeting with the CFO of Roman with respect to Roman's financing of SmartSales at which he was advised by the CFO of Roman that Roman was

negotiating an acquisition transaction with one of its customers and that SmartSales would need to obtain alternate financing as soon as possible in order to repay the Roman loans.

8. The CFO of Roman specifically advised Parker that the information about the acquisition transaction was material, inside information which was highly confidential (the "Material Fact/Change") and could not be disclosed to anyone and also that he could not trade in the stock of Roman.
9. By virtue of Parker learning about the Material Fact/Change from the CFO of Roman, who he knew or ought reasonably to have known was a person in a special relationship with Roman, he was a "person in a special relationship" with Roman within the meaning of subsection 76(5).

III. Parker's Trading

10. On February 26, 2002, at 3:40 p.m., Parker purchased 1000 shares of Roman on behalf of his wife in her spousal RRSP account at a price of \$1.50 per share.
11. At the time that Parker purchased the shares of Roman he was a person in a special relationship with Roman and had knowledge of the Material Fact/Change with respect to Roman that had not generally been disclosed.
12. On February 28, 2002, Parker sold 1000 shares of Roman on behalf of his wife at a price of \$2.40 per share and earned a profit of approximately \$900.00.

IV. Public Announcement of the Material Fact/Change

13. On February 26, 2002, at 7: 31 p.m. Roman issued a news release announcing that it had reached an agreement to acquire Boehmer and that the transaction was expected to close on March 1, 2002.

V. Conduct Contrary to the Act and the Public Interest

14. Parker's trade in the shares of Roman, as described above, constituted a contravention of subsection 76(1) of the Act and was conduct contrary to the public interest.
15. Staff reserve the right to make such other allegations as Staff may advise and the Commission may permit.

April 14, 2004.

**1.2.2 Buckingham Securities Corporation et al.
- ss. 127 and 127.1**

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c.S.5, AS AMENDED**

AND

**BUCKINGHAM SECURITIES CORPORATION,
DAVID BROMBERG, NORMAN FRYDRYCH,
LLOYD BRUCE AND
MILLER BERNSTEIN & PARTNERS LLP
(formerly known as Miller Bernstein & Partners)**

**NOTICE OF HEARING
(Subsections 127 and 127.1)**

WHEREAS on the 6th day of July, 2001, the Ontario Securities Commission (the "Commission") ordered, among other things, pursuant to clause 1 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act"), that the registration of Buckingham Securities Corporation ("Buckingham") be suspended and that trading in any securities by Lloyd Bruce ("Bruce") and David Bromberg ("Bromberg") cease for a period of fifteen days from the date of the order (the "Temporary Order");

AND WHEREAS on the 20th day of July, 2001 the Commission ordered as described above, pursuant to subsection 127(7) of the Act that the Temporary Order, among other things, be extended against Buckingham, Bruce and Bromberg until the hearing is concluded and that the hearing be adjourned *sine die*;

TAKE NOTICE that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the Act at the Commission's offices on 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario, commencing on Tuesday, May 25, 2004 at 2:30 p.m., or as soon thereafter as the hearing can be held:

- (a) to make an order under clause 2 of subsection 127(1) of the Act that trading in securities by the respondents, Buckingham, Bromberg, Norman Frydrych ("Frydrych") and Bruce cease permanently or for such other period as specified by the Commission;
- (b) to make an Order under clause 1 of subsection 127(1) of the Act that the registration of Buckingham, Bromberg, Frydrych and Bruce be suspended or restricted for such period as is specified in the order or be terminated;
- (c) to make an order under subsection 127(3) of the Act that any exemptions contained in Ontario securities law do not apply to Buckingham, Bromberg, Frydrych, Bruce and Miller Bernstein & Partners LLP (formerly known as Miller

Bernstein & Partners) ("Miller Bernstein") permanently or for such period as the Commission may order;

- (d) to make an order under clause 7 of subsection 127(1) of the Act that the respondents Bromberg, Frydrych and Bruce resign one or more positions which the respondents may hold as an officer or director of any issuer;
- (e) to make an order under clause 8 of subsection 127(1) of the Act that the respondents Bromberg, Frydrych and Bruce are prohibited from becoming or acting as a director or officer of any issuer;
- (f) to make an order that the respondents or any of them be reprimanded;
- (g) to make an order under subsection 127(1) of the Act in respect of the respondents or any of them, subject to such terms and conditions as the Commission may impose;
- (h) to make an order pursuant to section 127.1 of the Act that the respondents, or any of them, pay the costs of Staff's investigation and the costs of, or related to, this proceeding incurred by or on behalf of the Commission, and/or;
- (i) to make such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel if he or she attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE upon failure of any party to attend at the time and place set for the hearing, the hearing may proceed in the absence of that party and the party is not entitled to any further notice of the proceeding.

April 15, 2004.

"John Stevenson"

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, c.S.5, AS AMENDED**

AND

**BUCKINGHAM SECURITIES CORPORATION,
DAVID BROMBERG, NORMAN FRYDRYCH,
LLOYD BRUCE AND
MILLER BERNSTEIN & PARTNERS LLP
(formerly known as Miller Bernstein & Partners)**

**STATEMENT OF ALLEGATIONS OF STAFF
OF THE ONTARIO SECURITIES COMMISSION**

Further to a Notice of Hearing dated April 15, 2004, Staff of the Ontario Securities Commission ("Staff") make the following allegations:

Background

The Respondents

1. Buckingham Securities Corporation ("Buckingham") is incorporated pursuant to the laws of Ontario. Buckingham was registered under Ontario securities law as a securities dealer during the period from March 17, 1997 to July 6, 2001 (the "Material Time"). Buckingham commenced trading for clients in or about April 1997.
2. The registration of Buckingham was suspended on July 6, 2001 by Temporary Order (the "Temporary Order") made by the Commission, and extended by Order of the Commission dated July 20, 2001 (the "Order"). BDO Dunwoody Limited was appointed Receiver and Manager of the assets and undertaking of Buckingham by Order of the Honourable Madame Justice Swinton dated July 26, 2001.
3. David Bromberg ("Bromberg") was one of the principals of Buckingham since its incorporation in August in 1996. Bromberg was registered pursuant to section 26 of the *Securities Act* (Ontario) (the "Act") as a salesperson of Buckingham from March 17, 1997 to November 3, 1997, and thereafter as a salesperson and director from November 3, 1997 to July 6, 2001. During the Material Time, Bromberg acted as president, although he was not registered as an officer of Buckingham under Ontario securities law. Bromberg's registration as a salesperson has been suspended since July 6, 2001. By the terms of the Commission's Temporary Order and Order referred to above, Bromberg has been prohibited from trading in securities since July 6, 2001.
4. Norman Frydrych ("Frydrych") was one of the principals of Buckingham since its incorporation in August 1996. Frydrych was registered pursuant to section 26 of the Act as a salesperson of

Buckingham commencing on August 6, 1997. Frydrych's registration was subject to terms and conditions for a period of two years. During the Material Time, Frydrych acted as an officer of Buckingham. Frydrych's registration as a salesperson has been suspended since July 6, 2001.

5. Lloyd Hutchinson Ebenezer Bruce ("Bruce") was registered with Buckingham pursuant to section 26 as the sole officer of Buckingham from January 26, 1998 to July 6, 2001. Bruce was the president, trading officer and compliance officer of Buckingham. As the compliance officer, Bruce was responsible for discharging the obligations of Buckingham under Ontario securities law. Bruce's registration as an officer of Buckingham has been suspended since July 6, 2001. By the terms of the Commission's Temporary Order and Order referred to above, Bruce has been prohibited from trading in securities since July 6, 2001.
6. Miller Bernstein & Partners LLP (formerly known as Miller Bernstein & Partners) ("Miller Bernstein") is a firm of chartered accountants with an office at Toronto. In December 1996, Buckingham appointed Miller Bernstein as the firm's auditor. As the auditor appointed by Buckingham, Miller Bernstein was required under section 21.10(2) of the Act to make an examination of the annual financial statements and other regulatory filings of Buckingham, in accordance with generally accepted auditing standards, and to prepare a report on the financial affairs of Buckingham in accordance with professional reporting standards.

Buckingham's Trading Activities - Accounts held with Executing Brokers

7. Buckingham was not a member of the Investment Dealers Association of Canada ("IDA") or any other self-regulatory organization ("SRO"). During the Material Time, Buckingham engaged in trading on an agency basis for clients. Buckingham had approximately 2400 client cash, margin or RRSP accounts (1000 of which were active accounts at the time of the suspension of Buckingham's operations in July 2001). Buckingham's clients purchased securities through Buckingham salespeople for cash or on margin. Client orders were executed through various IDA member firms.
8. During the Material Time, Buckingham entered into executing broker arrangements with various firms including Canaccord Capital Corporation ("Canaccord") and W.D. Latimer Co. Ltd. ("Latimer") to process Buckingham's client orders.
9. From approximately May 1997 to July 2000, Buckingham conducted the majority of its trading for its clients using cash or margin accounts at Canaccord (the "Canaccord Accounts"). The Canaccord Accounts were held in the name of

Buckingham and were operated as omnibus accounts. These accounts held clients' securities in aggregate, and did not identify individual Buckingham client names and the corresponding security positions of individual clients.

10. In April 2000, Canaccord notified Buckingham that it intended to close the Canaccord Accounts because of its concerns with the form and operation of the Canaccord Accounts.
11. On or about July 28, 2000, Buckingham transferred the securities it held at Canaccord to cash and margin accounts at Latimer. The accounts held in the name of Buckingham at Latimer operated as omnibus accounts, in the same manner as described in paragraph 9 above.
12. During the Material Time, Latimer and Buckingham entered into an agreement in respect of the Latimer Accounts, which provided, in part:

[T]hat all securities and credit balances held by LATIMER for the Customer's account shall be subject to a general lien for any and all indebtedness to LATIMER howsoever arising and in whatever account appearing, including any liability arising by reason of any guarantee by the Customer of the account or of any other person; that LATIMER is authorized hereby to sell, purchase, pledge, or repledge any or all such securities without notice of advertisement to satisfy this lien, and that LATIMER may at any time without notice whenever LATIMER carries more than one account for the Customer enter credit or debit balances, whether in respect of securities or money, to any of such accounts and make such adjustments between such accounts as LATIMER may in its sole discretion deem fit; and that any reference to the Customer's account in this clause shall include any account in which the Customer has an interest whether jointly or otherwise.

13. The trades processed by Buckingham through the Canaccord, Latimer and other brokerage accounts involved both securities that had been fully paid and securities purchased on margin by Buckingham's clients. As described below, it was Buckingham's responsibility to ensure that the securities owned by clients, including excess margin securities, were properly segregated, and that such securities were not available for pledging as collateral security for any indebtedness owing by Buckingham to Latimer, or other brokers who had similar executing broker arrangements with Buckingham.

Buckingham's Failure to Segregate Clients' Securities

14. Section 117 of the Regulation to the Act requires that securities held by a registrant for a client that are unencumbered and that are either fully paid

for or are excess margin securities shall be (a) segregated and identified as being held in trust for the client; and (b) described as being held in segregation on the registrant's security position record, client ledger and statement of account.

15. During the Material Time, Buckingham failed to segregate fully paid or excess margin securities owned by its clients and held in Buckingham's omnibus accounts with other brokerage firms, as outlined above, contrary to the requirements contained in section 117 of Regulation to the Act.
16. Buckingham, in failing to comply with the segregation requirements contained in section 117 of the Regulation to the Act, put client assets at risk (ie. client assets were available to be used as collateral in support of Buckingham's indebtedness to brokerage firms.) In the ongoing receivership proceeding, two firms have asserted a security interest or lien over securities held in the Buckingham accounts. As a consequence of Buckingham's failure to segregate, many of Buckingham's clients may suffer financial losses should it be determined in the receivership proceeding that the secured claims of the two brokers include fully-paid-for client securities improperly pledged by Buckingham. Bromberg, Bruce and Frydrych authorized, permitted or acquiesced in Buckingham's breach of the requirements contained in section 117 of the Regulation to the Act.

Buckingham's Failure to Maintain Adequate Capital

17. All registrants must maintain adequate capital at all times in accordance with section 107 of the Regulation to the Act. As set out in paragraph 23 below, Buckingham had a deficiency of net free capital in excess of \$9,000,000 for its financial year ending March 31, 1999, and a deficiency of net free capital in excess of \$27,500,000 for its financial year ending March 31, 2000. Buckingham failed to report such information in the audited financial Form 9 reports it was required to file under Ontario securities law, and instead reported excess net free capital which was misleading or untrue, as further described in paragraph 23 below.
18. In June 2001, during a compliance review conducted by Commission Staff in respect of the operations of Buckingham, Staff identified several areas of concern, including Buckingham's significant capital deficiency. As set out in paragraph 2 above, Buckingham's registration was suspended on July 6, 2001 and BDO Dunwoody was appointed receiver and manager of Buckingham shortly thereafter.

19. During the Material Time, Buckingham contravened the requirement contained in section 107 of the Regulation to the Act to maintain

adequate capital at all times. Bromberg, Bruce and Frydrych authorized, permitted or acquiesced in Buckingham's contravention of section 107 of the Regulation to the Act.

Failure to Maintain Books and Records

20. During the Material Time, Buckingham failed to keep necessary records required under Ontario securities law, contrary to section 113 of the Regulation to the Act. In particular, during the Material Time, Buckingham failed to prepare documents on a monthly basis to record reasonable calculations of minimum free capital, adjusted liabilities and capital required by the firm in order to ensure that Buckingham complied with its capital requirements pursuant to section 107 of the Regulation to the Act. Bromberg, Bruce and Frydrych authorized, permitted or acquiesced in Buckingham's breach of the requirement contained in section 113 of the Regulation to the Act.

Misleading or Untrue Statements in 1999 and 2000 Form 9 Reports

21. Buckingham prepared Form 9 reports for the financial years ending March 31, 1999 and March 31, 2000 (hereafter, referred to as the "1999 Form 9 Report" and the "2000 Form 9 Report"). Section 141 of the Regulation to the Act requires a securities dealer, who is not a member of an SRO, to deliver to the Commission within 90 days after the end of each financial year a report prepared in accordance with Form 9. The Form 9 reports, among other things, record the capital position and requirements of the securities dealer, and confirm the segregation of clients' fully paid and excess margin securities. Section 144 of the Regulation to the Act requires that the Form 9 Reports be audited by an auditor appointed by the securities dealer, in accordance with generally accepted auditing standards and the audit requirements published by the Commission.

22. The 1999 and 2000 Form 9 Reports were submitted to the Commission. Bruce and Bromberg each signed the Certificate of Partners or Directors on behalf of Buckingham for the 1999 and 2000 Form 9 Reports, certifying, among other things, that:

- (a) the financial statements and other information presented fairly the financial position of Buckingham; and
- (b) information stated in the Certificate was true and correct, including the statement that Buckingham promptly segregated all clients' free securities.

23. Buckingham, for the fiscal years ending March 31, 1999 and March 31, 2000, made statements in the

1999 and 2000 Form 9 Reports required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading, specifically;

- (i)
 - a. the 1999 Statement of Assets and Liabilities and Capital stated that the amount of Buckingham's total liabilities (excluding subordinated loans) was \$4,402,608 when such amount was in excess of \$12,000,000;
 - b. the 1999 Statement of Net Free Capital stated that Buckingham had excess net free capital, before taking into account of capital requirements, in the amount of \$521,766, when Buckingham had a deficiency of net free capital in excess of \$8,000,000;
 - c. the 1999 Statement of Adjusted Liabilities stated that the amount of Buckingham's adjusted liabilities was \$3,527,784, when the amount was in excess of \$11,500,000;
 - d. the 1999 Statement of Minimum Free Capital stated that Buckingham had excess net free capital, after deducting capital requirements in the amount of \$179,544, when Buckingham had a deficiency of net free capital in excess of \$9,000,000;
 - e. the 1999 Certificate of Partners or Directors stated that Buckingham properly segregated all clients' free securities, when Buckingham was not segregating clients' free securities.
- (ii)
 - a. the 2000 Statements of Assets and Liabilities and Capital stated that the amount of Buckingham's total liabilities (excluding subordinated loans) was \$11,085,049, when such amount was in excess of \$36,000,000;

- b. the 2000 Statement of Net Free Capital stated that Buckingham had excess net free capital, before taking into account of capital requirements, in the amount of \$738,675, when Buckingham had a deficiency of net free capital in excess of \$25,500,000;
 - c. the 2000 Statement of Adjusted Liabilities stated that the amount of Buckingham's adjusted liabilities was \$6,914,102, when such amount was in excess of \$31,000,000;
 - d. the 2000 Statement of Minimum Free Capital stated that Buckingham had excess net free capital, after deducting capital requirements, in the amount of \$144,778, when Buckingham had a deficiency of net free capital in excess of \$27,500,000;
 - e. the 2000 Certificate of Partners or Directors stated that Buckingham had properly segregated all clients' free securities, when Buckingham was not segregating clients' free securities.
24. Bruce, Bromberg and Frydrych, for the fiscal years ending March 31, 1999 and March 31, 2000, authorized permitted or acquiesced in Buckingham making statements in Buckingham's 1999 and 2000 Form 9 Reports required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading.

Misleading or Untrue Statements in Audit Reports

- 25. Miller Bernstein did not obtain sufficient, appropriate audit evidence to determine the segregation of client assets, and did not formulate appropriate procedures to review margin accounts held by clients of Buckingham to support the opinions expressed by it in the audit opinions contained in the 1999 and 2000 Form 9 Reports.
- 26. Miller Bernstein, in its audit report addressed to the Ontario Securities Commission in each of the 1999 and 2000 Form 9 Reports, stated that it had examined the financial statements and other financial information prepared by Buckingham contained within the Reports. In relation to its

examination of such financial statements and information for each of the financial years ending March 31, 1999 and March 31, 2000, Miller Bernstein expressed its opinion as follows:

Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances, including the audit procedures prescribed by the Ontario Securities Commission.

In our opinion,

- (i) the statement of assets and liabilities presents fairly the financial position of the firm as at [March 31, 1999/March 31, 2000] in the form required under the Regulation under The Securities Act, 1978 in accordance with the basis of accounting disclosed in Note 1 applied on a basis consistent with that of the preceding year; and
- (ii) the statements of net free capital, adjusted liabilities, minimum free capital and statement of segregation requirements and funds on deposit in segregation as at [March 31, 1999/March 31, 2000] are presented in accordance with applicable instructions in the Regulation under The Securities Act, 1978.

...

The additional information set out in Part II, schedules 1 to 18 and the answers contained in questions 5 and 6 on the certificate of partners or directors have been subjected to the tests and other auditing procedures applied in the examination of the financial statements A to E in Part I and schedule 19 in Part II, and in our opinion, are fairly stated in all respects material in relation to these financial statements taken as a whole.

- 27. Having regard to the misleading or untrue statements contained in the Form 9 Reports, described in paragraph 23 above, Miller Bernstein's conduct was contrary to the public interest in that, for the fiscal years ending March 31, 1999 and March 31, 2000, Miller Bernstein stated, in its opinions contained in Buckingham's 1999 and 2000 Form 9 Reports, that its examination of Buckingham's financial statements and other financial information was made in accordance with generally accepted auditing standards. Such statements made by Miller Bernstein were in a material respect and at the time and in the light of the circumstances under which they were made, misleading or untrue, or did not state a fact that was required to be stated

or that was necessary to make the statements not misleading.

Breach of Requirement to File Form 9 (Financial Questionnaire and Report)

- 28. Section 142 of the Regulation to the Act provides that every securities dealer, that is not a member of an SRO, must deliver to the Commission within ninety days after the end of its financial year a report prepared in accordance with Form 9 (Financial Questionnaire and Report).
- 29. Buckingham's Form 9 report for the fiscal year ending March 31, 2001 was due on June 30, 2001. Staff received a request for an extension to file the 2001 Form 9 on the basis that Buckingham's auditor was not prepared to certify the Form 9. By letter dated June 29, 2001 Bruce, on behalf of Buckingham, advised Staff that its auditor "... is uncomfortable certifying the Form 9 at this time given the capital deficiency that has been brought to our attention recently during the OSC's Compliance Audit. Our auditor performed this year's audit in the same manner as in previous years, and did not reflect any capital deductions or deficiencies caused by under margin accounts or the segregation of cash and securities. In effect, a Form 9 based on the current financial statements prepared by our Auditor would be incorrect."
- 30. Buckingham failed to comply with the requirement contained in section 142 of the Regulation to the Act to file the required audited form 9 for the fiscal year ending March 31, 2001.

Conduct Contrary to the Public Interest

- 31. It is the position of Staff that the conduct engaged in by the respondents constitutes conduct contrary to the public interest in that:
 - (a) During the Material Time, Buckingham failed to segregate fully paid or excess margin securities owned by its clients contrary to the requirements contained in section 117 of the Regulation to the Act.
 - (b) During the Material Time, Buckingham failed to maintain adequate capital at all times contrary to the requirements of section 107 of the Regulation to the Act.
 - (c) During the Material Time, Buckingham failed to keep such books and records required under section 113 of the Regulation to the Act, and in particular, failed to maintain on a monthly basis a record of a reasonable calculation of minimum free capital, adjusted liabilities, and capital required by the firm to meet its capital requirements.

- (d) Buckingham failed to comply with the requirement contained in section 142 of the Regulation to the Act to deliver the required audited Form 9 Report for the fiscal year ending March 31, 2001;
- (e) During the Material Time, Bruce, Bromberg and Frydrych authorized, permitted or acquiesced in Buckingham's violations of the requirements of Ontario securities law, described in subparagraphs (a), (b), (c) and (d) above.
- (f) Buckingham, for the fiscal years ending March 31, 1999 and March 31, 2000, made statements in the 1999 and 2000 Form 9 Reports required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading;
- (g) Bruce, Bromberg and Frydrych, for the fiscal years ending March 31, 1999 and March 31, 2000, authorized permitted or acquiesced in Buckingham making statements in Buckingham's 1999 and 2000 Form 9 Reports required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue or did not state a fact that was required to be stated or that was necessary to make the statements not misleading; and
- (h) Miller Bernstein's conduct was contrary to the public interest in that, for the fiscal years ending March 31, 1999 and March 31, 2000, Miller Bernstein stated, in its opinions contained in Buckingham's 1999 and 2000 Form 9 Reports, that its examination of Buckingham's financial statements and other financial information was made in accordance with generally accepted auditing standards. Such statements made by Miller Bernstein were in a material respect and at the time and in the light of the circumstances under which they were made, misleading or untrue, or did not state a fact that was required to be stated or that was necessary to make the statements not misleading.

32. Staff reserves the right to make such other allegations as Staff may advise and the Commission may permit.

April 15, 2004.

1.3 News Releases

1.3.1 If You're Playing the FOREX Market, Make Sure You Can Handle the Risk

FOR IMMEDIATE RELEASE
April 15, 2004

IF YOU'RE PLAYING THE FOREX MARKET, MAKE SURE YOU CAN HANDLE THE RISK

TORONTO - As a follow up to a previous alert on investment software, the Ontario Securities Commission (OSC) is warning the public that currency trading and foreign exchange trading, also known as FOREX or FX trading, is for those that can afford to take the risk – and may be fraudulent. The Commission notes that the inexperienced public may be solicited through newspapers, radio, television and the Internet to trade currency, buy software or to sign up for trading courses. The ads promise that these programs will make you a winner, but the fine print provides a more accurate picture of what you can more likely expect.

What the ads may promise you:

- “You can trade without commissions, trade 24 hours a day, six days a week”, whereas the stock market provides a much smaller window of activity.
- “You simply won't find an easier, more time-tested, flexible way to put dollars into your portfolio.”
- The seminars will prove “how trading currencies can dramatically diversify and reduce the risk in your portfolio.”
- You “can make profits with as little as \$300, in rising and falling markets.”
- “Don't lose any more money!”

What they don't tell you:

- While there may be no commissions, the company makes its money on the “spread” between the buy and sell quotes, which impacts your profits
- Software looks at past performance to identify trends in currency trading. These trends are the basis for predicting if the currency's value will increase or decrease. As helpful as the software or a trading course might be, profits can't be guaranteed.
- Foreign exchange trading is dominated by large international banks with highly trained staff, access to the best technology, and million dollar trading accounts. It is extremely difficult to consistently beat these professionals at their own game.

What's in the fine print?

The fine print can provide you with a wealth of knowledge about what the software or course actually gives you, and about the risk involved in the foreign exchange market. Often, the disclaimer text contradicts the ad's claims, and provides tips such as:

- “Trading stocks, options, and spot currencies involves substantial risk.”
- “Never trade in the Spot FOREX market unless you have the financial and business acumen appropriate to do so.”
- Software is an “analytical tool only and is not intended to replace individual research or licensed investment advice.”
- “Unique experiences and past performances do not guarantee future results!”
- “No system for identifying trends in foreign currency...is free of risk, nor can any system factor all the variables capable of impacting currency fluctuations.”

The following tips will help you protect your money:

- Check the fine print in the ads. Often it's a better prospect for investment tips than the software or seminar itself.
- Investigate the person or company offering the software. Sometimes companies change their names when they get complaints, so look into the company's history.
- Any person or company selling securities or offering investment advice in Ontario must be registered with the Ontario Securities Commission, unless an exemption is available. This also applies to people involved in any act, advertisement, solicitation, conduct or negotiation in furtherance of a trade. Call the OSC at 1-877-785-1555 to check registration.
- Watch out for investment promotions that offer high returns and low risk. If an investment has a high return, you are taking a large risk with your money.
- When an ad makes extravagant claims about software performance or seminar results, take a careful look at what the claims are based on. Are the testimonials representative of all clients (see fine print)? If not, make sure you get the whole story.
- Recognize that investment software and trading seminars do not take the place of advice from a licensed industry professional.

In reality, the only people guaranteed to make money are the people selling the software or offering the seminars. Not even the experts can consistently predict what the market is going to do – these programs won't either.

If you suspect a scam, call the Ontario Securities Commission at 1-877-785-1555. You can learn more about investment fraud and other investment topics on-line at www.investorED.ca.

For Media Inquiries: Perry Quinton
Manager, Investor
Communications
416-593-2348

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.2 In the Matter of Harold Chapman

FOR IMMEDIATE RELEASE
April 15, 2004

IN THE MATTER OF HAROLD CHAPMAN

TORONTO – Staff of the Ontario Securities Commission and Harold Chapman entered into a settlement agreement which was approved by Charlie Macfarlane, OSC Executive Director.

During the course of Staff's investigation in connection with certain trading activities in the shares of Roman Corporation Limited, Mr. Chapman voluntarily attended at the Commission and admitted to purchasing shares of Roman while he was in possession of a material and undisclosed fact. As set out in the Settlement Agreement, Mr. Chapman was not aware that his purchase of Roman shares was in contravention of the *Securities Act* and still holds all of the shares purchased. The terms of Mr. Chapman's settlement with Staff are as follows:

- (i) to make a settlement payment of \$10,000 to the OSC for the benefit of such third parties as may be approved by the Minister under s. 3.4(2) of the Act; and
- (ii) to make a payment of \$5,000 to the OSC in respect of the costs of the investigation.

A copy of the Settlement Agreement is available at www.osc.gov.on.ca.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.3 In the Matter of Donald Parker

**FOR IMMEDIATE RELEASE
April 15, 2004**

IN THE MATTER OF DONALD PARKER

TORONTO – The Ontario Securities Commission issued a Notice of Hearing and related Statement of Allegations against Donald Parker today.

The Statement of Allegations alleges that Mr. Parker purchased shares of Roman Corporation Limited while he had knowledge of material, undisclosed information regarding an acquisition transaction by Roman. Staff allege that Mr. Parker's conduct is contrary to s. 76(1) of the Securities Act and is conduct contrary to the public interest.

The set date appearance is scheduled for April 23, 2004 at 10:00 a.m.

Copies of the Notice of Hearing and Statement of Allegations are available at www.osc.gov.on.ca.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.4 OSC Proceedings in Respect of Buckingham Securities Corporation, Lloyd Bruce, David Bromberg, Norman Frydrych and Miller Bernstein & Partners LLP

**FOR IMMEDIATE RELEASE
April 16, 2004**

**OSC PROCEEDINGS IN RESPECT OF BUCKINGHAM SECURITIES CORPORATION,
LLOYD BRUCE, DAVID BROMBERG,
NORMAN FRYDRYCH AND
MILLER BERNSTEIN & PARTNERS LLP**

Toronto – The Ontario Securities Commission issued a Notice of Hearing and related Statement of Allegations in respect of Buckingham Securities Corporation ("Buckingham"), Lloyd Bruce ("Bruce"), David Bromberg ("Bromberg"), Norman Frydrych ("Frydrych") and Miller Bernstein & Partners LLP ("Miller Bernstein") today.

The Statement of Allegations alleges that during the period from March 1997 to July 2001 Buckingham failed to segregate fully paid or excess margin securities owned by its clients, failed to maintain adequate capital at all times, and failed to keep such books and records in violation of requirements of Ontario securities law. Staff alleges that for the fiscal years ending March 31, 1999 and March 31, 2000, Buckingham made statements in Form 9 reports required to be filed or furnished under Ontario securities law that, in a material respect and at the time and in the light of the circumstances under which they were made, were misleading or untrue.

Staff alleges that Bruce, Bromberg and Frydrych, authorized, permitted or acquiesced in Buckingham's violations of the requirements of Ontario securities law.

Staff further alleges that the conduct of Buckingham's auditors, Miller Bernstein, was contrary to the public interest in that, for the fiscal years ending March 31, 1999 and March 31, 2000, Miller Bernstein stated, in its opinions contained in Buckingham's 1999 and 2000 Form 9 Reports, that its examination of Buckingham's financial statements and other financial information was made in accordance with generally accepted auditing standards. Staff alleges that such statements made by Miller Bernstein were in a material respect and at the time and in the light of the circumstances under which they were made misleading or untrue.

Buckingham was registered under Ontario securities law as a securities dealer until its registration was suspended on July 6, 2001 by Temporary Order made by the Commission, and extended by Order of the Commission dated July 20, 2001. BDO Dunwoody Limited was appointed Receiver and Manager of the assets and undertaking of Buckingham by Order of the Honourable Madame Justice Swinton on July 26, 2001. By the terms of the Orders of the Commission, Bromberg and Bruce have been prohibited from trading in securities since July 6, 2001.

The Ontario Securities Commission will consider a settlement agreement reached by Staff of the Commission with David Bromberg. The hearing will take place on Tuesday, April 20, 2004 at 9:30 a.m. in the Main Hearing Room of the Commission's offices, located on the 17th floor, 20 Queen Street West, Toronto.

The terms of the settlement agreement between Staff and David Bromberg are confidential until approved by the Commission. The hearing is open to the public except as may be required for the discussion of confidential matters.

The set date appearance for the respondents, Bruce, Frydrych and Miller Bernstein is scheduled for May 25, 2004 at 2:30 p.m. in the Main Hearing Room of the Commission's offices, located on the 17th floor, 20 Queen Street West, Toronto.

Copies of the Notice of Hearing and Statement of Allegations are available at www.osc.gov.on.ca.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.5 Joint AMF/OSC Press Release - Exemptions Granted to Montréal and Toronto Stock Exchanges

PRESS RELEASE
FOR IMMEDIATE RELEASE

EXEMPTIONS GRANTED TO MONTRÉAL AND TORONTO STOCK EXCHANGES

Montréal, April 16, 2004 – The *Agence nationale d'encadrement du secteur financier* (also known as the "Autorité des marchés financiers" or "AMF") has exempted TSX Inc. (the "TSX") from the application of section 169 of the *Québec Securities Act*. The Ontario Securities Commission ("OSC") has also exempted Bourse de Montréal Inc. (the "Bourse") from section 21 of the *Ontario Securities Act* and section 15 of the *Commodity Futures Act*.

The Alberta, British Columbia, Ontario, Manitoba and, at the time, Québec securities commissions signed a Memorandum of Understanding (MOU) on the joint oversight of Canadian stock exchanges. Under the MOU, and further to the exemptions granted, the AMF will act as lead regulator for the Bourse, whereas the OSC will act as lead regulator for the TSX. The lead regulator is responsible for conducting regulatory oversight of the exchange and will inform exempting regulators of its activities. Exempting regulators will have the opportunity to raise issues about the lead regulator's oversight.

The AMF and the OSC rendered these decisions after consideration of various grounds, including the applications submitted by the TSX and the Bourse. The AMF and the OSC also took into account the public interest.

Established on February 1, 2004, the Autorité des marchés financiers (AMF) is the regulatory and oversight body for Québec's financial sector. The AMF brings together the Commission des valeurs mobilières du Québec, the Bureau des services financiers, the Régie de l'assurance-dépôts du Québec, the Fonds d'indemnisation des services financiers and the Inspector General of Financial Institutions.

The Ontario Securities Commission's mandate is to provide protection to investors from unfair, improper or fraudulent practices; and to foster fair and efficient capital markets and confidence in their integrity.

Information:

Autorité des marchés financiers
Barbara Timmins
514-940-2176

Ontario Securities Commission
Wendy Dey
416-593-8120

1.3.6 Regulators Confirm Importance of STP to Canada's Capital Markets and Propose Mandating Same-Day Matching of Institutional Trades

**FOR IMMEDIATE RELEASE
April 19, 2004**

REGULATORS CONFIRM IMPORTANCE OF STP TO CANADA'S CAPITAL MARKETS AND PROPOSE MANDATING SAME-DAY MATCHING OF INSTITUTIONAL TRADES

TORONTO – Achieving industry-wide straight-through processing (STP) is important to maintaining the global competitiveness of the Canadian capital markets, say the Canadian Securities Administrators (CSA) in a discussion paper released for comment last Friday. In the paper, the CSA voice concerns about whether the securities industry in Canada is sufficiently prepared to reach industry-wide STP at the same time as the U.S. industry's STP implementation, scheduled for June 2005. The paper outlines key issues and seeks comment on proposed regulatory approaches to facilitate the industry's STP objectives.

In particular, the CSA propose to mandate a requirement that institutional trades be matched as soon as practicable after a trade is executed, but no later than the close of business on the day of the trade. The CSA paper is published together with a proposed *National Instrument 24-101 — Post-Trade Matching and Settlement*, a related *Companion Policy* and a *Request for Comment Notice*.

Randee Pavalow, Director of the OSC's Capital Markets Branch and Chair of the CSA STP Committee, will present the highlights of the CSA's paper and proposed trade matching rule at an upcoming April 22 industry conference on STP in Toronto organized by the Canadian Capital Markets Association. Information on this conference is available at www.ccm-aacmc.ca.

The documents have been approved for publication in Ontario, British Columbia, Alberta and Saskatchewan. All other CSA jurisdictions are anticipated to approve the documents for public comment shortly. The comment period will expire on July 16, 2004. The documents are available in the Ontario Securities Commission Bulletin and on the OSC's Web site at www.osc.gov.on.ca.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.7 OSC to Review Risk Assessment Questionnaire for Advisers and Fund Managers

**FOR IMMEDIATE RELEASE
April 19, 2004**

OSC TO REVIEW RISK ASSESSMENT QUESTIONNAIRE FOR ADVISERS AND FUND MANAGERS

TORONTO – In a follow-up to a review conducted in 2002, the Ontario Securities Commission (OSC) will request information from advisers and fund managers on their structure and their business operations to evaluate the potential impact on investors from a risk perspective. The OSC will also seek details on any risk mitigation structures and policies in place. The online questionnaire for advisers and fund managers will request information that will enhance the risk assessment model used by OSC staff to focus compliance field reviews in the most effective and efficient manner.

A similar questionnaire was circulated in 2002, and contributed to the ongoing development of the compliance risk assessment model. "Now that we have used the risk assessment model for over a year, we are able to better understand where it could be improved, and how we can streamline our information-gathering process," said Marianne Bridge, Manager of Compliance at the OSC. "Information from our market participants will help us to continue to focus the model so it provides top-notch guidance in our day-to-day compliance activities."

The overall questionnaire is designed to gather information about advisers' and fund managers' business operations from a risk perspective, and to identify risk-mitigation strategies in place by examining, among other areas, the following:

- Business Activity;
- Strategic and Tactical Management;
- Adequacy of Operational Procedures; and
- Risk Controls.

The risk criteria are designed to identify and target the most likely instances of non-compliance with securities laws. Once a thorough review of the questionnaires has been made, advisers and fund managers will be risk ranked according to four defined categories: high, medium-high, medium-low, and low. This assessment, which will be disclosed only to the adviser or fund manager at the completion of a compliance field review, will determine the frequency and extent of compliance field reviews. The higher the risk ranking, the more frequent the review of the market participant.

Advisers and fund managers will receive instructions on the information request and will be asked to complete the online risk assessment questionnaire by May 28, 2004.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

1.3.8 R. v. Felderhof

**FOR IMMEDIATE RELEASE
April 19, 2004**

R. v. FELDERHOF

TORONTO – Counsel appeared before Judge Hryn this morning to set the trial date in the proceedings against John Felderhof. The trial will resume on December 6, 2004 for 2 weeks. It is expected that the trial will continue on February 28, 2005.

The next appearance is on May 17, 2004 before Judge Hryn to confirm the court dates at 10:00 a.m. in Courtroom 111 of Old City Hall.

For Media Inquiries: Wendy Dey
Director, Communications
416-593-8120

For Investor Inquiries: OSC Contact Centre
416-593-8314
1-877-785-1555 (Toll Free)

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Canabrava Diamond Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.

March 24, 2004

DuMoulin Black

10th Floor, 595 Howe Street
Vancouver, BC V6C 2T5

Attention: Ms. Lucy H. On

Dear Madame:

**Re: Canabrava Diamond Corporation (Applicant) -
Application to Cease to be a Reporting Issuer
under the securities legislation of Alberta,
Ontario and Quebec (the "Jurisdictions")**

The Applicant has applied to the local securities regulatory authority or regulator (Decision Maker) in each of the Jurisdictions for a decision under the securities legislation (Legislation) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

"Patricia M. Johnston"

**2.1.2 Front Street Gold Performance Fund
- MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, NEWFOUNDLAND AND LABRADOR,
NOVA SCOTIA, QUEBEC, ONTARIO AND
SASKATCHEWAN**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
FRONT STREET GOLD PERFORMANCE FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulatory (the “Decision Makers”) in each of Alberta, Newfoundland and Labrador, Nova Scotia, Quebec, Ontario and Saskatchewan (collectively, the “Jurisdictions”) has received an application (the “Application”) from Front Street Gold Performance Fund (the “Applicant”), for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the Applicant be deemed to have ceased to be a reporting issuer in the Jurisdictions;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions* or in Quebec, Commission Notice 14-101;

AND WHEREAS the Applicant has represented to the Decision Makers that:

1. the sole outstanding security of the Applicant is held by one unitholder, being the settlor of the trust that constitutes the Applicant;
2. the Applicant became a reporting issuer in each Jurisdiction upon filing a prospectus (the “Prospectus”) and receiving a Mutual Reliance

Review System decision document therefore on April 25, 2003;

3. no securities of the Applicant were distributed to the public in connection with the Prospectus;
4. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 – *Marketplace Operation*;
5. the Applicant has no plans to seek public financing by offering its securities in Canada;
6. the Applicant is applying for relief to cease to be a reporting issuer in all of the Jurisdictions in Canada in which it is currently a reporting issuer; and
7. the Applicant is in technical default of its obligation to file and deliver its interim financial statements for the period ended September 30, 2003 but is not otherwise in default of any obligations under the Legislation as a reporting issuer,

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the “Decision”);

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the Applicant is deemed to have ceased to be a reporting issuer under the Legislation.

April 14, 2004.

“S. Wolburgh Jenah”

“Paul Moore”

2.1.3 Sterling Centrecorp Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer bids – convertible debentures – debentures convertible into common shares at a conversion price far in excess of current value of common shares – conversion feature of no material value – debentures trade like non-convertible, unsecured debt – convertible debentures are out-of-the-money – circular to include summary of opinion letter on convertibility feature – applicant exempt from valuation requirement.

Applicable Rule

61-501 – Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions, ss. 3.3, 3.4, and 9.1.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, BRITISH COLUMBIA, MANITOBA,
NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA,
QUEBEC AND SASKATCHEWAN**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
STERLING CENTRECORP INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of Ontario, Alberta, British Columbia, Manitoba, Newfoundland and Labrador, Nova Scotia, Quebec and Saskatchewan (the “Jurisdictions”) has received an application (the “Application”) from Sterling Centrecorp Inc. (“Sterling”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the requirement contained in the Legislation to obtain a formal valuation (the “Valuation Requirement”) of the 7.25% Convertible Unsecured Subordinated Debentures due December 31, 2004 (the “Debentures”) shall not apply to Sterling in connection with its proposed offer (the “Offer”) to acquire its outstanding Debentures pursuant to a formal issuer bid;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions or in Agence nationale d'encadrement du secteur financier Notice 14-101;

AND WHEREAS Sterling has represented to the Decision Makers that:

1. Sterling is governed by the *Business Corporations Act* (Ontario). Its head office is located in Markham, Ontario.
2. Sterling is a reporting issuer or the equivalent in each Jurisdiction and is not in default of any requirements of the Legislation.
3. Sterling’s authorized capital consists of an unlimited number of special shares and an unlimited number of common shares (the “Common Shares”). As at February 9, 2004, there were no special shares outstanding and 35,742,584 Common Shares were issued and outstanding.
4. As at February 9, 2004, Sterling had outstanding Debentures in the aggregate principal amount of \$25,570,000.
5. The Common Shares and the Debentures are listed on the Toronto Stock Exchange (the “TSX”).
6. To the knowledge of management of Sterling, no person holds more than 10% of the aggregate principal amount of the Debentures.
7. The Debentures were issued under a trust indenture dated as of August 29, 1997 (the “Indenture”) between Sterling and CIBC Mellon Trust Company, as trustee, and distributed to the public pursuant to a prospectus dated August 19, 1997.
8. Since December 31, 2002, Sterling has been entitled to redeem the Debentures in whole or, from time to time, in part, at any time at par plus accrued and unpaid interest up to the date of redemption.
9. Sterling may, at its option and subject to all regulatory approvals, elect to redeem the Debentures by payment of that number of Common Shares (the “Share Redemption Option”) determined by dividing the aggregate principal amount of the outstanding Debentures by 95% of the weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending 5 trading days preceding the redemption date.
10. Sterling has no intention of triggering the Share Redemption Option prior to, or during the course of, the Offer.
11. The Indenture provides that Sterling may purchase for cancellation any or all of the Debentures at any time in the open market, by pro rata offer, by tender or by private contract, provided that Sterling is not in default under the

- Indenture. Sterling is not in default under the Indenture. There are no other restrictions upon Sterling's ability to purchase the Debentures.
12. The Debentures are unsecured and subordinated and are convertible at the holder's option into Common Shares at any time up to and including the close of business on the last business day before their maturity date of December 31, 2004, at a conversion price of \$7.25 per Common Share.
13. Over the twelve month period immediately preceding February 6, 2004, the Debentures traded on the TSX on only 120 out of the 261 trading days, with an average daily trading price of \$70.38 on the days traded, a price range per \$100 principal amount of \$63.00 to \$75.50 and an average daily volume of \$4,900 on the days traded.
14. Over the twelve month period immediately preceding February 6, 2004, the Common Shares have traded on the TSX in a range between \$0.66 and \$1.20 per Common Share with an average daily volume of 7,908 shares.
15. On February 6, 2004, the closing price of the Debentures on the TSX was \$75.00 per \$100 principal amount of Debentures and the closing price of the Common Shares on the TSX was \$0.95 per Common Share or approximately 13% of the conversion price of the Debentures of \$7.25 per Common Share.
16. In a letter (the "RBC Letter") dated February 6, 2004, RBC Dominion Securities Inc. ("RBCDS") advised Sterling that, in RBCDS's opinion:
- (i) the conversion feature of the Debentures is of no material value; and
 - (ii) the Debentures trade on the TSX like non-convertible, subordinated, unsecured debt based on the underlying creditworthiness of Sterling.
17. Under the terms of the Offer, Sterling will offer to purchase all of the outstanding Debentures for a cash purchase price of \$80 for each \$100 principal amount of existing Debentures.
18. The Offer will be an "issuer bid" within the meaning of the Legislation because the Debentures are convertible debt securities.
19. The Offer will be made in compliance with the requirements in the Legislation applicable to formal bids made by issuers, except to the extent exemptive relief is granted by the Decision Makers.

20. The issuer bid circular provided to holders of the Debentures in connection with the Offer will include a summary and a copy of the RBC Letter.

AND WHEREAS pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that:

- (A) in connection with the Offer, the Valuation Requirement contained in the Legislation shall not apply to Sterling, provided that:
 - (i) prior to or during the course of the Offer, Sterling shall not have indicated any intention of triggering the Share Redemption Option;
 - (ii) at the date the Offer is made, RBCDS shall have confirmed in writing to Sterling that the conclusions stated in the RBC Letter remain valid as of the day before the Offer is made; and
 - (iii) Sterling complies with the other requirements in the Legislation applicable to formal bids made by issuers, and
- (B) this Decision and the Application shall be held in confidence by the Decision Makers until the earlier of (a) public disclosure of the Offer and (b) April 16, 2004.

March 8, 2004.

"Ralph Shay"

**2.1.4 Sutton Group Financial Services Ltd.
- MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.

April 12, 2004

Getz Prince Wells

Suite 1810, 1111 West Georgia Street
Vancouver, BC V6E 4M3

Attention: Chris Theodoropoulos

Dear Sir:

**Re: Sutton Group Financial Services Ltd. (the
“Applicant”) - Application to Cease to be a
Reporting Issuer under the securities
legislation of – Alberta and Ontario (the
“Jurisdictions”)**

The Applicant has applied to the local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions for a decision under the securities legislation (the “Legislation”) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

“Patricia M. Johnston”

2.1.5 Gauntlet Energy Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Decision declaring corporation to be no longer a reporting issuer following the acquisition of all of its outstanding securities by another issuer.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.

April 12, 2004

Burnet, Duckworth & Palmer LLP

1400, 350 - 7th Avenue S.W.
Calgary, AB T2P 3N9

Attention: Spencer M. Coupland

Dear Sir:

Re: Gauntlet Energy Corporation (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta and Ontario (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

"Patricia M. Johnston"

2.1.6 TriQuest Energy Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.

April 12, 2004

Burnet, Duckworth & Palmer LLP

1400, 350 - 7th Avenue S.W.
Calgary, AB T2P 3N9

Attention: Spencer M. Coupland

Dear Sir:

Re: TriQuest Energy Corp. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta and Ontario (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that,

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer in the Jurisdictions.

"Patricia M. Johnston"

2.1.7 Call-Net Enterprises Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief granted to certain vice presidents of a reporting issuer from the insider reporting requirements subject to certain conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 107, 108, 121(2)(a)(ii).

Regulations Cited

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., Part VIII.

Rules Cited

National Instrument 55-101 Exemption from Certain Insider Reporting Requirements.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO, ALBERTA, MANITOBA, NEWFOUNDLAND
AND LABRADOR, NOVA SCOTIA, QUEBEC AND
SASKATCHEWAN**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
CALL-NET ENTERPRISES INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of Ontario, Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Québec and Saskatchewan (collectively the "**Jurisdictions**") has received an application from Call-Net Enterprises Inc. ("**Call-Net**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") that the requirement contained in the Legislation to file insider reports shall not apply to certain individuals who are insiders of Call-Net by reason of having the title "vice-president" (the "**Exempted VPs**");

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS Call-Net has represented to the Decision Makers that:

1. Call-Net is a corporation organized under the *Canada Business Corporations Act* with its registered office located at 2235 Sheppard Avenue East, Suite 1800, Toronto, Ontario, M2J 5G1.
2. Call-Net, primarily through its wholly-owned subsidiary Sprint Canada Inc., is one of Canada's leading national communications solutions companies offering data, network solutions, online services, local access and long distance voice services across Canada.
3. Call-Net is a reporting issuer in each province of Canada and its Common Shares and Class B Non-Voting Shares are listed on the Toronto Stock Exchange and is not in default of any of its requirements under the Legislation.
4. As of the date hereof, Call-Net has ten directors (one of whom is an executive officer of the Corporation), seven other executive officers, and 19 other individuals who hold management positions in Call-Net or its subsidiaries, for a total of 36 individuals who are insiders of Call-Net (the "**Insiders**").
5. Two of the Insiders are currently exempt from the Insider reporting requirements contained in the Act by reason of Section 2.1 of National Instrument 55-101, Exemption from Certain Insider Reporting Requirements ("**National Instrument 55-101**").
6. Call-Net has developed an Insider Trading policy (the "**Policy**"), which contains policies and procedures governing insider trading that apply to all insiders of Call-Net and its subsidiaries (including Sprint Canada Inc.). The Policy also applies to other employees of Call-Net and its subsidiaries (including Sprint Canada Inc.) and affiliates with knowledge of information that has not been disclosed to the public and that could affect the decision of a reasonable investor to buy or sell securities of Call-Net. The Senior Legal Officer of Call-Net oversees administration of the Policy.
7. Pursuant to the Policy, the Insiders and other employees with knowledge of confidential or material information about the business or affairs of Call-Net are prohibited from trading in shares of Call-Net until the information has been fully disclosed and is of public knowledge. In addition, quarterly blackout periods apply to Insiders during periods when quarterly or annual financial statements are being prepared but results have not yet been publicly disclosed. Additional blackout periods are imposed prior to and following any regularly scheduled board of directors meeting. In addition, blackout periods may be prescribed from time to time by the Senior Legal Officer as a result of special circumstances

relating to Call-Net pursuant to which Insiders and employees with knowledge of such special circumstances would be precluded from trading in the securities of Call-Net.

8. The job requirements and principal functions of the Insiders were reviewed by the Senior Legal Officer to determine which of them meet the definition of "nominal vice-president" contained in Staff Notice 55-306 *Applications for Relief from the Insider Reporting Requirements by Certain Vice Presidents* (the "**Staff Notice**"). In his opinion, twelve of the Insiders having the title of vice-president (the "**Exempted VPs**") meet the criteria set out in the Staff Notice.

9. On an ongoing basis, the Senior Legal Officer will monitor the eligibility for the exemption under the Staff Notice of the Exempted VPs and that of other employees of Call-Net or its subsidiaries whose title is vice-president and who may satisfy the Exempted VP Criteria (as defined below) from time to time. This will be effected by monitoring such persons' respective job functions and responsibilities to determine if they continue to meet the Exempted VP Criteria. If the Exempted VPs or any other insider no longer satisfies the Exempted VP Criteria, the Senior Legal Officer will inform such insider of the renewed obligation to file an insider report in respect of any trades in securities of Call-Net.

10. Each of the Exempted VPs meets the following criteria (the "**Exempted VP Criteria**"):

- (a) the individual is a vice-president of Call-Net or its subsidiaries;
- (b) the individual is not in charge of a principal business unit, division or function of Call-Net or a "major subsidiary" of Call-Net (as such term is defined in National Instrument 55-101);
- (c) the individual does not in the ordinary course receive or have access to information as to material facts or material changes concerning Call-Net before the material facts or material changes are generally disclosed; and
- (d) the individual is not an insider of Call-Net in any other capacity.

11. One of the Exempted VPs, who has been employed by Call-Net for less than six months, purchased 500 Common Shares of Call-Net at a price per share of \$5.35 on January 27, 2004 without filing a report as required by the Legislation. At the time of the trade, the Exempted VP did not have knowledge of any confidential information about the business or affairs of Call-Net. In addition, the purchase did

not occur during a blackout period as prescribed under the Policy. The Exempted VP, despite having been given the Policy when hired, did not realize that the Exempted VP was required by the Legislation to file a report. Because the Senior Legal Officer will now be monitoring eligibility for the exemption under the Staff Notice, it is anticipated that such failures to report where required will not occur in the future. To the best of the actual knowledge of the Senior Legal Officer of Call-Net, none of the other Insiders of Call-Net who are required to file an insider report pursuant to the Legislation have failed to file such report.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each Decision Maker (collectively the "**Decision**");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers under the Legislation is that the requirement contained in the Legislation to file insider reports shall not apply to present and future insiders of Call-Net who satisfy the Exempt VP Criteria for so long as such insiders satisfy the Exempt VP Criteria provided that:

- (a) Call-Net prepares and maintains a list of all individuals who propose to rely on the exemption granted, submits the list on an annual basis to the board of directors for approval, and files the list annually with the Decision Makers;
- (b) Call-Net files with the Decision Makers a copy of its internal policies and procedures relating to monitoring and restricting the trading activities of its insiders and other persons whose trading activities are restricted by Call-Net (referred to herein as the Policy); and
- (c) the relief granted under this Decision will cease to be effective on the date that National Instrument 55-101 is amended.

April 16, 2004.

"Paul M. Moore"

"Susan Wolburgh Jenah"

**2.1.8 HSBC Asset Management (Canada) Limited
and HSBC Investment Funds (Canada) Inc.
- MRRS Decision**

Headnote

Exemption from the requirement to deliver comparative annual financial statements to registered securityholders of certain mutual funds.

Statutes Cited

Securities Act (Ontario), R.S.O. 1990 c. S.5, as am., ss. 79 and 80(b)(iii).

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, ONTARIO AND NOVA SCOTIA**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
THE FUNDS LISTED IN SCHEDULE "A"
(the "Funds")**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Provinces of Alberta, Ontario and Nova Scotia (the "**Jurisdictions**") has received an application (the "**Application**") from HSBC Asset Management (Canada) Limited and HSBC Investment Funds (Canada) Inc. (together, the "**Managers**") and the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") for relief from the requirement to deliver comparative annual financial statements to the securityholders of the Funds unless the securityholders have requested to receive them;

AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "**System**"), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS it has been represented by the Managers to the Decision Makers that:

- (a) The Managers are corporations existing under the *Canada Business Corporations Act*. The head office of each of the Managers is located in British Columbia.

(b) HSBC Asset Management (Canada) Limited is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager (or their equivalent), and HSBC Investment Funds (Canada) Inc. is registered under the Legislation as a mutual fund dealer (or its equivalent).

(c) HSBC Asset Management (Canada) Limited is the manager and promoter of each of the HSBC Pooled Funds (as defined in Schedule "A"). HSBC Investment Funds (Canada) Inc. is the trustee, manager, promoter and principal distributor of each of the HSBC Mutual Funds (as defined in Schedule "A"). The Managers will also have the same positions for future mutual funds and pooled funds which may be established from time to time.

(d) Each of the Funds is an open-end mutual fund trust established under the laws of British Columbia by way of declarations of trust.

(e) Each of the Funds is a reporting issuer in each of the Jurisdictions and none of the Funds are in default of any requirements of the Legislation.

(f) Units of the Funds are presently offered for sale on a continuous basis in each of the provinces of Canada (other than Prince Edward Island) pursuant to a simplified prospectus.

(g) Each of the Funds is required to deliver annually, within 140 days of its financial year-end, to each holder of its securities ("Securityholders"), comparative annual financial statements in the prescribed form pursuant to the Legislation. The Funds' financial year-end is December 31.

(h) If the requested decision is granted, the Managers will send to Securityholders who hold securities of the Fund in client name (whether or not the Managers are the dealers) (the "**Direct Securityholders**") in each year, a notice advising them that they will not receive the annual financial statements of the Funds for the year then ended unless they request same, and provide them with a request form to send back, by fax or prepaid mail, if they wish to receive the annual comparative financial statements. The notice will advise the Direct Securityholders where the annual financial statements can be found and

downloaded on the Funds' website as well as on the SEDAR website. The Managers would send such financial statements to any Direct Securityholder who requests them in response to such notice or who subsequently requests them.

- (i) Securityholders who hold their units in the Funds through a nominee will be dealt with pursuant to National Instrument 54-101.
- (j) Securityholders will be able to access annual financial statements of the Funds either on the SEDAR website, on the Funds' website or by calling the Managers' toll-free line (listed in Schedule 'A'). Top ten holdings, which are updated on a periodic basis, will also be accessible to Securityholders by calling the Managers' toll-free line.
- (k) There would be substantial cost savings if the Funds are not required to print and mail annual financial statements to those Direct Securityholders who do not want them.
- (l) The Canadian Securities Administrators ("CSA") have published for comment proposed National Instrument 81-106("NI 81-106") which, among other things, would permit a Fund not to deliver annual financial statements to those of its Securityholders who do not request them, if the Funds provide each Securityholder with a request form under which the Securityholder may request, at no cost to the Securityholder, to receive the mutual fund's annual financial statements for that financial year.
- (m) NI 81-106 would also require a mutual fund to have a toll-free telephone number for or accept collect calls from persons or companies that want to receive a copy of, among other things, the annual financial statements of the mutual fund.

AND WHEREAS pursuant to the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "**Decision**");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met;

AND WHEREAS the Decision Makers are satisfied that making the Decision will not adversely affect the rule-making process with respect to proposed National

Instrument 81-106 and is consistent with National Instrument 54-101;

THE DECISION of the Decision Makers pursuant to the Legislation is that until NI 81-106 comes into force:

- (i) the Funds; and
- (ii) mutual funds created subsequent to the date of the Decision that are offered by way of simplified prospectus and managed by the Managers,

shall not be required to deliver the comparative annual financial statements to their Direct Securityholders other than those Direct Securityholders who have requested to receive them provided that:

- (a) the Managers shall file on SEDAR, under the annual financial statements category, confirmation of mailing of the request forms that have been sent to the Direct Securityholders as described in clause (h) of the representations within 90 days of mailing the request forms;
- (b) the Managers shall file on SEDAR, under the annual financial statements category, information regarding the number and percentage of requests for annual financial statements made by the return of the request forms, on a province-by-province basis within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing;
- (c) the Managers shall record the number and summary of complaints received from Direct Securityholders about not receiving the annual financial statements and shall file on SEDAR, under the annual financial statements category, this information within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing;
- (d) the Managers shall, if possible, measure the number of "hits" on the annual financial statements of the Funds on the Funds' websites and shall file on SEDAR, under the annual financial statements category, this information within 30 days after the end of each quarterly period beginning from the date of mailing the request forms and ending 12 months from the date of mailing;

- (e) the Managers shall file on SEDAR, under the annual financial statements category, estimates of the annual cost savings resulting from the granting of this Decision within 90 days of mailing the request forms; and
- (f) this decision shall terminate upon NI 81-106 coming into force.

April 14, 2004.

“H. Lorne Morphy”

“Wendell S. Wigle”

SCHEDULE “A” to MRRS DECISION DOCUMENT

LIST OF APPLICANTS AND THEIR FUNDS

HSBC Investment Funds (Canada) Inc.
25th Floor, 1066 West Hastings Street
Vancouver, B.C. V6E 3X1

Year End: December 31
Toll-free: 1-800-830-8888
Web site: www.hsbc.ca/funds
Top Ten Holdings: updated bi-monthly

HSBC Canadian Money Market Fund
HSBC U.S. Dollar Money Market Fund
HSBC Mortgage Fund
HSBC Canadian Bond Fund
HSBC World Bond RSP Fund
HSBC Canadian Balanced Fund
HSBC Dividend Income Fund
HSBC Equity Fund
HSBC Small Cap Growth Fund
HSBC Global Equity Fund
HSBC Global Equity RSP Fund
HSBC U.S. Equity Fund
HSBC U.S. Equity RSP Fund
HSBC European Fund
HSBC AsiaPacific Fund
HSBC Chinese Equity Fund
HSBC Emerging Markets Fund
HSBC Global Technology Fund

(collectively, the “**HSBC Mutual Funds**”)

HSBC Asset Management (Canada) Limited
25th Floor, 1066 West Hastings Street
Vancouver, B.C. V6E 3X1

Year end: December 31
Toll-free: 1-888-390-3333
Web site: www.hsbc.ca/assetmanagement
Top Ten Holdings: updated bi-monthly

HSBC Canadian Money Market Pooled Fund
HSBC Canadian Bond Pooled Fund
HSBC International Bond Pooled Fund
HSBC Canadian Dividend Income Pooled Fund
HSBC Canadian Equity Pooled Fund
HSBC Canadian Small Cap Equity Pooled Fund
HSBC U.S. Equity Pooled Fund
HSBC International Equity Pooled Fund
HSBC Future Growth Pooled Fund
HSBC MM Canadian Bond Pooled Fund
HSBC MM Canadian Value Equity Pooled Fund
HSBC MM Canadian Growth Equity Pooled Fund
HSBC MM Canadian Small Cap Equity Pooled Fund
HSBC MM U.S. Value Equity Pooled Fund
HSBC MM U.S. Growth Equity Pooled Fund
HSBC MM U.S. Small/Mid Cap Equity Pooled Fund
HSBC MM International Value Equity Pooled Fund
HSBC MM International Growth Equity Pooled Fund

(collectively, the “**HSBC Pooled Funds**” and together with the HSBC Mutual Funds, the “**Funds**”)

2.1.9 STaRS Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exchange-traded mutual fund exempt from prospectus requirements in connection with the sale of units repurchased from existing unitholders pursuant to market purchase program – first trade in repurchased units deemed a distribution unless made in compliance with MI 45-102.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990 c. S.5, as am., ss. 1(1), 53 and 74(1).

Rules Cited

Multilateral Instrument 45-102 Resale of Securities (2003) 26 O.S.C.B. 5554.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, NOVA SCOTIA, NEW BRUNSWICK,
PRINCE EDWARD ISLAND, NEWFOUNDLAND
AND LABRADOR AND YUKON**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
STaRS INCOME FUND**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador and Yukon (the “Jurisdictions”) has received an application from STaRS *Income Fund* (the “Trust”) for a decision, pursuant to the securities legislation of the Jurisdictions (the “Legislation”), that the requirement contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a final prospectus (the “Prospectus Requirements”) shall not apply to the distribution of units of the Trust (the “Units”) which have been repurchased by the Trust pursuant to the discretionary market purchase program or by way of redemption of Units at the request of holders thereof, nor to the first trade or resale of such repurchased Units (the “Repurchased Units”) which have been distributed by the Trust;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the

“System”), the Ontario Securities Commission is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

AND WHEREAS THE TRUST has represented to the Decision Makers that:

1. The Trust is an unincorporated closed-end investment trust established under the laws of the Province of Ontario by a declaration of trust made as of November 27, 2001 as amended and restated (the “Declaration of Trust”).
2. The Trust is considered to be a “mutual fund” as defined in the Legislation.
3. The Trust became a reporting issuer or the equivalent thereof in the Jurisdictions on November 29, 2001 upon obtaining a receipt for its final prospectus dated November 27, 2001 (the “Prospectus”). As of the date hereof, the Trust is not in default of any requirements under the Legislation.
4. Each Unit represents an equal, undivided beneficial interest in the net assets of the Trust. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with all other Units with respect to any and all distributions made by the Trust.
5. Middlefield STRS Management Limited (the “Manager”), which was incorporated pursuant to the *Business Corporations Act* (Ontario), is the manager and the trustee of the Trust.
6. The Units are listed and posted for trading on the Toronto Stock Exchange (the “TSX”) under the trading symbol “STZ.UN”. As at January 30, 2004, 7,306,230 Units were issued and outstanding.
7. The Declaration of Trust provides that the Trust, subject to applicable regulatory requirements and limitations, shall have the right, but not the obligation, exercisable in its sole discretion, at any time, to purchase outstanding Units in the market at prevailing market prices provided the price per Unit does not exceed the net asset value of the Trust (“Net Asset Value”) per Unit on the date immediately prior to the offer to purchase such Units (the “Discretionary Purchase Program”). Such discretionary purchases may be made through the facilities and under the rules of any exchange or market on which the Trust Units are listed (including the TSX) or as otherwise permitted by applicable securities laws.
8. Pursuant to the Declaration of Trust and subject to the Trust’s right to suspend redemptions, Units

may be surrendered for redemption (the "Redemption Program" and, together with the Discretionary Purchase Program, the "Programs") by a Unitholder to the Trust's registrar and transfer agent, and each Unit properly surrendered for redemption by a Unitholder not later than 5:00 p.m. (Toronto time) on the fifth business day prior to the last day of a month (a "Redemption Valuation Date") will, subject to an investment dealer finding purchasers for Units properly surrendered for redemption upon the authorization of the Unitholder and at the direction of the Trust, be redeemed by the Trust pursuant to the Redemption Program for a price (the "Redemption Price") equal to:

- (a) in the case of a redemption on the December Redemption Valuation Date, the Net Asset Value per Unit; or
- (b) in the case of a redemption on any Redemption Valuation Date other than a December Redemption Valuation Date, Net Asset Value per Unit determined as of such Redemption Valuation Date less the lesser of:
 - (i) 4% of the Net Asset Value per Unit as of such Redemption Valuation Date; and
 - (ii) \$0.40 per Unit.

- 9. A Unitholder who has surrendered Units for redemption will be paid the Redemption Price for such Units by the tenth business day following the Redemption Valuation Date.
- 10. Purchases of Units made by the Trust under the Programs are exempt from the issuer bid requirements of the Legislation pursuant to exemptions contained therein.
- 11. The Trust desires, and the Declaration of Trust has been amended in accordance with its terms to provide that the Trust shall have the ability, to sell through one or more securities dealers Repurchased Units in lieu of cancelling such Repurchased Units and subject to obtaining all necessary regulatory approvals.
- 12. In order to effect sales of Repurchased Units by the Trust, the Trust intends to sell, in its sole discretion and at its option, any Repurchased Units purchased by it under the Programs primarily through one or more securities dealers and through the facilities of the TSX (or such other exchange on which the Units are then listed).
- 13. Repurchased Units which the Trust does not sell within sixteen months of the purchase of such Repurchased Units will be cancelled by the Trust.

- 14. The Trust amended its Declaration of Trust in accordance with its terms in order to enable the Trust to resell Repurchased Units that it acquires pursuant to the Programs, in order to provide added protection to Unitholders.
- 15. Prospective Purchasers who subsequently acquire Repurchased Units will have equal access to all of the continuous disclosure documents of the Trust, which will be filed on SEDAR, commencing with the Prospectus.
- 16. Legislation in some of the Jurisdictions provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution subject to the Prospectus Requirements.
- 17. Legislation in some of the Jurisdictions provides that the first trade or resale of Repurchased Units acquired by a purchaser will be a distribution subject to the Prospectus Requirements unless such first trade is made in reliance on an exemption therefrom.

AND WHEREAS under the System, this MRRS Decision Document evidences the decision of each of the Decision Makers (collectively, the "Decision");

AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;

THE DECISION of the Decision Makers pursuant to the Legislation is that the trades of Repurchased Units pursuant to the Programs shall not be subject to the Prospectus Requirements of the Legislation provided that

- (a) the Repurchased Units are sold by the Trust through the facilities of and in accordance with the regulations and policies of the TSX or the market on which the Units are then listed;
- (b) the Trust complies with the insider trading restrictions imposed by securities legislation with respect to the trades of Repurchased Units;
- (c) the Trust complies with the conditions of paragraphs 1 through 5 of subsection 2.8(2) of Multilateral Instrument 45-102 with respect to the sale of the Repurchased Units; and
- (d) the first trade or resale of Repurchased Units acquired by a purchaser from the Trust in a Jurisdiction shall be deemed a distribution or primary distribution to the public under the Legislation unless the conditions of paragraphs 1 through 5 of

subsection 2.6(3) of Multilateral
Instrument 45-102 are satisfied.

April 13, 2004.

“Lorne Morphy”

“Wendell S. Wigle”

**2.1.10 Energy Exploration Technologies Inc.
- MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Application - registration and prospectus relief in connection with first trades of common shares acquired pursuant to two private placements and common shares acquired under certain stock plans.

Instrument cited

Multilateral Instrument 45-102 Resale of Securities.

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO**

AND

**IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
ENERGY EXPLORATION TECHNOLOGIES INC.**

MRRS DECISION DOCUMENT

1. WHEREAS the local securities regulatory authority or regulator (the Decision Maker) in each of the provinces of Alberta and Ontario (the Jurisdictions) has received an application from Energy Exploration Technologies Inc. (Energy) for a decision pursuant to the securities legislation of each of the Jurisdictions (the Legislation) that the registration and prospectus requirements contained in the Legislation (the Registration and Prospectus Requirements) shall not apply to the first trades in common shares of Energy (the Placement Shares) acquired by subscribers (the Subscribers) who purchased Placement Shares pursuant to applicable private placement exemptions or of common shares (the Option Shares) that may be acquired by directors and consultants of Energy or its affiliates pursuant to certain stock plans or pursuant to the exercise of options granted pursuant to such stock plans (the Plans);
2. AND WHEREAS pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the System), the Alberta Securities Commission is the principal regulator for this application;
3. AND WHEREAS Energy has represented to the Decision Makers that:

- | | | | |
|-----|--|--------|--|
| 3.1 | Energy is incorporated pursuant to the laws of the Province of Alberta, with its head office located in Calgary, Alberta; | 3.10 | any resale of the Placement Shares by Subscribers is expected to be made on the NASD OTC Bulletin Board as there is no market for the common shares in Canada and none is expected to develop; |
| 3.2 | Energy is an Alberta issuer, as defined in section 1.1 of Alberta Securities Commission Rule 72-501; | 3.11 | in the absence of an order granting exemptive relief, the first trade in Placement Shares by any of the Subscribers will be deemed to be a distribution under the Legislation unless, among other things, Energy has been a reporting issuer for four months immediately preceding the trade in one of the jurisdictions set forth in Schedule B to Multilateral Instrument 45-102 Resale of Securities (the Resale Rule); |
| 3.3 | Energy is registered with the Securities and Exchange Commission in the United States of America under the Securities Exchange Act of 1934 (the 1934 Act) and is not exempt from the reporting requirements of the 1934 Act pursuant to Rule 12G 3-2 made thereunder. Energy is not in default of any securities legislation in the United States or any other jurisdiction; | 3.12 | Section 2.14 of the Resale Rule cannot be utilized by the Subscribers with respect to a first trade of Placement Shares on the NASD OTC Bulletin Board because as at the distribution date of the Placement Shares residents of Canada owned directly or indirectly more than 10 percent of the outstanding common shares of Energy; |
| 3.4 | Energy is not a reporting issuer in any jurisdiction in Canada and has no current intention of becoming a reporting issuer in any jurisdiction in Canada; | 3.13 | the Plans consist of: |
| 3.5 | the authorized capital of Energy consists of an unlimited number of common shares and an unlimited number of preferred shares, of which 19,333,184 common shares were issued and outstanding as of February 11, 2004; | 3.13.1 | 2000 Pinnacle Oil International Inc. Directors' Stock Plan (the 2000 Plan); and |
| 3.6 | the common shares are publicly traded over-the-counter within the United States on the NASD OTC Bulletin Board and are listed on the Frankfurt Stock Exchange and Berlin Stock Exchange, but are not listed on a Canadian stock exchange; | 3.13.2 | Energy Exploration Technologies Year 2003 Special Stock Option and Stock Award Plan (the 2003 Plan); |
| 3.7 | as of February 11, 2004, the percentage of total outstanding common shares held by residents of jurisdictions in Canada is as follows: (a) Alberta – 35%, (b) Ontario - 1.0% and (c) other Canadian jurisdictions - 0.5%; | | and have been implemented for the purpose of providing incentives to eligible participants; |
| 3.8 | one Alberta resident shareholder, George Liszicasz (Liszicasz), is the founder of Energy and holds 5,062,490 common shares, representing 26.2% of the total issued and outstanding common shares as of February 11, 2004; | 3.14 | the 2000 Plan is administered by the Board of Directors of Energy or by a committee of the Board. The 2003 Plan is administered by the Board of Directors of Energy or by an administrator of the Board (collectively, the Administrator); |
| 3.9 | on October 14, 2003 and on December 31, 2003, Subscribers acquired 1,875,000 Placement Shares and 101,700 Placement Shares, respectively, in reliance on registration and prospectus exemptions contained in the Legislation. Liszicasz was not a subscriber under either of the private placements and did not acquire any of the Placement Shares; | 3.15 | under the 2000 Plan, the Administrator may award Option Shares or options to purchase Option Shares to directors of Energy or its affiliates (the 2000 Participants); |
| | | 3.16 | under the 2003 Plan, the Administrator may award Option Shares or options to purchase Option Shares to consultants of Energy (the 2003 Participants); |

- 3.17 Option Shares issued upon the exercise of options will be issued by Energy from its authorized but unissued share capital;
- 3.18 There are approximately 8 consultants and directors of Energy or its affiliates, including 5 consultants and directors resident in the Jurisdictions, eligible to participate in one of the Plans. Liszicasz, the Chairman, Chief Executive Officer and a director of Energy, is an eligible participant under the 2000 Plan, but has not been and will not be issued Option Shares or granted options to purchase Option Shares under the 2000 Plan and is not an eligible participant under the 2003 Plan;
- 3.19 there are currently 400,000 Option Shares reserved for issuance upon exercise of options currently granted under the 2000 Plan and 100,000 Option Shares reserved for issuance upon exercise of options currently granted under the 2003 Plan;
- 3.20 participation in the Plans is voluntary and no 2000 Participant or 2003 Participant will be induced to participate by expectation of employment or continued employment. Each 2000 Participant and 2003 Participant will receive the reports, proxy statements, information statements and other information as disseminated to Energy's shareholders pursuant to the information and periodic reporting requirements of the United States Securities Exchange Act of 1934, including annual reports on Form 10-K containing audited financial statements and proxy statements circulated in advance of Energy's annual meeting of shareholders;
- 3.21 any resale of Option Shares by any of the 2000 Participants or the 2003 Participants is expected to be made on the NASD OTC Bulletin Board as there is no market for the common shares in Canada and none is expected to develop;
- 3.22 2000 Participants and 2003 Participants will acquire Option Shares through the exercise of options granted pursuant to the Plans in reliance on registration and prospectus exemptions contained in the Legislation, including, for every 2000 Participant and 2003 Participant, an exemption from the Registration and Prospectus Requirements;
- 3.23 in the absence of an order granting exemptive relief, the first trade in Option Shares by any of the 2000 Participants or the 2003 Participants, including residents of the Jurisdictions, will be deemed to be a distribution under the Legislation unless, among other things, Energy has been a reporting issuer for 12 months immediately preceding the trade in one of the Jurisdictions set forth in Schedule B to the Resale Rule;
- 3.24 Section 2.14 of the Resale Rule cannot be utilized by the 2000 Participants or the 2003 Participants with respect to first trades on the NASD OTC Bulletin Board of Option Shares acquired through a grant of Option Shares or through the exercise of options granted pursuant to the Plans because as at the distribution date of the outstanding options granted pursuant to the Plans residents of Canada own directly or indirectly more than 10 percent of the outstanding common shares and it is expected that this will continue to be the case with respect to any future grant of Option Shares or options pursuant to the Plans; and
- 3.25 Because Liszicasz was not a Subscriber or Participant the relief sought does not apply to Liszicasz.
4. AND WHEREAS pursuant to the System this Decision Document confirms the determination of the Decision Makers (the "Decision");
5. AND WHEREAS each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the Jurisdiction to make the Decision has been met;
6. THE DECISION of the Decision Makers pursuant to the Legislation is that first trades of Placement Shares acquired by Subscribers and of Option Shares acquired by 2000 Participants and 2003 Participants pursuant to the Plans or through the exercise of options granted under the Plans shall not be subject to the Registration and Prospectus Requirements provided that:
- 6.1 such first trades are executed over-the-counter within the United States on the NASD OTC Bulletin Board or on an exchange or market outside Canada;
- 6.2 at the time of the trade, Energy is registered with the United States Securities and Exchange Commission under the Securities Exchange Act of 1934 and is not exempt from the reporting requirement by that Act

pursuant to Rule 12G 3-2 made under that Act.

April 12, 2004.

“Glenda A. Campbell”

“Stephen R. Murison”

2.1.11 Pantorama Industries Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer.

Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.

March 30, 2004

HEENAN BLAIKIE LLP

1250 René-Lévesque Blvd. West
Suite 2500
Montreal, Quebec H3B 4Y1

Attention: Mr. Neil Wiener

RE: Pantorama Industries Inc. (corporation resulting from the amalgamation of Pantorama Industries Inc. and 6149286 Canada Inc.) (the “Applicant”) – Application to cease to be a reporting issuer under the securities legislation of Quebec and Ontario (the “Jurisdictions”)

Dear Sir:

The Applicant has applied to the local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions for a decision under the securities legislation (the “Legislation”) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions.

As the Applicant has represented to the Decision Makers that:

1. all of the outstanding securities of the Applicant, including debt securities, are beneficially owned by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
3. the Applicant is applying for relief to cease to be a reporting issuer in both of the jurisdictions in Canada in which it is currently a reporting issuer; and
4. the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been

Decisions, Orders and Rulings

met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

“Eve Poirier”

2.2 Orders

2.2.1 Harold M. Chapman - Settlement Agreement

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S-5, as amended

AND

IN THE MATTER
HAROLD M. CHAPMAN

SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE
ONTARIO SECURITIES COMMISSION
and HAROLD M. CHAPMAN

I. INTRODUCTION

1. Pursuant to section 5(1) of the "Practice Guidelines – Settlement Procedures in Matters Before the Ontario Securities Commission" of the Ontario Securities Commission *Rules of Practice*, Staff of the Ontario Securities Commission and Harold M. Chapman ("Chapman") propose to settle the matters described further below.

II. STATEMENT OF FACTS

Acknowledgement

2. Chapman acknowledges that the facts set out in paragraphs 3 through 15 of this Settlement Agreement are correct.

Facts

3. Chapman is an individual resident in the City of Toronto in the Province of Ontario and has been a chartered accountant for approximately 50 years. At the material time, Chapman was a partner in the accounting firm Chapman Matten Welton Winter LLP and was 73 years of age.

4. Chapman has never been registered in any capacity under Ontario securities law.

5. At the material time, Chapman's accounting firm provided auditing and other services to A. & C. Boehmer Limited ("Boehmer"), a private Ontario corporation.

6. Roman Corporation Limited ("Roman") was at all material times a reporting issuer within the meaning of subsection 1(1) of the *Securities Act*, R.S.O. 1990, c. S. 5, as amended (the "Act"). Roman's common shares are listed and posted for trading on the Toronto Stock Exchange.

7. In or around October, 2001, Roman and Boehmer commenced discussions regarding a potential acquisition transaction (the "Acquisition

Transaction"). The Acquisition Transaction was a material fact.

8. Chapman's accounting firm provided services to Boehmer in connection with the Acquisition Transaction.

9. Chapman was involved, on behalf of his accounting firm, in the discussions and negotiations in connection with the Acquisition Transaction. In particular, on or about November 9, 2001, Chapman was present at a meeting with Roman and Boehmer and their respective legal advisers, among others, the purpose of which was to discuss Roman's acquisition of Boehmer and the letter of intent which had been executed in connection with the Acquisition Transaction.

10. Chapman was accordingly a "person in a special relationship" with Roman within the meaning of subsection 76(5) of the Act and had knowledge of a material fact.

11. Prior to any public announcement with respect to the Acquisition Transaction, Chapman purchased (i) 6000 shares of Roman at a price of \$1.50 per share on January 28, 2002; (ii) 1200 shares of Roman at a price of \$1.41 per share on January 29, 2002; and (iii) 2500 shares of Roman at a price of \$1.41 per share on February 22, 2002. The actual cost of Chapman's purchases of Roman shares was \$14,217.00.

12. At the time that Chapman purchased the shares of Roman, as described in paragraph 11, he was a person in a special relationship with Roman and had knowledge of a material fact with respect to Roman that had not generally been disclosed.

13. Shortly after the close of trading on February 26, 2002, Roman publicly announced the material fact by issuing a press release about the Acquisition Transaction. On March 1, 2002, Roman also issued and filed a Material Change Report with the Commission disclosing that it had reached an agreement to acquire all of the issued and outstanding shares of Boehmer and that the closing of the Acquisition Transaction was expected to occur on March 1, 2002.

14. By purchasing the Roman shares prior to the public announcement, Chapman earned a deemed profit of approximately \$7,511.00. The deemed profit of \$7,511.00 is based on the average trading price of Roman's shares in the twenty trading days following the public announcement:

**Average Trading Price x No. of Shares
Purchased Less Actual Cost = Deemed Profit**
\$2.24 x 9700 = \$21,728.00 - \$14,217.00 =
\$7,511.00

Conduct Contrary to Ontario Securities Law and the Public Interest

15. Chapman's conduct, as described above, constituted a contravention of s. 76(1) of the Act and was conduct contrary to the public interest.

III. CHAPMAN'S POSITION AND MITIGATING FACTORS

16. Chapman admits that he traded with knowledge of a material and undisclosed fact. It is Chapman's position that he was not aware at the time he purchased the Roman shares that such purchase contravened the Act. He represents to Staff that he does not recall receiving any cautionary advice during the course of any meetings he attended with respect to the Acquisition Transaction in regards to trading of Roman shares, and that had he been so advised, he would not have purchased any shares.

17. Chapman is now fully aware and understands that insider trading is a serious matter and is remorseful for his conduct.

18. Chapman has retained counsel to represent him in connection with this matter and has been fully co-operative with Staff in the course of its investigation.

19. Chapman further represents to Staff that his purpose in purchasing the Roman shares was to make a long-term investment in Roman and that he still holds all of his Roman shares to date.

IV. TERMS OF SETTLEMENT

20. Chapman agrees to the following terms of settlement:

(a) he will make a settlement payment of \$10,000 to the Ontario Securities Commission for allocation to or for the benefit of such third parties as may be approved by the Minister under s. 3.4(2) of the Act, upon the granting of consent by the Executive Director to this settlement agreement; and

(b) he will make a payment of \$5,000 to the Commission in respect of the costs of the investigation in relation to this matter, upon the granting of consent by the Executive Director to this settlement agreement.

21. Chapman agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement negotiations or the process of obtaining the Executive Director's consent to this Settlement Agreement as the basis for any attack on the Executive Director or the

Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

V. STAFF COMMITMENT

22. If this Settlement Agreement receives the consent of the Executive Director, Staff will not initiate any other proceeding under the Act against Chapman in relation to the facts set out in Part II of this Settlement Agreement, subject to the provisions of paragraphs 23 and 28 below.

23. If this Settlement Agreement receives the consent of the Executive Director, and at any subsequent time Chapman fails to honour the terms contained in paragraph 20 of this Settlement Agreement, Staff reserves the right to initiate proceedings against Chapman in relation to the facts set out Part II herein and/or refer to this Settlement Agreement in any future proceeding.

VI. APPROVAL OF SETTLEMENT

24. If, for any reason whatsoever, the Executive Director does not consent to this Settlement Agreement:

(a) this Settlement Agreement and its terms, including all settlement negotiations between Staff and Chapman leading up to the execution of this Settlement Agreement, shall be without prejudice to Staff and Chapman;

(b) Staff and Chapman shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of these matters before the Commission, unaffected by this Settlement Agreement or the settlement negotiations; and

(c) The terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person except with the written consent of Staff and Chapman or as may be required by law.

VII. DISCLOSURE OF SETTLEMENT AGREEMENT

25. This Settlement Agreement and its terms will be treated as confidential by Staff and Chapman until consented to by the Executive Director, and forever, if for any reason whatsoever this settlement is not consented to by the Executive Director, except with the consent of Staff and Chapman or as may be required by law.

26. Any obligation of confidentiality shall terminate upon receiving the Executive Director's consent to this settlement.
27. Staff and Chapman agree that if the Executive Director does consent to this Settlement Agreement, they will not make any public statements inconsistent with this Settlement Agreement.
28. If Chapman fails to honour the agreement contained in paragraph 27 of this Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Chapman based on the facts set out in Part II of the agreement, as well as the breach of the Settlement Agreement.
29. If the Executive Director does consent to this Settlement Agreement, a copy of the Settlement Agreement shall be published in the Ontario Securities Commission Bulletin and posted on the Commission's website.

VIII. EXECUTION OF SETTLEMENT AGREEMENT

30. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.
31. A facsimile copy of any signature shall be effective as an original signature.

March 27, 2004.

"Witness"
Witness

"Harold Chapman"
Harold Chapman

March 17, 2004.

"Kathryn Daniels"
Staff of the Ontario Securities Commission
Per: Kathryn Daniels

I hereby consent to the settlement of this matter on the terms contained in this Settlement Agreement.

March 14, 2004.

"Charlie Macfarlane"
Ontario Securities Commission

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see www.carswell.com).

This chapter contains a weekly summary of insider transactions of Ontario reporting issuers in the System for Electronic Disclosure by Insiders (SEDI). The weekly summary contains insider transactions reported during the seven days ending Sunday at 11:59 pm.

To obtain Insider Reporting information, please visit the SEDI website (www.sedi.ca).

Chapter 8

Notice of Exempt Financings

Exempt Financings

The Ontario Securities Commission reminds issuers and other parties relying on exemptions that they are responsible for the completeness, accuracy, and timely filing of Forms 45-501F1 and 45-501F2, and any other relevant form, pursuant to section 27 of the *Securities Act* and OSC Rule 45-501 ("Exempt Distributions").

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

<u>Transaction Date</u>	<u>Purchaser</u>	<u>Security</u>	<u>Total Purchase Price (\$)</u>	<u>Number of Securities</u>
21-Mar-2004	3 Purchasers	1610765 Ontario Inc. - Common Shares	1,000,286.00	1,086.00
30-Mar-2004	Ewan Downie	Abacus Mining & Exploration Corporation - Common Shares	29,250.00	65,000.00
18-Mar-2004	Independent Order of Foresters	Abbott Laboratories - Notes	4,993,600.00	5,000,000.00
29-Aug-2003	19 Purchasers	Accenture Ltd. - Common Shares	3,366,300.00	160,300.00
01-Apr-2004	Barbara Hall; Onefund Deversified Plus Fund	Acuity Pooled Canadian Equity Fund - Trust Units	327,000.00	13,787.00
30-Mar-2004	Margaret Henderson; Gail Pillman	Acuity Pooled Canadian Small Cap Fund - Trust Units	200,000.00	10,068.00
31-Mar-2004	Christine Thorpe	Acuity Pooled Fixed Income Fund - Trust Units	50,000.00	3,523.00
26-Mar-2004 31-Mar-2004	4 Purchasers	Acuity Pooled High Income Fund - Trust Units	603,361.14	32,321.00
05-Apr-2004 08-Apr-2004	10 Purchasers	Acuity Pooled High Income Fund - Trust Units	1,592,157.60	85,495.00
01-Apr-2004	5 Purchasers	Acuity Pooled High Income Fund - Trust Units	1,180,000.00	63,227.00
01-Apr-2004	Barbara Hall	Acuity Pooled Income Trust Fund - Trust Units	150,000.00	9,689.00
31-Mar-2004	13 Purchasers	Advanced Fiber Technologies (AFT) Trust - Units	10,050,000.00	750,000.00
03-Mar-2004	Elliot & Page Limited and Bank of Montreal	Ainsworth Lumber Co. Ltd. - Notes	1,210,000.00	7.00
23-Mar-2004	12 Purchasers	AIM PowerGen Corporation - Common Share Purchase Warrant	549,125.00	95,500.00

Notice of Exempt Financings

05-Mar-2004	Salida Capital and Polar Securities Inc.	Amdocs, Inc. - Notes	2,250,000.00	2.00
31-Mar-2004	John MacDonald	Amera Resources Corporation - Units	32,000.00	40,000.00
25-Feb-2004	Ontario Teachers Pension and AGF Mgmt Limited	Arrow Electronics, Inc. - Common Shares	822,500.00	35,000.00
01-Mar-2004	Horatio Enterprise Fund Limited Partnership	Arxx Building Products Inc. - Notes	975,000.00	1.00
31-Mar-2004	UBS Bank Canada	Ashmore Fund of Funds - Shares	5,000,000.00	500,000.00
02-Apr-2004	32 Purchasers	Aspen Group Resources Corporation - Special Warrants	1,982,500.00	7,930,000.00
31-Mar-2004	PSSI Paralegal Support Services Inc.	Astris Energi Inc. - Units	141,621.00	236,035.00
18-Feb-2004	12 Purchasers	Atheros Communications Inc. - Common Shares	975,800.00	69,700.00
25-Feb-2004	3 Purchasers	Atlantic Coast Airlines Holdings Inc. - Notes	2,250,000.00	2.00
05-Apr-2004	James R. Swayze;G. Scott Paterson	Automated Benefits Corp. - Common Shares	250,000.00	4,545,454.00
01-Apr-2004	Paul Godin	AVT Studios Inc. - Units	24,915.00	75,500.00
06-Feb-2004	44 Purchasers	Baffinland Iron Mines Corporation - Common Shares	2,240,000.00	5,000,000.00
19-Dec-2003	32 Purchases	Baffinland Iron Mines Corporation - Flow-Through Shares	3,162,500.00	2,530,000.00
07-Oct-2002	Perial Ltd.;City Source Net Company	Balaton Power Inc. - Common Shares	5,485,050.00	30,000,000.00
01-Jan-2003 31-Dec-2003	5 Purchasers	Barclays Global Investors N.A. EAFE Equity Index Funds B - Units	2,440,763.67	71,958.00
01-Jan-2003 31-Dec-2003	4 Purchasers	Barclays Global Investors N.A. EAFE Equity Index Funds B - Units	1,963,393.59	12,218.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Fund B - Australia - Units	29,998.40	485.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Fund B - France - Units	94,989.60	1,731.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Fund B - Germany - Units	90,000.00	2,554.00

Notice of Exempt Financings

01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Fund B - Sweden - Units	20,000.00	316.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - Hong Kong - Units	19,997.60	209.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - Italy - Units	10,000.00	331.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - Japan - Units	30,000.00	1,903.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - Netherlands - Units	60,000.00	1,979.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - Singapore - Units	20,000.00	474.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - Spain - Units	15,000.00	406.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - Switzerland - Units	45,000.00	733.00
01-Jan-2003 31-Dec-2003	Canadian Tactical Balanced Fund	Barclays Global Investors N.A. MSCI Equity Index Funds B - UK - Units	65,000.00	1,206.00
31-Dec-2003	Berkshire - TWC Financial Group Inc.	Berkshire Operations Management Limited - Common Shares	300,000.00	300,000.00
24-Mar-2004	Gordon DuVal	Bonanza Resources Corporation - Units	9,000.00	30,000.00
30-Mar-2004	Kaminskeg Investments Ltd.	Brigantine Energy Inc. - Common Shares	249,493.00	249,493.00
22-Mar-2004 31-Mar-2004	John Ryan;Paul Smith	Caledonia Mining Corporation - Shares	71,955.00	369,000.00
23-Mar-2004	11 Purchasers	Calpine Generating Company, LLC - Notes	11,000,000.00	11.00
01-Apr-2004	3 Purchasers	Canadian Golden Dragon Resources Ltd. - Common Shares	6,500.00	50,000.00
08-Mar-2004	Octronics Corporation	CardioMetabolics Inc. - Units	25,000.00	50,000.00
06-Apr-2004	Lynn and John Ledlow and Darlene A. Hunt	CareVest Blended Mortgage Investment Corporation - Preferred Shares	100,000.00	100,000.00

Notice of Exempt Financings

06-Apr-2004	3 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	272,406.00	272,406.00
09-Mar-2004	5 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	685,000.00	685,000.00
17-Mar-2004	Athanasios Papailiadis	Centillion Industries Inc. - Units	20,000.00	100,000.00
19-Apr-2004	27 Purchasers	CGI Group Inc. - Subscription Receipts	115,700,000.00	14,462,500.00
02-Apr-2004	Ever North America Inc.	Clearframe Solutions Inc. - Common Shares	66,343.20	924,000.00
12-Nov-2003	Ever America Corp.	Clearframe Solutions Inc. - Common Shares	1,800,000.00	9,000,000.00
16-Aug-2003	Ever America Corp.	Clearframe Solutions Inc. - Shares	92,400.00	924,400.00
30-Jan-2004	11 Purchasers	ComnetiX Capital Corporation - Common Shares	2,911,274.62	8,957,768.00
29-Jan-2004	23 Purchasers	ComnetiX Capital Corporation - Special Warrants	923,749.46	2,842,306.00
24-Feb-2004	8 Purchasers	CP Ships - Notes	7,000,000.00	7.00
31-Mar-2004	24 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Trust Units	641,754.13	50,719.00
31-Mar-2004	4 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Trust Units	86,324.48	6,725.00
31-Mar-2004	5 Purchasers	Cranston, Gaskin, O'Reilly & Vernon - Trust Units	40,122.13	2,994.00
24-Mar-2004	Royal Bank of Canada	Credit Lyonnais Finance (Guernsey) Limited - Notes	54,954,460.00	1.00
22-Mar-2004	4 Purchasers	Cytec Corporation - Notes	5,750,000.00	4.00
09-Jan-2004 27-Jan-2004	Jennifer Stepan;Bernadette Scobie	Deans Knight Equity Growth Fund - Units	660,960.00	339.00
27-Feb-2004	Front Street Investment Management	Deer Creek Energy Limited - Common Shares	34,996.50	19,998.00
27-Feb-2004	Front Street Investment Management	Deer Creek Energy Limited - Common Shares	58,586.50	33,478.00
08-Apr-2004	3 Purchasers	Delco Remy International, Inc. - Notes	4,644,850.00	5.00
22-Mar-2004	Amaranth Resources Limited;James Saloman	Dragon Heart Energy Inc. - Common Shares	550,000.00	1,450,000.00
17-Mar-2004	ING Bak of Canada	DR Residential Mortgage Trust - Notes	10,000,000.00	1.00

Notice of Exempt Financings

04-Mar-2004 08-Mar-2004	6 Purchasers	Ellipsis Biotherapeutics Corporation - Notes	491,737.90	6.00
05-Apr-2004	12 Purchasers	ESTCO Battery Management Inc. - Common Shares	175,693.00	1,171,286.00
31-Mar-2004	35 Purchasers	Etruscan Resources Inc. - Units	13,937,015.00	6,053,400.00
29-Mar-2004	Arrow Arbitrage Fund	EUROZINC MINING CORPORATION - Units	58,240.00	89,600.00
29-Mar-2004	Arrow Arbitrage Fund;JMM Trading LP	EUROZINC MINING CORPORATION - Units	582,400.00	895,600.00
29-Mar-2004	JMM Trading LP	EUROZINC MINING CORPORATION - Units	87,360.00	134,400.00
10-Mar-2004	Elliott & Page Limited and Bank of Montreal	Evergreen Resources Inc. - Notes	803,623.00	810,000.00
22-Mar-2004	40 Purchasers	FactorCorp. - Debentures	6,851,000.00	6,851,000.00
13-Apr-2004	50 Purchasers	FactorCorp. - Debentures	4,237,000.00	4,237,000.00
03-Mar-2004	Elliot & Page Limited and Toronto Dominion Asset Management	Fisher Scientific International Inc. - Notes	50,000,000.00	2.00
01-Feb-1998 01-Feb-2004	5 Purchasers	Forest Global Convertible Fund, Ltd. - Common Shares	10,951,433.00	446,206,916.00
08-Mar-2004	Bank of Montreal	Friendly Ice Cream Corporation - Notes	630,000.00	2.00
31-Mar-2004	Sidney Goldstein;Kevin Williams	Fronteer Development Group Inc. - Units	57,999.70	32,727.00
31-Mar-2004	Sidney Goldstein;Kevin Williams	Fronteer Development Group Inc. - Units	57,999.70	52,727.00
26-Feb-2004	Q.T. Inc.	Fund 321 Limited Partnership - Limited Partnership Units	300,000.00	300.00
29-Mar-2004	Tower Hill Investments Inc.	Futureway Communications Inc. - Common Shares	462,087.50	125,000.00
29-Mar-2004	Tower Hill Investments Inc.	Futureway Communications Inc. - Common Shares	374,911.92	101,418.00
19-Mar-2004	176 Purchasers	Galaxy Monthly Income Fund - Units	401,318.11	36,879.00
12-Mar-2004	5 Purchasers	General Electric Company - Common Shares	21,103,290.00	663,000.00
12-Mar-2004	22 Purchasers	General Electric Company - Common Shares	35,573,208.00	1,117,600.00
31-Mar-2004	3 Purchasers	Golden Chief Resources Inc. - Units	100,000.00	2,000,000.00
01-Apr-2004	Perimeter Institute for Theoretical Physics	Goldman Sachs Global Relative Value plc - Shares	600,000.00	6,000.00

Notice of Exempt Financings

01-Apr-2004	Ontario Teachers' Pension Plan Board	Graham Global Investment Fund II Ltd. - Shares	9,150,326.00	36,058.00
17-Dec-2003	James Steel	Gryphon Gold Corporation - Common Shares	2,002,250.00	20,000.00
25-Mar-2004	10 Purchasers	Guinor Gold Corporation - Special Warrants	9,260,040.00	9,900,000.00
04-Mar-2004	3 Purchasers	Halo Resources Ltd. - Units	55,500.00	370,000.00
01-Apr-2004	3 Purchasers	Hazleton Capital Limited Partnership - Limited Partnership Units	100,000.00	84.00
02-Apr-2004	5 Purchasers	Hornby Bay Exploration Limited - Units	234,250.10	669,286.00
31-Mar-2004	Mark Zaret	Hudson Resources Inc. - Units	4,500.00	200,000.00
05-Apr-2004	Paul Godin	iSee Media Inc. - Common Shares	0.00	25,000.00
05-Mar-2004	6 Purchasers	iSee Media Inc. - Convertible Debentures	500,000.00	500,000.00
01-Apr-2004	15 Purchasers	Icefloe Technologies Inc. - Common Shares	1,527,606.40	509,200.00
30-Mar-2004	ISA Odidi	ImaRx Therapeutics, Inc. - Common Shares	65,500.00	25,000.00
30-Mar-2004	3 Purchasers	IMAGIN Diagnostics, Inc. - Units	11,000.00	11,000.00
19-Feb-2004	3 Purchasers	Incyte - Notes	11,750,000.00	3.00
31-Mar-2004	MWI Nominee Company Ltd.	Integral Wealth Management Inc. - Units	100,000.00	100,000.00
03-Mar-2004	Salida Capital Corp. and Polar Securities Inc.	Intellisync - Notes	1,500,000.00	2.00
17-Feb-2004	Salida	Inter Mune, Inc. - Notes	500,000.00	1.00
22-Mar-2004	Beverly Crescenzi;Anthony Garson	International Arimex Resources Inc. - Flow-Through Shares	34,000.00	300,000.00
02-Mar-2004	4 Purchasers	Intrepid Energy Corporation - Shares	1,450,000.01	5,200,000.00
10-Feb-2004	Venturion VGI Limited Partnership	Investment Administration Sciences Inc. - Common Shares	1,500,000.00	750,000.00
01-Mar-2004	Northwater Enhancement Trust IV	JME Offshore Opportunity Fund, Ltd. - Shares	1,844,740.00	1,400.00
01-Mar-2004	Ontario Teachers' Pension Plan Board	JME Offshore Opportunity Fund, Ltd. - Shares	13,391,000.00	10,000.00
29-Sep-2003	Salida Capital Corp.	Journal Communications - Common Shares	7,500.00	500.00

Notice of Exempt Financings

31-Mar-2004	5 Purchasers	JOG Limited Partnership No. 2 - Limited Partnership Units	600,000.00	60,000.00
02-Apr-2004	Elizahar Holdings Inc.	KFA Balanced Pooled Fund - Units	150,000.00	14,349.00
29-Mar-2004	8 Purchasers	Largo Resources Ltd. - Units	200,000.00	400,000.00
31-Dec-2003	12 Purchasers	Launch Resources Inc. - Common Shares	1,749,260.00	8,762,341.00
26-Mar-2004	Enzo Zanneli	Little Mountain Resources Ltd. - Units	10,000.00	57,143.00
01-Apr-2004	36 Purchasers	LMS Medical Systems Ltd. - Common Shares	5,590,000.00	1,397,500.00
15-Mar-2004	BMO Nesbitt Burns Equity Partners Inc.	Macquarie Essential Assets Partnership - Units	2,237,677.28	2,070,695.00
30-Jan-2004	6 Purchasers	MDX Medical Inc. - Units	53,400.00	178,000.00
26-Mar-2004	Dr. William and Rhonda Armstrong	MediaOne Network Inc. - Common Shares	250,000.00	5,153.00
01-Mar-2004	Robert J. Davidson	MedMira Inc. - Convertible Debentures	100,000.00	1.00
07-Apr-2004	Charlie Nelson	Microsource Online, Inc. - Common Shares	1,200.00	200.00
08-Apr-2004	4 Purchasers	Mueller Group, Inc. - Notes	3,317,600.00	4.00
31-Mar-2004	Dorian K. Bateman	Musicrypt Inc. - Common Shares	150,000.00	185,185.00
11-Mar-2004	Frank Colletti	N-able Technologies International, Inc. - Shares	11,336.00	7,557.00
03-Mar-2004	Brad Hibbert; Jean-Pierre Jauvin	NetPro Computing, Inc. - Preferred Shares	222,354.00	897,918.00
31-Mar-2004	Energold Minerals Inc.; Jens Hansen	Newcastle Minerals Ltd. - Units	52,500.00	350,000.00
04-Mar-2004	67 Purchasers	Newport Private Yield LP - Limited Partnership Units	7,275,000.00	727,500.00
25-Mar-2004	David Baird	NETISTIX TECHNOLOGIES CORPORATION - Common Shares	25,000.00	31,250.00
26-Mar-2004	Business Development Bank of Canada	Nimcat Networks Incorporated - Preferred Shares	500,000.00	721,805.00
17-Mar-2004	6 Purchasers	Noble Vision Robotics Corporation - Promissory note	80,000.00	80,000.00
18-Mar-2003	Joe Hackl and Jory Hackl Shebandowan	North American Gem Inc. - Common Shares	11,000.00	100,000.00
24-Mar-2004	3 Purchasers	North American Oil Sands Corporation - Shares	250,002.00	166,667.00

Notice of Exempt Financings

24-Mar-2004	JMK Canada Real Estate LP;2043062 Ontario Limited	Northam Real Estate Investment Fund VI, L.P. - Limited Partnership Units	5,200,000.00	5,200,000.00
02-Apr-2004	Pro-Hedge Multi Manager	O'Donnell Emerging Companies Fund - Units	65,184.00	6,971.00
04-Feb-2004	The Bank of Nova Scotia and Ontario Municipal Employees Retirement Board	Onex Partners LP - Limited Liability Interest	44,758,729.00	33,585,000.00
05-Nov-2003	3 Purchasers	Onex Partners LP - Limited Partnership Interest	359,244,446.00	273,358,850.00
30-Mar-2004	Trudell Medical Limited	Oriel Therapeutics, Inc., - Notes	300,000.00	1.00
31-Mar-2004	3 Purchasers	Paradym Ventures Inc. - Units	66,000.00	220,000.00
31-Mar-2004	MilePoint;Inc.	Points International Ltd. - Common Shares	7,500,000.00	4,000,000.00
11-Mar-2004	Kensington Fund of Funds L.P.	Polar Enterprise Partners II - Limited Partnership Units	5,000,000.00	50,000.00
01-Apr-2004	Susan Fawcett	Polar Innovative Capital Corp. - Common Shares	170,935.12	100,000,000.00
08-Mar-2004	Context Capital Mgmt;LLC and Weiss;Peck & Greer	PSS World Medical Inc. - Notes	12,500,000.00	2.00
24-Mar-2004	4 Purchasers	Raven Energy Ltd. - Common Shares	1,697,500.00	9,700,000.00
25-Mar-2004	6 Purchasers	Regal Petroleum plc. - Shares	5,206,989.00	721,000.00
25-Mar-2004	6 Purchasers	Regal Petroleum plc. - Shares	5,207,589.00	721,000.00
01-Apr-2004	Wendigo Investments Inc.	River Oaks Financial Fund LP - Limited Partnership Interest	1,340,622.85	1.00
11-Mar-2004	Ontario Teachers Pension Plan Board;Phil Strathy	Rogers Cable Inc. - Notes	14,549,700.00	11,000.00
05-Mar-2004	Front Street Investment Management	RSX Energy Inc. - Common Shares	399,977.00	481,900.00
25-Mar-2004	Glenn McHarg	Sabina Resources Limited - Units	14,000.00	10,000.00
29-Mar-2004	6 Purchasers	Seafield Resources Ltd. - Units	126,000.00	1,800,000.00
15-Mar-2004	3031 Purchasers	Second World Trader Inc. - Units	9,831,805.00	36,971.00
02-Apr-2004	Harjett Grewal;Adrian Science	Shift Networks Inc. - Common Shares	16,610.00	151,000.00
01-Apr-2004	4 Purchasers	Stacey Investment Limited Partnership - Limited Partnership Units	310,055.40	10,116.00
29-Mar-2004	11 Purchasers	Stacey RSP Fund - Trust Units	1,449,462.00	146,478.00

Notice of Exempt Financings

01-Mar-2004	5 Purchasers	Stanton Alpha Strategies LP - Limited Partnership Interest	275,000.00	275.00
31-Dec-2003	3 Purchasers	Superior Diamonds Inc. - Flow-Through Shares	39,750.00	53,000.00
04-Mar-2004	4 Purchasers	Surgical Centres Inc. - Common Shares	35,000.00	35,000.00
31-Mar-2004	10 Purchasers	The McElvaine Investment Trust - Trust Units	576,572.40	28,834.00
31-May-2004	8 Purchasers	Timminco Limited - Units	505,000.00	505,000.00
11-Mar-2004	5 Purchasers	TOM Online Inc. - Shares	238,303.00	15,325.00
19-Mar-2004	Steel Investments Ltd.	Trez Capital Corporation - Mortgage	150,000.00	150,000.00
26-Mar-2004	17 Purchasers	Trigon Exploration Canada Ltd. - Units	1,619,325.00	3,598,500.00
30-Mar-2004	10 Purchasers	Triumph Gold Corp. - Special Warrants	1,432,500.00	2,865,000.00
04-Mar-2004	Canadian Medical Discoveries Fund Inc.	Twinstrand Therapeutics Inc. - Units	1,980,000.00	1,100,000.00
12-Feb-2004	4 Purchasers	Unisphere Waste Conversion Ltd. - Units	500,000.00	1,428,571.00
09-Apr-2004	BPI Global Asset Mgmt	United States Steel Corporation - Common Shares	3,387,884.00	87,997.00
01-Dec-2003 25-Dec-2003	National Life Assurance Company of Canada	Vanguard European Stock Index Fund - Shares	7,669,496.00	155,040.00
31-Mar-2003 02-Jan-2003	National Life Assurance Company of Canada	Vanguard Institutional Index Fund - Shares	116,423.00	1,286.00
17-Jan-2003 02-Jan-2004	National Life Assurance Company of Canada	Vanguard Total Stock Index Fund - Shares	488,727.00	15,824.00
25-Mar-2004	16 Purchasers	Vector Aerospace Corporation - Units	6,020,800.00	3,039,100.00
25-Mar-2004	James McGovern; Sylvia McGovern	VendTek Systems Inc. - Units	25,500.00	170,000.00
25-Mar-2004	51 Purchasers	Victrom Human Bionics Inc. - Units	2,080,684.00	1,500,496.00
31-Mar-2004	Cameron Young and Hans Walter	Viva Source Corp. - Special Warrants	15,000.00	27,500.00
30-Mar-2004	N/A	Wellco Energy Services Trust - Trust Units	28,629,200.00	4,425,000.00
02-Mar-2004	16 Purchasers	Western Lakota Energy Services Energy Inc. - Common Shares	5,674,575.00	1,891,525.00
29-Mar-2004	10 Purchasers	Xtra-Gold Resources Corp. - Units	336,000.00	1,060,000.00

NOTICE OF INTENTION TO DISTRIBUTE SECURITIES AND ACCOMPANYING DECLARATION UNDER SECTION 2.8 OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES - FORM 45-102F3

<u>Seller</u>	<u>Security</u>	<u>Number of Securities</u>
Estill Holdings Limited	EMJ Data Systems Ltd. - Common Shares	1,500,000.00
James A. Estill	EMJ Data Systems Ltd. - Common Shares	33,200.00
John Eliopoulos	Forsys Technologies Inc. - Common Shares	672,467.00
Wayne V. Isaacs	Forsys Technologies Inc. - Common Shares	563,843.00
Ross J. McLeod	Great Canadian Gaming Corporation - Common Shares	50,000.00

REPORTS MADE UNDER SUBSECTION 2.7(1) OF MULTILATERAL INSTRUMENT 45-102 RESALE OF SECURITIES WITH RESPECT TO AN ISSUER THAT HAS CEASED TO BE A PRIVATE COMPANY OR PRIVATE ISSUER - FORM 45-102F1

<u>Issuer</u>	<u>Date the Company Ceased to be a Private Company or Private Issuer</u>
3750 Midland Avenue Limited Partnership	3/10/04

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Calpine Power Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated April 14, 2004
Mutual Reliance Review System Receipt dated April 14, 2004

Offering Price and Description:

\$* - * Subscription Receipts, each representing the right to receive one Trust Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
FirstEnergy Capital Corp.
Raymond James Ltd.

Promoter(s):

Calpine Corporation
Project #630758

Issuer Name:

Calpine Power Income Fund
Principal Regulator - Alberta

Type and Date:

Amended and Restated Preliminary Short Form Prospectus dated April 16, 2004
Mutual Reliance Review System Receipt dated April 19, 2004

Offering Price and Description:

\$99,844,604.25 - 9,740,937 Subscription Receipts, each representing the right to receive one Trust Unit
Price: \$10.25 per Subscription Receipt

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
FirstEnergy Capital Corp.
Raymond James Ltd.

Promoter(s):

Calpine Corporation
Project #630758

Issuer Name:

Cygnal Technologies Corporation

Type and Date:

Preliminary Prospectus dated April 19, 2004
Received on April 20, 2004

Offering Price and Description:

\$10,000,000.00 - 4,000,000 Common Shares issuable upon the exercise of 4,000,000 Special Warrants
Price: \$2.50 per Special Warrant

Underwriter(s) or Distributor(s):

Orion Securities Inc.
Sprott Securities Inc.
First Associates Investments Inc.
Loewen, Ondaatje, McCutcheon Limited
Raymond James Ltd.

Promoter(s):

-

Project #632699

Issuer Name:

DaimlerChrysler Canada Finance Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Short Form Shelf Prospectus dated April 20, 2004
Mutual Reliance Review System Receipt dated April 20, 2004

Offering Price and Description:

\$5,000,000,000.00 - Medium Term Notes (Unsecured)
Unconditionally Guaranteed by DaimlerChrysler AG

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
CIBC World Markets Inc.

Promoter(s):

-

Project #632648

Issuer Name:

DFA Canadian Core Equity Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectus dated April 15, 2004
Mutual Reliance Review System Receipt dated April 16, 2004

Offering Price and Description:

Class A, F, and I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Dimensional Fund Advisors Canada Inc.
Project #631486

Issuer Name:

Fairfax Financial Holdings Limited
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated April 13, 2004
Mutual Reliance Review System Receipt dated April 14, 2004

Offering Price and Description:

US\$750,000,000.00 - Subordinate Voting Shares Preferred
Shares Debt Securities
Warrants Share Purchase Contracts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #630443

Issuer Name:

First One Capital Inc.
Principal Regulator - Ontario

Type and Date:

Amended Preliminary CPC Prospectus dated April 12, 2004
Mutual Reliance Review System Receipt dated April 15, 2004

Offering Price and Description:

\$1,250,000 Minimum and \$1,500,000 Maximum
OFFERING OF: A minimum of 4,166,667 Common Shares
and a maximum of 5,000,000 Common Shares PRICE:
\$0.30 per Common Share

Underwriter(s) or Distributor(s):

Investpro Securities Inc.

Promoter(s):

Owen Menzel

Project #591722

Issuer Name:

Northbridge Financial Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 20, 2004
Mutual Reliance Review System Receipt dated April 20, 2004

Offering Price and Description:

\$ * - * Common Shares Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
Scotia Capital Inc.

Promoter(s):

Fairfax Financial Holdings Limited

Project #632556

Issuer Name:

PDM Royalties Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 16, 2004
Mutual Reliance Review System Receipt dated April 16, 2004

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Sprott Securities Inc.

Promoter(s):

Pizza Delight Corporation Ltd.
Project #631751

Issuer Name:

ROC Pref Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 14, 2004
Mutual Reliance Review System Receipt dated April 19, 2004

Offering Price and Description:

\$* (* Preferred Shares) \$25.00 per Preferred Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
TD Securities Inc.
Desjardins Capital Corporation
Canaccord Capital Corporation
First Associates Investments Inc.
Raymond James Ltd.

Promoter(s):

Connor, Clark & Lunn Capital Markets Inc.
Project #631931

Issuer Name:

St-Moritz Capital Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary CPC Prospectus dated April 16, 2004
Mutual Reliance Review System Receipt dated April 19, 2004

Offering Price and Description:

Minimum Offering: \$1,250,000 or 6,250,000 Common
Shares
Maximum Offering: \$1,900,000 or 9,500,000 Common
Shares

Price: \$0.20 per Common Share

Minimum Subscription: \$1,000 or 5,000 Common Shares

Underwriter(s) or Distributor(s):

CANACCORD CAPITAL CORPORATION

Promoter(s):

-

Project #631797

Issuer Name:

Viventia Biotech Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated April 13, 2004
Mutual Reliance Review System Receipt dated April 14, 2004

Offering Price and Description:

Up to \$* - Up to * Units Price : \$* per Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Canaccord Capital Corporation
Jennings Capital Inc.
Wellington West Capital Inc.

Research Capital Corporation

Promoter(s):

-

Project #630643

Issuer Name:

180 Connect Inc.
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated April 16, 2004
Mutual Reliance Review System Receipt dated April 16, 2004

Offering Price and Description:

US\$45,617,600.00 - 5,702,200 Common Shares Price:
US\$8.00 per Common Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
GMP Securities Ltd.
National Bank Financial Inc.
Research Capital Corporation

Promoter(s):

Dr. Byron Osing
Barry Simons

Project #617901

Issuer Name:

AGF Canadian Large Cap Dividend Fund
AGF Canadian Growth Equity Fund Limited
AGF Canadian Real Value Fund (formerly, AGF Canadian Value Fund)
AGF Canadian Small Cap Fund (formerly AGF Canadian Aggressive All-Cap Fund)
AGF Canadian Stock Fund
AGF Aggressive Global Stock Fund
AGF Aggressive Growth Fund
AGF Aggressive Japan Class
AGF American Growth Class
AGF Asian Growth Class
AGF Canada Class
AGF China Focus Class
AGF Emerging Markets Value Fund
AGF European Equity Class
AGF Germany Class
AGF Global Equity Class
AGF International Stock Class
AGF International Value Fund
AGF International Value Class
AGF Japan Class
AGF MultiManager Class
AGF RSP American Growth Fund
AGF RSP European Equity Fund
AGF RSP International Value Fund
AGF RSP Japan Fund
AGF RSP MultiManager Fund
AGF RSP World Companies Fund
AGF Special U.S. Class
AGF U.S. Value Class
AGF World Companies Fund
AGF World Opportunities Fund
AGF Canadian Resources Fund Limited
AGF Global Financial Services Class
AGF Global Health Sciences Class
AGF Global Real Estate Equity Class
AGF Global Resources Class
AGF Global Technology Class
AGF Precious Metals Fund
AGF Canadian Balanced Fund
AGF Canadian Real Value Balanced Fund (formerly, AGF Canadian Tactical Asset Allocation Fund)
AGF RSP World Balanced Fund (formerly, AGF RSP American Tactical Asset Allocation Fund)
AGF World Balanced Fund (formerly, AGF American Tactical Asset Allocation Fund)
AGF Canadian Bond Fund
AGF Canadian Conservative Income Fund
AGF Canadian Money Market Fund
AGF Canadian Total Return Bond Fund
AGF Global Government Bond Fund
AGF Global Total Return Bond Fund
AGF RSP Global Bond Fund
AGF Short-Term Income Class
AGF U.S. Dollar Money Market Account
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated April 7, 2004
Mutual Reliance Review System Receipt dated April 14, 2004

Offering Price and Description:

Mutual Fund Series, Series D and Series F Securities

Underwriter(s) or Distributor(s):

AGF Funds Inc.

Promoter(s):

-

Project #616160

Issuer Name:

Alliance Split Income Trust

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated April 15, 2004

Mutual Reliance Review System Receipt dated April 16, 2004

Offering Price and Description:

Preferred Securities and Capital Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

National Bank Financial Inc.

RBC Dominion Securities Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

TD Securities Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

First Associates Investments Inc.

Raymond James Ltd.

Dundee Securities Corporation

Wellington West Capital Inc.

Desjardins Securities Inc.

Research Capital Corporation

Promoter(s):

Sentry Select Capital Corp.

Project #620309

Issuer Name:

Casablanca Capital Corp.

Principal Regulator - Ontario

Type and Date:

Final CPC Prospectus dated April 14, 2004

Mutual Reliance Review System Receipt dated April 19, 2004

Offering Price and Description:

\$200,000.00 - 1,000,000 Common Shares Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Octagon Capital Corporation

Promoter(s):

Simon Serruya

Project #615300

Issuer Name:

CI American Growth Fund

CI American Growth RSP Fund

CI World Equity Fund

CI European Growth Fund

CI European Growth RSP Fund

CI Canadian Stock Fund

CI European Fund

CI Value Trust Sector Fund

CI Value Trust RSP Fund

Principal Regulator - Ontario

Type and Date:

Amendment #2 dated April 7, 2004 to Final Simplified Prospectuses and Annual Information Forms dated July 15, 2003

Mutual Reliance Review System Receipt dated April 15, 2004

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Mutual Funds Inc.

Project #550627

Issuer Name:

COMNETIX INC.

Principal Regulator - Quebec

Type and Date:

Final Prospectus dated April 14, 2004

Mutual Reliance Review System Receipt dated April 15, 2004

Offering Price and Description:

\$7,200,000.00 - 4,000,000 Common Shares @\$1.80

Underwriter(s) or Distributor(s):

Research Capital Corporation

First Associates Investments Inc.

Canaccord Capital Corporation

Orion Securities Inc.

Promoter(s):

-

Project #619208

Issuer Name:

Emerald Canadian Short Term Investment Fund
Emerald Canadian Bond Index Fund
Emerald Global Government Bond Index Fund
Emerald Balanced Fund
Emerald Canadian Equity Index Fund
Emerald U.S. Market Index Fund
Emerald International Equity Index Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated April 14, 2004
Mutual Reliance Review System Receipt dated April 16, 2004

Offering Price and Description:

Class A Units and Class B Units

Underwriter(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #618984

Issuer Name:

Macquarie Power Income Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated April 19, 2004
Mutual Reliance Review System Receipt dated April 19, 2004

Offering Price and Description:

\$211,689,970.00 - 21,168,997 Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

TD Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.

Promoter(s):

RQ Canada, LLC

Project #621760

Issuer Name:

Niko Resources Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 14, 2004
Mutual Reliance Review System Receipt dated April 14, 2004

Offering Price and Description:

\$69,000,000.00 - 2,000,000 COMMON SHARES Price: \$34.50 per Common Share

Underwriter(s) or Distributor(s):

FirstEnergy Capital Corp.
Canaccord Capital Corporation
Orion Securities Inc.
Octagon Capital Corporation
Maison Placements Canada Inc.

Promoter(s):

-

Project #628658

Issuer Name:

PrimeWest Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated April 14, 2004
Mutual Reliance Review System Receipt dated April 14, 2004

Offering Price and Description:

\$142,020,000.00 - 5,400,000 Trust Units Price: \$26.30 per Trust Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
GMP Securities Ltd.

Promoter(s):

-

Project #628569

Issuer Name:

Q9 Networks Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated April 15, 2004
Mutual Reliance Review System Receipt dated April 16, 2004

Offering Price and Description:

\$32,385,000.00 - 3,810,000 Common Shares Price: \$8.50 per Common Share

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
GMP Securities Ltd.
RBC Dominion Securities Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #620374

Issuer Name:

Rogers Communications Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated April 15, 2004
Mutual Reliance Review System Receipt dated April 15, 2004

Offering Price and Description:

US\$750,000,000.00 - Class B Non-Voting Shares Preferred Shares Debt Securities Warrants Share Purchase Contracts Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #628852

Issuer Name:

Synergy Canadian Growth Class
Synergy Canadian Momentum Class
Synergy Canadian Small Cap Class
Synergy Candian Value Class
Synergy Canadian Style Management Class
Synergy Canadian Short-Term Income Class
Synergy Canadian Income Fund
Principal Regulator - Ontario

Type and Date:

Amendment #5 dated April 7, 2004 to Final Simplified
Prospectuses and Annual Information Forms dated August
25, 2003
Mutual Reliance Review System Receipt dated April 15,
2004

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Mutual Funds Inc.
Project #558906

CORRECTED

Issuer Name:

Fairmont Hotels & Resorts Inc.

Type and Date:

Final Short Form Shelf Prospectus dated April 5, 2004
Received on April 5, 2004

Offering Price and Description:

US\$270,000,000.00 - 3.75% Convertible Senior Notes due
2023

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #626022

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	First Clearing, LLC	International Dealer	April 7, 2004
New Registration	Mt. Auburn Capital Corp.	Investment Counsel and Portfolio Manager	April 8, 2004
New Registration	Him Money, Inc.	Investment Counsel & Portfolio Manager	April 8, 2004
New Registration	Mergeco Resources Inc.	Limited Market Dealer	April 13, 2004
New Registration	John W. Henry & Company, Inc.	Commodity Trading Manager (Non-Resident)	April 13, 2004
New Registration	SD Baker & Associates Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager	April 20, 2004
New Registration	Amstel Securities N.V.	International Dealer	April 19, 2004
New Registration	Conduct Capital Corporation	Limited Market Dealer	April 19, 2004
New Registration	Albourne Partners Limited	International Adviser, Investment Counsel and Portfolio Manager	April 16, 2004
New Registration	Efficient Capital Corporation	Limited Market Dealer	April 12, 2004
Category Change	Pursuit Financial Services Corp.	From: Mutual Fund Dealer To: Limited Market Dealer	April 13, 2004
Amalgamation	Davis-Rea Ltd., and Cunningham Investment Counsel Inc. To Form: Davis-Rea Ltd.	Investment Counsel & Portfolio Manager and Limited Market Dealer	April 1, 2004
Name Change	From: First Republic Securities Corporation To: Fraser Mackenzie Limited	Investment Dealer	March 25, 2004

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Disciplinary Hearing in the Matter of Paul Alexander Bishop

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: DISCIPLINARY HEARING

IN THE MATTER OF PAUL ALEXANDER BISHOP

April 08, 2004 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing is scheduled to take place on April 19, 2004 before a panel of the Ontario District Council of the Association in respect of matters for which Paul Alexander Bishop may be disciplined by the Association.

The hearing relates to allegations that while a registered representative at various Toronto offices of CFG Financial Group Inc. or its predecessor firms (LFG Futures Canada Inc. and CFG Futures Canada Inc.), Mr. Bishop misappropriated funds from six clients, issued fictitious account statements, engaged in unauthorized trading, acted upon unauthorized third party instructions for a client account and compensated a client for trading losses without the Member's firms knowledge.

The hearing is scheduled to commence at 9:30 a.m. or soon thereafter at the offices of Atchison & Denman Court Reporting Services Ltd. located at 155 University Avenue, Suite 302, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. Copies of the Decision of the District Council will be made available.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

13.1.2 IDA Settlement Hearing in the Matter of Andreas Felix Kiedrowski

NEWS RELEASE
For immediate release

NOTICE TO PUBLIC: SETTLEMENT HEARING

IN THE MATTER OF ANDREAS FELIX KIEDROWSKI

April 6, 2004 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing date has been set for the presentation, review and consideration of a Settlement Agreement by the Ontario District Council of the Association.

The Settlement Agreement is between Staff of the Association and Andreas Felix Kiedrowski and relates to matters for which Mr. Kiedrowski may be disciplined by the Association. The conduct that is the subject of the hearing occurred between January 1995 and May 1997 inclusive while Mr. Kiedrowski was employed at the Mississauga office of BMO Nesbitt Burns Inc.

The hearing is scheduled to commence at 9:00 a.m. or soon thereafter on April 28, 2004 at 121 King Street West, Suite 1600, Boardroom 1, Toronto, Ontario. The proceeding is open to the public except as may be required for the protection of confidential matters.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms. Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

13.1.3 RS Market Integrity Notice – Request for Comments – Provisions Respecting Short Sales

April 23, 2004

No. 2004-012

**REQUEST FOR COMMENTS
PROVISIONS RESPECTING SHORT SALES**

Summary

The Board of Directors of Market Regulation Services Inc. (“RS”) has approved amendments to the Universal Market Integrity Rules (“UMIR”) to:

- provide that a person shall be considered to be “short” a security if they hold a contract to acquire the security that will not settle within the ordinary settlement period of trade date plus three days; and
- provide an exemption from the pricing restrictions for trades in Exchange-traded Funds.

Rule-Making Process

RS has been recognized as a self-regulatory organization by the Alberta Securities Commission, British Columbia Securities Commission, Manitoba Securities Commission, Ontario Securities Commission and in Quebec by the Autorité des marchés financiers (the “Recognizing Regulators”) and, as such, is authorized to be a regulation services provider for the purposes of the National Instrument 21-101 and National Instrument 23-101.

As a regulation services provider, RS will administer and enforce trading rules for the marketplaces that retain the services of RS. RS has adopted, and the Recognizing Regulators have approved, UMIR as the integrity trading rules that will apply in any marketplace that retains RS as its regulation services provider. Presently, RS has been retained to be the regulation services provider for: the Toronto Stock Exchange (“TSX”) and TSX Venture Exchange (“TSX VN”), as recognized exchanges; for Bloomberg Tradebook Canada Company, as an alternative trading system; and Canadian Trading and Quotation System (“CNQ”) as a recognized quotation and trade reporting system.

The Rules Advisory Committee of RS (“RAC”), RAC reviewed the proposed amendments respecting short sales and recommended their adoption by the Board of Directors. RAC is an advisory committee comprised of representatives of each of: the marketplaces for which RS acts as a regulation services provider; Participants; institutional investors and subscribers; and the legal and compliance community.

The amendments to UMIR will be effective upon approval of the changes by the Recognizing Regulators following public notice and comment. Comments on the proposed amendment should be in writing and delivered by **May 25, 2004** to:

James E. Twiss,
Senior Counsel,
Market Policy and General Counsel,
Market Regulation Services Inc.,
Suite 900,
P.O. Box 939,
145 King Street West,
Toronto, Ontario. M5H 1J8

Fax: 416.646.7265
e-mail: james.twiss@rs.ca

A copy should also be provided to Recognizing Regulators by forwarding a copy to:

Cindy Petlock
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 1903, Box 55,
20 Queen Street West
Toronto, Ontario. M5H 3S8

Fax: (416) 595-8940
e-mail: cpetlock@osc.gov.on.ca

Summary of the Proposed Amendments

- **Completion of Acquisition of Securities After Settlement of Subsequent Sale**

The basic concept of a “short sale” is that the person entering an order to sell a security does not own the security which they are selling. A person is considered to “own” a security if they have, among other circumstances:

- entered into an unconditional contract to purchase the security but have not received delivery of the security;
- tendered a security for exchange or conversion into the security which is the subject of the sale;
- exercised an option to purchase the security; or
- exercised a right or warrant to subscribe for the security.

Presently, UMIR provides that a seller shall be considered not to own a security if:

- the seller has borrowed the security to be delivered on the settlement of the trade and is not otherwise considered to own the security; or
- the security held by the seller is subject to any restriction on sale imposed by securities legislation or marketplace requirement.

In certain cases, it has been suggested that a person should be considered “long” the security even though the date for issuance of the security or the closing of unconditional contract will be after the date of settlement for the sale on a marketplace. In several of these cases, the person would not actually acquire the security for a period of a year or more. The proposed amendment would consider a person to own a security in these four enumerated cases only where the securities which that person will acquire will be settled or issued on or before the date the person would be required to settle any sale on a marketplace. If the completion of the acquisition of securities by a person is after the settlement date of the sale made on a marketplace, the sale on the marketplace would be considered a “short sale” and the sale would have to be so marked and could not be made at a price which was less than the last sale price as disclosed in a consolidated market display.

- **Exemption from the Price Restrictions on Short Sales of Exchange-traded Funds**

Presently, Rule 3.1 of UMIR provides that a short sale may be made below the price of the last sale if the sale is a “Program Trade in accordance with Marketplace Rules”. A program trade essentially is defined in the Rules of the TSX as being a purchase or sale in the equity market that offsets a transaction undertaken in the derivatives market. A short sale of an Exchange-traded Fund (such as units of the iUnits S&P/TSE 60 Fund) will not be subject to the pricing restriction if the sale offsets a transaction undertaken in futures or options on the S&P/TSE 60 index on the Montréal Exchange.

The amendment would expand the ability to make a “short exempt” sale in a security that is an “Exchange-traded Fund”. Exchange-traded Funds have a number of features that distinguish them from other listed or quoted securities. In addition to trading on a marketplace, an Exchange-traded Fund must be redeemable at the option of the holder in accordance with a formula specified in the mutual fund document. An added feature of the current Exchange-traded Funds is the fact that a “prescribed number” of the units may be redeemed or exchanged for a “basket” of the securities held by the fund. With the requirement that the funds be in “continuous distribution”, units of the fund will be distributed on an on-going basis at the net asset value of each unit of the fund (determined by reference to the market price of the securities held by the fund). These features, which are unique to Exchange-traded Funds, act to maintain the market

price of units of the fund at a “fair level”. As such, Exchange-traded Funds are not prone to the same manipulative pressures that may be present as a result of the improper short sale of other securities.

In the United States, marketplaces generally exempt exchange-traded funds from the short sale rule of the marketplace on which the security is listed.

Impact of the Proposed Amendments

- **Definition of a “Short Sale”**

The adoption of the amendment would prevent a person entering into a contractual arrangement to acquire a particular security and then undertaking a sale of that security on regular settlement terms on a marketplace at a price that is less than the last sale price if the closing date for the acquisition of the securities under the contractual arrangement would be later than the settlement date of the sale undertaken on the marketplace. The amendment would ensure that a person is considered “long” a security only in circumstances where the seller could use their holdings to settle the trade. (A seller can use borrowed securities to settle a trade and the trade not be considered a “short” sale provided the seller otherwise is considered to own a number of securities at least equal to the number sold.)

- **Exchange-traded Funds**

If the amendments are adopted, RS would propose to designate as an “Exchange-traded Fund” each of the following seventeen securities that are listed on the TSX as of April 16, 2004. In the future, RS would consider the designation of other securities which become a listed security or a quoted security after that date. It would be the intention of RS that the designation of a security would be done after consultation with the Ontario Securities Commission or other applicable securities regulatory authority.

Issuer Name	Symbol
CP HOLDERS	HCH
iUnits Government of Canada 5 Year Bond	XGV
iUnits Government of Canada 10 Year Bond	XGX
iUnits S&P/TSX 60 Index Fund	XIU
iUnits S&P 500 Index RSP Fund	XSP
iUnits S&P/TSX 60 Capped Index Fund	XIC
iUnits MSCI International Equity RSP Fund	XIN
iUnits S&P/TSX Midcap Index Fund	XMD
iUnits S&P/TSX Capped Energy Index Fund	XEG
iUnits S&P/TSX Capped Financial Index Fund	XFN
iUnits S&P/TSX Capped Gold Index Fund	XGD
iUnits S&P/TSX Capped Information Technology Fund	XIT
iUnits S&P/TSX Capped REIT Index Fund	XRE
TD S&P/TSX Composite Index Fund	TTF
TD S&P/TSX Capped Composite Index Fund	TCF
TD Select Canadian Growth Index Fund	TAG
TD Select Canadian Value Index Fund	TAV

General Review of Short Sale and Short Position Reporting Provisions

In addition to the two amendments to the provisions related to short sales that have been approved by the Board of Directors of RS as described in this Market Integrity Notice, staff of RS is presently undertaking a general review of the short sale and short position reporting requirements contained in UMIR. Under UMIR, each Participant and any Access Person whose security position is not carried at a Participant must report twice each month on their short position in each listed security and quoted security. The review will look at whether the information presently provided by these reports is useful to the market and whether any changes can be made to improve the reports.

In part, this review has been prompted by proposed changes in “short sale” rules and requirements in the United States. Among the changes suggested in the United States, the Securities and Exchange Commission has proposed:

- to create a uniform “locate” rule which would require entering into an arrangement to borrow the security or the existence of a reasonable belief that the security could be borrowed by locating the available security before entering into a short sale;

- to create a standard delivery requirement including “buy-in” obligations and exceptions from the requirements where the failure occurred and the broker-dealer was acting in good faith;
- to apply a “uniform bid test” whereby short sales must be executed at a price which is at least one cent above the consolidated best bid;
- to adopt a number of exemptions from the “uniform bid test”, particularly for trades in exchange-traded funds and other transactions with little risk of being executed for the purpose of manipulating the price of a security;
- to change the order marking requirements to differentiate between long, short and short-exempt orders; and
- to amend the definition of a “long sale” to require a party which is relying on a contract to purchase the security in order to create a long position to have entered into an unconditional contract with a fixed price, a fixed volume of securities and a provision for present delivery.

Any proposed changes to UMIR will be published for public comment. However, in order to assist in the development of the amendments, RS is inviting comments at this time not only on the specific amendments to UMIR outlined in this Market Integrity Notice but also on the application of the short sale rules and short position reporting requirements as presently included in UMIR.

Appendices

The text of the amendment to the Rules respecting the short sales is set out in Appendix “A”. Appendix “B” contains the text of the relevant provisions of the Rules as they would read on the adoption of the amendments. Appendix “B” also contains a marked version of the current provisions highlighting the change being introduced by the amendments.

Questions

Questions concerning this notice may be directed to:

James E. Twiss,
Senior Counsel,
Market Policy and General Counsel,
Market Regulation Services Inc.,
Suite 900,
P.O. Box 939,
145 King Street West,
Toronto, Ontario. M5H 1J8

Telephone: 416.646.7277
Fax: 416.646.7265
e-mail: james.twiss@rs.ca

ROSEMARY CHAN,
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

Appendix "A"

Universal Market Integrity Rules

Amendments Related to Short Sales

The Universal Market Integrity Rules are amended as follows:

1. Rule 1.1 is amended by adding the following definition of "Exchange-traded Fund":
"Exchange-traded Fund" means a mutual fund:
 - (a) the units of which are:
 - (i) a listed security or a quoted security, and
 - (ii) in continuous distribution in accordance with applicable securities legislation; and
 - (b) designated by the Market Regulator.
2. Rule 1.1 is amended by adding the following as clause (h) of the definition of "Short Sale":
 - (h) the settlement date or issuance date pursuant to:
 - (i) an unconditional contract to purchase,
 - (ii) a tender of a security for conversion or exchange,
 - (iii) an exercise of an option, or
 - (iv) an exercise of a right or warrantis after the date of settlement of the sale.
3. Subsection (2) of Rule 3.1 is amended by adding the following as clause (g):
 - (g) a trade in an Exchange-traded Fund.

Appendix “B”

Universal Market Integrity Rules

Text of Rule to Reflect Proposed Amendments
Related to Short Sales

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
<p>1.1 Definitions</p> <p>“Exchange-traded Fund” means a mutual fund:</p> <p>(a) the units of which are:</p> <p style="padding-left: 40px;">(i) a listed security or a quoted security, and</p> <p style="padding-left: 40px;">(ii) in continuous distribution in accordance with applicable securities legislation; and</p> <p>(b) designated by the Market Regulator.</p>	<p><u>1.1 Definitions</u></p> <p>“<u>Exchange-traded Fund</u>” means a mutual fund:</p> <p><u>(a) the units of which are:</u></p> <p style="padding-left: 40px;"><u>(i) a listed security or a quoted security, and</u></p> <p style="padding-left: 40px;"><u>(ii) in continuous distribution in accordance with applicable securities legislation; and</u></p> <p><u>(b) designated by the Market Regulator.</u></p>
<p>1.1 Definitions</p> <p>“short sale” means a sale of a security, other than a derivative instrument, which the seller does not own either directly or through an agent or trustee and, for this purpose, a seller shall be considered to own a security if the seller:</p> <p>(a) has purchased or has entered into an unconditional contract to purchase the security, but has not yet received delivery of the security;</p> <p>(b) has tendered such other security for conversion or exchange or has issued irrevocable instructions to convert or exchange such other security;</p> <p>(c) has an option to purchase the security and has exercised the option;</p> <p>(d) has a right or warrant to subscribe for the security and has exercised the right or warrant; or</p> <p>(e) is making a sale of a security that trades on a when issued basis and the seller has entered into a contract to purchase such security which is binding on both parties and subject only to the condition of issuance of distribution of the security,</p> <p>but a seller shall be considered not to own a security if:</p> <p>(f) the seller has borrowed the security to be delivered on the settlement of the trade and the seller is not otherwise considered to own the security in accordance with this definition;</p>	<p>1.1 Definitions</p> <p>“short sale” means a sale of a security, other than a derivative instrument, which the seller does not own either directly or through an agent or trustee and, for this purpose, a seller shall be considered to own a security if the seller:</p> <p>(a) has purchased or has entered into an unconditional contract to purchase the security, but has not yet received delivery of the security;</p> <p>(b) has tendered such other security for conversion or exchange or has issued irrevocable instructions to convert or exchange such other security;</p> <p>(c) has an option to purchase the security and has exercised the option;</p> <p>(d) has a right or warrant to subscribe for the security and has exercised the right or warrant; or</p> <p>(e) is making a sale of a security that trades on a when issued basis and the seller has entered into a contract to purchase such security which is binding on both parties and subject only to the condition of issuance of distribution of the security,</p> <p>but a seller shall be considered not to own a security if:</p> <p>(f) the seller has borrowed the security to be delivered on the settlement of the trade and the seller is not otherwise considered to own the security in accordance with this definition; or</p>

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
<p>(g) the security held by the seller is subject to any restriction on sale imposed by applicable securities legislation or by an Exchange or QTRS as a condition of the listing or quoting of the security; or</p> <p>(h) the settlement date or issuance date pursuant to:</p> <p>(i) an unconditional contract to purchase,</p> <p>(ii) a tender of a security for conversion or exchange,</p> <p>(iii) an exercise of an option, or</p> <p>(iv) an exercise of a right or warrant</p> <p>is after the date of settlement of the sale.</p>	<p>(g) the security held by the seller is subject to any restriction on sale imposed by applicable securities legislation or by an Exchange or QTRS as a condition of the listing or quoting of the security-; <u>or</u></p> <p><u>(h) the settlement date or issuance date pursuant to:</u></p> <p><u>(i) an unconditional contract to purchase,</u></p> <p><u>(ii) a tender of a security for conversion or exchange,</u></p> <p><u>(iii) an exercise of an option, or</u></p> <p><u>(iv) an exercise of a right or warrant</u></p> <p><u>is after the date of settlement of the sale.</u></p>
<p>3.1 Restrictions on Short Selling</p> <p>(2) A short sale of a security may be made on a marketplace at a price below the last sale price if the sale is:</p> <p>(a) a Program Trade in accordance with Marketplace Rules;</p> <p>(b) made in furtherance of the applicable Market Maker Obligations in accordance with the Marketplace Rules;</p> <p>(c) for an arbitrage account and the seller knows or has reasonable grounds to believe that an offer enabling the seller to cover the sale is then available and the seller intends to accept such offer immediately;</p> <p>(d) for the account of a derivatives market maker and is made:</p> <p>(i) in accordance with the market making obligations of the seller in connection with the security or a related security, and</p> <p>(ii) to hedge a pre-existing position in the security or a related security;</p> <p>(e) the first sale of the security on any marketplace made on an ex-dividend, ex-rights or ex-distribution basis and the price of the sale is not less than the last sale price reduced by the cash value of the dividend, right or other distribution;</p> <p>(f) the result of:</p>	<p>3.1 Restrictions on Short Selling</p> <p>(2) A short sale of a security may be made on a marketplace at a price below the last sale price if the sale is:</p> <p>(a) a Program Trade in accordance with Marketplace Rules;</p> <p>(b) made in furtherance of the applicable Market Maker Obligations in accordance with the Marketplace Rules;</p> <p>(c) for an arbitrage account and the seller knows or has reasonable grounds to believe that an offer enabling the seller to cover the sale is then available and the seller intends to accept such offer immediately;</p> <p>(d) for the account of a derivatives market maker and is made:</p> <p>(i) in accordance with the market making obligations of the seller in connection with the security or a related security, and</p> <p>(ii) to hedge a pre-existing position in the security or a related security;</p> <p>(e) the first sale of the security on any marketplace made on an ex-dividend, ex-rights or ex-distribution basis and the price of the sale is not less than the last sale price reduced by the cash value of the dividend, right or other distribution; or</p> <p>(f) the result of:</p>

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
(i) a Call Market Order, (ii) a Market-on-Close Order, or (iii) a Volume-Weighted Average Price Order; or (g) a trade in an Exchange-traded Fund.	(i) a Call Market Order, (ii) a Market-on-Close Order, or (iii) a Volume-Weighted Average Price Order; <u>or</u> (g) a trade in an Exchange-traded Fund.

13.1.4 IDA Disciplinary Hearing in the Matter of John Craig Dunn

NEWS RELEASE
For immediate release

**NOTICE TO PUBLIC: DISCIPLINARY HEARING
IN THE MATTER OF JOHN CRAIG DUNN**

April 16, 2004 (Toronto, Ontario) – The Investment Dealers Association of Canada announced today that a hearing is scheduled to commence on April 28th, 2004 before a panel of the Ontario District Council of the Association in respect of matters for which John Craig Dunn may be disciplined by the Association.

The hearing relates to allegations that between May 1993 and May 1997, Mr. Dunn, while a registered representative, and Branch Manager at the Mississauga branch office of BMO Nesbitt Burns Inc. engaged in the following:

- (a) Allowed a non registered person to act in furtherance of trades and thereby engaged in business conduct or practice unbecoming a registrant, contrary to the public interest, contrary to Association By-law 29.1;
- (b) Failed to supervise client accounts, contrary to Association By-law 29.1, Regulation 1300.2, and Policy 2;
- (c) Failed to use due diligence to ensure that the recommendations made for a client account were appropriate for the client and in keeping with the client's investment objectives, contrary Association Regulation 1300.1(c); and
- (d) Failed to provide clients with objective or unbiased information regarding their investments in Tee Comm Electronics Inc., and thereby engaged in business conduct or practice unbecoming a registrant or contrary to the public interest, contrary to By-law 29.1.

The hearing is scheduled to commence at 9:00 a.m. (or soon thereafter) on April 28, 2004, at the Association's head office located at 121 King Street West, Suite 1600, Boardroom 1, Toronto, Ontario. The hearing is open to the public except as may be required for the protection of confidential matters. Copies of the Decision of the District Council will be made available when rendered.

The Investment Dealers Association of Canada is the national self-regulatory organization and representative of the securities industry. The Association's mission is to protect investors and enhance the efficiency and competitiveness of the Canadian capital markets. The IDA enforces rules and regulations regarding the sales, business and financial practices of its Member firms.

Investigating complaints and disciplining Members are part of the IDA's regulatory role.

For further information, please contact:

Alex Popovic
Vice-President, Enforcement
(416) 943-6904 or apopovic@ida.ca

Jeff Kehoe
Director, Enforcement Litigation
(416) 943-6996 or jkehoe@ida.ca

Chapter 25

Other Information

25.1 Exemptions

25.1.1 IMA Exploration Inc. - s. 13.1 of NI 51-102

Headnote

Issuer that is listed on the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unregulated Official Market of the Berlin-Bremen Stock Exchange ordered not to be excluded from definition of "venture issuer" under National Instrument 51-102 Continuous Disclosure Obligations solely due to those listings.

Rules Cited

Section 13.1(1) of National Instrument 51-102.

**IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990,
CHAPTER S.5, AS AMENDED**

AND

**NATIONAL INSTRUMENT 51-102
CONTINUOUS DISCLOSURE OBLIGATIONS (NI 51-102)**

AND

**IN THE MATTER OF
IMA EXPLORATION INC.**

**EXEMPTION
(Section 13.1 of NI 51-102)**

UPON the Director having received an application from IMA Exploration Inc. (the Filer) for an order under section 13.1 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102) that the listing of the Filer on the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange shall not cause the Filer to be excluded from definition of "venture issuer" solely due to those listings;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission;

AND UPON the Filer having represented to the Director as follows:

1. The Filer is a corporation incorporated under the laws of British Columbia, is a reporting issuer and an exchange issuer under the *Securities Act*, R.S.B.C. 1996, c. 418 (the BC Act), is a reporting issuer under the *Securities Act*, R.S.A. 2000, c S-4

(the Alberta Act) is a reporting issuer under the *Securities Act* R.S.O. 1990, c. S5 (the Ontario Act) and is not in default of any requirement of the BC Act, the Alberta Act or the Ontario Act or the rules and regulations pertaining to those acts.

2. A "venture issuer" is defined by NI 51-102 as a reporting issuer that, as at the applicable time, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America.
3. The Filer does not fall within the definition of a venture issuer solely due to the fact that its shares are included on the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange.
4. In all other respects the Filer falls within the definition of venture issuer as provided by NI 51-102.
5. The shares of the Filer were included in the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange as the result of applications received from the brokerage firm BSM Wertpapierhandels GMBH ("BSM") not from the Filer.
6. The Filer was not aware that BSM made applications to include the Filer in the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange.
7. The Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange do not have any ongoing disclosure requirements nor any minimum listing requirements nor any maintenance requirements.
8. No securities of the Filer are listed or quoted on any marketplace, as that term is defined in NI 51-102 (Marketplace), other than the Regulated Unofficial Market of the Frankfurt Stock Exchange and the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange.

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS THE DECISION of the Director, under section 13.1 of NI 51-102, that the requirement in the definition of venture issuer in NI 51-102, that an issuer not, at the relevant time, have any of its securities listed or quoted on a Marketplace outside of Canada and the United States of America, does not apply to the Filer for so long as securities of the Filer are only listed or quoted on the Regulated Unofficial Market of the Frankfurt Stock Exchange or the Unofficial Regulated Market of the Berlin-Bremen Stock Exchange.

April 15, 2004.

“Charlie MacCready”

25.1.2 Pebercan Inc. - s. 3.2 of NI 51-101

Headnote

Exemption from National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities - Exemption granted from s. 3.2 to the extent that it requires qualified reserves evaluator to be a member of a professional organization – reserves evaluator a member of the Portuguese Society of Engineers.

Rules Cited

National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, CHAPTER S.5, AS AMENDED**

AND

**IN THE MATTER OF
NATIONAL INSTRUMENT 51-101
STANDARDS OF DISCLOSURE FOR OIL
AND GAS ACTIVITIES (“NI 51-101”)**

AND

**IN THE MATTER OF
PEBERCAN INC.**

**EXEMPTION
(Part 8.1 NI 51-101)**

WHEREAS the Director of the Ontario Securities Commission (the “Director”) has received an application (the “**Application**”) under Part 8.1 of NI 51-101 from Pebercan Inc. (“**Pebercan**”) for an exemption from section 3.2 of NI 51-101 to the extent that it requires the qualified reserves evaluator appointed by Pebercan to be a member of a professional organization as defined in NI 51-101;

AND WHEREAS the Director has considered the Application and staff’s recommendation;

AND WHEREAS Pebercan has represented to the Director that:

1. Pebercan is a reporting issuer in Quebec and Ontario. Its head office is located at 507 Place d’Armes, Suite 1900, Montreal, Quebec. Pebercan, through its wholly-owned subsidiary Peberco Limited, holds exclusive oil and gas exploration and development rights on five onshore permits located in the Republic of Cuba. Pebercan does not currently possess any other oil and gas interests.
2. NI-51-101 is not yet in force in Quebec. Consequently, Pebercan is seeking an exemption in Ontario only.

Other Information

3. Pebercan intends to appoint Mr. Victor Alcobia ("Mr. Alcobia") as its reserves evaluator. Mr. Alcobia is a senior reservoir engineer at BEICIP-FRANLAB, a firm of Petroleum Consultants based in France. BEICIP-FRANLAB is the consulting branch of the French Institute of Petroleum.
4. Mr. Alcobia is independent of Pebercan, as defined in NI 51-101.
5. For the fiscal year ended December 31, 2002, Pebercan retained Mr. Alcobia as its reserves evaluator.
6. Mr. Alcobia was retained for several reasons including his specific knowledge and experience of Cuban petroleum geology gained through his work at BEICIP-FRANLAB.
7. BEICIP-FRANLAB has been involved for more than 15 years in Cuban petroleum geology in several fields of research such as field and petroleum geology, reservoir engineering, and technical training.
8. Pebercan intends to appoint Mr. Alcobia as its reserves evaluator for the fiscal year ended December 31, 2003. The appointment of Mr. Alcobia would ensure continuity and avoid additional costs related to the appointment of a new qualified reserves evaluator, as defined in NI 51-101, who is not familiar with Pebercan's properties and Cuban geology.
9. Mr Alcobia is not a member of a professional organization, as defined in NI 51-101, because there are no such professional organizations in Europe.
10. Mr. Alcobia is a member in good standing of the Portuguese Society of Engineers ("PSE"). PSE meets items i), ii) and iii) of the definition of professional organization under NI 51-101, but not item iv).
11. Mr. Alcobia possesses the necessary qualifications and experience outlined in the Canadian Oil and Gas Evaluation (COGE) Handbook, Volume 1, prepared by the Society of Petroleum Evaluation Engineers and the Canadian Institute of Mining, Metallurgy & Petroleum.
12. Mr. Alcobia, as a reservoir engineer, has been conducting reserves evaluations for more than 20 years.
13. Mr. Alcobia's qualifications, as a senior reservoir engineer, are supported and confirmed by three qualified and experienced sponsors who attest to his experience and qualifications.
14. Mr. Alcobia is familiar with the requirements of NI 51-101 and will conduct Pebercan's reserves evaluation in accordance with the COGE Handbook.

AND WHEREAS the Director is satisfied that to do so would not be prejudicial to the public interest;

THE DIRECTOR HAS DECIDED THAT Pebercan is exempt from part 3.2 of NI 51-101 to the extent that it requires the qualified reserves evaluator appointed by Pebercan to be a member of a professional organization as defined in NI 51-101 for so long as:

 1. Pebercan appoints Mr. Alcobia as its reserves evaluator and complies with the other provisions of NI 51-101 that refer to a qualified reserves evaluator by using Mr. Alcobia;
 2. Mr. Alcobia remains a member in good standing of the PSE; and
 3. the Director does not advise Pebercan in writing that Pebercan's reserves reporting, or the underlying evaluation report upon which Pebercan's disclosure is based, is not materially compliant with the COGE Handbook.

March 3, 2004.

"Iva Vranic"

25.1.3 Lafarge Canada Inc. - s. 6.1 of OSC Rule 13-502

Headnote

The subsidiary of issuer exempt from requirement to pay participation fee, subject to conditions.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am.

Rules Cited

OSC Rule 13-502 Fees (2003), 26 O.S.C.B. 890.

**IN THE MATTER OF
THE SECURITIES ACT R.S.O. 1990, C. S.5,
AS AMENDED**

AND

**ONTARIO SECURITIES COMMISSION RULE 13-502
FEES (the "Fee Rule")**

AND

**IN THE MATTER OF
LAFARGE NORTH AMERICA INC. AND
LAFARGE CANADA INC.**

**EXEMPTION
(Section 6.1 of the Fee Rule)**

UPON the Director having received an application (the Application) from Lafarge North America Inc. (the Applicant or Lafarge North America), on its own behalf and on behalf of Lafarge Canada Inc. (Lafarge Canada), seeking a decision pursuant to section 6.1 of the Fee Rule exempting Lafarge Canada from the requirement in section 2.2 of the Fee Rule to pay a participation fee;

AND UPON considering the Application and the recommendation of the staff of the Ontario Securities Commission;

AND UPON the Applicant having represented to the Director as follows:

1. Lafarge North America was incorporated under the laws of the State of Maryland in 1977. Its principal executive offices are located at 12950 Worldgate Drive, suite 500, Herndon, Virginia.
2. The authorized capital of Lafarge North America consists of (i) up to 150,000,000 shares of common stock, par value \$1.00 per share (the Common Stock), and (ii) 30,000,000 shares of voting stock, par value \$0.0001 per share (the Voting Stock). As of February 20, 2004, Lafarge North America had 69,708,627 shares of Common Stock, and 4,572,080 shares of Voting Stock outstanding.

3. Lafarge North America is subject to the United States *Securities Exchange Act of 1934*, as amended. Lafarge North America is a reporting issuer (or equivalent) in British Columbia, Alberta, Saskatchewan, Manitoba Ontario, Québec, Nova Scotia, and Newfoundland and is not on the list of reporting issuers in default in any of those jurisdictions.
4. The Lafarge North America shares of Common Stock are listed and posted for trading on the New York Stock Exchange and the Toronto Stock Exchange.
5. Lafarge Canada is a corporation governed by the Canada Business Corporations Act. Its head office is located at 606 Cathcart Street, Suite 900, Montréal, Québec H3B 1L7.
6. The authorized capital of Lafarge Canada consists of (i) an unlimited number of common shares and (ii) 15,698,252 Exchangeable Preference Shares (Exchangeable Shares). As of February 29, 2004, 16,384,202 common shares and 4,572,080 Exchangeable Shares were outstanding. All of Lafarge Canada Inc.'s common shares are held by Lafarge North America.
7. Lafarge Canada is a reporting issuer (or equivalent) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec and Nova Scotia and is not on the list of reporting issuers in default in any of those jurisdictions.
8. The Exchangeable Shares are listed and posted for trading on the Toronto Stock Exchange.
9. Each Exchangeable Share provides the holder thereof with the economic and voting equivalent, to the extent practicable, of one Lafarge North America share of Common Stock and the holders of Exchangeable Shares receive the same continuous disclosure and other information that Lafarge North America provides to holders of Lafarge North America shares of Common Stock.
10. On May 30, 2000, Lafarge Canada obtained an order (the Prior Order) under the mutual reliance review system exempting Lafarge Canada from, among other things, the requirement to issue a press release and file a report upon the occurrence of a material change, to file and deliver interim and annual financial statements and to file and deliver an information circular or analogous report (the Lafarge Canada Continuous Disclosure Requirements), subject to certain conditions.
11. Lafarge Canada has no intention of accessing the capital markets in the future by issuing to the public any further securities of Lafarge Canada other than possibly Exchangeable Shares.

12. After March 30, 2004, Lafarge Canada intends to rely on the exemption at Section 13.3 of National Instrument 51-102 for exchangeable securities in order to continue to be exempted from Lafarge Canada Continuous Disclosure Requirements.

AND UPON the Director being satisfied that to do so would not be prejudicial to the public interest;

IT IS THE DECISION of the Director, pursuant to section 6.1 of the Fee Rule, that Lafarge Canada is exempt from the requirement in section 2.2 of the Fee Rule to pay a participation fee for each of its financial years, for so long as:

- a) Lafarge Canada continues to be exempt from the Lafarge Canada Continuous Disclosure Requirements,
- b) all of the equity securities of Lafarge Canada (other than the Exchangeable Shares) continue to be held beneficially, directly or indirectly by, or remain under the control of, Lafarge North America,
- c) Lafarge North America is a reporting issuer in Ontario,
- d) Lafarge North America has paid its participation fee pursuant to section 2.2 of the Fee Rule, and in calculating such fee, has included the market value of the Exchangeable Shares of Lafarge Canada outstanding at the relevant time, and
- e) Lafarge Canada does not issue to the public any securities of Lafarge Canada other than the Exchangeable Shares.

provided further that upon any issuance of securities other than the Exchangeable Shares of Lafarge Canada to the public, a participation fee shall be immediately paid by Lafarge Canada in respect of the financial year during which such securities are issued (such fee to be pro rated to reflect the number of entire months remaining in such financial year) and in respect of subsequent financial years during which such securities remain outstanding.

April 12, 2004.

“Charlie MacCready”

25.2 Consents

25.2.1 PL Internet Inc. - ss. 4(b) of Reg. 289

Headnote

Consent given to an OBCA Corporation to continue under the laws of Canada.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., 181.

Securities Act, R.S.O. 1990, c. S.5., as am.

Regulations Cited

Regulation made under the Business Corporations Act, Ont. Reg. 289/00, ss. 4(b).

**IN THE MATTER OF
ONT. REG. 289/00
(THE "REGULATION") MADE UNDER
THE BUSINESS CORPORATIONS ACT
R.S.O. 1990, c. B. 16**

AND

**IN THE MATTER OF
PL INTERNET INC.**

**CONSENT
(Subsection 4(b) of the Regulation)**

UPON the application of PL Internet Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission for the Applicant to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

AND UPON considering the Application and the recommendation of the staff of the Commission;

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation existing under the OBCA by virtue of an amalgamation thereunder on December 31, 1999;
2. Pursuant to Articles of Arrangement dated May 24, 2000, the Application changed its name from Pelangio-Larder Mines, Limited to PL Internet Inc.;
3. The Applicant is an offering corporation under the provisions of the OBCA;
4. The Applicant proposes to make an application (the "Application for Continuance") to the Director under section 181 of the *Business Corporations Act* (Ontario) ("OBCA") for authorization to continue as a corporation under the *Business Corporations Act* (New Brunswick) (the "NBBCA");

5. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission;
6. The Applicant is a reporting issuer within the meaning of the *Securities Act* (Ontario) (the "Act");
7. The Applicant is a reporting issuer only in Ontario;
8. The Applicant currently intends to continue to be a reporting issuer under the Act;
9. The Applicant is not in default of any requirements of the Act or the regulations or rules promulgated thereunder;
10. The Applicant is not a party to any proceeding or to the best of its knowledge, information and belief, any pending proceeding under the Act;
11. The authorized capital of the Applicant consists of an unlimited number of common shares of which approximately 7,849,410 are outstanding as of April 2, 2004;
12. None of the securities of the Applicant are listed or quoted on any stock exchange or market in Canada or elsewhere;
13. The Applicant's continuance under the provisions of the NBBCA is to be submitted for approval at an annual and special meeting of shareholders of the Applicant proposed to be held on, or about, May 7, 2004 (the "Meeting").
14. The Applicant will not submit the Application for Continuance to the Director under the OBCA unless shareholder approval is obtained at the Meeting.
15. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date of the Meeting are entitled to dissent rights with respect to the Application for Continuance (the "Dissent Rights").
16. The management information circular dated April 2, 2004 (the "Circular") provided to all shareholders in connection with the Meeting, advised the holders of common shares of the Applicant of their Dissent Rights.
17. The principal reason for the Application for Continuance is to allow the Applicant to avail itself of the greater flexibility provided by the NBBCA with respect to the residency of directors; and
18. The material rights, duties and obligations of a corporation governed by the NBBCA are substantially similar to those of a corporation governed by the OBCA.

Other Information

AND UPON the Commission being satisfied that to do so would not be prejudicial to the public interest;

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the NBBCA.

April 16, 2004.

“Paul M. Moore”

“Susan Wolburgh Jenah”

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