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with the

## Facing the Issues

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The Ontario Securities Commission

# OSC Bulletin

October 15, 2004

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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

OCTOBER 15, 2004

#### CURRENT PROCEEDINGS

BEFORE

#### ONTARIO SECURITIES COMMISSION

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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  
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20 Queen Street West  
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

### SCHEDULED OSC HEARINGS

October 18 to 22, 2004 **ATI Technologies Inc., Kwok Yuen Ho, Betty Ho, JoAnne Chang, David Stone, Mary de La Torre, Alan Rae and Sally Daub**

November 2, 3, 5, 8, 10-12, 15, 17, 19, 2004 s. 127

10:00 a.m. M. Britton in attendance for Staff

Panel: SWJ/HLM/MTM

October 27, 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

November 15 to 19, 2004 **Robert Cassels, Murray Hault Pollitt, Pollitt & Co. Inc.**

10:00 a.m. s. 127

J. Naster in attendance for Staff

Panel: TBA

October 31, 2004 (on or about) **Mark E. Valentine**

10:00 a.m. s. 127

A. Clark in attendance for Staff

Panel: TBA

November 24-25, 2004 **Brian Peter Verbeek and Lloyd Hutchison Ebenezer Bruce**

10:00 a.m. s. 127

K. Manarin in attendance for Staff

Panel: TBA

November 26, 2004  
10:00 a.m.

**Andrew Currah, Colin Halanen,  
Joseph Damm, Nicholas Weir,  
Penny Currah and Warren Hawkins**

**S. B. McLaughlin**

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

s. 127

J. Waechter in attendance for Staff

Panel: TBA

December 6 – 10, 2004

**Brian Peter Verbeek** and Lloyd  
Hutchison Ebenezer Bruce

10:00 a.m. s. 127

K. Manarin in attendance for Staff

Panel: TBA

January 17 – 21, 2005

**Cornwall *et al***

10:00 a.m.

s. 127

K. Manarin in attendance for Staff

Panel: HLM/RWD/ST

January 24 to  
March 4, 2005,  
except Tuesdays  
and April 11 to  
May 13, 2005,  
except Tuesdays

**Philip Services Corp. *et al***

s. 127

K. Manarin in attendance for Staff

Panel: PMM/RWD/ST

10:00 a.m.

May 30, June 1, 2,  
3, 6, 7, 8, 9 and  
10, 2005

**Buckingham Securities  
Corporation, David Bromberg\*,  
Norman Frydrych, Lloyd Bruce and  
Miller Bernstein & Partners LLP  
(formerly known as Miller Bernstein  
& Partners)**

10:00 a.m.

s. 127

J. Superina in attendance for Staff

Panel: TBA

\* David Bromberg settled April  
20, 2004

**ADJOURNED SINE DIE**

**Global Privacy Management Trust and Robert  
Cranston**

**Robert Walter Harris**

**Andrew Keith Lech**



**1.1.2 CSA Staff Notice 52-308, Status of Proposed Instrument Regarding Reporting on Internal Control over Financial Reporting**

**CANADIAN SECURITIES ADMINISTRATORS STAFF  
NOTICE 52-308**

**STATUS OF PROPOSED INSTRUMENT REGARDING  
REPORTING ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING**

**Introduction**

On January 16, 2004, the members of the Canadian Securities Administrators, other than British Columbia (the participating CSA jurisdictions), published a notice in respect of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (the Certification Instrument) in which the participating CSA jurisdictions indicated they were currently developing, as a separate CSA initiative, a proposed instrument that would require a report on management's assessment of an issuer's internal control over financial reporting (the Proposed Instrument). The participating CSA jurisdictions also indicated that they were evaluating the extent to which auditor attestation to that report should be required.

**Status of the Proposed Instrument**

Staff of the participating CSA jurisdictions (staff) are issuing this notice to provide an update to market participants on the status of the Proposed Instrument and to assist reporting issuers in planning their continuous disclosure.

Staff believe it is critical for our markets that all Canadian reporting issuers have sound internal control over financial reporting. Staff are continuing to develop the Proposed Instrument and, in doing so, are evaluating the extent to which it is necessary or appropriate for the Proposed Instrument to parallel the U.S. Securities and Exchange Commission's rules implementing the requirements of section 404 of the *Sarbanes-Oxley Act of 2002* (the SOX 404 Rules). Under the SOX 404 Rules:

- Management must, on an annual basis, evaluate the issuer's internal control over financial reporting against a suitable control framework, report on its assessment of the effectiveness of internal control over financial reporting and disclose, among other things, all material weaknesses in internal control over financial reporting; and
- The issuer's auditors must express an opinion on management's assessment of internal control over financial reporting in accordance with the U.S. Public Company Accounting Oversight Board's audit standard for internal control audit engagements.

In developing the Proposed Instrument, staff are consulting with a wide range of groups, including: reporting issuers in Canada (including issuers that are SEC registrants and subject to the SOX 404 Rules), audit firms and legal advisers to reporting issuers, internal control consultants, a control framework expert and investor groups.

Staff intend to present the Proposed Instrument to their respective securities regulatory authorities in late 2004. If the Proposed Instrument is approved by the securities regulatory authorities, it will be published for public comment in late 2004 or early 2005.

The effective date and scope of application of the Proposed Instrument have not been finalized yet; however, those staff seeking authority from their respective securities regulatory authorities to publish the Proposed Instrument for public comment will recommend that the *earliest* the Proposed Instrument should apply is in respect of financial years ending on or after June 30, 2006. Staff are conscious of the need to provide adequate time for an orderly implementation that achieves the objectives of the Proposed Instrument, taking into account concerns about the cost and limited availability of appropriate expertise, both within reporting issuers and among external advisors and auditors. Staff are also considering whether implementation of the Proposed Instrument should be deferred for certain issuers and whether certain issuers should be exempt from the Proposed Instrument.

**Implications for the Certification Instrument**

Staff are currently reviewing the implications of the recommended implementation date of the Proposed Instrument for the Certification Instrument and the requirement to file "full certificates". At this time, no decision has been made to extend the period during which "bare certificates" may be filed.

Staff will provide more information on the proposed effective date and scope of application of the Proposed Instrument and any resulting changes to the Certification Instrument in a subsequent notice.

**Questions**

Please refer your questions to any of the following people:

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**Manitoba Securities Commission**  
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Director  
Corporate Finance  
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bbouchard@gov.mb.ca

October 15, 2004.

**1.1.3 OSC Staff Notice 15-703, Guidelines for Staff Disclosure of Investigations**

**ONTARIO SECURITIES COMMISSION STAFF NOTICE  
15-703**

**GUIDELINES FOR STAFF DISCLOSURE  
OF INVESTIGATIONS**

**1. Purpose**

The purpose of this Staff Notice is to inform the public of the guidelines used to determine whether investigations ought to be disclosed by OSC Staff.

**2. Background**

In the ordinary course, OSC Staff do not publicly disclose the existence of an investigation or details regarding an investigation. Some investigations may be compromised if disclosure is made before the Enforcement Branch has an opportunity to carry out its work. Confidentiality of the investigation minimizes this risk. In addition, confidentiality minimizes potential harm to the reputations of those to whom the investigation relates if no proceedings are taken.

However, public confirmation of the existence or nature of an investigation will provide investors with information that may be useful in assessing the risks of certain investments. Such confirmation may also serve to foster confidence in the capital markets by affirming that enforcement action is being taken in relation to potential breaches of the *Securities Act* or conduct contrary to the public interest. Therefore, there are cases where the value in disclosing the existence of an investigation will outweigh any risks associated with disclosure.

**3. Definitions**

Among the various branches at the OSC, a variety of reviews and investigations take place. For example, reviews are conducted from a compliance perspective and from a continuous disclosure perspective. This Guideline does not apply to such reviews.

For the purpose of this Guideline, "investigations" to be disclosed shall refer to investigations conducted by the Enforcement Branch. When Enforcement Staff are consulted or participate in reviews by other branches, this Guideline shall not apply until such time as the matter has reached a stage where Enforcement Staff have primary carriage of the matter. All matters in Enforcement, including those which start at the Case Assessment or Surveillance units, are considered to be investigations, whether or not a section 11 Investigation Order has been made.

**4. Disclosure Obligations**

Nothing in this Guideline should be construed to restrict or minimize an issuer's obligation to disclose information in accordance with securities law or relevant exchange requirements.

**5. General Rule**

In most circumstances, there will be no public disclosure by OSC Staff of information about an on-going or a closed investigation. This approach is based primarily on the following factors:

- Potential prejudice to the investigation;
- Potential prejudice to those who are under investigation;
- Confidentiality restrictions imposed by section 16 of the Securities Act.

**6. Exceptions**

In certain circumstances, OSC Staff may notify the market participant that the existence and nature of an investigation by the OSC ought to be disclosed. Subject to exceptional circumstances as referenced in paragraph 7, the market participant will be given an opportunity to disclose the existence and nature of the investigation, failing which OSC Staff may choose to do so. The circumstances include:

- (i) Investor protection outweighs factors favouring non-disclosure. This may occur where there appears to be credible evidence, for example, of fraudulent behaviour such as an ongoing scam, and where non-disclosure would result in losses to investors. Investor protection may also be engaged where information gathered about a market participant during an investigation reaches a level where lack of disclosure of the investigation may be prejudicial to investors.
- (ii) Where criminal law authorities are investigating a market participant for possible criminal misconduct at the same time as a related OSC investigation, disclosure of the OSC investigation may be appropriate to assist investors in making informed investment decisions.
- (iii) The investigation relates to conduct or issues which are substantially in the public domain and there are credible allegations which engage the enforcement jurisdiction of the OSC. Confidence in the capital markets may be

harmful by failure to confirm that the matter is under regulatory consideration.

- (iv) Where it has been disclosed that another regulator or law enforcement agency has an investigation related to the market participant, then an OSC investigation on the same or similar issues may also be disclosed.
- (v) In addition to the above, where a market participant has disclosed an OSC investigation, OSC Staff may confirm the investigation. Secondly, where a market participant has disclosed the fact and/or nature of an investigation by the OSC and what has been disclosed is misleading or inaccurate, OSC Staff may disclose accurate information about the investigation. Similarly, if the market participant has publicly denied the existence of an investigation, disclosure by OSC Staff may be appropriate to correct the public record.

**7. Opportunity for the Market Participant to Disclose**

Absent exceptional circumstances, the market participant will be given an opportunity to make an announcement about the investigation before OSC Staff take any steps to disclose the investigation.

**8. Application of s. 16 of the Act**

Disclosure must not be made which will contravene the provisions of section 16 of the Act. Section 16 provides as follows:

**Non-disclosure**

- 16. (1)** Except in accordance with section 17, no person or company shall disclose at any time, except to his, her or its counsel,
  - (a) the nature or content of an order under section 11 or 12; or
  - (b) the name of any person examined or sought to be examined under section 13, any testimony given under section 13, any information obtained under section 13, the nature or content of any questions asked under section 13, the nature or content of any demands for the production of any document or other thing under section 13, or the fact that any document or other thing was produced under section 13. 1994, c. 11, s. 358.

In most circumstances, the fact of an order under section 11 or 12 does not prohibit an issuer or OSC Staff from disclosing the existence of an investigation.

**9. Notice if No Proceedings Are Taken**

At the completion of an investigation which has been publicly disclosed, if no proceedings are to be taken, OSC Staff will notify the market participant and other relevant parties of this fact.

**1.3 News Releases**

**1.3.1 OSC Proceedings Against Former Senior Officers of Atlas Cold Storage Income Trust Adjourned to November 29, 2004**

**FOR IMMEDIATE RELEASE  
October 7, 2004**

**OSC PROCEEDINGS AGAINST FORMER SENIOR OFFICERS OF ATLAS COLD STORAGE INCOME TRUST ADJOURNED TO NOVEMBER 29, 2004**

**TORONTO** – At an appearance today at the Ontario Court of Justice at Old City Hall, the proceedings commenced by the Ontario Securities Commission (OSC) against former senior officers of Atlas Cold Storage Income Trust were adjourned to November 29, 2004 at 9:00 a.m. in Court Room 111 for a continuation of the Judicial Pre-Trial Conference.

On June 3, 2004, the OSC commenced proceedings against Patrick Gouveia, Ronald Perryman and Paul Vickery for violations of the Ontario *Securities Act*. Information on the proceedings is summarized in an OSC news release issued on June 3, 2004 available on the OSC Website.

The Commission also issued a Notice of Hearing and Staff of the Commission filed a Statement of Allegations with the Commission in relation to the filing of misleading financial statements as alleged in the quasi-criminal proceedings. These documents are available on the OSC Website [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

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Manager, Media Relations  
416-595-8913

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

**1.3.2 David L. Knight Appointed to the Ontario Securities Commission**

**FOR IMMEDIATE RELEASE  
October 12, 2004**

**DAVID L. KNIGHT APPOINTED TO THE ONTARIO SECURITIES COMMISSION**

**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)

**TORONTO** – The Ontario Securities Commission (OSC) announced today the appointment of David L. Knight, FCA, as Commissioner, bringing the Commission to a total of 12 members. Mr. Knight, appointed by Order in Council for a three year term, is a member of the Commission's Audit and Finance Committee.

“Mr. Knight’s expertise and experience will serve us well in rounding out the qualifications around the Commissioners’ table as we continue to oversee and supervise the regulation of our capital markets to ensure they remain fair and efficient,” said David Brown, OSC Chair. “The breadth of knowledge our Commissioners have is quite impressive, and we are fortunate to have attracted a candidate with the stature of Mr. Knight to join us.”

Mr. Knight was Vice-Chairman at the accounting firm, KPMG LLP (Canada) for over a decade. In 2000, he took on a senior professional standards role with KPMG International where, among other activities, he led a team participating in the process of setting and gaining acceptance of International Accounting Standards and International Standards on Auditing. Mr. Knight retired from KPMG a year ago.

Mr. Knight became a Chartered Accountant and a member of the Institute of Chartered Accountants of Ontario (ICAO) in 1962. He was elected as a Fellow of the ICAO in 1985 in recognition of his professional accomplishments and service to the accounting profession and society.

During his 46-year career in public accounting, Mr. Knight chaired committees and task forces which dealt with a wide range of matters including professional standards-setting, risk management, partnership governance, the use of computer technology in auditing and quality review of professional work.

His numerous activities in the public sector include membership on the Ontario Financial Review Commission in 1995 and again in 2000, and his six-year membership on the Advisory Committee to the Provincial Auditor for the Province of Ontario from 1993 to 1999. He was awarded the Queen’s Golden Jubilee Medal in 2002 in recognition of his community service activities and serves as the National Chairman of the Multiple Sclerosis Society of Canada and as a member of the Board of the Multiple Sclerosis International Federation.

The Ontario Securities Commission is the regulatory body responsible for overseeing the securities industry in Ontario. Its purposes are to provide protection to investors from unfair, improper or fraudulent practices, and to foster fair and efficient capital markets.

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## Chapter 2

# Decisions, Orders and Rulings

## 2.1 Decisions

### 2.1.1 Ultima Energy Trust - 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.

#### Citation

Ultima Energy Trust, 2004 ABASC 1014

**September 30, 2004**

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

**AND**

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

**AND**

**IN THE MATTER OF  
ULTIMA ENERGY TRUST**

**MRRS DECISION DOCUMENT**

#### Background

1. The local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received application from Ultima Energy Trust ("Ultima" or the "Issuer") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that Ultima be deemed to have ceased to be a reporting issuer or the equivalent under the Legislation;
2. Under the Mutual Reliance Review Systems for Exemptive Relief Application

2.1 the Alberta Securities Commission is the Principal Regulator for this application, and

2.2 this MRRS decision document evidences the decision of each Decision Maker.

#### Interpretation

3. Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

#### Representations

4. This decision is based on the following facts represented by Ultima Energy Trust:

4.1 Effective June 16, 2004, Petrofund Energy Trust ("Petrofund") and Ultima completed a Transaction (the "Transaction") whereby Petrofund acquired all of the issued and outstanding units of Ultima.

4.2 The transaction was approved by the unitholders of Ultima at a Special Meeting held on June 4, 2004, and was completed on June 15, 2004. Ultima remains a wholly owned subsidiary of Petrofund.

4.3 Pursuant to the Transaction Ultima unitholders received 0.442 of a Petrofund unit for each Ultima unit held. The value of the Transaction was approximately \$500 million based on Petrofund's closing price on June 15, 2004 and Ultima's negative working capital and debt obligations as of March 31, 2004.

#### Decision

5. Each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision have been met.
6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:
  - 6.1.1 the outstanding securities of the Issuer, including debt securities are beneficially owned directly or indirectly by less than 15 securityholders in any one jurisdiction

- in Canada and less than 51 securityholders in Canada, are held by one shareholder, Acclaim;
- 6.1.2 no securities of the Issuer are traded on a marketplace as defined in National Instrument 12-101 – Marketplace Operation;
- 6.1.3 the Issuer is applying for relief to cease to be a reporting issuer in all the jurisdictions in Canada in which it is currently a reporting issuer; and
- 6.1.4 the Issuer is not in default of any obligations under the Legislation as a reporting issuer other than the requirement to file its interim financial statements for the three month period ended June 30, 2004.

“Patricia M. Johnston, Q.C.”  
Director, Legal Services & Policy Development  
Alberta Securities Commission

## 2.1.2 The American Institute of Professional Geologists (AIPG) - MRRS Decision

### Headnote

Mutual Reliance Review System: Acceptance of American Institute of Professional Geologists as a "professional organization" under NI 51-101.

### Applicable National Instrument

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities – section 1.1(w)(iv)(B).

### Citation

The American Institute of Professional Geologists, 2004 ABASC 1025

October 4, 2004

IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, ALBERTA,  
SASKATCHEWAN, MANITOBA,  
ONTARIO, NOVA SCOTIA, NEW BRUNSWICK,  
NEWFOUNDLAND AND LABRADOR, YUKON,  
NORTHWEST TERRITORIES AND NUNAVUT

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  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS

AND

IN THE MATTER OF  
THE AMERICAN INSTITUTE OF  
PROFESSIONAL GEOLOGISTS  
(AIPG) AND ITS MEMBERS WHO ARE  
CERTIFIED PROFESSIONAL GEOLOGISTS

### MRRS DECISION DOCUMENT

### Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Newfoundland and Labrador, Yukon, Northwest Territories, and Nunavut (the Jurisdictions) has received the recommendation of the Canadian Securities Administrators staff committee responsible for NI 51-101 that the Decision Maker



accept the AIPG as a "professional organization" under NI 51-101, but only for those members of AIPG who are AIPG Certified Professional Geologists in good standing (the Requested Relief).

2. Under the Mutual Reliance Review System for Exemptive Applications:

2.1 the Alberta Securities Commission is the principal regulator for this application, and

2.2 this MRRS Decision Document evidences the decision of each Decision Maker.

6.2 require Certified Professional Geologists to comply with the professional standards of competence and ethics prescribed by the AIPG that are relevant to the estimation, evaluation, review or audit of reserves data; and

6.3 have disciplinary powers, including the power to suspend or expel a Certified Professional Geologist.

"Glenda A. Campbell, Q.C."  
Vice-Chair  
Alberta Securities Commission

"James A. Millard, Q.C."  
Member  
Alberta Securities Commission

**Interpretation**

3. Defined terms contained in National Instrument 14-101 Definitions or in Appendix 1 of Companion Policy 51-101CP have the same meaning in this decision unless they are defined in this decision.

**Representations**

This decision is based on the following facts represented by AIPG:

4.1 the AIPG has provided copies of the AIPG's Bylaws, Code of Ethics, and Disciplinary Procedures that establish that, for AIPG members who qualify as Certified Professional Geologists, the AIPG

4.1.1 admits members primarily on the basis of their educational qualifications;

4.1.2 requires its members to comply with the professional standards of competence and ethics prescribed by the AIPG that are relevant to the estimation, evaluation, review or audit of reserves data; and

4.1.3 has disciplinary powers, including the power to suspend or expel a member.

**Decision**

5. 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 under the Legislation is that the Requested Relief is granted for so long as the AIPG continues to:

6.1 admit members as Certified Professional Geologists primarily on the basis of their educational qualifications;

**2.1.3 Armtec Infrastructure Income Fund - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement to file certain financial statements with a business acquisition report provided that the business acquisition report will include the financial statements pertaining to the acquired business that were included in a final prospectus.

**Rules Cited**

National Instrument 51-102 – Continuous Disclosure Obligations, Part 8.

**October 6, 2004**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF ALBERTA, SASKATCHEWAN, MANITOBA,  
ONTARIO, QUÉBEC, NEW BRUNSWICK, NOVA SCOTIA  
AND NEWFOUNDLAND AND LABRADOR  
(the Jurisdictions)**

**AND**

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

**AND**

**IN THE MATTER OF  
ARMTEC INFRASTRUCTURE INCOME FUND (the Filer)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for: (i) a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement that certain financial statements prescribed by section 8.4 of National Instrument 51-102 (NI 51-102) be filed with the business acquisition report prepared by the Filer in connection with the Filer's acquisition of all of the securities and assets of Armtec Holdings Limited (Armtec) and (ii) in Quebec, for a revision of the general order that will provide the same result as an exemption order (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

**Representations**

This decision is based on the following facts represented by the Filer:

1. The Filer is a trust established and governed pursuant to a declaration of trust dated June 15, 2004, as amended and restated on July 27, 2004.
2. The Filer's head office is located at 15 Campbell Road, Guelph, Ontario N1H 6H1.
3. The Filer is a reporting issuer, or the equivalent, in each of the Jurisdictions and, to the best of its knowledge, is currently not in default of any applicable requirements under the Legislation.
4. Although the Filer is also a reporting issuer, or the equivalent, in Prince Edward Island, an application is not being made to the securities regulatory authority in this province as NI 51-102 has not been adopted in this jurisdiction.
5. Although the Filer is also a reporting issuer in British Columbia, an application is not being made in this province as BC Implementing Rule 51-801 exempts issuers from Part 8 of NI 51-102 in British Columbia.
6. On June 18, 2004, the Filer filed a preliminary prospectus (the Preliminary Prospectus) in all of the provinces of Canada in connection with the initial public offering (IPO) of trust units (Units) of the Filer. The proceeds of the IPO were intended to finance the acquisition (the Acquisition) of all of the securities and assets of Armtec.
7. On July 19, 2004, the Filer filed its final prospectus (the Prospectus) in all of the provinces of Canada in connection with the IPO, qualifying 9,015,000 Units for total gross proceeds of CDN\$90,150,000.
8. On July 27, 2004, the Filer completed the IPO and the Acquisition.
9. The Units are listed on the Toronto Stock Exchange. As at the date hereof, the Filer has 9,015,000 Units issued and outstanding.
10. The Acquisition constitutes a "significant acquisition" of the Filer for the purposes of NI 51-102, requiring the Filer to file a business acquisition report on or before October 10, 2004 pursuant to section 8.2 of NI 51-102.

11. Ontario Securities Commission Rule 41-501, and the equivalent thereof of the other provincial securities regulatory authorities (collectively, the Rules) set out the financial statements required to be included in a prospectus, including financial statements relating to "significant acquisitions".
12. Compliance with the financial statement requirements in the Rules does not necessarily satisfy the financial statement requirements in section 8.4 of NI 51-102.
13. The Prospectus was filed 8 days prior to the closing of the Acquisition. Both the Preliminary Prospectus and the Prospectus included consolidated financial statements of Armtec for the four months ended April 30, 2004 and 2003 (unaudited), the years ended December 31, 2003 and 2002 (audited), the period from August 17, 2001 to December 31, 2001 (audited) and the period from January 1, 2001 to August 16, 2001 (unaudited) and the pro forma financial statements of the Filer as at and for the four months ended April 30, 2004 (unaudited) and the year ended December 31, 2003 (unaudited) (collectively, the Prospectus Financial Statements).

**Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation 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 Requested Relief is granted provided that the business acquisition report filed by the Filer includes the Prospectus Financial Statements.

"Iva Vranic"  
Manager, Corporate Finance  
Ontario Securities Commission

**2.1.4 J. Giordano Securities LLC - ss. 6.1(1) of MI 31-102 and s. 6.1 of OSC Rule 13-502**

**Headnote**

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

**Rules Cited**

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.  
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

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

**AND**

**IN THE MATTER OF  
J. GIORDANO SECURITIES LLC**

**DECISION  
(Subsection 6.1(1) of Multilateral Instrument 31-102  
National Registration Database and  
Section 6.1 of Rule 13-502 Fees)**

**UPON** the Director having received the application of J. Giordano Securities LLC, d/b/a J. Giordano Securities Group (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

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

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

1. The Applicant is incorporated under the laws of the State of Delaware. The Applicant is not a reporting issuer. The Applicant is seeking registration under the Act as an international dealer. The head office of the Applicant is located in Stamford, Connecticut.
2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain

registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.
4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is registered.
5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).
6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

**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 subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

- A. makes acceptable alternative arrangements with CDS for the payment of NRD fees;
- B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;
- C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and
- D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

**PROVIDED THAT** the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or

international adviser or in an equivalent registration category;

**AND IT IS THE FURTHER DECISION** of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

August 11, 2004.

“David M. Gilkes”

## 2.1.5 BMONT Split Corp. - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer granted relief from requirement to deliver annual financial statements and, where applicable, an annual report, for its first fiscal year – Financial statements cover a short operating period – Issuer invests on a passive basis in a portfolio of common shares of Bank of Montreal.

### Ontario Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., subsection 79(1), clause 80(b)(iii).

October 6, 2004

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF ONTARIO, BRITISH COLUMBIA, ALBERTA,  
SASKATCHEWAN, MANITOBA, QUEBEC,  
NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA  
AND NEW BRUNSWICK  
(the Jurisdictions)**

**AND**

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

**AND**

**IN THE MATTER OF  
BMONT SPLIT CORP. (the Filer)**

**MRRS DECISION DOCUMENT**

### Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement to deliver to its shareholders annual financial statements and, where applicable, an annual report, for the period from June 29, 2004 to August 5, 2004, as would otherwise be required pursuant to applicable Legislation (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

### Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision. In this decision:

“BMO Shares” means the portfolio of common shares of Bank of Montreal held by the Filer;

“Capital Shares” means the 3,050,000 class A capital shares of the Filer distributed pursuant to the Prospectus;

“Prospectus” means the final prospectus of the Filer dated July 29, 2004;

“Initial Financial Statements” means the financial statements of the Filer and, where applicable, the annual report of the Filer, for the period from June 29, 2004 to August 5, 2004; and

“Preferred Shares” means the 1,525,000 class A preferred shares of the Filer distributed pursuant to the Prospectus.

### Representations

This decision is based on the following facts represented by the Filer:

1. The Filer filed the Prospectus with the securities regulatory authority in each of the provinces of Canada pursuant to which the distribution of Capital Shares and Preferred Shares was completed on August 5, 2004.
2. The Filer was incorporated under the laws of the Province of Ontario on June 29, 2004. The fiscal year end of the Filer is August 5, with the first full fiscal year end to occur on August 5, 2005. Pursuant to the requirements of the Legislation, and subject to any relief obtained pursuant to this application, the Filer would be required to prepare and file in the Jurisdictions and deliver to its shareholders the Initial Financial Statements.
3. The final redemption of the Capital Shares and Preferred Shares of the Filer is scheduled to occur on August 5, 2009.
4. The authorized capital of the Filer consists of an unlimited number of Capital Shares, an unlimited number of Preferred Shares, an unlimited number of Class B, Class C, Class D and Class E capital shares, issuable in series, an unlimited number of Class B, Class C, Class D and Class E preferred shares, issuable in series, an unlimited number of Class J Shares and an unlimited number of Class S Shares. The issued capital of the Filer consists of 3,050,000 Capital Shares, 1,525,000 Preferred Shares and 150 Class J Shares. The attributes of the Capital Shares, Preferred Shares and Class J Shares are detailed in the Prospectus.

5. Scotia Capital Inc. acted as an agent for, and was the promoter of, the Filer in respect of the offerings of the Capital Shares and Preferred Shares.
6. The Filer is a passive investment company whose principal undertaking is the holding of the BMO Shares in order to generate fixed cumulative preferential distributions for the holders of the Preferred Shares and to enable the holders of Capital Shares to participate in any capital appreciation in the BMO Shares after payment of administrative and operating expenses of the Filer. The BMO Shares held by the Filer will only be disposed of in limited circumstances, as described in the Prospectus.
7. The Prospectus included an audited statement of financial position of the Filer as at July 29, 2004 and an unaudited pro forma statement of financial position as at July 29, 2004 prepared on the basis of the completion of the sale and issue of Capital Shares and Preferred Shares of the Filer. As such, the financial position of the Filer as at August 5, 2004 was substantially reflected in the pro forma financial statements contained in the Prospectus.
8. The Filer is an inactive company, the sole purpose of which is to provide a vehicle through which different investment objectives with respect to participation in the BMO Shares may be satisfied. Holders of Capital Shares will be entitled on redemption to the benefits of any capital appreciation in the market price of the BMO Shares after payment of administrative and operating expenses of the Filer and the fixed distributions on the Preferred Shares. It is the policy of the Board of Directors of the Filer to pay dividends on the Capital Shares in an amount equal to the dividends received by the Filer on the BMO Shares minus the distributions payable on the Preferred Shares and all administrative and operating expenses of the Filer.
9. The benefit to be derived by the shareholders of the Filer from receiving the Initial Financial Statements would be minimal in view of (i) the short period (i.e. 38 days) from the date of incorporation of the Filer to August 5, 2004; (ii) the pro forma financial statements contained in the Prospectus; and (iii) the nature of the minimal business carried on by the Filer.
10. The expense to the Filer of sending to its shareholders the Initial Financial Statements would not be justified in view of the benefit to be derived by the shareholders from receiving such statements.
11. The semi-annual unaudited financial statements of the Filer for the period ending February 5, 2005

will include the period from June 29, 2004 to August 5, 2004.

**Decision**

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 Requested Relief is granted provided that:

- (i) the Filer issue, and file on SEDAR, a press release informing its shareholders of their right to receive the Initial Financial Statements upon request; and
- (ii) the Filer send a copy of the Initial Financial Statements to any shareholder of the Filer who so requests.

“Paul M. Moore”  
Vice Chair  
Ontario Securities Commission

“Paul K. Bates”  
Commissioner  
Ontario Securities Commission

## 2.1.6 CBJ Niobec 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.

October 7, 2004

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

**AND**

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

**AND**

**IN THE MATTER OF  
CBJ NIOBEC INC.**

**MRRS DECISION DOCUMENT**

### Background

The local securities regulatory authority or regulator (the Decision Maker) in each of Ontario and Québec (the “Jurisdictions”) has received an application from CBJ Niobec Inc. (“Niobec”) for a decision under the securities legislation of the Jurisdictions (the Legislation) that Niobec is deemed to have ceased to be a reporting issuer.

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Agence nationale d’encadrement du secteur financier (also known as “Autorité des marchés financiers”) is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

### Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

### Representations

This decision is based on the following facts represented by the Filer:

- Effective July 2, 2004, Sequoia Minerals Inc. (“Sequoia”) amalgamated with 9142-1933 Québec Inc., a wholly-owned subsidiary of Cambior Inc. (“Cambior”), to form CBJ Niobec Inc. (“Niobec”);
- The amalgamation was made as part of the acquisition of Sequoia by Cambior, according to which Sequoia shareholders were entitled to elect to receive for each common share held, \$0.60 in cash or 0.15873 of a common share of Cambior or any combination thereof;
- as a consequence, Niobec became a reporting issuer and a wholly-owned subsidiary of Cambior.

### Decision

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 Requested Relief is granted provided that:

1. The outstanding securities of Niobec, 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 Niobec are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
3. Niobec 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. Niobec is not in default of any of its obligations under the Legislation as a reporting issuer other than a technical default of its obligation for failure to file its interim financial statements for the period ended June 30, 2004.

“Eve Poirier”  
La chef du Service du financement des sociétés  
Autorité des marchés financiers

**2.1.7 Placer Dome Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from the requirement in NI 43-101 to file a current technical report not later than 30 days after issuance of a press release, provided that technical report is filed not later than 51 days after issuance of the press release and the technical report be accompanied by another news release that reconciles any material differences between the disclosure in the technical report filed and the original press release.

**Applicable Ontario Provisions**

National Instrument 43-101 Standards of Disclosure for Mineral Projects, ss. 4.2(4) and 9.1.

**August 26, 2004**

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,  
PRINCE EDWARD ISLAND, NOVA SCOTIA,  
NEWFOUNDLAND AND LABRADOR, YUKON,  
NORTHWEST TERRITORIES, NUNAVUT (THE  
JURISDICTIONS)**

**AND**

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

**AND**

**IN THE MATTER OF  
PLACER DOME INC. (THE FILER)**

**MRRS DECISION DOCUMENT**

**Background**

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement in National Instrument 43-101 - Standards of Disclosure for Mineral Projects (NI 43-101) to file a technical report concerning mineral reserves and mineral resources no later than 30 days after the disclosure of a material change in mineral resources and mineral reserves from the most recently filed technical report (the Requested Relief);

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the British Columbia Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

**Representations**

This decision is based on the following facts represented by the Filer(s):

- 1. The Filer is a corporation governed by the Canada Business Corporations Act with its head office located in Vancouver, British Columbia.
- 2. The Filer is a reporting issuer under the Legislation, as applicable, and is not on the list of issuers in default in any of the Jurisdictions.
- 3. The shares of the Filer are listed and posted for trading on various stock exchanges including the Toronto Stock Exchange and the New York Stock Exchange.
- 4. The Filer is a large Canadian company engaged in the business of gold mining.
- 5. The Filer has an interest in a joint venture operating the Cortez gold mine in Nevada (the Property).
- 6. On July 28, 2004, the Filer disclosed by press release (the July Press Release) that new mineral reserve and mineral resource estimates were prepared for the Property (the Estimates). An employee of a subsidiary of the Filer, Britton Buhl, Manager of Strategy and Business Support, supervised the preparation of the Estimates as the qualified person.
- 7. The Filer expedited the preparation of the Estimates contained in the July Press Release because it was concerned about possible market speculation on the Property.
- 8. The Estimates indicate that the Filer's 60% share of the estimated proven and probable mineral reserves on the Property, after allowance for current year depletion, has increased from 7.6 million ounces to 9.0 million ounces. Included in the Estimates is an increase in the Filer's share of estimated proven and probable mineral reserves at the Cortez Hills deposit on the Property, from 3.2 million ounces to 4.5 million ounces.
- 9. Under Subsection 4.2(4) of NI 43-101, the Filer is required to file a current technical report in respect



of the Property (the Technical Report), to support information contained in the July Press Release, which described changes in mineral resources and mineral reserves which constitute a material change in respect of the affairs of the Filer, not later than 30 days after such disclosure.

(b) the Technical Report is accompanied by a press release that reconciles any material differences between the disclosure in the Technical Report filed and the disclosure in the July Press Release.

10. The Filer has retained AMEC Americas Limited (AMEC), an independent firm of consulting geologists and engineers, to prepare the required Technical Report because:

“Noreen Bent”  
Acting Director  
British Columbia Securities Commission

(a) AMEC prepared a previous technical report for the Property dated February 26, 2004 and filed March 5, 2004 and is familiar with the Property; and

(b) the Filer decided it is appropriate in the circumstances, including as a result of the Filer’s concern about possible market speculation, to have the technical report prepared by independent qualified persons.

11. Additional time is required to prepare the Technical Report for the following reasons:

(a) the Property is large and the Technical Report is lengthy;

(b) AMEC has advised the Filer that its workload is very heavy due to the current high level of activity in the mining sector and that because of AMEC’s prior commitments and personnel scheduling issues, the applicable qualified persons will not be available to visit the Property until August 23, 2004; and

(c) following the site visit, AMEC will need to complete the Technical Report and the Filer needs sufficient time to properly review the Technical Report prior to filing it.

12. The Filer will not be able to file the Technical Report to support the disclosure in the July Press Release within the 30 day time period required by NI 43-101.

**Decision**

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 Requested Relief is granted provided that:

(a) the Filer prepares and files the Technical Report by September 17, 2004; and

**2.1.8 CMP 2004 Resource Limited Partnership - MRRS Decision**

**Headnote**

Issuer exempted from interim financial reporting requirements for first and third quarter of each financial year - issuer also exempted from requirements to file annual information forms and management's discussion and analysis - exemption terminates upon i) the occurrence of a material change in the business affairs of the issuer unless the Decision Makers are satisfied that the exemption should continue; and ii) National Instrument 81-106 – Investment Fund Continuous Disclosure coming into force.

**Applicable Ontario Statutory Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am, ss. 77, 79 and 80(b)(iii).

**Applicable Ontario Rules**

OSC Rule 51-501- AIF and MD&A, (2000) 23 OSCB 8365, as am., ss. 1.2(2), 2.1(1), 3.1, 4.1(1), 4.3 and 5.1.

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

**AND**

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

**AND**

**IN THE MATTER OF  
CMP 2004 RESOURCE LIMITED PARTNERSHIP  
MRRS DECISION DOCUMENT**

**WHEREAS** the securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Ontario and Saskatchewan (the "Jurisdictions") has received the application of CMP 2004 Resource Limited Partnership (the "Partnership") for a decision pursuant to the securities legislation (the "Legislation") of the Jurisdictions exempting the Partnership from the requirements of the Legislation to file with the Decision Makers and send to its securityholders (the "Limited Partners") its:

- (a) annual information form (the "AIF");
- (b) annual management's discussion and analysis of financial condition and results of operations (the "Annual MD&A"); and
- (c) interim management's discussion and analysis of financial condition and results of operations (the "Interim MD&A").

**AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Ontario Securities Commission (the "OSC") 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 Partnership has represented to the Decision Makers that:

1. The Partnership is a limited partnership formed pursuant to the *Limited Partnerships Act* (Ontario) on December 30, 2003;
2. On March 24, 2004, the Decision Makers issued a receipt for a prospectus of the Partnership (the "Prospectus") dated March 23, 2004 with respect to the offering of units of the Partnership ("Partnership Units");
3. The Partnership was formed for the purpose of investing the proceeds from the issue and sale of the Partnership Units primarily in flow-through shares of corporations that represent to the Partnership that they are principal business corporations as defined in the Income Tax Act (Canada) and that they intend to incur Canadian Exploration Expense;
4. The Partnership Units have not been and will not be listed for trading on a stock exchange;
5. On or before July 1, 2006, the Partnership will be dissolved and the Limited Partners will receive their *pro rata* share of the net assets of the Partnership. The General Partner entered into an agreement with an open-end mutual fund corporation managed by Goodman & Company, Investment Counsel Ltd. (the "Mutual Fund") concurrently with the filing of its prospectus, whereby the assets of the Partnership will be exchanged for shares of the Mutual Fund, within 60 days of which the shares of the Mutual Fund will be distributed to the Limited Partners, *pro rata*, on a tax deferred basis upon the dissolution of the Partnership;
6. Unless a material change takes place in the business and affairs of the Partnership, the Limited Partners will obtain adequate financial information concerning the Partnership from the semi-annual financial statements and the annual report containing audited financial statements of the Partnership together with the auditors' report thereon distributed to Limited Partners. The Prospectus and the semi-annual financial statements provide sufficient background materials and the explanations necessary for a Limited Partner to understand the Partnership's business, its financial position and its future plans, including dissolution or before July 1, 2006;

7. Given the limited range of business activities to be conducted by the Partnership and the nature of the investment of the Limited Partners in the Partnership, the provision by the Partnership of the AIF, the Annual MD&A and the Interim MD&A will not be of significant benefit to the Limited Partners and may impose a material financial burden on the Partnership;
8. Each of the Limited Partners has, by subscribing for the Partnership Units offered by the Partnership in accordance with the Prospectus, agreed to the irrevocable power of attorney contained in Article Three of the limited partnership agreement scheduled to the Prospectus and has thereby consented to the making of this application for the exemption requested herein;

**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 requirements contained in the Legislation to file and send to its Limited Partners its AIF, Annual MD&A and Interim MD&A shall not apply to the Partnership provided that this exemption shall terminate upon:

- (a) the occurrence of a material change in the affairs of the Partnership unless the Partnership satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing; or
- (b) National Instrument 81-106 *Investment Funds Continuous Disclosure* coming into force.

October 8, 2004.

"Leslie Byberg"

## 2.1.9 Nav Energy Trust - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications. Issuer exempt from registration and prospectus requirements in connection with the distribution of the issuer's units pursuant to a distribution reinvestment plan. MRRS decision document formatted in accordance with revised Schedule A to National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications.

### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53 and 74(1).

### Applicable National Policies and Instruments

National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications.  
National Instrument 14-101 Definitions.

October 1, 2004

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, MANITOBA, ONTARIO,  
QUÉBEC, NOVA SCOTIA,  
NEWFOUNDLAND AND LABRADOR, PRINCE EDWARD  
ISLAND, YUKON, NUNAVUT AND  
NORTHWEST TERRITORIES (the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF  
NAV ENERGY TRUST (the Filer)**

**MRRS DECISION DOCUMENT**

### Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision, under the securities legislation of the Jurisdictions (the Legislation), for an exemption (the Requested Relief) from the requirements contained in the Legislation to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus (the Registration and Prospectus Requirements) in respect of certain trades in units of the Trust (Trust Units) issued pursuant to a distribution reinvestment plan (the DRIP).

Under the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.

**Representations**

This decision is based on the following facts represented by the Filer:

- 1. The Filer is an open-ended investment trust formed under the laws of the province of Alberta pursuant to an amended and restated trust indenture dated November 12, 2003 (the Trust Indenture) between Navigo Energy Inc. (Navigo) and Computershare Trust Company of Canada.
- 2. Computershare Trust Company of Canada is the trustee of the Filer (the Trustee).
- 3. The head and principal office of the Filer is located at Suite 2500, 205 - 5<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2V7.
- 4. The Filer is actively engaged through Navigo in the business of crude oil and natural gas exploitation, development, acquisition and production in the provinces of Alberta, British Columbia and Saskatchewan.
- 5. The Filer currently makes and expects to continue to make monthly distributions of distributable income (Cash Distributions), if any, to the holders of Units (Unitholders). The distributable income of the Filer for any month is a function of the amounts received by the Filer pursuant to certain royalties, other income and certain expenses.
- 6. An unlimited number of Trust Units may be created and issued pursuant to the Trust Indenture.
- 7. Each Trust Unit entitles the holder to one vote at any meeting of the holders of Trust Units, and represents an equal undivided beneficial interest in any distribution from the Filer (whether of net income, net realized capital gains or other amounts) and in any net assets of the Filer in the event of termination or winding-up of the Filer.
- 8. All Trust Units rank among themselves equally and ratably without discrimination, preference or priority.
- 9. Each Trust Unit is transferable, is not subject to any conversion or pre-emptive rights and entitles

- 10. The Filer has been a reporting issuer or the equivalent in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland since December 29, 2003.
- 11. The Filer is not in default of any requirements of the Legislation.
- 12. The Trust Units are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol "NVG.UN".
- 13. The Filer has authorized the establishment of the DRIP pursuant to which eligible Unitholders may, at their option, purchase additional Units (Additional Units) of the Filer by directing that Cash Distributions be applied to the purchase of Additional Units.
- 14. Except as provided in paragraph 16 below, all Additional Units purchased under the DRIP will be purchased by Computershare Trust Company of Canada (the DRIP Agent) directly from the Filer on the relevant distribution payment date at a price determined by reference to the Average Market Price. The Average Market Price is defined in the DRIP as the arithmetic average of the daily volume weighted average trading price of the Units on the TSX for the trading days from and including the second business day following the distribution record date, to and including the second business day prior to the distribution payment date on which at least a board lot of Units was traded (and that period cannot exceed 20 trading days).
- 15. At the discretion of Navigo, Additional Units purchased under the DRIP will either be acquired from treasury at 95% of Average Market Price or will be purchased at prevailing market prices through the facilities of the TSX following the distribution record date. Additional Units that are purchased through the facilities of the TSX will be acquired during the 20 business-day period following the relevant distribution record date but will only be acquired at prices that are equal to or less than 115% of the volume weighted trading price of the Units on the TSX for the 10 trading days immediately preceding the date that Units are purchased.
- 16. Cash Distributions will be paid to the DRIP Agent and applied by the DRIP Agent to the purchase of Additional Units, which will be held under the DRIP for the account of eligible Unitholders who have chosen to participate in the DRIP (Participants).

17. No commissions, brokerage fees or service charges will be payable by Participants in connection with the purchase of Additional Units under the DRIP.
18. Additional Units purchased and held under the DRIP will be registered in the name of the DRIP Agent or its nominee as agent for the Participants, and all cash distributions on Units so held for the account of a Participant will be automatically reinvested in Additional Units in accordance with the terms of the DRIP and the election of the Participant.
19. The DRIP permits full investment of reinvested Cash Distributions because fractions of Units, as well as whole Units, may be credited to Participants' accounts with the DRIP Agent.
20. The Filer reserves the right to determine, for any distribution payment date, how many Additional Units will be available for purchase under the DRIP.
21. If, in respect of any distribution payment date, fulfilling all of the elections under the DRIP would result in the Filer exceeding the limit on Additional Units set by the Filer, then purchases of Additional Units on the applicable distribution payment date will be prorated among all Participants in that category according to the number of Additional Units sought to be purchased.
22. If the Filer determines that no Additional Units will be available for purchase under the DRIP for a particular distribution payment date, then all Participants will receive the Cash Distribution announced by the Filer for that distribution payment date.
23. A Participant may terminate its participation in the DRIP at any time by submitting a termination form to the DRIP Agent. A termination form received between a distribution record date and a distribution payment date will become effective after that distribution payment date.
24. Navigo reserves the right to amend, suspend or terminate the DRIP at any time, provided that such action will not have a retroactive effect that would prejudice the interests of the Participants. All Participants will be sent written notice of any such amendment, suspension or termination.
25. The DRIP will not be available to Unitholders who are residents of the United States.
26. Legislation in certain of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for distribution reinvestment plans. Such exemptions are not available to the Applicant in certain of the Jurisdictions because those exemptions are generally with respect to the

distribution of one or more of the following: (i) dividends; (ii) interest; (iii) capital gains; or (iv) earnings or surplus. The distributions that are paid to the Unitholders are royalty income in relation to the income that the Filer receives on oil- and gas-producing properties.

27. Legislation in certain of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for reinvestment plans of a "mutual fund". The Filer is not a "mutual fund" under the Legislation as the holders of Units are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in a part of the net assets of the Filer, as contemplated by the definition of "mutual fund" in some of the Legislation.

#### Decision

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 Requested Relief is granted, provided that:

- (a) at the time of the trade, the Filer is a reporting issuer or the equivalent in a jurisdiction listed in Appendix B of Multilateral Instrument 45-102 Resale of Securities (MI 45-102) and is not in default of any requirements of the Legislation;
- (b) no sales charge is payable by Unitholders in respect of the trade;
- (c) the Filer has caused to be sent to the person or company to whom the Additional Units are traded, not more than 12 months before the trade, a statement describing:
  - (i) their right to withdraw from the DRIP and to make an election to receive Cash Distributions instead of Units on the applicable distribution payment date (the Withdrawal Right), and
  - (ii) instructions on how to exercise the Withdrawal Right;
- (d) except in Québec, the first trade in Additional Units shall be deemed to be a distribution or primary distribution to the public under the Legislation unless the conditions in subsection 2.6(3) of MI 45-102 are satisfied; and

- (e) in Québec, the alienation (or first trade) of Additional Units acquired under this decision shall be a distribution and cannot take place without a prospectus unless:
  - (i) the Filer is a reporting issuer in Québec and has been a reporting issuer in Québec for the 4 months preceding the first trade;
  - (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the first trade;
  - (iii) no extraordinary commission or other consideration is paid to a person or company in respect of the first trade;
  - (iv) if the seller of the securities is an insider of the Filer, the seller has no reasonable grounds to believe that the Filer is in default of any requirement of securities legislation.

“Paul M. Moore”  
Vice-Chair  
Ontario Securities Commission

“Paul K. Bates”  
Commissioner  
Ontario Securities Commission

## 2.1.10 Kimberly-Clark Corporation - MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from prospectus and registration requirements for spin-off by a publicly traded US company to investors by issuing shares of spun off entity as dividends – reorganization technically not covered by prescribed reorganization exemptions.

### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 35(1)(12)(i), 35(12)(ii), 35(1)(13), 53, 72(1)(f)(i), 72(1)(f)(ii), 72(1)(g), 74(1).

October 8, 2004

**IN THE MATTER OF  
THE SECURITIES LEGISLATION  
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,  
MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA,  
NEW BRUNSWICK AND NEWFOUNDLAND AND  
LABRADOR (the Jurisdictions)**

AND

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

AND

**IN THE MATTER OF  
KIMBERLY-CLARK CORPORATION (the Filer)**

**MRRS DECISION DOCUMENT**

### Background

The local securities regulatory authority or regulator (the Decision Makers) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the prospectus and dealer registration requirements (respectively, the Prospectus Requirements and the Registration Requirements) of the Legislation for the proposed distribution of all issued and outstanding common shares (the Neenah Shares) of Neenah Paper, Inc. (Neenah) to holders of common shares of the Filer (the Kimberly-Clark Shareholders) resident in Canada (the Kimberly-Clark Canadian Shareholders) by way of pro rata dividend in kind (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Application

- (a) the Ontario Securities Commission (the OSC) is the Principal Regulator for this application; and
- (b) this decision document evidences the decision of each Decision Maker.

### Interpretation

Defined terms contained in National Instrument 14-101 – Definitions or in the Agence nationale d'encadrement du secteur financier Notice 14-101 have the same meaning in this decision unless they are defined in this decision;

### Representations

This decision is based on the following facts represented by the Filer:

1. The Filer is a corporation constituted pursuant to the laws of the State of Delaware. The Filer is a highly focussed and innovative health and hygiene company. Its headquarters are located in Dallas, Texas.
2. Neenah, currently a wholly-owned subsidiary of the Filer, will own the Filer's Canadian pulp business and its fine paper and technical paper businesses in the United States.
3. The Filer's wholly-owned Canadian subsidiary KCI carries on business through offices and facilities located in Ontario, Québec and Nova Scotia.
4. The Filer is not a reporting issuer under the securities laws of any province or territory of Canada and the Filer has no intention of becoming a reporting issuer under the securities laws of any province or territory of Canada.
5. The shares of common stock of the Filer (the Kimberly-Clark Shares) are listed on the New York Stock Exchange (the NYSE). The Kimberly-Clark Shares are not listed on any Canadian stock exchange and the Filer has no intention of listing its securities on any Canadian stock exchange.
6. As of August 31, 2004, the Filer had approximately 240 registered Kimberly-Clark Canadian Shareholders. Of these, one holds shares pursuant to a trust in favour of approximately 1,100 employees or former employees of the Filer or its subsidiaries resident in Canada. There are registered and beneficial shareholders resident in each province of Canada other than Prince Edward Island. As of August 31, 2004 (i) the Kimberly-Clark Canadian Shareholders constituted less than 0.7% of the approximately 36,500 holders of record of Kimberly-Clark Shares worldwide, and (ii) persons resident in Canada collectively held approximately 323,000 Kimberly-Clark Shares, constituting less than 0.066% of the approximately 495,000,000 issued and outstanding Kimberly-Clark Shares. As such, the proportion of issued and outstanding Kimberly-Clark Shares held by Canadian residents is *de minimis*.
7. Subject to obtaining necessary approvals, on a distribution date to be fixed by the Filer's board of

directors, the separation of Neenah from the Filer will be accomplished through a pro rata distribution of all of Neenah Shares to Kimberly-Clark Shareholders (the Spin-Off). The Spin-Off consists of the following steps:

- (a) the general terms and conditions relating to the distribution will be set forth in a distribution agreement between the Filer and Neenah;
  - (b) as a result of the distribution, each Kimberly-Clark Shareholder will receive one Neenah Share for a number of Kimberly-Clark Shares to be fixed by the Filer's board of directors;
  - (c) Kimberly-Clark Shareholders will not be required to pay for Neenah Shares received in the distribution or to surrender or exchange Kimberly-Clark Shares in order to receive Neenah Shares or to take any other action in connection with the distribution; and
  - (d) fractional shares of a Neenah Share will not be issued to Kimberly-Clark Shareholders as part of the distribution nor credited to book-entry accounts.
8. After the Spin-Off, Kimberly-Clark Shares will continue to be listed and traded on the NYSE and Neenah Shares are expected to be listed and traded on the NYSE.
  9. Neenah does not intend to list its shares on any stock exchange in Canada.
  10. Neenah does not intend to become a reporting issuer in any province of Canada.
  11. The dividend and Spin-Off will be effected in compliance with the laws of the State of Delaware.
  12. In July 2004, Neenah filed a Form 10 Registration Statement (the Form 10) with the United States Securities and Exchange Commission (the SEC) detailing the planned Spin-Off.
  13. After the SEC has completed its review, Kimberly-Clark Shareholders will receive a copy of the information statement included in the Form 10 (the Information Statement).
  14. Because the Spin-Off of Neenah Shares will be by way of dividend to the Kimberly-Clark Shareholders, no shareholder approval of the proposed transaction is required under the laws of the State of Delaware.
  15. All materials relating to the Spin-Off and the dividend sent by or on behalf of the Filer or Neenah in the United States (including the

Information Statement) have and will be sent, concurrently to the Kimberly-Clark Canadian Shareholders.

16. Following the Spin-Off, each of Neenah and the Filer respectively will send, concurrently to the Kimberly-Clark Canadian Shareholders, the same disclosure materials that it sends to holders of Neenah Shares and Kimberly-Clark Shares with addresses, as shown on its books to be, in the United States.
17. The Kimberly-Clark Canadian Shareholders who receive Neenah Shares as a dividend pursuant to the Spin-Off will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the dividend and Spin-Off that are available under the laws of the United States to Neenah and Kimberly-Clark Shareholders with addresses in the United States.
18. The proposed distribution of Neenah Shares pursuant to the Spin-Off to the Kimberly-Clark Canadian Shareholders would be exempt from the Prospectus Requirements and Registration Requirements in all Jurisdictions but for the fact that Neenah is not a reporting issuer or equivalent under the Legislation.

**Decision**

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 Requested Relief is granted provided that the first trade of Neenah Shares acquired under the decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless:

- (a) except in Québec, the conditions in section 2.14(1) of Multilateral Instrument 45-102 Resale of Securities are satisfied; or
- (b) in Québec, the alienation is made through an exchange, or a market, outside of Canada or to a person or company outside of Canada.

“Suresh Thakrar”  
Commissioner  
Ontario Securities Commission

“H. Lorne Morphy”  
Commissioner  
Ontario Securities Commissioner

**2.2 Orders**

**2.2.1 CIBC World Markets Inc. - s. 4.1 of OSC Rule 31-502**

**Headnote**

Previously registered salespersons of the Applicant are exempt from the post registration proficiency requirements under paragraph 2.1(2) of Rule 31-502 Proficiency Requirements for Registrants, subject to conditions.

**Rules Cited**

Ontario Securities Commission Rule 31-502 Proficiency Requirements for Registrants, s. 2.1(2), and s. 4.1.

**IN THE MATTER OF  
THE SECURITIES ACT,  
R.S.O. 1990, C. S.5, AS AMENDED (the “Act”)**

**AND**

**IN THE MATTER OF  
CIBC WORLD MARKETS INC.**

**EXEMPTION ORDER  
(Rule 31-502)**

**WHEREAS** CIBC World Markets Inc. (the “Applicant”) has applied for an exemption pursuant to section 4.1 of Ontario Securities Commission Rule 31-502 – *Proficiency Requirements for Registrants* (the “OSC Proficiency Rule”) from the provisions of paragraph 2.1(2) of the OSC Proficiency Rule (the “OSC Requirement”).

**AND WHEREAS**, the OSC Requirement provides that the registration of a salesperson is suspended on the last day of the thirtieth month after the date registration as a salesperson was granted to that salesperson unless the salesperson has completed the Professional Financial Planning Course (the “PFP Course”) or the first course of the Canadian Investment Management Program (the “CIM Program”) and has delivered the prescribed notice to the Director of the Ontario Securities Commission;

**AND WHEREAS** unless otherwise defined or the context otherwise requires, terms used herein have the meaning set out in Ontario Securities Commission Rule 14-501 – *Definitions*;

**AND WHEREAS** the Director has considered the application and the recommendation of staff of the Ontario Securities Commission;

**AND WHEREAS** the Applicant has represented to the Director that:

1. The Applicant is registered under the Act as a dealer in the categories of broker and investment dealer. The Applicant is a member of the Investment Dealers Association of Canada (the



“IDA”) and is a participating organization of the Toronto Stock Exchange;

August 14, 2004.

“David M. Gilkes”

2. The requirement of the IDA that a registered representative (a “Salesperson”) of an investment dealer that is a member of the IDA (a “Dealer”) complete the first course of the CIM Program within thirty months of registration (the “IDA Requirement”) first became effective on January 1, 1994 (the “IDA Effective Date”);
3. Salespersons who were registered to trade on behalf of a Dealer in a jurisdiction immediately prior to the IDA Effective Date are exempt from the IDA requirement;
4. The OSC Proficiency Rule which became effective on August 17, 2000 (the “Rule” Effective Date”) adopted and expanded the IDA Requirement, but did not exempt Salespersons who were registered to trade on behalf of a Dealer in another jurisdiction prior to the IDA Effective Date from the OSC Requirement; and
5. Salespersons of the Applicant who have been registered to trade on behalf of a Dealer under the securities legislation of a jurisdiction other than Ontario immediately prior to the IDA Effective Date and who were first registered to trade on behalf of a Dealer under the Act after the Rule Effective Date are subject to the OSC Requirement;

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

**NOW THEREFORE**, pursuant to section 4.1 of the OSC Proficiency Rule, Salespersons of the Applicant are not subject to the OSC Requirement;

**PROVIDED THAT:**

- (A) immediately prior to the IDA Effective Date, the particular Salesperson was registered under the securities legislation of one or more jurisdictions other than Ontario as a salesperson of a Dealer that was then registered under such legislation as an investment dealer (or the equivalent) and the registration of the Salesperson was not specifically restricted to the sale of mutual funds or non-retail trades; and
- (B) after the IDA Effective Date, that Salesperson was either registered to trade on behalf of a Dealer continuously in one or more jurisdictions other than Ontario, or any period after the IDA Effective Date in which the Salesperson’s registration to trade on behalf of a Dealer was suspended or in which the Salesperson was not so registered does not exceed three years

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## Chapter 4

# Cease Trading Orders

### 4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
iLoveTV Entertainment Inc.	04 Oct 04	15 Oct 04		

### 4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Expire	Date of Issuer Temporary Order
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Hollinger Canadian Newspapers, Limited Partnership	18 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International Inc.	18 May 04	01 Jun 04	01 Jun 04		
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		

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## Chapter 7

# Insider Reporting

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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](http://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](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

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### 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>
28-Sep-2004	Credit Risk Advisors	American Tower Corporation - Notes	3,816,900.00	3,816,900.00
23-Sep-2004	NCE Flow-Through (2004) LP	Aztek Energy Ltd. - Common Shares	1,000,000.00	952,381.00
27-Sep-2004	94272 Canada Limited	Body Shop International plc, The - Shares	1,415,289.00	373,181.00
28-Sep-2004	Sprott Canadian Equity Fund Sprott Hedge Fund LP	Canadian Spirit Resources Inc. - Units	16,533.22	4,906.00
21-Sep-2004	3 Purchasers	CareVest Blended Mortgage Investment Corporation - Preferred Shares	230,217.00	230,217.00
21-Sep-2004	5 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	111,818.00	111,818.00
23-Sep-2004	7 Purchasers	Cascadia Fine Art Limited Partnership - Units	1,950,000.00	1,950.00
20-Sep-2004	6 Purchasers	Caspian Energy Ltd. - Common Shares	3,194,375.00	1,681,250.00
23-Sep-2004	Ann Ng	Cathay Forest Products Inc. - Common Shares	200,000.00	500,000.00
10-Sep-2004 to 16-Sep-2004	Centaur Balanced	Centaur Balanced Fund - Units	44,846.67	3,395.00
10-Sep-2004 to 16-Sep-2004	Centaur Bond Fund	Centaur Bond Fund - Units	87,268.31	8,738.00
10-Sep-2004 to 16-Sep-2004	Centaur Canadian Equity	Centaur Canadian Equity - Units	137,699.61	1,563.00
10-Sep-2004 to 16-Sep-2004	Centaur International	Centaur International Fund - Units	39,046.88	4,902.00
10-Sep-2004 to 16-Sep-2004	Centaur Money Market	Centaur Money Market - Units	368,215.20	36,822.00

**Notice of Exempt Financings**

10-Sep-2004 to 16-Sep-2004	Centaur US Equity	Centaur US Equity - Units	42,051.72	1,028.00
29-Sep-2004	King Street Funding Trust	CIT Canadian VFN Trust - Notes	157,264,278.56	1.00
28-Sep-2004	Bistra G. Kileva Rudi P. Frank	Clan Resources Ltd. - Units	21,060.00	60,000.00
09-Sep-2004	RBC Capital Markets Inc.	Comet Trust - Notes	25,000,000.00	25,000,000.00
20-Aug-2004	21 Purchasers	Covalan Technologies Inc. - Debentures	202,000.00	202,000.00
20-Sep-2004	4 Purchasers	Covalan Technologies Inc. - Units	94,950.70	146,078.00
15-Sep-2004	5 Purchasers	Goodfellow Resources Ltd. - Units	63,125.00	252,500.00
30-Sep-2004	13 Purchasers	Grand Petroleum Inc. - Common Shares	2,651,830.00	1,395,700.00
13-Sep-2004	17 Purchasers	Grand Petroleum Inc. - Flow-Through Shares	3,360,998.40	1,400,416.00
31-Aug-2004 to 28-Sep-2004	Marvin and Helen Goldberg Bruce Simmonds	Hard Creek Nickel Corporation - Flow-Through Shares	27,200.00	45,333.00
29-Sep-2004	4 Purchasers	Hawk Precious Minerals Inc. - Special Warrants	230,000.00	23.00
16-Sep-2004	Bill Whelan	Helix BioPharma Corp. - Common Share Purchase Warrant	213,000.00	100,000.00
28-Sep-2004	New Generation Biotech (Equity) Fund Inc.	Interface Biologics Inc. - Convertible Debentures	1,500,000.00	1,500,000.00
28-Sep-2004	3 Purchasers	Interface Biologics Inc. - Preferred Shares	4,500,000.00	2,670,148.00
22-Jun-2004	Kensington Capital Partners Limited	Kensington Fund of Funds. L.P. - Limited Partnership Units	120,000.00	120.00
24-Sep-2004	3 Purchasers	Kensington Resources Ltd. - Flow-Through Shares	2,149,600.70	1,653,539.00
24-Sep-2004	4 Purchasers	Kensington Resources Ltd. - Units	1,500,000.60	1,420,545.00
23-Sep-2004	3 Purchasers	Lake Superior Power Limited Partnership - Bonds	42,000,000.00	42,000,000.00
30-Sep-2004	5 Purchasers	McElvaine Limited Partnership, The - Units	3,005,000.00	3,005,000.00
01-Sep-2004	Hayley Matus	MCAN Performance Strategies - Limited Partnership Units	37,000.00	370.00
24-Sep-2004	Mark Ryhorski Beda Sahai	Megawheels Technologies Inc. - Shares	24,000.00	100,000.00

**Notice of Exempt Financings**

09-Jul-2004	The VenGrowth II Investment Fund Inc.	Nakina Systems Inc. - Convertible Debentures	1,500,000.00	1,500,000.00
24-Sep-2004	Sasha Jacob Murray John	Nevada Geothermal Resources Inc. - Units	55,000.00	110,000.00
23-Sep-2004	Axis Investment Fund Inc.	NETISTIX TECHNOLOGIES CORPORATION - Convertible Debentures	750,000.00	750,000.00
28-Sep-2004	Davisville Music Publishing Inc.	OLE Media Management L.P. - Limited Partnership Units	40,000,000.00	40,000.00
28-Sep-2004	Davisville Music Publishing Inc.	OLE Media Management (GP) L.P. - Limited Partnership Units	1.00	10.00
22-Sep-2004	3 Purchasers	Pacific Safety Products Inc. - Units	1,239,840.00	1,771,200.00
08-Sep-2004	Mary Anne Stephens	Payroll Loans Capital Corp - Bonds	10,000.00	10.00
27-Sep-2004	Clean Power Income Fund Inc.	PEET U.S. Holdings Inc. - Preferred Shares	10,000,000.00	10,000.00
24-Sep-2004	Jim Voisin	PGM Ventures Corporation - Units	21,560.00	49,000.00
23-Sep-2004	Bruce Simmonds	Pinnacle Mines Ltd. - Units	24,700.00	38,000.00
21-Sep-2004	Blair Franklin Polar Capital Management	P.H. Glatfelter Company - Stock Option	135,285.70	12,299.00
24-Sep-2004	3 Purchasers	RepeatSeat Inc. - Units	205,000.00	256,250.00
24-Sep-2004	Jeremy N. Kendall Fraser Latta	Resverlogix Corp. - Common Shares	200,001.60	93,024.00
20-Sep-2004	Rose Finance Corp	Rose Corporation, The - Notes	25,000.00	1.00
21-Sep-2004	5 Purchasers	Rubicon Minerals Corporation - Common Shares	974,999.25	1,299,999.00
27-Sep-2004	4 Purchasers	Schooner Trust - Certificate	34,672,435.34	332,445,000.00
28-Sep-2004	38 Purchasers	Shore Gold Inc. - Common Share Purchase Warrant	20,059,100.60	9,117,773.00
30-Sep-2004	CFT Investment Corp.	TD Harbour Capital Balanced Fund - Units	340,000.00	3,139.00
30-Sep-2004	Clifford Lake	TD Harbour Capital Canadian Balanced Fund - Units	160,871.77	1,163,882.00
30-Sep-2004	8 Purchasers	The McElvaine Investment Trust - Trust Units	929,000.00	45,883.00
28-Sep-2004	6 Purchasers	Ventus Energy Ltd. - Common Shares	4,211,000.00	2,105,500.00
22-Sep-2004	William S. Greaves Honor de Pencier	Voice Mobility International, Inc. - Units	50,700.00	78,000.00



**Notice of Exempt Financings**

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27-Sep-2004	3 Purchasers	Wavesat Inc. - Shares	1,150,000.00	1,045,455.00
30-Sep-2004	9 Purchasers	Western Canadian Coal Corp. - Shares	4,699,999.50	2,685,714.00

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Anacle Short-Term Investment Fund

**Type and Date:**

Preliminary Simplified Prospectus dated October 8, 2004

Received on October 12, 2004

**Offering Price and Description:**

Series A Shares

**Underwriter(s) or Distributor(s):**

M.R.S. Securities Services Inc.

M.R.S. Securities Services Inc.

**Promoter(s):**

Execuhold Investment Limited

Project #696285

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**Issuer Name:**

Atlantic Power Corporation

Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated October 6, 2004

Mutual Reliance Review System Receipt dated October 8, 2004

**Offering Price and Description:**

\$ \* - \* Income Participating Securities

Price: \$10.00 per IPS

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.

**Promoter(s):**

Teton Power Holdings, LLC

Epsilon Power Holdings, LLC

Umatilla Power Holdings, LLC

Project #696211

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**Issuer Name:**

Brookfield Properties Corporation

Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated October 6, 2004

Mutual Reliance Review System Receipt dated October 6, 2004

**Offering Price and Description:**

\$150,000,000

6,000,000 Class AAA Preference Shares, Series K

Price \$25.00 per Series K Preference Share

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.

Scotia Capital Inc.

RBC Dominion Securities Inc.

TD Securities Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Merrill Lynch Canada Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

Desjardins Securities Inc.

Raymond James Ltd.

Trilon Securities Corporation

**Promoter(s):**

-

Project #695534

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**Issuer Name:**

General Motors Acceptance Corporation of Canada, Limited

Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Shelf Prospectus dated October 6, 2004

Mutual Reliance Review System Receipt dated October 6, 2004

**Offering Price and Description:**

Variable Denomination Adjustable Rate Demand Notes

\$1,250,000,000

Unconditionally guaranteed as to Principal and Interest by

General Motors Acceptance Corporation

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

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Project #695683

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**Issuer Name:**

High River Gold Mines Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated October 7, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

\$50,000,001.80

27,027,028 Units

Price: \$1.85 per Unit

**Underwriter(s) or Distributor(s):**

Sprott Securities Inc.  
Dundee Securities Corporation  
CIBC World Markets Inc.  
Paradigm Capital Inc.  
Orion Securities Inc.

**Promoter(s):**

-

**Project #695908**

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**Issuer Name:**

HSBC Monthly Income Fund  
HSBC LifeMap Moderate Conservative Portfolio  
HSBC LifeMap Growth Portfolio  
HSBC LifeMap Conservative Portfolio  
HSBC LifeMap Aggressive Growth Portfolio  
HSBC Emerging Giants Fund  
HSBC LifeMap Balanced Portfolio  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Simplified Prospectus dated October 7, 2004  
Mutual Reliance Review System Receipt dated October 8, 2004

**Offering Price and Description:**

Offering Investor Series, Advisor Series, Manager Series  
and Institutional Series Units

**Underwriter(s) or Distributor(s):**

HSBC Investment Funds (Canada) Inc.  
HSBC Investment Funds (Canada) Inc.  
HSBC Investment Funds (Canada)

**Promoter(s):**

HSBC Investment Funds (Canada) Inc.

**Project #696103**

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**Issuer Name:**

Leitch Technology Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated October 6, 2004  
Mutual Reliance Review System Receipt dated October 6, 2004

**Offering Price and Description:**

\$40,162,500 - 4,250,000 Common Shares

Price: \$9.45 per Common Shares

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
Orion Securities Inn.  
First Associates Investment Inc.  
Paradigm Capital Inc.

**Promoter(s):**

-

**Project #695591**

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**Issuer Name:**

Nordea International Equity Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated October 7, 2004  
Mutual Reliance Review System Receipt dated October 12, 2004

**Offering Price and Description:**

Class O Units

Class I Units

Class P Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

SEI Investments Canada Company

**Project #696303**

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**Issuer Name:**

NR2 Resources Corporation  
Principal Regulator - Alberta

**Type and Date:**

Preliminary CPC Prospectus dated October 6, 2004  
Mutual Reliance Review System Receipt dated October 6, 2004

**Offering Price and Description:**

\$500,000 - 5,000,000 Common shares

Price: \$0.10 per Common Share

**Underwriter(s) or Distributor(s):**

Jennings Capital Inc.

**Promoter(s):**

D. Douglas Gillies

**Project #695767**

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**Issuer Name:**

OccuLogix, Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary PREP Prospectus dated October 7, 2004  
Mutual Reliance Review System Receipt dated October 8, 2004

**Offering Price and Description:**

U.S.\$ \* - \* Shares  
Price: U.S.\$ \* per Share

**Underwriter(s) or Distributor(s):**

Citigroup Global Markets Canada Inc.  
Clarus Securities Inc.  
Orion Securities Inc.  
Octagon Capital Corporation

**Promoter(s):**

-

**Project #685325**

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**Issuer Name:**

Paramount Resources Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated October 6, 2004  
Mutual Reliance Review System Receipt dated October 6, 2004

**Offering Price and Description:**

\$46,000,000 - 2,000,000 Common Share  
Price \$23.00 per Common Share

**Underwriter(s) or Distributor(s):**

Firstenergy Capital Corp.  
BMO Nesbitt Burns Inc.  
Canaccord Capital Corporation  
GMP Securities Ltd.  
CIBC World Markets Inc.  
First Associates Investments Inc.  
Peters & Co. Limited  
Scotia Capital Inc.  
Sprott Securities Inc.  
Acumen Capital Finance Partners Limited  
National Bank Financial Inc.  
Octagon Capital Corporation  
Tristone Capital Inc.

**Promoter(s):**

-

**Project #695756**

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**Issuer Name:**

Real Estate Asset Liquidity Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated October 7, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

385,222,000 (Approximate)  
Commercial Mortgage Pass-Through Certificates, Series 2004-1

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
Credit Suisse First Boston Canada Inc.  
TD Securities Inc.

**Promoter(s):**

Royal Bank of Canada

**Project #695854**

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**Issuer Name:**

Rio Narcea Gold Mines, Ltd.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated October 7, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

\$65,100,000 - 21,000,000 Units  
Price: \$3.10 per Unit

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
Haywood Securities Inc.  
Sprott Securities Inc.  
Orion Securities Inc.

**Promoter(s):**

-

**Project #695931**

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**Issuer Name:**

Sovereign Diversified Monthly Income Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Simplified Prospectus dated October 12, 2004  
Mutual Reliance Review System Receipt dated October 12, 2004

**Offering Price and Description:**

Class 1 Units

**Underwriter(s) or Distributor(s):**

Frank Russell Canada Inc.  
Frank Russell Canada Limited

**Promoter(s):**

Frank Russell Canada Inc.

**Project #696610**

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**Issuer Name:**

XPEL TECHNOLOGIES CORP.  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated October 7, 2004 to Preliminary Prospectus dated July 20, 2004  
Mutual Reliance Review System Receipt dated October 8, 2004

**Offering Price and Description:**

1,455,000 Units issuable upon the Exercise of Special Warrants

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

W. Rege Brunner  
Timothy A. Hartt  
Craig K. Clement  
Murray R. Nye  
Maxwell A. Polinsky

**Project #668801**

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**Issuer Name:**

West Fraser Timber Co. Ltd.  
Principal Regulator – British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated October 5, 2004  
Mutual Reliance Review System Receipt dated October 5, 2004

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

-

**Project #695341**

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**Issuer Name:**

AGF Managed Futures Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated October 8, 2004  
Mutual Reliance Review System Receipt dated October 12, 2004

**Offering Price and Description:**

Mutual Fund Series Units

**Underwriter(s) or Distributor(s):**

AGF Funds Inc.

**Promoter(s):**

-

**Project #682042**

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**Issuer Name:**

AIM European Growth Fund  
AIM Indo-Pacific Fund  
AIM Global Health Sciences Fund  
AIM Global Technology Fund

**Shares of:**

AIM European Growth Class  
AIM Global Health Sciences Class  
AIM Global Technology Class  
of AIM Global Fund Inc.

Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated October 7, 2004 to Final Simplified Prospectus and Annual Information Form dated August 13, 2004  
Mutual Reliance Review System Receipt dated October 12, 2004

**Offering Price and Description:**

Mutual Fund Net Asset Value

**Underwriter(s) or Distributor(s):**

AIM Funds Management Inc.  
AIM Funds Management Inc.  
AIM Funds Group Canada Inc.

**Promoter(s):**

AIM Funds Management Inc.

**Project #665039**

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**Issuer Name:**

BMO Harris U.S. Growth Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated September 28, 2004 to Final Simplified Prospectus and Annual Information Form dated November 3, 2003  
Mutual Reliance Review System Receipt dated October 6, 2004

**Offering Price and Description:**

Mutual Fund Securities Net Asset Value

**Underwriter(s) or Distributor(s):**

BMO Investments Inc.  
BMO Investments Inc.  
BMO Investments Inc.  
BMO Investments Inc.

**Promoter(s):**

BMO Trust Company

**Project #577739**

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**Issuer Name:**

Capital International - Global Equity  
Capital International - International Equity  
Capital International - U.S. Equity  
Capital International - Global Small Cap  
Capital International - U.S. Small Cap  
Capital International - Global Discovery  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated October 5, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

Class A, D, F, H and I Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Capital International Asset Management (Canada), Inc.  
Project #688217

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**Issuer Name:**

CIBC Managed Income Portfolio  
CIBC Managed Income Plus Portfolio  
CIBC Managed Balanced Portfolio  
CIBC Managed Balanced Growth Portfolio  
CIBC Managed Balanced Growth RRSP Portfolio  
CIBC Managed Growth Portfolio  
CIBC Managed Growth RRSP Portfolio  
CIBC Managed Aggressive Growth Portfolio  
CIBC Managed Aggressive Growth RRSP Portfolio  
CIBC U.S. Dollar Managed Income Portfolio  
CIBC U.S. Dollar Managed Balanced Portfolio  
CIBC U.S. Dollar Managed Growth Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated October 7, 2004  
Mutual Reliance Review System Receipt dated October 12, 2004

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

CIBC Securities Inc.

**Promoter(s):**

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Project #666395

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**Issuer Name:**

Mackenzie Cundill Canadian Security Capital Class  
Mackenzie Ivy Canadian Capital Class  
Mackenzie Ivy Enterprise Capital Class  
Mackenzie Maxxum Canadian Equity Growth Capital Class  
Mackenzie Maxxum Canadian Value Capital Class  
Mackenzie Maxxum Dividend Capital Class  
Mackenzie Select Managers Canada Capital Class  
Mackenzie Universal Canadian Growth Capital Class  
Mackenzie Universal Future Capital Class  
Mackenzie Cundill American Capital Class  
Mackenzie Select Managers USA Capital Class  
Mackenzie Universal American Growth Capital Class  
Mackenzie Universal U.S. Blue Chip Capital Class  
Mackenzie Universal U.S. Emerging Growth Capital Class  
Mackenzie Universal U.S. Growth Leaders Capital Class  
Mackenzie Cundill Value Capital Class  
Mackenzie Ivy European Capital Class  
Mackenzie Ivy Foreign Equity Capital Class  
Mackenzie Select Managers Capital Class  
Mackenzie Select Managers Far East Capital Class  
Mackenzie Select Managers International Capital Class  
Mackenzie Select Managers Japan Capital Class  
Mackenzie Universal Emerging Markets Capital Class  
Mackenzie Universal European Opportunities Capital Class  
Mackenzie Universal Global Future Capital Class  
Mackenzie Universal Growth Trends Capital Class  
Mackenzie Universal International Stock Capital Class  
Mackenzie Universal Sustainable Opportunities Capital Class  
Mackenzie Universal Emerging Technologies Capital Class  
Mackenzie Universal Financial Services Capital Class  
Mackenzie Universal Health Sciences Capital Class  
Mackenzie Universal World Precious Metals Capital Class  
Mackenzie Universal World Real Estate Capital Class  
Mackenzie Universal World Resource Capital Class  
Mackenzie Universal World Science & Technology Capital Class  
Mackenzie Sentinel Canadian Managed Yield Capital Class  
Mackenzie Sentinel Managed Return Capital Class  
Mackenzie Sentinel U.S. Managed Yield Capital Class  
of  
Mackenzie Financial Capital Corporation  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated September 30, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

Series A, F, I, M, O and R Shares @ Net Asset Value

**Underwriter(s) or Distributor(s):**

none

N/A

**Promoter(s):**

Mackenzie Financial Corporation

Project #689035

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**Issuer Name:**

Merrill Lynch Financial Assets Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated October 6, 2004  
Mutual Reliance Review System Receipt dated October 6, 2004

**Offering Price and Description:**

\$455,998,000.00 (Approximate) Commercial Mortgage  
Pass-Through Certificates, Series 2004-Canada 14

**Underwriter(s) or Distributor(s):**

Merrill Lynch Canada Inc.

**Promoter(s):**

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**Project #693436**

**Issuer Name:**

Sprott Canadian Equity Fund  
Sprott Gold and Precious Minerals Fund  
Sprott Energy Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated October 5, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

Sprott Asset Management Inc.  
Sprott Securities Inc.

**Promoter(s):**

Sprott Asset Management Inc.

**Project #688388**

**Issuer Name:**

TD Canadian T-Bill Fund  
TD Canadian Money Market Fund  
TD Premium Money Market Fund  
TD U.S. Money Market Fund  
TD Short Term Bond Fund  
TD Mortgage Fund  
TD Canadian Bond Fund  
TD Real Return Bond Fund  
TD Global RSP Bond Fund  
TD High Yield Income Fund  
TD Income Advantage Portfolio  
TD Monthly Income Fund  
TD Balanced Fund  
TD Balanced Income Fund  
TD Balanced Growth Fund  
TD Global Asset Allocation Fund  
TD Dividend Income Fund  
TD Dividend Growth Fund  
TD Canadian Blue Chip Equity Fund  
TD Canadian Equity Fund  
TD Canadian Value Fund  
TD Canadian Small-Cap Equity Fund  
TD U.S. Blue Chip Equity Fund  
TD U.S. Blue Chip Equity RSP Fund  
TD U.S. Equity Fund  
TD AmeriGrowth RSP Fund  
TD U.S. Large-Cap Value Fund  
TD U.S. Mid-Cap Growth Fund  
TD U.S. Small-Cap Equity Fund  
TD U.S. Equity Advantage Portfolio  
TD Global Select Fund  
TD Global Select RSP Fund  
TD International Equity Fund  
TD International Growth Fund  
TD European Growth Fund  
TD European Growth RSP Fund  
TD Japanese Growth Fund  
TD Asian Growth Fund  
TD AsiaGrowth RSP Fund  
TD Emerging Markets Fund  
TD Emerging Markets RSP Fund  
TD Latin American Growth Fund  
TD Resource Fund  
TD Energy Fund  
TD Precious Metals Fund  
TD Entertainment & Communications Fund  
TD Entertainment & Communications RSP Fund  
TD Science & Technology Fund  
TD Science & Technology RSP Fund  
TD Health Sciences Fund  
TD Health Sciences RSP Fund  
TD Canadian Government Bond Index Fund  
TD Canadian Bond Index Fund  
TD Balanced Index Fund  
TD Canadian Index Fund  
TD Dow Jones Industrial Average Index Fund  
TD U.S. Index Fund  
TD U.S. RSP Index Fund  
TD Nasdaq RSP Index Fund  
TD International Index Fund  
TD International RSP Index Fund

TD European Index Fund  
TD Japanese Index Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated October 1, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

Investor Series, e-Series, Institutional Series, O-Series and  
Premium Series Units @ Net Asset Value

**Underwriter(s) or Distributor(s):**

TD Investment Services Inc.  
TD Investment Services Inc.

**Promoter(s):**

TD Asset Management Inc.

**Project #677882**

TD Dividend Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectus dated October 1, 2004  
Mutual Reliance Review System Receipt dated October 7, 2004

**Offering Price and Description:**

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**Underwriter(s) or Distributor(s):**

TD Investment Services Inc.

**Promoter(s):**

TD Asset Management Inc.

**Project #680554**

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**Issuer Name:**

TD U.S. Equity Advantage Portfolio  
TD Income Advantage Portfolio  
TD U.S. Large-Cap Value Fund  
TD Canadian Bond Fund  
TD Balanced Income Fund  
TD Canadian Money Market Fund  
TD Emerging Markets Fund  
TD Global RSP Bond Fund  
TD Monthly Income Fund  
TD U.S. Index Fund  
TD Canadian Index Fund  
TD Emerging Markets RSP Fund  
TD Entertainment & Communications RSP Fund  
TD Health Sciences RSP Fund  
TD Science & Technology RSP Fund  
TD U.S. Blue Chip Equity RSP Fund  
TD Global Select RSP Fund  
TD Nasdaq RSP Index Fund  
TD High Yield Income Fund  
TD Japanese Index Fund  
TD European Index Fund  
TD Dow Jones Industrial Average Index Fund  
TD U.S. RSP Index Fund  
TD International RSP Index Fund  
TD U.S. Small-Cap Equity Fund  
TD Entertainment & Communications Fund  
TD International Index Fund  
TD Canadian Bond Index Fund  
TD Canadian Value Fund  
TD U.S. Blue Chip Equity Fund  
TD Short Term Bond Fund  
TD Science & Technology Fund  
TD Resource Fund  
TD Real Return Bond Fund  
TD U.S. Mid-Cap Growth Fund  
TD International Growth Fund  
TD Health Sciences Fund  
TD Global Select Fund  
TD Dividend Growth Fund  
TD Canadian Government Bond Index Fund  
TD Canadian Equity Fund  
TD Canadian Blue Chip Equity Fund  
TD Balanced Growth Fund  
TD International Equity Fund  
TD Canadian Small-Cap Equity Fund



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## Chapter 12

# Registrations

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### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Aquilo Partners, Inc.	Limited Market Dealer	October 12, 2004
Change in Category	Galileo Equity Management Inc.	From: Investment Counsel & Portfolio Manager To: Limited Market Dealer and Investment Counsel & Portfolio Manager	October 6, 2004
Surrender of Registration	Saxon Mutual Funds Limited	Mutual Fund Dealer	October 6, 2004
Change of Name	From: Pricoa Asset Management, Inc. To: Pramerica Asset Management, Inc.	International Advisor (Investment Counsel & Portfolio Manager)	September 17, 2004

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## Chapter 13

# SRO Notices and Disciplinary Proceedings

### 13.1.1 RS Disciplinary Notice - UBS Securities Canada

the firm to ensure that they comply with UMIR;

#### DISCIPLINARY NOTICE

October 8, 2004

#### Participant Disciplined

On October 8, 2004, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning UBS Securities Canada Inc. ("UBS Securities Canada").

- (d) On or before June 30, 2005, the Board of Directors of UBS Securities Canada shall provide a copy of the independent consultant's report and recommendations to RS and certify to RS that all of the recommendations of the independent consultant have been implemented; and,
- (e) UBS Securities Canada is required to pay \$100,000 towards the costs of RS's investigation.

#### Requirements Contravened

Under the terms of the Settlement Agreement, UBS Securities Canada admits that the following Requirements were contravened:

- (a) Since 2003, UBS Securities Canada has failed to comply with Rule 2.2(1) of the Universal Market Integrity Rules ("UMIR");
- (b) Since 2003, UBS Securities Canada has failed to comply with its trading compliance and supervision obligations contrary to Rule 7.1(1) and Policy 7.1 of UMIR; and,
- (c) During the course of RS's Trade Desk Review conducted in July 2004, UBS Securities Canada was unable to provide information to RS in the form and manner it reasonably required, contrary to Section 10.11(3) of UMIR.

#### Sanctions Approved

Pursuant to the terms of the Settlement Agreement:

- (a) UBS Securities Canada is required to pay to RS a fine of \$2,000,000;
- (b) UBS Securities Canada will immediately stop the practice of double printing;
- (c) On or before 30 calendar days after the approval of this settlement by a Hearing Panel, the Board of Directors of UBS Securities Canada will certify to RS that UBS Securities Canada has retained an independent consultant to review its supervisory and compliance systems at

#### Summary of Facts

This settlement relates to:

- (a) A continued pattern of double printing by UBS Securities Canada in the TSX marketplace despite the issuance by RS of market integrity notices regarding double printing and order marking and despite reminders by RS personnel to cease the practice; and,
- (b) the failure by UBS Securities Canada to develop and implement appropriate policies and procedures in relation to its trading on marketplaces regulated by RS, as repeatedly identified through RS's Trade Desk Review program.

Double printing by UBS Securities Canada was uncovered by RS through RS's monitoring for such activity as part of its ongoing market surveillance function as well as through the Trade Desk Review process and through the Regulatory Review into Order Handling Procedures, launched by RS in the Spring of 2004. These efforts have disclosed that from at least early 2003, UBS Securities Canada has engaged in double printing in its trading operation. The practice of double printing affects the integrity of the marketplace by artificially inflating the trading volumes in the marketplace.

With respect to UMIR Rule and Policy 7.1, the lack of testing under UMIR Policy 7.1 and as specifically directed by RS pertaining to the practice of double printing (which includes the order marking and handling procedures), does not demonstrate or give confidence that UBS Securities Canada's Compliance Department has effectively implemented adequate audit trail testing procedures. The fact that UBS Securities Canada compliance personnel lacked proper training and knowledge of the OASIS system, and the failure by UBS Securities Canada to

ensure that deficiencies identified by RS during the Trade Desk Review process were rectified, reflects a failure of management and the Board of Directors of UBS Securities Canada to ensure that the Compliance Department is adequately resourced and trained to fulfill its responsibilities. Further, UBS Securities Canada management and Board of Directors failed to ensure that its compliance and supervision obligations were effectively fulfilled.

UBS Securities Canada's ongoing disregard of RS's warnings about double printing issues and trading compliance and supervision issues evidences a lack of adequate processes to ensure the integrity of the marketplace.

**Further Information**

Participants who require additional information should direct questions to Maureen Jensen, Vice President, Market Regulation, Eastern Region, Market Regulation Services Inc. at 416-646-7216.

**About Market Regulation Services Inc.**

Market Regulation Services Inc. ("RS") is the regulation services provider for Canadian equity markets including the TSX, TSX Venture Exchange, Canadian Trading and Quotation System, Bloomberg Tradebook Canada Company and Liquidnet Canada Inc. RS has been recognized by the securities commissions of Ontario, British Columbia, Alberta, Manitoba and the "Autorité des services financiers" to regulate the trading of securities on these markets by participant firms and their trading and sales staff. RS is mandated to conduct its regulatory activities in a neutral, cost-effective, service-oriented and responsive manner.

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