

The Ontario Securities Commission

OSC Bulletin

January 28, 2005

Volume 28, Issue 4

(2005), 28 OSCB

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

Cadillac Fairview Tower
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

Published under the authority of the Commission by:

Carswell
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

416-609-3800 or 1-800-387-5164

Contact Centre - Inquiries, Complaints:

Capital Markets Branch:

- Registration:

Corporate Finance Branch:

- Team 1:

- Team 2:

- Team 3:

- Insider Reporting

- Take-Over Bids:

Enforcement Branch:

Executive Offices:

General Counsel's Office:

Office of the Secretary:

Fax: 416-593-8122

Fax: 416-593-3651

Fax: 416-593-8283

Fax: 416-593-8244

Fax: 416-593-3683

Fax: 416-593-8252

Fax: 416-593-3666

Fax: 416-593-8177

Fax: 416-593-8321

Fax: 416-593-8241

Fax: 416-593-3681

Fax: 416-593-2318



The OSC Bulletin is published weekly by Carswell, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of \$549 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	\$175
Outside North America	\$400

Single issues of the printed Bulletin are available at \$20 per copy as long as supplies are available.

Carswell also offers every issue of the Bulletin, from 1994 onwards, fully searchable on *SecuritiesSource*[™], Canada's pre-eminent web-based securities resource. *SecuritiesSource*[™] also features comprehensive securities legislation, expert analysis, precedents and a weekly Newsletter. For more information on *SecuritiesSource*[™], as well as ordering information, please go to:

<http://www.westlawecarswell.com/SecuritiesSource/News/default.htm>

or call Carswell Customer Relations at 1-800-387-5164
(416-609-3800 Toronto & Outside of Canada)

Claims from bona fide subscribers for missing issues will be honoured by Carswell up to one month from publication date. Space is available in the Ontario Securities Commission Bulletin for advertisements. The publisher will accept advertising aimed at the securities industry or financial community in Canada. Advertisements are limited to tombstone announcements and professional business card announcements by members of, and suppliers to, the financial services industry.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise without the prior written permission of the publisher.

The publisher is not engaged in rendering legal, accounting or other professional advice. If legal advice or other expert assistance is required, the services of a competent professional should be sought.

© Copyright 2005 Ontario Securities Commission
ISSN 0226-9325
Except Chapter 7 ©CDS INC.



One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
Elsewhere in Canada/U.S. 1-800-387-5164
World wide Web: <http://www.carswell.com>
Email: carswell.orders@thomson.com

Table of Contents

<p>Chapter 1 Notices / News Releases 1029</p> <p>1.1 Notices 1029</p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission 1029</p> <p>1.1.2 Canadian Trading and Quotation System Inc. - Commission Approval of Amendments to CNQ Rules – Issuers with a Substantial Connection to Alberta - Commission Approval to CNQ Rule Amendments 1030</p> <p>1.1.3 OSC Staff Notice 11-739 Policy Reformulation Table of Concordance and List of New Instruments 1031</p> <p>1.2 Notices of Hearing (nil)</p> <p>1.3 News Releases 1033</p> <p>1.3.1 OSC to Hold Hearing to Consider Application by the Special Committee of the Board of Directors of Financial Models Company Inc. Regarding Take-Over Bid by 1066821 Ontario Inc. 1033</p> <p>1.3.2 OSC's Simplified Process Leads to Sanctions Against Wells Fargo and Unregistered Auditor 1033</p> <p>1.3.3 Final Income Trusts Policy Recommends Clearer Disclosure for Investors 1034</p> <p>1.4 Notices from the Office of the Secretary ... 1035</p> <p>1.4.1 Wells Fargo Financial Canada Corporation ... 1035</p> <p>1.4.2 Andrew Campbell 1036</p> <p>1.4.3 John Alexander Cornwall et al. 1036</p> <p>Chapter 2 Decisions, Orders and Rulings 1037</p> <p>2.1 Decisions 1037</p> <p>2.1.1 Performa Financial Group Limited - MRRS Decision 1037</p> <p>2.1.2 AD OPT Technologies Inc. - MRRS Decision 1038</p> <p>2.1.3 Nord Pacific Limited and Allied Gold Limited - MRRS Decision 1040</p> <p>2.1.4 Molson Canada and Molson Canada 2005 - MRRS Decision 1043</p> <p>2.1.5 Pembina Pipeline Income Fund - MRRS Decision 1048</p> <p>2.1.6 LSG Holdings Corp. - MRRS Decision 1050</p> <p>2.1.7 First Associates Investments Inc. - MRRS Decision 1051</p> <p>2.1.8 Calloway Real Estate Investment Trust - MRRS Decision 1054</p> <p>2.1.9 Northstar Energy Corporation - MRRS Decision 1056</p> <p>2.2 Orders 1057</p> <p>2.2.1 BGB Securities, Inc. - s. 211 of Reg. 1015 1057</p> <p>2.2.2 Mackenzie Financial Corporation et al. - s. 80 of the CFA 1058</p> <p>2.2.3 Sovereign Limited Partnership - s. 144 1060</p>	<p>2.2.4 Wells Fargo Financial Canada Corporation - ss. 127 and 127.1 1062</p> <p>2.2.5 Andrew Campbell - ss. 127 and 127.1 1072</p> <p>2.2.6 John Alexander Cornwall et al. - ss. 127 and 127.1 1072</p> <p>2.3 Rulings 1073</p> <p>2.3.1 Workstream Inc. - ss. 74(1) 1073</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings (nil)</p> <p>Chapter 4 Cease Trading Orders 1075</p> <p>4.1.1 Temporary, Extending & Rescinding Cease Trading Orders 1075</p> <p>4.2.1 Management & Insider Cease Trading Orders 1075</p> <p>Chapter 5 Rules and Policies (nil)</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 1077</p> <p>Chapter 8 Notice of Exempt Financings 1159</p> <p>Reports of Trades Submitted on Form 45-501F1 1159</p> <p>Chapter 9 Legislation (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings 1165</p> <p>Chapter 12 Registrations 1171</p> <p>12.1.1 Registrants 1171</p> <p>Chapter 13 SRO Notices and Disciplinary Proceedings 1173</p> <p>13.1.1 IDA Notice of Hearing - Lawrence Kenneth Freedman 1173</p> <p>13.1.2 MFDA Notice of Hearing - Robert Roy Parkinson 1179</p> <p>Chapter 25 Other Information (nil)</p> <p>Index 1183</p>
---	---

Chapter 1

Notices / News Releases

1.1 Notices	<u>SCHEDULED OSC HEARINGS</u>																																				
<p>1.1.1 Current Proceedings Before The Ontario Securities Commission</p> <p style="text-align: center;">JANUARY 28, 2005</p> <p style="text-align: center;">CURRENT PROCEEDINGS</p> <p style="text-align: center;">BEFORE</p> <p style="text-align: center;">ONTARIO SECURITIES COMMISSION</p> <p style="text-align: center;">-----</p> <p>Unless otherwise indicated in the date column, all hearings will take place at the following location:</p> <p style="margin-left: 40px;">The Harry S. Bray Hearing Room Ontario Securities Commission Cadillac Fairview Tower Suite 1700, Box 55 20 Queen Street West Toronto, Ontario M5H 3S8</p> <p>Telephone: 416-597-0681 Telecopier: 416-593-8348</p> <p>CDS TDX 76</p> <p>Late Mail depository on the 19th Floor until 6:00 p.m.</p> <p style="text-align: center;">-----</p> <p style="text-align: center;"><u>THE COMMISSIONERS</u></p> <table border="0" style="width: 100%;"><tr><td style="width: 60%;">David A. Brown, Q.C., Chair</td><td style="width: 5%;">—</td><td style="width: 35%;">DAB</td></tr><tr><td>Paul M. Moore, Q.C., Vice-Chair</td><td>—</td><td>PMM</td></tr><tr><td>Susan Wolburgh Jenah, Vice-Chair</td><td>—</td><td>SWJ</td></tr><tr><td>Paul K. Bates</td><td>—</td><td>PKB</td></tr><tr><td>Robert W. Davis, FCA</td><td>—</td><td>RWD</td></tr><tr><td>Harold P. Hands</td><td>—</td><td>HPH</td></tr><tr><td>David L. Knight, FCA</td><td>—</td><td>DLK</td></tr><tr><td>Mary Theresa McLeod</td><td>—</td><td>MTM</td></tr><tr><td>H. Lorne Morphy, Q.C.</td><td>—</td><td>HLM</td></tr><tr><td>Robert L. Shirriff, Q.C.</td><td>—</td><td>RLS</td></tr><tr><td>Suresh Thakrar, FIBC</td><td>—</td><td>ST</td></tr><tr><td>Wendell S. Wigle, Q.C.</td><td>—</td><td>WSW</td></tr></table>	David A. Brown, Q.C., Chair	—	DAB	Paul M. Moore, Q.C., Vice-Chair	—	PMM	Susan Wolburgh Jenah, Vice-Chair	—	SWJ	Paul K. Bates	—	PKB	Robert W. Davis, FCA	—	RWD	Harold P. Hands	—	HPH	David L. Knight, FCA	—	DLK	Mary Theresa McLeod	—	MTM	H. Lorne Morphy, Q.C.	—	HLM	Robert L. Shirriff, Q.C.	—	RLS	Suresh Thakrar, FIBC	—	ST	Wendell S. Wigle, Q.C.	—	WSW	<p>TBA</p> <p>Yama Abdullah Yaqeen</p> <p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: RLS/ST/DLK</p> <p>TBA</p> <p>Brian Peter Verbeek and Lloyd Hutchison Ebenezer Bruce*</p> <p>s. 127</p> <p>K. Manarin in attendance for Staff</p> <p>Panel: WSW/ST</p> <p>* Lloyd Bruce settled November 12, 2004</p> <p>TBA</p> <p>Cornwall et al</p> <p>s. 127</p> <p>K. Manarin in attendance for Staff</p> <p>Panel: HLM/RWD/ST</p> <p>February 4, 2005</p> <p>10:00 a.m.</p> <p>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</p> <p>s. 127</p> <p>J. Cotte in attendance for Staff</p> <p>Panel: PMM/RWD/DLK</p> <p>February 25, 2005</p> <p>10:00 a.m.</p> <p>Foreign Capital Corporation, Montpellier Group Inc. and Pierre Alfred Montpellier</p> <p>s. 127</p> <p>A. Clark in attendance for Staff</p> <p>Panel: TBD</p>
David A. Brown, Q.C., Chair	—	DAB																																			
Paul M. Moore, Q.C., Vice-Chair	—	PMM																																			
Susan Wolburgh Jenah, Vice-Chair	—	SWJ																																			
Paul K. Bates	—	PKB																																			
Robert W. Davis, FCA	—	RWD																																			
Harold P. Hands	—	HPH																																			
David L. Knight, FCA	—	DLK																																			
Mary Theresa McLeod	—	MTM																																			
H. Lorne Morphy, Q.C.	—	HLM																																			
Robert L. Shirriff, Q.C.	—	RLS																																			
Suresh Thakrar, FIBC	—	ST																																			
Wendell S. Wigle, Q.C.	—	WSW																																			

March 29-31, 2005
April 1, 4, 6-8, 11-14, 18, 20-22, 25-29, 2005
May 2, 4, 12, 13, 16, 18-20, 30, 2005
June 1-3, 2005

10:00 a.m.

April 11 to May 13, 2005, except Tuesdays

10:00 a.m.

May 24-27, 2005

10:00 a.m.

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

10:00 a.m.

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

s. 127

M. Britton in attendance for Staff

Panel: SWJ/HLM/MTM

Philip Services Corp. et al

s. 127

K. Manarin in attendance for Staff

Panel: PMM/RWD/ST

Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir

s. 127

J. Waechter in attendance for Staff

Panel: TBD

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

s. 127

J. Superina in attendance for Staff

Panel: TBA

* David Bromberg settled April 20, 2004
* Lloyd Bruce settled November 12, 2004

1.1.2 Canadian Trading and Quotation System Inc. - Commission Approval of Amendments to CNQ Rules – Issuers with a Substantial Connection to Alberta - Commission Approval to CNQ Rule Amendments

CANADIAN TRADING AND QUOTATION SYSTEM INC.

COMMISSION APPROVAL OF AMENDMENTS TO CNQ RULES – ISSUERS WITH A SUBSTANTIAL CONNECTION TO ALBERTA

COMMISSION APPROVAL TO CNQ RULE AMENDMENTS

The Ontario Securities Commission has approved amendments to the CNQ Rules which relate to issuers with a substantial connection to Alberta. These amendments were previously published on December 3, 2004 at (2004) 27 OSCB 9805. The amendments have not been republished in this Bulletin.

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

1.1.3 OSC Staff Notice 11-739 Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of December 31, 2004 has been posted to the OSC Website at www.osc.gov.on.ca under Policy and Regulation/Status Summaries.

Table of Concordance

Item Key		
OSC - OSC Policy NP - National Policy		
NOTE: The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous		
Instrument	Title	Status
32-101	Small Securityholder Selling and Purchase Arrangements	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>
32-502	Registration Exemption for Certain Trades by Financial Intermediaries	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>
32-503	Registration and Prospectus Exemption for Trades by Financial Intermediaries in Mutual Fund Securities to Corporate Sponsored Plans	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>
45-501	Exempt Distributions [replaces subsection 25(2) of Regulation 1015]	<i>Proposed revocation and replacement published for comment Dec 17/04 (tied to 45-106)</i>
45-502	Dividend or Interest Reinvestment and Stock Dividend Plans	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>
46-501	Self-Directed Registered Education Savings Plans	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>
81-501	Mutual Fund Reinvestment Plans	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>

List of New Instruments

11-739	Policy Reformulation Table of Concordance and List of New Instruments	<i>Published Oct 22/04</i>
11-740	International Joint Forum Publishes Consultation Report on Credit Risk Transfer	<i>Published Oct 29/04</i>
11-741	IOSCO Publishes Draft consultation Policy and Procedures for Public Comment	<i>Published Nov 12/04</i>
11-742	The Securities Advisory Committee to the OSC	<i>Published Nov 26/04</i>
13-313	Securities Regulatory Authority Closed Dates 2004	<i>Revised and Published Dec 10/04</i>
13-314	2005 Changes to SEDAR Annual Filing Service Charges	<i>Published Nov 5/04</i>
13-502	Fees	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
31-503	Limited Market Dealers	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
31-712	Mutual Fund Dealers Arrangements	<i>Amended and republished Nov 19/04</i>
32-502	Registration Exemption for Certain Trades by Financial Intermediaries – Amendment	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
32-503	Registration and Prospectus Exemption for Trades by Financial Intermediaries in Mutual Fund Securities to Corporate Sponsored Plans – Amendment	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
32-504	Adviser Registration Exemption (Under the Commodity Futures Act)	<i>Published for comment Dec 17/04 (tied to 45-106)</i>
33-105	Underwriting Conflicts	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
33-312	The CSA STP Readiness Assessment Survey Report is Now Available on the OSC Website	<i>Published Nov 5/04</i>

41-201	Income Trusts and Other Indirect Offerings	<i>Adopted Dec 3/04</i>
45-101	Rights Offerings	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
45-102	Resale of Securities	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
45-105	Trades to Employees, Executives, Senior Officers, Directors, and Consultants	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>
45-106	Prospectus and Registration Exemptions	<i>Published for comment Dec 17/04</i>
45-501	Exempt Distributions - Amendments	<i>Proposed revocation and replacement published for comment Dec 17/04 (tied to 45-106)</i>
45-502	Dividend or Interest Reinvestment and Stock Dividend Plans – Amendments	<i>Proposed revocation and replacement published for comment Dec 17/04 (tied to 45-106)</i>
45-706	OSC Small Business Advisory Committee	<i>Published Dec 17/04</i>
45-802	Implementing National Instrument 45-106 Prospectus and Registration Exemptions and Ontario Securities Commission Rule 45-501 Ontario Prospectus and Registration Exemptions	<i>Published for comment Dec 17/04 (tied to 45-106)</i>
51-715	Corporate Finance Review Program Report – October 2004	<i>Published Oct 22/04</i>
52-109	Certification of Disclosure in Companies' Annual and Interim Filings	<i>Amendments published for comment Nov 26/04</i>
52-110	Audit Committees	<i>Amendments published for comment Oct 29/04</i>
58-101	Disclosure of Corporate Governance Practices	<i>Republished for comment Oct 29/04</i>
58-201	Corporate Governance Guidelines	<i>Republished for comment Oct 29/04</i>
62-101	Control Block Distribution Issues	<i>Proposed revocation published for comment Dec 17/04 (tied to 45-106)</i>
62-103	The Early Warning System and Related Take-over Bid and Insider Reporting Issues	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
81-313	Status of Proposed National Instrument 81-106 Investment Funds Continuous	<i>Published Dec 17/04</i>
81-707	Labour Sponsored Investment Funds – Summary Disclosure of Fees, Expenses and Annual Performance Information in Prospectuses of LSIFs; and the Payment of Sales and Trailing Commissions Out of Fund Assets	<i>Published Nov. 5/04</i>
91-501	Strip Bonds	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>
91-502	Trades in Recognized Options	<i>Amendment published for comment Dec 17/04 (tied to 45-106)</i>

For further information, contact:

Alicia Ferdinand, Project Coordinator
 Ontario Securities Commission
 416-593-8307
aferdinand@osc.gov.on.ca

January 28, 2005

1.3 News Releases

1.3.1 OSC to Hold Hearing to Consider Application by the Special Committee of the Board of Directors of Financial Models Company Inc. Regarding Take-Over Bid by 1066821 Ontario Inc.

FOR IMMEDIATE RELEASE
January 24, 2005

OSC TO HOLD HEARING TO CONSIDER APPLICATION BY THE SPECIAL COMMITTEE OF THE BOARD OF DIRECTORS OF FINANCIAL MODELS COMPANY INC. REGARDING TAKE-OVER BID BY 1066821 ONTARIO INC.

Toronto – The Commission will hold a hearing to consider an application by the Special Committee of the Board of Directors of Financial Models Company Inc. challenging the take-over bid by 1066821 Ontario Inc. for Financial Models Company Inc. on grounds relating to financing conditions, reliance on the auction exemption to the valuation requirement for insider bids and other legal and policy issues. The hearing will take place at the Commission's office on the 17th floor, 20 Queen Street West on January 28, 2005 commencing at 10:00 a.m.

For Media Inquiries: Eric Pelletier
Manager, Media Relations
416-595-8913

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

1.3.2 OSC's Simplified Process Leads to Sanctions Against Wells Fargo and Unregistered Auditor

FOR IMMEDIATE RELEASE
January 24, 2005

OSC'S SIMPLIFIED PROCESS LEADS TO SANCTIONS AGAINST WELLS FARGO AND UNREGISTERED AUDITOR

TORONTO – In two successive hearings today, a panel of the Ontario Securities Commission issued sanctions against Wells Fargo Financial Canada Corporation and auditor William Andrew Campbell. The hearings were the result of a new vehicle by which OSC staff prioritize and bring to a hearing quickly cases that do not require extensive investigation.

The two cases heard today involved facts that are relatively straightforward and conduct that is easily identified. The proceedings were both launched in December, 2004 and were in respect of alleged misconduct that occurred, in the case of Wells Fargo, three months earlier, and in the case of Andrew Campbell, seven months earlier. In a recent statement, OSC Enforcement Director Michael Watson said: "In these cases, we seldom need to rely on anything more than regulatory filings to prove the misconduct. They can proceed without the necessity of a lengthy investigation."

In opening comments at the hearings, OSC Litigator Greg MacKenzie said: "Staff wish to emphasize that the intent of the simplified process initiative is not to compromise in any way the rights and protections to which any respondent in an OSC proceeding is entitled. While the simplified process aims to bring certain matters to a hearing quickly, once the hearing commences we are in the hands of the Commission and it is expected that all of the normal rules, procedures and protections afforded to respondents continue to apply."

Wells Fargo Financial Canada Corporation

Wells Fargo Financial Canada Corporation agreed that on four occasions over a twenty-month period it failed to file pricing supplements for its medium term note program on time, as required under securities regulation. In a settlement agreement approved in the public interest, the OSC panel issued an order that Wells Fargo immediately implement a plan approved by OSC staff to ensure timely filing of pricing supplements, pay an administrative penalty of \$20,000 to the Commission and pay \$5,000 towards the costs of the investigation and the proceeding.

Panel Chair Paul Moore, an OSC Vice-Chair, noted this was the first application of an administrative penalty by the Commission under expanded sanctioning powers granted to the Commission by legislation in 2003. Moore also noted that staff intend to vigorously enforce late filings and commended staff on their increased vigilance. "The warning signal has been given," said Moore. "Let the street take note."

William Andrew Campbell

In a subsequent hearing, Mr. Campbell was found to have issued auditor reports for six publicly traded companies while not registered with the Canadian Public Accountability Board (CPAB), as required under securities regulation. Mr. Campbell was reprimanded by the Commission panel and ordered to disgorge \$10,000 in audit fees gains to the Commission. "There was no question that the conduct was unacceptable," said Moore.

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

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

**1.3.3 Final Income Trusts Policy Recommends
Clearer Disclosure for Investors**

**FOR IMMEDIATE RELEASE
January 26, 2005**

**FINAL INCOME TRUSTS POLICY RECOMMENDS
CLEARER DISCLOSURE FOR INVESTORS**

Toronto – The Canadian Securities Administrators (CSA) recently published additional guidance that enhances the information available about income trusts. Income trusts are sophisticated investments. Before you invest, make sure you read and understand the prospectus and other disclosure documents describing the trust and the securities (or units), and that you are comfortable with the risks related to the investment.

What is an income trust?

An income trust offers units to the public. The money that the trust raises is used to purchase the common shares and debt of a business. As the business generates income, the combination of the trust's equity and debt holdings in the business allows the income to flow from the business through to investors essentially tax-free in the form of distributions. "Distributable cash" is the term that is used to describe the income that flows from the business to investors. In contrast, publicly listed companies usually retain and re-invest their earnings, and sometimes pay out a small portion of earnings to their shareholders as dividends.

Risk and Return

Income trusts are not conservative or fixed-income investments. They are equity-like investments that carry varying degrees of risk. Income trust distributions are not assured, and depend almost entirely on the financial performance of the underlying business. Just like any security, the quality of income trust investments can vary. Before you invest, make sure you look at a range of factors such as any business risks specific to the industry involved, and the management structure that is in place.

What's new?

The guidance issued by the CSA is in the form of a policy. The policy suggests ways in which issuers could improve their disclosure about what cash will be paid out to unitholders, and about the risk factors associated with investing in an income trust. In a related development, new legislation in Ontario limits the liability of income trust unitholders for acts committed by the trust or trustees.

What should I consider before I invest?

You can access the income trust's public disclosure documents on the SEDAR website at www.sedar.com. You can also check news services for any press releases or other public information. Base your investment decisions on the research you've gathered from credible, knowledgeable and diverse sources.

Contact the Ontario Securities Commission toll free at 1-877-785-1555 for further information. You can learn more about investment topics on-line at www.InvestorED.ca. See

the article *Ins and Outs of Income Trusts* for more information on this subject.

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

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

1.4 Notices from the Office of the Secretary

1.4.1 Wells Fargo Financial Canada Corporation

**FOR IMMEDIATE RELEASE
January 26, 2005**

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

AND

WELLS FARGO FINANCIAL CANADA CORPORATION

TORONTO – The Commission signed an Order approving the Settlement Agreement between Staff and Wells Fargo Financial Canada Corporation.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.2 Andrew Campbell

FOR IMMEDIATE RELEASE
January 26, 2005

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

AND

ANDREW CAMPBELL

TORONTO – The Commission issued an Order following a hearing on January 24, 2005 in the above named matter.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.3 John Alexander Cornwall et al.

FOR IMMEDIATE RELEASE
January 26, 2005

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

AND

**JOHN ALEXANDER CORNWALL,
KATHRYN A. COOK,
DAVID SIMPSON,
JEROME STANISLAUS XAVIER,
CGC FINANCIAL SERVICES INC. AND
FIRST FINANCIAL SERVICES**

TORONTO – The hearing in the above named matter scheduled to commence Wednesday, January 26, 2005 at 10:00 a.m., has been adjourned to a date to be set by the Secretary to the Commission.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Performa Financial Group Limited - MRRS Decision

Headnote

Exemption granted to a participating dealer from the "equity interest" disclosure and consent provisions of National Instrument 81-105 Mutual Fund Sales Practices in connection with a small equity interest held by one employee of the dealer in a member of the organization of a mutual fund, subject to certain specified conditions.

Rules Cited

National Instrument 81-105 Mutual Fund Sales Practices, subsections 8.2(3) and 8.2(4), section 9.1.

January 6, 2005

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-105 MUTUAL FUND
SALES PRACTICES
("NI 81-105")**

AND

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

AND

**IN THE MATTER OF
PERFORMA FINANCIAL GROUP LIMITED
("THE FILER")**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in British Columbia, Alberta, Saskatchewan, Ontario, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, the Yukon Territories, the Northwest Territories, and Nunavut (the "Jurisdictions") has received an application from the Filer on its own behalf and on behalf of its current and future representatives from time to time (the "Representatives") for a decision that the point of sale disclosure and consent requirements contained in NI 81-105 (the "Legislation") shall not apply in respect of the equity interest of an employee of the Filer in ClaringtonFunds Inc. (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.

Representations

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

1. The Filer is registered as a mutual fund dealer (or the equivalent), in all of the provinces of Canada, other than Manitoba, and as a limited market dealer in Ontario and may in the future become registered in more or all of the remaining jurisdictions in Canada.
2. The spouse of an employee of the Filer (the "Spouse") beneficially owns 0.01901% of the outstanding shares (the "Clarington Equity Interest") of ClaringtonFunds Inc. ("Clarington"). The said employee (the "Employee") is registered as a representative in Alberta and is engaged in the employment of the Filer in the capacity of Advisor Relations and is not an officer or director of the Filer and does not otherwise have a position of authority or supervision over the Representatives.
3. Clarington is a member of the organization (as that term is defined in NI 81-105) of the Clarington group of mutual funds (the "Clarington Funds"). The Clarington Funds are, and will continue to be, sold in all provinces and territories under one or more simplified prospectuses.
4. No Representative of the Filer holds shares of Clarington or has an equity interest (as defined in NI 81-105) of any other member of the organization of the Clarington Funds. The Spouse does not have an equity interest in any other member of the organization of the Clarington Funds.
5. NI 81-105 would require: (a) the Representatives of the Filer to give those clients who wish to

acquire securities of the Clarington Funds a disclosure statement outlining the Clarington Equity Interest of the spouse of the Employee, and (b) each of the Representatives of the Filer to obtain a consent from any client wishing to acquire securities of the Clarington Funds.

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-105 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. In the event the Employee assumes a position of authority or supervision over the Representatives, the Representatives and the Filer comply with the Legislation.
2. Where clients of the Filer deal directly with the Employee in connection with the purchase of securities of Clarington Funds, the Filer and the Employee comply with the requirements of the Legislation.

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

“H. Lorne Morphy”
Commissioner
Ontario Securities Commission

2.1.2 AD OPT Technologies 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.

January 20, 2005

McCarthy Tetrault LLP

1170 Peel Street
Montreal, Québec H3B 4S8

Attention: Me Julie Belley Perron

Dear Me Belley Perron:

Re: AD OPT Technologies Inc. (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Ontario, New Brunswick, Québec, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”)

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

As the Applicant has represented to the Decisions Makers that:

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

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

“Marie-Christine Barrette”
Manager, Corporate Finance Department
L’Autorité des marchés financiers

2.1.3 Nord Pacific Limited and Allied Gold Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuers involved in arrangement deemed to cease to be reporting issuers. Upon acquiring all of the outstanding shares of a Canadian company, Australian company became a reporting issuer in certain jurisdictions. Wholly-owned Canadian company deemed to cease to be reporting issuer because all of its outstanding shares are held by Australian company. Australian company also deemed to cease to be a reporting issuer given absence of Canadian market for shares and de minimus number of shareholders in Canada.

Applicable Ontario Provisions

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

January 19, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA AND ONTARIO (THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
NORD PACIFIC LIMITED (NORD) AND
ALLIED GOLD LIMITED (ALLIED) (COLLECTIVELY, THE FILERS)**

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 Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that:

Allied Reporting Issuer Relief

1. In British Columbia, Alberta and Ontario, Allied is deemed to have ceased to be a reporting issuer (the Allied Requested Relief).

Nord Reporting Issuer Relief

2. In Alberta and Ontario, Nord is deemed to have ceased to be a reporting issuer (the Nord 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.

Representations

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

Decisions, Orders and Rulings

1. Nord was continued into the Province of New Brunswick, effective September 30, 1998 and is a reporting issuer in the provinces of Alberta and Ontario.
2. Effective December 27, 2004, Nord surrendered its reporting issuer status in the Province of British Columbia.
3. On September 20, 2004 Nord and Allied completed an arrangement whereby Allied became the sole shareholder of Nord in exchange for its shares issued to Nord security holders (the "Acquisition").
4. The principal office of Nord is located in Welshpool, Western Australia since the completion of the arrangement with Allied.
5. No securities of Nord are traded on a marketplace as defined in National Instrument 21-101 - Marketplace Operation.
6. Nord is authorized to issue an unlimited number of common shares (the "Common Shares") of which 37,172,346 Common Shares were issued and outstanding as of December 13, 2004.
7. As of the date hereof, all of the issued and outstanding Common Shares are held by Allied such that Nord is 100% owned by Allied.
8. Other than the Common Shares, there are no other securities of Nord, including debt securities, outstanding.
9. Nord is currently subject to cease trade orders issued by the Ontario Securities Commission and Alberta Securities Commission on July 23, 2001 (as extended on August 3, 2001) and August 17, 2001, respectively, for failure to file financial statements.
10. Allied is a corporation incorporated on May 26, 2003 under the *Corporations Act 2001* (Western Australia).
11. The principal office of Allied is located in Welshpool, Western Australia.
12. Allied is the equivalent of a reporting issuer in Western Australia and its ordinary shares (the "Ordinary Shares") are listed on the Australian Stock Exchange ("ASX") under the symbol "ALD".
13. The authorized capital of Allied consists of an unlimited number of Ordinary Shares of which 64,745,178 Ordinary Shares were issued and outstanding as of November 25, 2004. (i.e. post arrangement).
14. There is no public market in Canada for the Ordinary Shares and no such public market is expected to develop.
15. Allied only became a reporting issuer in the provinces of Alberta, British Columbia and Ontario upon the completion of the arrangement with Nord on September 20, 2004.
16. Allied is not in default of any of its obligations under the Legislation as a reporting issuer.
17. Prior to the arrangement, Allied had no shareholders in Canada. Upon completion of the arrangement Allied entered Nord security holders on its books as holders of Allied Ordinary Shares against receipt of Nord share certificates. Based on searches by Allied of beneficial and registered security holders on November 25, 2004, of the 1,620 shareholders of Allied, the following is the shareholding in Canada:

Province	Number of Registered and Beneficial Holders	Percentage of Total Holders	Number of Ordinary Shares held	Percentage of Ordinary Shares
Alberta	2	0.12%	6,600	0.01%
British Columbia	13	0.80%	1,315,900	2.00%
Ontario	7	0.43%	81,410	0.12%
Yukon	1	0.06%	300	0.00%
Quebec	1	0.06%	5,400	0.00%
Total	24	1.48%	1,409,610	2.17%

Decisions, Orders and Rulings

18. To the best of Allied's knowledge, the beneficial holders of Ordinary Shares resident in Canada hold approximately 2.17% of the issued and outstanding Ordinary Shares and represent less than 2% of the total number of holders of Ordinary Shares of Allied.
19. To the best of Allied's knowledge, other than the Ordinary Shares listed above, no securities of Allied, including debt securities are held by residents in Canada.
20. On completion of the arrangement Allied became a "foreign private issuer", as defined under the securities laws of the United States of America, subject as such to the securities laws of the United States of America.
21. Allied is a "SEC foreign issuer", as defined in National Instrument 71-102 - *Continuous Disclosure and Other Exemptions Relating to Foreign Issuers*.
22. Neither Allied nor Nord intends to make a public offering of securities to Canadian residents.
23. Allied is subject to the reporting requirements of the applicable securities legislation of Australia, the ASX and the Australian Securities and Investment Commission.
24. Allied will continue to provide to its shareholders residents in Canada, the continuous disclosure documents required to be provided to the Allied shareholders resident in Australia under applicable Australian laws.
25. The only market for Allied securities is over the ASX in Australia.

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.

Allied Reporting Issuer Relief

1. The decision of the Decision Makers in British Columbia, Alberta and Ontario under the Legislation is that the Allied Requested Relief is granted.

Nord Reporting Issuer Relief

2. The further decision of the Decision Makers in Alberta and Ontario under the Legislation is that the Nord Requested Relief is granted.

"Suresh Thakrar"

"Robert W. Davis"

2.1.4 Molson Canada and Molson Canada 2005 - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Existing partnership to be dissolved pursuant to reorganization, with newly formed partnership to acquire the assets and liabilities of dissolved partnership and to assume publicly held debentures. Newly formed partnership deemed to be a reporting issuer and exempt from complying with certain eligibility criteria under short form prospectus regime, subject to certain conditions.

Applicable Ontario Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 83.1, National Instrument 44-101, sections 2.10, 15.

January 21, 2005

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

AND

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

AND

MOLSON CANADA
AND MOLSON CANADA 2005 (THE "FILERS")

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 Filers for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that:

1. Reporting Issuer Status Relief

In British Columbia, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland, Molson Canada 2005 ("**MC 2005**"), a partnership to be formed under the laws of Ontario, shall be deemed or declared a reporting issuer under the Legislation immediately after closing of the Reorganization ("**Reporting Issuer Status Relief**").

2. Short Form Prospectus Eligibility Relief

In all Jurisdictions, the requirements of the Legislation to have a current annual information form and to have a 12-month reporting issuer history in Canada to be eligible to use the short form prospectus regime shall not apply to MC 2005 (the "**Short Form Prospectus Eligibility Relief**").

Under National Policy 12-201 - Mutual Reliance Review System ("**MRRS**") 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.

"**Arrangement**" means the plan of arrangement, under Section 192 of the *Canada Business Corporations Act*, pursuant to which the Transaction will be effected;

"**Assumption**" means the proposed assumption by MC 2005 of the MC Debentures issued by MC;

"**Effective Time**" means the effective time of the Arrangement;

"**MC**" means Molson Canada, an Ontario partnership;

"**MC Debentures**" means the issued and outstanding debt securities of MC consisting of Cdn\$100 million of debentures bearing interest at an annual rate of 6.7% and maturing on June 2, 2028, Cdn\$100 million of debentures bearing interest at an annual rate of 9.1% and maturing on March 11, 2013, Cdn\$150 million of debentures bearing interest at an annual rate of 8.4% and maturing on December 7, 2018 and Cdn\$200 million of debentures bearing interest at an annual rate of 6% and maturing on June 2, 2008;

"**NI 44-101**" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**Reorganization**" means the proposed reorganization involving the Assumption and certain other transactions between Molson, MC, MC 2005 and affiliates thereof; and

"**Transaction**" means the proposed combination of Adolph Coors Company ("**Coors**") and Molson Inc. ("**Molson**") pursuant to the combination agreement dated as of July 21, 2004 among Coors, Molson and Molson Coors Canada Inc ("**Exchangeco**"), as amended.

Representations

MC 2005

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

1. The Filers

Molson Canada

- i. MC's principal executive offices are located at 175 Bloor Street East, North Tower, 2nd Floor, Toronto, Ontario M4W 3S4.
- ii. Currently, MC is an Ontario partnership with its sole partners consisting of Molson (with 60% equity interest) and Carling O'Keefe Breweries of Canada Limited (with 40% equity interest), which is wholly-owned directly by Molson.
- iii. Immediately prior to the effective time of the Assumption and as part of the Reorganization, the partners of MC will consist of Molson (with approximately 99.99% equity interest) and Carling O'Keefe Company ("**Carling O'Keefe**") (with approximately 0.01% equity interest), which will be wholly-owned directly by Molson.
- iv. MC is and has been for a period of over 12 months a reporting issuer or equivalent in all Jurisdictions (except Prince Edward Island, Yukon, Nunavut and the Northwest Territories) and is not on the list of defaulting reporting issuers maintained under applicable Legislation. MC has issued and outstanding the MC Debentures. The MC Debentures (a) were offered by way of prospectus in Canada, (b) are redeemable at the option of MC and (c) are direct unsecured obligations of MC.
- v. Molson's Canadian brewing and distribution operations are carried on by MC.
- vi. As part of the Reorganization, MC will be dissolved following the Assumption by MC 2005 of the MC Debentures.

- vii. When formed, prior to the Assumption, MC 2005's principal executive offices will be located at 175 Bloor Street East, North Tower, 2nd Floor, Toronto, Ontario M4W 3S4.
- viii. As part of the Reorganization, MC 2005 will be formed as an Ontario partnership with MC (as to a 50.1% equity interest), Exchangeco (as to a 24.9% equity interest) and 3096605 Nova Scotia Company ("**Coors Canada (2005) Company**"), a corporation wholly-owned by Exchangeco (as to a 24.9% equity interest), as its sole partners.
- ix. Following closing of the Reorganization and Transaction, the partners of MC 2005 will consist of Molson (with approximately 80% equity interest), Carling O'Keefe (with approximately 9.975% equity interest) and Coors Canada (2005) Company (with approximately 10.025% interest), all of which will be indirect wholly-owned subsidiaries of Molson Coors Brewing Company ("**Molson Coors**"), the company in which Molson's and Coors' businesses will be combined in the Transaction.
- x. Following closing of the Reorganization and Transaction, MC 2005 will carry on the businesses currently being carried on by MC, which are Molson's Canadian brewing and distribution operations, and by Coors Canada, a partnership formed under the laws of Ontario, which currently markets and distributes certain Coors brands in Canada.

2. The Reorganization and Assumption are to be completed prior to the Effective Time. The principal purpose of the Reorganization is for Molson and Coors to combine their Canadian businesses in a single partnership in order to assist in extracting synergies from the proposed Transaction of a merger of equals.

3. Certain Steps of the Reorganization

MC 2005 will be formed prior to the securityholders meetings of each of Molson and Coors (collectively, the "Securityholders Meetings") to be held in respect of the Transaction.

If the Molson and Coors securityholders approve the Transaction at their respective Securityholders Meetings and the Superior Court, District of Montreal, Province of Québec grants a final order in respect of the Arrangement, following such meetings and order and before the Effective Time, the following actions will occur as part of the Reorganization. The terms of closing of the Reorganization are such that all of the following steps must take place; if any step set-out below does not take place, the Reorganization will not proceed.

- i. Molson will transfer its approximately 49.9% equity interest in Coors Canada and shares representing 100% of the equity of Rathon Corp. and C-GMOL Inc. to MC in consideration for an additional equity interest in MC. Actions described in this subparagraph 3.i are collectively referred to herein as "**Step I**".
- ii. Following Step i, the Assumption of the MC Debentures will be effected by an assumption agreement dated as of the date of the Reorganization between MC and MC 2005. The Assumption of MC Debentures by MC 2005 will be in consideration for payment of approximately Cdn\$550 million to MC 2005 by MC. Actions described in this subparagraph 3.ii are collectively referred to herein as "**Step ii**".
- iii. Following Step ii, MC will transfer to MC 2005 by way of an agreement dated as of the date of the Reorganization between MC and MC 2005, all of MC's assets and undertaking, with the exception of the Carling family of trademarks, its 49.9% equity interest in Coors Canada, shares of a newly-formed wholly-owned company ("**Brandco**") and shares of its wholly-owned companies Rathon Corp. and C-GMOL Inc.
- iv. Following Step iii, MC will license the Carling family of trademarks to MC 2005 by way of an agreement ("**Licence**") dated as of the Reorganization. Actions described in this subparagraph 3.iv are collectively referred to herein as "**Step iv**".
- v. Following Step iv, MC will transfer the Carling family of trademarks, the Licence and 10% equity interest in MC 2005 by way of an agreement dated as of the date of the Reorganization to Brandco. This transfer will be in consideration for the issuance to MC of shares of Brandco. Following these actions, the partners of MC 2005 will consist of MC (with approximately 89.99% equity interest), Brandco (with approximately 10% equity interest), Coors Canada (2005) Company (with 0.005% equity interest) and Exchangeco (with approximately 0.005% equity interest). Actions described in this subparagraph 3.v are collectively referred to herein as "**Step v**".
- vi. Following Step v, the MC partners, consisting of Molson (with approximately 99.99% equity interest) and Carling O'Keefe (with approximately 0.01% equity interest), will agree to dissolve MC and transfer an undivided interest in each MC asset to Molson and Carling O'Keefe in proportion to their equity interests in MC.

This transfer will be in consideration for cash of Cdn\$550 million, MC 2005 assuming the liabilities of MC and issuing an additional partnership interest to MC. Following these actions, the partners of MC 2005 will consist of MC (with approximately 99.99% equity interest), Coors Canada (2005) Company (with 0.005% equity interest) and Exchangeco (with approximately 0.005% equity interest). Actions described in this subparagraph 3.iii are collectively referred to herein as "**Step iii**".

- This step will result in (a) Molson and Carling O'Keefe holding, respectively, approximately 99.99% and approximately 0.01% equity interests in the shares of Brandco, Rathon Corp. and C-GMOL Inc., (b) Molson and Carling O'Keefe holding, respectively, approximately 49.89% and 0.01% equity interests in the Coors Canada and (c) Molson and Carling O'Keefe holding, respectively, approximately 89.98% and 0.01% equity interests in MC 2005. Actions described in this subparagraph 3.vi are collectively referred to herein as "**Step vi**".
- vii. Following Step vi, Molson will transfer its approximately 49.89% equity interest in the Coors Canada to Carling O'Keefe by a way of an agreement dated as of the date of the Reorganization between Molson and Carling O'Keefe, in consideration for the issuance to Molson of additional Carling O'Keefe shares. This step will result in Carling O'Keefe holding approximately 49.9% equity interest in the Coors Canada. Actions described in this subparagraph 3.vii are collectively referred to herein as "**Step vii**".
- viii. Following Step vii, Carling O'Keefe will transfer its approximately 0.01% partnership equity interest in MC 2005 and its approximately 0.01% share interest in Brandco, Rathon Corp. and C-GMOL Inc., to Molson by way of an agreement between Molson and Carling O'Keefe dated as of the date of the Reorganization in consideration for the payment of cash by Molson. This step will result in Molson holding approximately 89.99% equity interest directly, and an additional 10% equity interest indirectly through Brandco, in MC 2005 and 100% of the shares of Brandco, Rathon Corp. and C-GMOL Inc. Actions described in this subparagraph 3.viii are collectively referred to herein as "**Step viii**".
- ix. Following Step viii, Molson will cause Brandco to be dissolved and on the dissolution it will acquire from Brandco the Carling family of trademarks, the Licence and a 10% equity interest in MC 2005. This step will result in Molson holding approximately 99.99% equity interest in MC 2005. Actions described in this subparagraph 3.ix are collectively referred to herein as "**Step ix**".
- x. Following Step ix, Molson will transfer to MC 2005 the Carling family of trademarks by agreement dated as of the date of the Reorganization. This transfer will be in consideration for an additional partnership interest in MC 2005. The Licence will be terminated. Actions described in this subparagraph 3.x are collectively referred to herein as "**Step x**".
- xi. Following Step x, Coors Canada will transfer its business assets to MC 2005 by way of an agreement dated as of the date of the Reorganization. This transfer will be in consideration for the issuance to Coors Canada of a partnership interest in MC 2005 and the assumption by MC 2005 of Coors Canada liabilities. Actions described in this subparagraph 3.xi are collectively referred to herein as "**Step xi**".
- xii. Following Step xi, the Coors Canada partners, consisting of Carling O'Keefe (with approximately 49.9% equity interest) and Exchangeco (with approximately 50.1% equity interest), will agree to dissolve Coors Canada and transfer an undivided interest in Coors Canada's asset (being its equity interest in MC 2005) in proportion to their equity interests in Coors Canada. This step will result in (a) Molson and Carling O'Keefe holding, respectively, approximately 80% and 9.975% equity interests in

MC 2005 and (b) Exchangeco and Coors Canada (2005) Company holding, respectively, approximately 10.02% and 0.005% equity interests in MC 2005. Actions described in this subparagraph 3.xii are collectively referred to herein as “Step xii”.

- xiii. Following Step xii, Exchangeco will transfer its approximately 10.02% equity interest in MC 2005 and a licence to Coors Canada (2005) Company for shares of the latter. Following this action, Coors Canada (2005) Company will hold an approximately 10.025% equity interest in MC 2005. Actions described in this subparagraph 3.xiii are collectively referred to herein as “Step xiii”.

As a consequence of the Reorganization and Assumption, (a) substantially all of the assets held by MC will be transferred to, and held by, MC 2005, (b) all of the MC Debentures will become obligations of MC 2005 and (c) all of the assets and held by Coors Canada will be transferred to, and held by, MC 2005. The Assumption will result in the change of the debtor’s identity from MC to MC 2005 but the terms and conditions of the MC Debentures will remain unchanged.

CIBC Mellon Trust Company (the “Trustee”), the trustee under the trust indentures governing the MC Debentures, will approve Steps i through xi of the Reorganization (being the Steps relevant to the MC Debenture holders) as not being prejudicial to the MC Debenture holders pursuant to the terms of the trust indentures governing the MC Debentures.

4. Both before and after completion of the Reorganization, Molson will, on the same terms as before the Assumption, remain liable on the same basis, as partner of MC 2005, for the amounts owing under the MC Debentures. MC 2005’s net asset base will be equal to or greater than that of MC as it will carry on the businesses currently being carried on by MC, Molson’s Canadian brewing and distribution operations, as well as those being carried on by Coors Canada, which currently markets and distributes the Coors brand in Canada.
5. MC 2005 wishes to become a reporting issuer or its equivalent in all Jurisdictions where MC is currently a reporting issuer or its equivalent effective immediately after the closing of the Reorganization (being all Jurisdictions except

Prince Edward Island, Yukon, Nunavut and the Northwest Territories).

6. Following the Reorganization, MC 2005 will continue to carry on the businesses currently being carried on by MC, which consist of Molson’s Canadian brewing, marketing and distribution operations and hold substantially the same assets as are currently held by MC, in addition to those assets used in connection with the distribution of the Coors brand in Canada.

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.

1. Reporting Issuer Status Relief

The decision of the Decision Makers in British Columbia, Alberta, Ontario, New Brunswick, Nova Scotia and Newfoundland under the Legislation is that the Reporting Issuer Status Relief is granted.

“Suresh Thakrar”
Commissioner
Ontario Securities Commission

“Robert W. Davis”
Commissioner
Ontario Securities Commission

2. Short Form Prospectus Eligibility Relief

The further decision of the Decision Makers in all Jurisdictions under the Legislation is that the Short Form Prospectus Eligibility Relief is granted provided that:

- (a) until MC 2005 files an annual information form in accordance with the Legislation, MC 2005 adopts as its current annual information form the current annual information form of MC;
- (b) MC 2005 incorporates by reference in any short form prospectus the relevant documents filed by MC until such time as those documents are superseded by documents filed by MC 2005 in accordance with the Legislation; and
- (c) MC 2005 complies with the other requirements and procedures and each of the other qualifications or qualification criteria of NI 44-101.

“Iva Vranic”
Manager, Corporate Finance Branch
Ontario Securities Commission

2.1.5 Pembina Pipeline Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted to deviate from the requirement to apply certain significance tests on the condition that alternative tests be used as described in the decision document - relief granted to hold decision in confidence for specified period of time.

Instruments Cited

National Instrument 51-102, Continuous Disclosure Obligations.

National Instrument 44-101, Short Form Prospectus Distributions.

Citation: Pembina Pipeline Income Fund, 2005 ABASC 32

November 10, 2004

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

AND

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

AND

**IN THE MATTER OF
PEMBINA PIPELINE INCOME FUND (THE "FILER")**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (the "**Jurisdictions**") has received an application from the Filer for a decision under the securities legislation of the Jurisdictions and in Quebec by a revision of the general order that will provide the same result as an exemption order (the "**Legislation**") for:

- (a) an exemption from the requirements under National Instrument 44-101 and National Instrument 51-102 that the Filer apply certain significance tests as contained within the Legislation (the "**Significance Tests**") with respect to a potential acquisition (as described below) by the Filer; and

- (b) an order from the Decision Makers that the application of the Filer, the supporting materials and this MRRS Decision Document are to be held in confidence by the Decision Makers until the earlier of: (i) the Filer or either of EnCana Corporation ("**EnCana**") or NOVA Chemicals Corporation ("**NOVA**") publicly disclosing that the Filer has made a successful bid to acquire the Business (as defined below), or (ii) January 15, 2005,

(collectively with (a), the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Alberta 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, National Instrument 51-102 Continuous Disclosure Obligations and National Instrument 44-101 Short Form Prospectus Distributions have the same meaning in this decision unless they are defined in this MRRS Decision Document.

Representations

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

The Filer

1. The Filer is an open-ended, single purpose trust established pursuant to a declaration of trust dated September 4, 1997, as amended and restated, under the laws of the Province of Alberta with its head office located in Calgary, Alberta.
2. Pembina Pipeline Corporation ("**Pembina**"), a wholly-owned subsidiary of the Filer, is an Alberta corporation which, directly or indirectly through its subsidiaries, owns interests in 14 oil and NGLs pipeline systems and a 50% interest in an underground ethylene storage facility.
3. The Filer is a "reporting issuer" or has equivalent status in the Jurisdictions within the meaning of the Legislation.
4. The trust units and convertible debentures of the Filer are listed on the Toronto Stock Exchange.

The Potential Acquisition

5. EnCana through its wholly-owned subsidiary, NOVA and a third party ("**JV Owner**") are venturers in an unincorporated joint venture ("**JV**")

that owns the Alberta Ethane Gathering System pipeline (the "**System**"), the shares of Alberta Ethane Development Company Ltd. ("**AEDC**") and related assets (collectively, the "**Business**").

6. EnCana is a reporting issuer in all provinces whose consolidated assets as at December 31, 2004 were approximately US\$24 billion. NOVA is a reporting issuer in all provinces whose consolidated assets at December 31, 2004 were approximately \$4.4 billion.
7. As the JV is an unincorporated entity it does not file separate tax returns and has not, to the knowledge of the Filer, prepared financial statements in accordance with Canadian generally accepted accounting principles. To the knowledge of the Filer, the interests in the Business held by each of EnCana and NOVA do not constitute a "reportable segment" of either such entity, as defined in section 1701 of the Handbook of the Canadian Institute of Chartered Accountants.
8. The System is the pipeline system that provides transportation of specification ethane from extraction facilities to the Alberta petrochemical industry, and to ethane storage facilities and export pipelines. AEDC is a special purpose corporation that has been appointed as the agent of, and trustee for, the Owners (as defined below).
9. Each of EnCana, NOVA and JV Owner hold, directly or indirectly, an undivided one-third interest in the Business (each of EnCana, NOVA and JV Owner are referred to generically as an "**Owner**"). JV Owner is a subsidiary of a large, multinational entity organized in a foreign jurisdiction. NOVA holds its interest in the Business directly and EnCana holds its interest in the Business indirectly through a wholly-owned subsidiary, 905435 Alberta Ltd.
10. JV Owner has reached an agreement to sell its joint venture interest in the Business, and has offered its interest to EnCana and NOVA pursuant to a right of first offer process in the underlying agreements governing the JV.
11. Pursuant to a **confidential** sale process, EnCana and NOVA have solicited bids from prospective purchasers interested in acquiring their direct and indirect interests in the Business and have advised the Filer that they anticipate exercising JV Owner's right of first offer in conjunction with their sale process, so as to be able to sell a 100% interest in the Business to a purchaser.

The Issues

12. EnCana and NOVA have indicated to Pembina that no audited financial statements have been prepared or are available in respect of the Business. In order to facilitate the application by

the Filer of the Significance Tests, EnCana and NOVA are arranging to have prepared an unaudited statement of operations for 100% of the Business, which will reflect operating revenues less operating expenses and overhead charges, the net amount being "operating income" for the Business for the year ended December 31, 2003 (the "**Proposed Financial Statement**").

13. As the Business is carried on through an unincorporated joint venture it is impracticable to derive an earnings figure beyond operating income, as defined herein, due to the fact that the JV is an unincorporated entity and the Owners have separate and distinct capital structures within which they have implicitly financed their JV interest. Further each Owner independently determines and applies depreciation and amortization expense and incurs income tax based on their own consolidated financial results and taxable income.

Confidentiality Request

14. It is uncertain whether the Filer will be the successful bidder for the Business. As such, the Filer is not required to, and has not yet, publicly disclosed the fact that the Filer is pursuing the acquisition of the Business.
15. Public disclosure of the fact that the Filer was actively pursuing a bid to acquire the Business, as well as its consideration of raising funds to finance the acquisition by way of a public offering of securities, would be unduly detrimental to the Filer's interests in that it would (a) potentially provide competing bidders with confidential information regarding the Filer's bid and its plans for financing the acquisition of the Business that would give the other bidders an unfair advantage in the bidding process and (b) prejudice the Filer's negotiations with EnCana and NOVA, which have been conducted to date on a confidential basis. The Filer has signed a confidentiality agreement with EnCana and NOVA pursuant to which it has agreed not to disclose information regarding the Business or the sale process.
16. In the event that the Filer is selected as the successful bidder for the Business and enters into a definitive purchase agreement with NOVA and EnCana the Filer intends to disclose such fact to the public by way of a news release and to file a material change report with in the Jurisdictions in accordance with the requirements of the Legislation. As noted previously, the definitive bid, and the determination as to whether the Filer's bid is successful, is expected to be made on or about November 12, 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,

- (a) provided that the filer apply a revised version of the Significance Tests by:
 - (i) using the Proposed Financial Statement of the Business for the year ended December 31, 2003; and
 - (ii) applying both: (i) the Income Test, calculated in accordance with the Legislation using "operating income" of the Business as set forth in the Proposed Financial Statement, and of the Filer based on its audited consolidated statement of earnings for the year ended December 31, 2003; and (ii) the Investment Test as set forth in the Legislation;
- (b) and that the application of the Filer, the supporting materials and this MRRS Decision Document will be held in confidence by the Decision Makers until the earlier of: (i) the Filer or either of EnCana or NOVA publicly disclosing that the Filer has made a successful bid to acquire the Business (as defined below), or (ii) January 15, 2005.

Mavis Legg, CA
Manager, Securities Analysis
Alberta Securities Commission

2.1.6 LSG Holdings Corp. - MRRS Decision

Headnote

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

Ontario Statutes

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

January 25, 2005

DuMoulin Black

10th Floor – 595 Howe Street
Vancouver, British Columbia
V6C 2T5

Attention: Lucy H. On

Dear Sirs/Mesdames:

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

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

The Applicant has represented to the Decisions Makers that,

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

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

"Cameron McInnis"
Manager, Corporate Finance

2.1.7 First Associates Investments Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Registered dealer exempted from the requirements of section 36 of the Act, subject to certain conditions, to send trade confirmations for trades that the dealer executes on behalf of client where: client's account is fully managed by the dealer; account fees paid by the client are based on the amount of assets, and not the trading activity in the account; trades in the account are only made on the client's adviser's instructions; the client agreed in writing that confirmation statements will not be delivered to them; confirmations are provided to the client's adviser; and, the client is sent monthly statements that include the confirmation information.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36 and 147.

January 20, 2005

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

AND

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

AND

**IN THE MATTER OF
FIRST ASSOCIATES INVESTMENTS INC. (FILER)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (Legislation) for an exemption from the requirement in the Legislation:

- (a) except in Ontario and Québec, to be registered as an adviser for certain portfolio managers (Sub-Advisers) who provide portfolio management services to the Filer for the benefit of the Filer and the Filer's clients (Clients) in Jurisdictions where the portfolio managers are not registered (Registration Relief); and

- (b) to provide Clients with a written confirmation of the trade setting out certain information specified in the Legislation with respect to transactions under a managed account program (IMA Platform) created by the Filer (Confirmation Relief).

Under the System

- (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 otherwise defined in this decision.

Representations

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

1. the Filer is registered under the Legislation as a dealer in the category of investment dealer, or equivalent, and is a member of the Investment Dealers Association of Canada (IDA);
2. the Filer is authorized to act as an adviser, without registering as an adviser, under exemptions in the Legislation;
3. the Filer proposes to offer Clients a discretionary asset management service through which they may invest in a portfolio of securities based on the advice of recognized Canadian and non-Canadian portfolio managers through arrangements the Filer has made with the Sub-Advisers;
4. to participate in the IMA Platform, the Client will
 - (a) open a managed account (IMA Account) that is separate from any other account the Client has with the Filer;
 - (b) enter into a written agreement (IMA Agreement) with the Filer setting out the terms and conditions, and the rights, duties and obligations of the parties, regarding the IMA Account; and
 - (c) provide sufficient information regarding the Client's investment objectives, preferences and restrictions from which the Filer will develop, along with the Client, a written investment policy statement and investor profile;
5. the Filer will assist the Client in selecting one or more model portfolios provided by one or more Sub-Advisers, according to

- (a) the Client's investor profile; and
- (b) the expertise and investment style of the Sub-Adviser;
6. under the IMA Agreement,
- (a) the Client will grant full discretionary authority over the assets in the Client's IMA Account to the Filer and the Filer will be authorized to make investment decisions and trades in securities for the IMA Account;
- (b) the Client will acknowledge and agree that securities transactions in the Client's IMA Account will be executed through the Filer;
- (c) the Filer or another recognized securities custodian will act as custodian of the securities and other assets in the IMA Account;
- (d) the Client will agree to pay a non-transactional fee to the Filer based on a fixed percentage of the market value of the Client's IMA Account at the end of each quarterly period, which fee will include all custodial, reporting, transaction and brokerage fees and commissions; and
- (e) unless otherwise requested, the Client will waive receipt of trade confirmations as required under applicable Legislation;
7. the Filer will send to the Client a monthly statement of account which identifies the assets of the Client being managed through the IMA Account, and includes, for each trade during the period, the information required under the trade confirmation requirement in the Legislation, except
- (a) the day and the stock exchange on which the trade took place;
- (b) the fee or other charge, if any, in connection with the trade;
- (c) the name of the salesperson, if any, in the transaction;
- (d) the name of the dealer, if any, used by the Filer as its agent to effect the trade; and
- (e) if acting as agent, the name of the person or company from or to or through whom the security was bought or sold,
- (Omitted Information);
8. the Filer will maintain the Omitted Information in its books and records and make the Omitted Information available to the Client on request;
9. under the IMA Agreement, the Filer will be responsible for any loss that arises out of the failure of a Sub-Adviser to exercise
- (a) the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Filer and the Clients; or
- (b) the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances,
- and acknowledges that it cannot be relieved by its Clients from this responsibility (collectively, Assumed Obligations);
10. to participate in the IMA Platform, each Sub-Adviser will enter into a written agreement (Sub-Adviser Agreement) with the Filer setting out the terms and conditions, and the respective rights, duties and obligations of the parties;
11. under the Sub-Adviser Agreement, the Sub-Adviser will
- (a) provide to the Filer a model portfolio of securities which is consistent with the mandate established by the Filer;
- (b) communicate appropriate trading recommendations to the Filer with respect to the model portfolio of securities (including, where necessary, explaining the rationale for the transactions); and
- (c) otherwise participate or assist the Filer in providing periodic performance reports or other related information to the Clients;
12. Clients will not have direct contact with the Sub-Advisers, and will obtain all advice and information, and give all instructions and directions, through the Filer;
13. the Filer will effect trades in IMA Accounts at its discretion, despite receiving trading recommendations from the Sub-Advisers;
14. each Sub-Adviser will be licensed, qualified or registered as a portfolio manager, investment counsel, or equivalent, under the
- (a) Legislation in its home Jurisdiction if a Canadian resident; or
- (b) under the legislation in its home jurisdiction if not a Canadian resident,

to provide discretionary investment counselling and portfolio management services to the Filer for the benefit of the Filer and Clients as contemplated by the IMA Platform;

(ii) in the case of each IMA Account trade, the Filer sends to the Client the corresponding statement of account that includes the information for the trade referred to in this decision.

15. Sub-Advisers who are not registered in Ontario will not be required to register as advisers under the *Securities Act* (Ontario) as they can rely on the exemption from registration in section 7.3 of Ontario Rule 35-502 *Non-Resident Advisers*; and

"L.E. Evans"
Director
British Columbia Securities Commission

16. Sub-Advisers who are not registered in Québec will not be required to register as advisers under the *Securities Act* (Québec) as they can rely on the exemption from registration in section 157 of the *Securities Act* (Québec).

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

- (a) except in Ontario and Québec, the Registration Relief is granted provided that
 - (i) the obligations and duties of each Sub-Adviser are set out in a written agreement with the Filer;
 - (ii) the Filer contractually agrees with each Client that it will be responsible for the Assumed Obligations;
 - (iii) the Filer is not relieved of the Assumed Obligations by Clients;
 - (iv) the Filer is registered under the Legislation as an investment dealer, or equivalent, in the Jurisdictions where Clients are resident; and
 - (v) in Manitoba, the relief is available only to Sub-Advisers who are not registered in any Canadian jurisdiction; and
- (b) the Confirmation Relief is granted provided that
 - (i) the Client has previously informed the Filer that the Client does not wish to receive trade confirmations for the Client's IMA Account; and

2.1.8 Calloway Real Estate Investment Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer required to file business acquisition reports in respect of two significant real estate acquisitions – Relief from requirement to include certain prescribed financial disclosure in reports – Reports will include alternative financial disclosure analogous to disclosure required in respect of acquisitions of oil and gas properties.

Applicable Instrument

National Instrument 51-102 Continuous Disclosure Obligations.

January 7, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA, MANITOBA, NEW BRUNSWICK,
NEWFOUNDLAND, NOVA SCOTIA, ONTARIO, QUEBEC
AND SASKATCHEWAN (THE “JURISDICTIONS”)**

AND

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

AND

**IN THE MATTER OF
CALLOWAY REAL ESTATE INVESTMENT TRUST
(THE “FILER”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (collectively, 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”) that relief from the requirements under the Legislation that certain financial statements prescribed by section 8.4(1) and (2) of National Instrument 51-102 and item 3 of Form 51-102F4 of that instrument (the “Continuous Disclosure Requirements”) be filed with the business acquisition report prepared by the Filer in connection with the Filer’s acquisition of interests in fourteen retail properties be granted on the condition that acceptable alternative financial statements be provided for such acquisitions (the “Requested Relief”) (such exemption to be effected in Quebec by a revision of the general order that will provide the same result as an exemption order);

Under the Mutual Reliance Review System for Exemptive Relief Applications (the “System”):

- (a) the Alberta Securities Commission is the principal regulator for the 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 unincorporated closed-end real estate trust established under the laws of the Province of Alberta by a declaration of trust dated December 4, 2001, as amended and restated as of October 24, 2002, October 31, 2003 and February 16, 2004.
2. The Filer’s head office is located at 310, 855 – 8th Avenue SW, Calgary, Alberta T2P 3P1.
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 securities legislation thereunder.
4. On October 13, 2004 the Filer concluded negotiations for the acquisition of interests in fourteen retail properties owned by retail mall developers (the “Centres III”) for approximately \$300,000,000 which acquisitions are expected to close in two transactions. The first transaction (“Phase 1”) is in regards to six retail properties approximating \$72,800,000 of the aggregate purchase price. Phase 1 closed on November 30, 2004. The second transaction (“Phase 2” and together with Phase 1, the “Acquisition”), in regards to the remaining eight retail properties approximating \$227,200,000 of the aggregate purchase price, is expected to close in the first quarter of 2005.
5. The units of the Filer (“Units”) are listed and posted on the Toronto Stock Exchange under the symbol CWT.UN.
6. Phase 1 constitutes a “significant acquisition” of the Filer for the purposes of NI 51-102 (exceeding the 40% threshold of the optional significance test as determined in accordance with Section 8.3 of NI 51-102), requiring the Filer to file a business acquisition report within 75 days of the completion of the Phase 1 acquisition pursuant to section 8.2 of NI 51-102.

7. Phase 2 constitutes a “significant acquisition” of the Filer for the purposes of NI 51-102 (with significance between the 20% and 40% threshold of the significance test as determined in accordance with Section 8.3 of NI 51-102), requiring the Filer to file a business acquisition report within 75 days of the completion of the Phase 2 acquisition pursuant to section 8.2 of NI 51-102.
8. Pursuant to section 8.4 of NI 51-102, the business acquisition report for the Phase 1 acquisition must be accompanied by certain financial statements, including: (i) audited financial statements for each of the 2 most recently completed financial years of the business acquired ended more than 45 days before the date of acquisition; (ii) unaudited interim financial statements for the most recently completed interim period of the business acquired that ended before the date of acquisition together with a comparative interim financial statement for the comparative period in the preceding year of the business acquired (the “Phase 1 BAR Financial Statements”).
9. Pursuant to section 8.4 of NI 51-102, the business acquisition report for the Phase 2 acquisition must be accompanied by certain financial statements, including: (i) audited financial statements for the most recently completed financial year of the business acquired ended more than 45 days before the date of acquisition; (ii) unaudited interim financial statements for the most recently completed interim period of the business acquired that ended before the date of acquisition together with a comparative interim financial statement for the comparative period in the preceding year of the business acquired (the “Phase 2 BAR Financial Statements”).
10. In place of each of the Phase 1 BAR Financial Statements and Phase 2 BAR Financial Statements, the Filer proposes to file statements of net operations (the “Operating Statements”) for the aggregate properties acquired in each of Phase 1 and Phase 2 with line items of rental revenue from income properties, property operating costs, amortization of deferred expenses and operating income.
11. Annual audited financial statements and unaudited interim financial statements for the Phase 1 and Phase 2 properties in the format required by section 8.4(1) and 8.4(2) of NI 51-102 do not exist and the information to produce such statements cannot be obtained by the Filer. The property manager (which is also a 40% interest holder in the vendor) refuses to provide this information to the Filer because of the cost and time associated with attempting to compile it and confidentiality obligations and concerns.

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 such that Operating Statements shall be provided in place of the Phase 1 BAR Financial Statements and the Phase 2 BAR Financial Statements with the business acquisition report to be filed by the Filer for the Acquisition provided that:

1. The business acquisition report for Phase 1 contains audited Operating Statements for the aggregate properties acquired in Phase 1 for the years ended December 31, 2002 and 2003 and unaudited Operating Statements for the interim period ended September 30, 2004 and 2003.
2. The business acquisition report for Phase 2 contains audited Operating Statements for the aggregate properties acquired in Phase 2 for the most recently completed financial year ended more than 45 days before the date of acquisition and unaudited interim Operating Statements for the most recently completed interim period that ended before the date of acquisition together with a comparative interim Operating Statement for the comparative period in the preceding year.
3. The Operating Statements contain, at a minimum, line items specifying amounts for Rental revenue, Expenses – Property operating costs, Amortization of deferred expenses, and Operating income and the Operating Statements will contain accompanying notes.
4. The business acquisition report includes:
 - (a) A description of the properties acquired including square footage, occupancy rate, square footage occupied by and duration of leases with anchor tenants; and
 - (b) Disclosure of an estimated value of the business, the material assumptions used in preparing the estimate and the identity and relationship to the reporting issuer or to the vendor of the person who prepared the estimates.

Mavis Legg, CA
Manager, Securities Analysis
Alberta Securities Commission

2.1.9 Northstar Energy Corporation - MRRS Decision

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

Headnote

“Marsha Manolescu”
Deputy Director, Legislation
Alberta Securities Commission

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

Applicable Ontario Statutory Provisions

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

December 23, 2004

File No.: B05387

Bennett Jones

4500, 855 - 2nd Street S.W.
Calgary, Alberta T2P 4K7

Attention: Kerry Krochak

Dear Sir:

**Re: Northstar Energy Corporation (the “Applicant”)
- Application to Cease to be a Reporting Issuer
under the securities legislation of Alberta,
Saskatchewan, Ontario, Québec, Nova Scotia,
New Brunswick and Newfoundland and
Labrador (the “Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that:

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

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

2.2 Orders

2.2.1 BGB Securities, Inc. - s. 211 of Reg. 1015

Headnote

BGB SECURITIES, INC.

Application in connection with application for registration as an international dealer, for an order pursuant to section 211 of the Regulation exempting the applicant from the requirement in subsection 208(2) of the Regulation that it carry on the business of an underwriter in a country other than Canada to be able to register in Ontario as an international dealer.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 1(1).

Regulations Cited

Regulation made under the Securities act, R.R.O., Reg. 1015, as am., ss. 100(3), 208(2) and 211.

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

AND

**IN THE MATTER OF
ONTARIO REGULATION 1015, R.R.O. 1990,
AS AMENDED (THE REGULATION)**

AND

**IN THE MATTER OF
BGB SECURITIES, INC.**

**ORDER
(Section 211 of the Regulation)**

UPON the application (the **Application**) of BGB Securities Inc. (the **Applicant**) to the Ontario Securities Commission (the **OSC**) for an order, pursuant to section 211 of the Regulation, exempting the Applicant from the requirement in subsection 208(2) of the Regulation that the Applicant carry on the business of an underwriter in a country other than Canada in order for the Applicant to be registered under the Act as a dealer in the category of international dealer;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant has filed an application for registration as a dealer under the Act in the category of international dealer in accordance with section 208 of the Regulation. The Applicant is

not presently registered in any capacity under the Act.

2. The Applicant is a limited liability company formed under the laws of the State of Delaware in the United States of America, and its principal place of business is located in Arlington, Virginia.
3. The Applicant is registered as a broker-dealer with the U.S. Securities and Exchange Commission and is a member of the U.S. National Association of Securities Dealers Inc.
4. The Applicant carries on the business of a broker-dealer in the U.S.A.
5. The Applicant does not currently act as an underwriter in the U.S.A. or in any other jurisdiction outside of the U.S.A.
6. In the absence of the relief requested in this Application, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of international dealer as it does not carry on the business of an underwriter in a country other than Canada.
7. The Applicant does not now act as an underwriter in Ontario and will not act as an underwriter in Ontario if it is registered under the Act as an international dealer, despite the fact that subsection 100(3) of the Regulation provides that an international dealer is deemed to have been granted registration as an underwriter for the purposes of a distribution which it is permitted to make.

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

IT IS ORDERED, pursuant to section 211 of the Regulation, that, in connection with the registration of the Applicant as a dealer under the Act in the category of international dealer, the Applicant is exempt from the provisions of subsection 208(2) of the Regulation requiring that the Applicant carry on the business of an underwriter in a country other than Canada, provided that, so long as the Applicant is registered under the Act as an international dealer:

- (a) the Applicant carries on the business of a dealer in a country other than Canada; and
- (b) notwithstanding subsection 100(3) of the Regulation, the Applicant shall not act as an underwriter in Ontario.

January 18, 2005.

“Suresh Thakrar”

“H. Lorne Morphy”

**2.2.2 Mackenzie Financial Corporation et al. - s. 80
of the CFA**

Headnote

Mackenzie Financial Corporation, et al.

Sub-advisers to registered adviser exempted from the adviser registration requirement in paragraph 22(1)(b) of the Commodity Futures Act, in connection with the registered adviser acting as an adviser, in respect of commodity futures contracts and commodity futures options, to one or more mutual funds – Exemption for these sub-advisers under the CFA parallels the exemption from the adviser registration requirement in the Securities Act contained in section 7.3 of Ontario Securities Commission Rule 35-502 Non-Resident Advisers – Exemption expires in three years.

Statutes Cited

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b) and 80.
Securities Act, R.S.O. 1990, c. S.5, as am.

Rules Cited

Ontario Securities Commission Rule 35-502 Non-Resident Advisers, s. 7.3.

**IN THE MATTER OF
THE COMMODITY FUTURES ACT, R.S.O. 1990,
CHAPTER C. 20, AS AMENDED (the CFA)**

AND

**IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION**

AND

CREDIT SUISSE ASSET MANAGEMENT, LLC

AND

DREMAN VALUE MANAGEMENT LLC

AND

DRESDNER RCM GLOBAL INVESTORS ASIA LIMITED

AND

HENDERSON GLOBAL INVESTORS LIMITED

AND

POLAR CAPITAL PARTNERS LIMITED

AND

PREMIER FUND MANAGERS LTD.

AND

UOB ASSET MANAGEMENT

AND

WADDELL & REED IVY INVESTMENT COMPANY

**ORDER
(Section 80)**

UPON the application (the **Application**) of Mackenzie Financial Corporation (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the CFA, that, with respect to: Credit Suisse Asset Management, LLC; Dreman Value Management, LLC; Dresdner RCM Global Investors Asia Limited; Henderson Global Investors Limited; Polar Capital Partners Limited; Premier Fund Managers Ltd; UOB Asset Management and Waddell & Reed Ivy Investment Company (collectively the **Sub-Advisers**) acting as an adviser to Mackenzie Financial Corporation (the **Principal Adviser**) in connection with the Principal Adviser acting as an adviser to certain Funds (as defined below), neither the Sub-Advisers, nor any of their directors, officers or employees (**Sub-Adviser Representatives**) acting on their behalf as an adviser, shall be subject to paragraph 22(1)(b) of the CFA;

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

AND UPON the Applicant having represented to the Commission that:

1. The Sub-Advisers are:
 - (a) Credit Suisse Asset Management, LLC is a corporation organized under the laws of Delaware, in the United States of America;
 - (b) Dreman Value Management, LLC is a corporation organized under the laws of the U.S.A.;
 - (c) Dresdner RCM Global Investors Asia Limited is a corporation organized under the laws of Hong Kong;
 - (d) Henderson Global Investors Limited is a corporation organized under the laws of England;
 - (e) Polar Capital Partners Limited is a corporation organized under the laws of England;
 - (f) Premier Fund Managers Ltd. is a corporation organized under the laws of England;

- (g) UOB Asset Management is a corporation organized under the laws of Singapore;
 - (h) Waddell & Reed Ivy Investment Company is a corporation organized under the laws of Delaware, U.S.A.
2. None of the Sub-Advisers are registered under the CFA as either an adviser or dealer.
3. The Principal Adviser is a corporation organized under the laws of Ontario that is resident in Ontario.
4. The Principal Adviser is registered under the CFA as an adviser, in the categories of commodity trading counsel and commodity trading manager.
5. The Principal Adviser is also registered under the Ontario *Securities Act* (the **OSA**) as an adviser in the categories of investment counsel and portfolio manager, and, as a dealer, in the category of limited market dealer.
6. Where the Principal Adviser acts as manager of certain mutual funds (each, a **Fund**), the Principal Adviser may, pursuant to written agreement made between the Principal Adviser and the Fund:
- (i) act as an adviser (as defined in the OSA) to the Fund, in respect of securities, and
 - (ii) act as an adviser to the Fund, in respect of trading commodity futures contracts and commodity futures options,
- by exercising discretionary authority in respect of the investment portfolio of the Fund, with discretionary authority to purchase or sell on behalf of the Fund:
- (iii) securities, and
 - (iv) commodity futures contracts and commodity futures options.
7. In connection with the Principal Adviser acting as an adviser to a Fund, in respect of the purchase or sale of commodity futures contracts and commodity futures options, the Principal Adviser, may, from time to time, pursuant to a written agreement made between the Principal Adviser and the Sub-Adviser(s), retain the Sub-Adviser(s) to act as an adviser to the Principal Adviser, by exercising discretionary authority, on behalf of the Principal Adviser, in respect of the investment portfolio of the Fund, with discretionary authority to buy or sell commodity futures options and commodity futures contracts for the Fund, provided that:
- (i) in each case, the option or contract must be cleared through an acceptable clearing corporation; and
 - (ii) in no case will any trading in commodity futures contracts or commodity futures options constitute the primary focus or investment objective of the Fund.
8. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA, for a person or company acting as an adviser to another registered adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities, in section 7.3 of Commission Rule 35-502 *Non-Resident Advisers*.
- AND UPON** the Commission being of the opinion that to do would not be prejudicial to the public interest;
- IT IS ORDERED**, pursuant to section 80 of the CFA, that for a period of three years, neither the Sub-Adviser(s), nor any Sub-Adviser(s) Representative(s) acting on behalf of the Sub-Adviser(s), is subject to paragraph 22(1)(b) of the CFA, in respect of their acting as an adviser to the Principal Adviser, in connection with the Principal Adviser acting as an adviser to one or more Funds, provided that, at the relevant time and in the case of each Fund:
- (a) the Principal Adviser is registered under the CFA as an adviser, in the category of commodity trading manager;
 - (b) the duties and obligations of the Sub-Adviser are set out in a written agreement with the Principal Adviser;
 - (c) the Principal Adviser has contractually agreed with the Fund to be responsible for any loss that arises out of any failure of the Sub-Adviser:
 - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund and its security holders, or
 - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;
 - (d) the Principal Adviser cannot be relieved by the Fund or its security holders from its responsibility for any loss referred to in paragraph (c), above;

- (e) the security holders of the Fund have received written disclosure, in a prospectus or other offering document, disclosing:
- (i) the responsibility of the Principal Adviser for losses arising out of any failure of the Sub-Adviser referred to in paragraph (c), above, and
 - (ii) that there may be difficulty in enforcing legal rights against the Sub-Adviser(s) because it is resident outside of Canada and all or substantially all of the Sub-Adviser(s) assets may be situated outside of Canada.
- (f) any Applicant whose name does not specifically appear in this Order and who proposes to also act as a Sub-Adviser in reliance on the exemption granted under this Order, shall, as a condition to relying on such exemption, have executed and filed with the Commission a verification certificate referencing this Order and confirming the truth and accuracy of the Application with respect to that particular Applicant.

January 18, 2005.

“Suresh Thakrar”

“H. Lorne Morphy”

2.2.3 Sovereign Limited Partnership - s. 144

Headnote

Section 144 – application for revocation of cease trade order – issuer subject to cease trade order as a result of its failure to file annual financial statements – issuer has brought filings up to date – full revocation granted.

Ontario Statutory Provisions Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss.127 and 144.

Rule Cited

National Instrument 21-101 Marketplace Operation.

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

AND

**IN THE MATTER OF
SOVEREIGN LIMITED PARTNERSHIP (“SOVEREIGN”)**

**ORDER
(Section 144)**

WHEREAS the securities of Sovereign are subject to a temporary order of the Director of the Ontario Securities Commission (the “Director”) dated July 29, 1998 and extended by an order dated August 12, 1998 under subsection 127(8) of the Act (collectively, the “Order”) directing that trading in the securities of Sovereign cease until the Order is revoked by a further order of revocation;

AND WHEREAS Sovereign has applied to the Director for an order under section 144 of the Act to revoke the Order;

AND UPON Sovereign having represented to the Director that:

- (a) Sovereign is a limited partnership under the laws of Ontario. Sovereign General Partner Limited is the general partner of Sovereign.
- (b) Sovereign is a reporting issuer in Ontario, having become such on or about December 31, 1992 upon obtaining a receipt for a prospectus with respect to the distribution of the securities of Sovereign in Ontario, and is not a reporting issuer in any other jurisdiction.
- (c) Sovereign is a limited partnership that owns and operates residential rental condominium apartments.

- (d) No securities of Sovereign are traded on a marketplace, as defined in National Instrument 21-101 – Marketplace Operations.
- (e) The securities of Sovereign are held by fewer than fifteen unitholders. Sovereign has no other securities, including debt securities, outstanding.
- (f) The Order regarding Sovereign was issued by reason of the failure of Sovereign to file with the Ontario Securities Commission (the “Commission”) audited annual statements for the year ended December 31, 1997. Subsequently, Sovereign failed to file its annual and interim financial statements for the periods ending December 31, 1998, 1999, 2000, 2001, 2002 and 2003 as well as the Form 28 for those periods.
- (g) On July 29, 2004, the Director issued an order under section 144 of the Act (the “Partial Revocation Order”) granting a partial revocation of the Order to allow certain trades pursuant to minutes of settlement of litigation wherein Sovereign was a defendant.
- (h) Sovereign and Sovereign General Partner Limited have provided an undertaking to the Commission (the “Undertaking”) to file an application to have the Order revoked and to take all other necessary steps to have the Order revoked by September 15, 2004, including filing all documents required to be filed under Ontario securities legislation since January 1, 2001, with the exception of interim financial statements required to have been filed prior to December 31, 2003.
- (i) On September 9, 2004, Sovereign filed on SEDAR its annual financial statements for the periods ending December 31, 2001, 2002 and 2003. The financial statements had previously been mailed to unitholders. On September 15, 2004, Sovereign filed Form 28s for the 2001, 2002 and 2003 financial years. On September 30, 2004 Sovereign filed its interim financial statements for the period ended June 30, 2004.
- (j) Except for the filing of documents required to have been filed under Ontario securities legislation between December 31, 1997 and January 1, 2001 and interim financial statements required to

have been filed for the periods between January 1, 2001 and December 31, 2003, Sovereign is not otherwise in default of any requirement of Ontario securities legislation.

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

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

IT IS ORDERED pursuant to section 144 of the Act that the Order is revoked.

January 13, 2005.

“Cameron McInnis”

2.2.4 Wells Fargo Financial Canada Corporation - ss. 127 and 127.1

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

AND

**IN THE MATTER OF
WELLS FARGO FINANCIAL CANADA CORPORATION**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on December 22, 2004, the Ontario Securities Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act* (the "Act") in respect of Wells Fargo Financial Canada Corporation ("Wells Fargo");

AND WHEREAS Wells Fargo entered into a Settlement Agreement with Staff of the Commission dated January 20, 2005 (the "Settlement Agreement"), in which it agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS Wells Fargo has undertaken to immediately implement the plan described in the attached Schedule "1", and has further undertaken to seek the approval of Staff, in particular the Director of the Corporate Finance Branch, with regard to any future revisions to the plan;

AND UPON reviewing the Settlement Agreement and the Notice of Hearing and Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for Wells Fargo and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT

- (a) pursuant to s.127(1), clause 4, Wells Fargo immediately implement the plan described in the attached Schedule "1" or, subsequently as appropriate, revise the plan as approved by Staff to ensure timely filing of prospectus supplements by Wells Fargo for its Medium Term Note program pursuant to Canadian Securities Administrators' National Instrument 44-101 and 44-102 ;
- (b) pursuant to s.127(1), clause 9, Wells Fargo pay \$20,000 to the Commission for allocation to or for the benefit of such third parties as may be approved by the Minister under section 3.4(2) of the Act.; and
- (c) pursuant to s.127.1, Wells Fargo pay \$5,000 towards the costs of the investigation and this proceeding.

January 24, 2005.

"Paul M. Moore"

"David L. Knight"

"Suresh Thakrar"

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

AND

**IN THE MATTER OF
WELLS FARGO FINANCIAL CANADA CORPORATION**

SCHEDULE "1"

OVERVIEW

This memorandum describes a plan to improve the administration of the Wells Fargo Financial Canada Corporation ("Wells Fargo") medium term note ("MTN") program pursuant to Canadian Securities Administrators' National Instrument 44-101 and 44-102. In particular, this plan aims to ensure timely filing of MTN prospectus supplements by Wells Fargo.

BACKGROUND

The MTNs are guaranteed by Wells Fargo & Company ("WFC"), the ultimate parent of Wells Fargo. As such, the continuous disclosure documents of Wells Fargo and WFC are incorporated by reference into the Prospectus on an ongoing basis.

The specific terms of a particular issue of MTNs are set out in a pricing supplement. These terms are determined by the Treasury department of Wells Fargo Financial, Inc. ("WFFI") and the dealers involved with the issue.

ADMINISTRATIVE PROCEDURES

Responsible Entities

The following entities will be responsible for the tasks relating to administration of the Wells Fargo MTN program and the filing of prospectus supplements, as set out below:

WFC (WFC Disclosure documents)
WFFI (Disclosure documents)
WFFI (Treasury)
Wells Fargo
Outside Legal Counsel
Outside Accounting Firm

Issue of MTNs

Day 1

1. WFFI Treasury and dealers determine terms of MTN issue.
2. WFFI Treasury provides term sheet for MTN issue prepared by dealers to Outside Legal Counsel.
3. Outside Legal Counsel obtains information about distribution of MTNs by province from dealers.
4. Outside Legal Counsel prepares prospectus supplement for MTN issue and arranges for translation of prospectus supplement.

Day 2

5. Outside Legal Counsel provides required certificate for execution to WFFI Treasury regarding distribution of MTNs during month together with information regarding filing fees payable.

Day 3

6. WFFI Treasury wires funds to Outside Legal Counsel regarding filing fees payable.

Decisions, Orders and Rulings

Day 1 of Following Month

7. Outside Legal Counsel files via SEDAR English and French language version of prospectus supplement and related certificate.
8. Outside Legal Counsel provides SEDAR confirmation of filing to WFFI Treasury.

Day 4 of Following Month

9. If Outside Legal Counsel has yet to provide SEDAR confirmation of filing to WFFI Treasury, WFFI Treasury to contact Outside Legal Counsel to ensure that filing will occur before Day 7.

Wells Fargo Documents Incorporated by Reference

1. WFFI provides to Outside Legal Counsel any Wells Fargo disclosure documents incorporated by reference into the prospectus supplement ("Wells Fargo Disclosure Documents").
2. Outside Legal Counsel files, via SEDAR, the English version of the Wells Fargo Disclosure Documents.
3. Outside Legal Counsel and Outside Accounting Firm arrange for translation of the Wells Fargo Disclosure Documents into French.
4. Outside Legal Counsel files, via SEDAR, the French version of the Wells Fargo Disclosure Documents.

WFC Documents Incorporated by Reference

1. WFC provides, directly or through its agent, WFC disclosure documents incorporated by reference into the prospectus supplement ("WFC Disclosure Documents") to Outside Legal Counsel, with a copy to WFFI.
2. Outside Legal Counsel files, via SEDAR, the English-version of the WFC Disclosure Documents.
3. Outside Legal Counsel and Outside Accounting Firm arrange for translation of the WFC Disclosure Documents into French.
4. Outside Legal Counsel files, via SEDAR, the French versions of the WFC Disclosure Documents.

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

AND

**IN THE MATTER OF
WELLS FARGO FINANCIAL CANADA CORPORATION**

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated December 22, 2004, the Ontario Securities Commission announced that it will hold a hearing on January 24, 2005 to consider whether, pursuant to section 127 of the *Securities Act* (the "Act"), it is in the public interest to make an order that:
 - (i) pursuant to s.127(1), clause 4, Wells Fargo Financial Canada Corporation institute such changes as may be ordered by the Commission to ensure timely filing of future prospectus supplements for the Wells Fargo Financial Canada Corporation Medium Term Note program;
 - (ii) pursuant to s.127(1), clause 9, Wells Fargo Financial Canada Corporation pay an administrative penalty of \$20,000;
 - (iii) pursuant to s.127.1, Wells Fargo Financial Canada Corporation pay \$5,000, a portion of the costs of the investigation and this proceeding; and
 - (iv) such other order as the Commission may deem appropriate.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (the "Staff") recommend settlement of the proceeding initiated in respect of Wells Fargo Financial Canada Corporation ("Wells Fargo") in accordance with the terms and conditions set out below. Wells Fargo consents to the making of an order against it in the form attached as Schedule "A" on the basis of the facts set out below.

III. STATEMENT OF FACTS

Acknowledgement

3. For the purposes of this Settlement Agreement, Wells Fargo agrees with the facts set out in Part III.

Agreed Facts

4. Wells Fargo is an unlimited liability company, amalgamated under the laws of Nova Scotia. It is a reporting issuer in Ontario and has its principal office in Toronto.
5. Wells Fargo's main business is raising capital for the consumer finance and related businesses of its Canadian affiliates. These businesses include the financing and leasing of equipment, purchasing sales finance contracts from retail merchants, and providing revolving lines of credit to small businesses. As part of its operations, Wells Fargo regularly issues guaranteed debt.
6. Wells Fargo is a participant in the Shelf Distribution System ("Shelf Distribution System"), pursuant to Canadian Securities Administrators' National Instrument 44-101 and 44-102 (respectively "NI 44-101" and "NI 44-102"). The Shelf Distribution System permits certain reporting issuers to raise capital continuously without having to prepare and file a prospectus prior to each distribution of securities.
7. Reporting issuers permitted to use the Shelf Distribution System may file a base shelf prospectus qualifying a maximum number of securities for distribution during a specified period of time.
8. The base shelf prospectus omits important information for future distributions, such as the size of a distribution and the terms of the securities. The omitted information must be filed by the reporting issuer in a prospectus supplement at the time of each distribution.

9. Timely filing of a prospectus supplement ensures that the market is promptly and fully informed of a distribution under a base shelf prospectus.
10. Wells Fargo participates in the Shelf Distribution System through a Medium Term Note ("MTN") program under Part 8 of NI 44-102. An MTN program permits the future distribution of debt securities where the specific terms of individual debt securities are not set or disclosed until the time of distribution.
11. In October 2001, Wells Fargo filed a short-form base shelf prospectus (the "2001 Shelf Prospectus"). The 2001 Shelf Prospectus qualified up to \$1.5 billion of unsecured MTNs for distribution during the period ending November 30, 2003.
12. Pursuant to Part 8 of NI 44-102, within seven days of the month following an MTN distribution, the reporting issuer must file a prospectus supplement containing information including the date of issue, price, rate of interest, maturity date and any rights of redemption ("MTN Pricing Supplement").
13. Wells Fargo made five distributions under the 2001 Shelf Prospectus, as outlined in the table below. Two MTN Pricing Supplements for distributions totalling \$350 million were filed late.

2001 Shelf Prospectus Distributions

No.	Date of Distribution	Date of Filing	Principal Amount	Late Filing?
1.	October 23, 2001	November 8, 2001	\$200 million	No
2.	May 2, 2002	February 24, 2003	\$150 million	Yes: 8 months, 17 days
3.	August 26, 2002	February 25, 2003	\$200 million	Yes: 5 months, 18 days
4.	March 21, 2003	April 3, 2003	\$200 million	No
5.	June 17, 2003	June 27, 2003	\$200 million	No

14. In March 2003, in response to a warning by Staff, representatives of Wells Fargo gave assurances that all future MTN Pricing Supplements would be filed on time. Furthermore, Wells Fargo advised Staff that it had prepared and implemented a plan and established certain procedures to more effectively administer its MTN program so as to avoid further late filings.
15. In November 2003, the 2001 Shelf Prospectus lapsed. Wells Fargo filed a subsequent short-form base shelf prospectus (the "2003 Shelf Prospectus") qualifying up to \$1.5 billion of unsecured MTNs for distribution during the period ending November 30, 2005.
16. Wells Fargo has made four distributions under the 2003 Shelf Prospectus, as outlined in the table below. Two MTN Pricing Supplements for distributions totalling \$600 million were filed late.

2003 Shelf Prospectus Distributions

No.	Date of Distribution	Date of Filing	Principal Amount	Late Filing?
1.	June 24, 2004	June 25, 2004	\$200 million	No
2.	August 24, 2004	September 10, 2004	\$200 million	Yes: 3 days
3.	September 22, 2004	October 15, 2004	\$400 million	Yes: 8 days
4.	October 29, 2004	October 29, 2004	\$400 million	No

17. In summary, on four occasions over a twenty month period, Wells Fargo failed to file MTN Pricing Supplements on time for distributions totaling \$950 million.

Position of Wells Fargo

18. The first two late filings of MTN Pricing Supplements in February 2003 were inadvertent and occurred during a corporate re-organization at Wells Fargo which included changes in management.
19. As stated above in paragraph 14, in March 2003 following its second late filing and a warning by Staff, Wells Fargo prepared and implemented a plan and established certain procedures to more effectively administer its MTN program. As part of this plan, Wells Fargo relied on outside legal counsel in Canada to file the MTN Pricing Supplements.
20. The third and fourth late filings of MTN Pricing Supplements (September 10, 2004 and October 15, 2004, respectively) occurred while the plan was in place. These late filings were due to outside legal counsel's failure to properly adhere to the plan and Wells Fargo's failure to properly monitor the plan.
21. Wells Fargo acknowledges that it bears ultimate responsibility for the administration and monitoring of its MTN program.

Conduct Contrary to the Public Interest

22. By failing to make timely filing of MTN Pricing Supplements as required by Part 8 of NI 44-102, Wells Fargo has repeatedly breached Ontario securities law and engaged in conduct contrary to the public interest.

IV. TERMS OF SETTLEMENT

23. Wells Fargo agrees to the following terms of settlement:
 1. The Commission will make an Order under clause 4 of section 127(1) of the Act requiring Wells Fargo to implement the changes to its existing plan and procedures described in the attached Schedule "1" to ensure timely filing of prospectus supplements by Wells Fargo for its MTN program;
 2. The Commission will make an order under clause 9 of section 127(1) of the Act requiring Wells Fargo to pay an administrative penalty of \$20,000; and
 3. The Commission will make an order under section 127.1 of the Act requiring Wells Fargo to pay \$5,000 in costs.

V. STAFF COMMITMENT

24. If this Settlement Agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in respect of any conduct or alleged conduct of Wells Fargo in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 27 below.

VI. PROCEDURE FOR APPROVAL OF SETTLEMENT

25. Approval of this Settlement Agreement shall be sought at the public hearing of the Commission scheduled for Monday, January 24, 2005, or such other date as may be agreed to by Staff and Wells Fargo in accordance with the procedures described in this Settlement Agreement.
26. Staff and Wells Fargo agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting the respondents in this matter, and Wells Fargo agrees to waive its rights to a full hearing, judicial review or appeal of the matter under the Act.
27. Staff and Wells Fargo agree that if this Settlement Agreement is approved by the Commission, neither Staff nor Wells Fargo will make any public statement inconsistent with this Settlement Agreement.
28. If Wells Fargo fails to honour the agreement contained in paragraph 27 of this Settlement Agreement, Staff reserve the right to bring proceedings under Ontario securities law against Wells Fargo based on the above-noted late filings of MTN Pricing Supplements, or based on the breach of this Settlement Agreement.
29. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an order in the form attached as Schedule "A" is not made by the Commission, each of Staff and Wells Fargo will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this Settlement Agreement or the settlement negotiations.

30. Whether or not this Settlement Agreement is approved by the Commission, Wells Fargo agree that they will not, in any proceeding, refer to or rely upon this Settlement Agreement or the negotiation or process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias, appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

VII. DISCLOSURE OF AGREEMENT

31. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission, and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission, except with the written consent of both Wells Fargo and Staff or as may be required by law.
32. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission.

VIII. EXECUTION OF AGREEMENT

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

January 20, 2005.

"Witness"
Witness

January 20, 2005.

"Nick Scarfo"
Wells Fargo Financial Canada Corporation
Per: Nick Scarfo

"Michael Watson"
Staff of the Ontario Securities Commission
Per: Michael Watson

SCHEDULE "A"

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

AND

**IN THE MATTER OF
WELLS FARGO FINANCIAL CANADA CORPORATION**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on December 22, 2004, the Ontario Securities Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act* (the "Act") in respect of Wells Fargo Financial Canada Corporation ("Wells Fargo");

AND WHEREAS Wells Fargo entered into a Settlement Agreement with Staff of the Commission dated January 20, 2005 (the "Settlement Agreement"), in which it agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS Wells Fargo has undertaken to immediately implement the plan described in the attached Schedule "1", and has further undertaken to seek the approval of Staff, in particular the Director of the Corporate Finance Branch, with regard to any future revisions to the plan;

AND UPON reviewing the Settlement Agreement and the Notice of Hearing and Statement of Allegations of Staff of the Commission, and upon hearing submissions from counsel for Wells Fargo and from Staff of the Commission;

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

IT IS HEREBY ORDERED THAT

- i. pursuant to s.127(1), clause 4, Wells Fargo immediately implement the plan described in the attached Schedule "1" or, subsequently as appropriate, revise the plan as approved by Staff to ensure timely filing of prospectus supplements by Wells Fargo for its Medium Term Note program pursuant to Canadian Securities Administrators' National Instrument 44-101 and 44-102 ;
- ii. pursuant to s.127(1), clause 9, Wells Fargo pay \$20,000 to the Commission for allocation to or for the benefit of such third parties as may be approved by the Minister under section 3.4(2) of the Act.; and
- iii. pursuant to s.127.1, Wells Fargo pay \$5,000 towards the costs of the investigation and this proceeding.

January 24, 2005.

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

AND

**IN THE MATTER OF
WELLS FARGO FINANCIAL CANADA CORPORATION**

SCHEDULE "1"

OVERVIEW

This memorandum describes a plan to improve the administration of the Wells Fargo Financial Canada Corporation ("Wells Fargo") medium term note ("MTN") program pursuant to Canadian Securities Administrators' National Instrument 44-101 and 44-102. In particular, this plan aims to ensure timely filing of MTN prospectus supplements by Wells Fargo.

BACKGROUND

The MTNs are guaranteed by Wells Fargo & Company ("WFC"), the ultimate parent of Wells Fargo. As such, the continuous disclosure documents of Wells Fargo and WFC are incorporated by reference into the Prospectus on an ongoing basis.

The specific terms of a particular issue of MTNs are set out in a pricing supplement. These terms are determined by the Treasury department of Wells Fargo Financial, Inc. ("WFFI") and the dealers involved with the issue.

ADMINISTRATIVE PROCEDURES

Responsible Entities

The following entities will be responsible for the tasks relating to administration of the Wells Fargo MTN program and the filing of prospectus supplements, as set out below:

WFC (WFC Disclosure documents)
WFFI (Disclosure documents)
WFFI (Treasury)
Wells Fargo
Outside Legal Counsel
Outside Accounting Firm

Issue of MTNs

Day 1

1. WFFI Treasury and dealers determine terms of MTN issue.
2. WFFI Treasury provides term sheet for MTN issue prepared by dealers to Outside Legal Counsel.
3. Outside Legal Counsel obtains information about distribution of MTNs by province from dealers.
4. Outside Legal Counsel prepares prospectus supplement for MTN issue and arranges for translation of prospectus supplement.

Day 2

5. Outside Legal Counsel provides required certificate for execution to WFFI Treasury regarding distribution of MTNs during month together with information regarding filing fees payable.

Day 3

6. WFFI Treasury wires funds to Outside Legal Counsel regarding filing fees payable.

Decisions, Orders and Rulings

Day 1 of Following Month

7. Outside Legal Counsel files via SEDAR English and French language version of prospectus supplement and related certificate.
8. Outside Legal Counsel provides SEDAR confirmation of filing to WFFI Treasury.

Day 4 of Following Month

9. If Outside Legal Counsel has yet to provide SEDAR confirmation of filing to WFFI Treasury, WFFI Treasury to contact Outside Legal Counsel to ensure that filing will occur before Day 7.

Wells Fargo Documents Incorporated by Reference

1. WFFI provides to Outside Legal Counsel any Wells Fargo disclosure documents incorporated by reference into the prospectus supplement ("Wells Fargo Disclosure Documents").
2. Outside Legal Counsel files, via SEDAR, the English version of the Wells Fargo Disclosure Documents.
3. Outside Legal Counsel and Outside Accounting Firm arrange for translation of the Wells Fargo Disclosure Documents into French.
4. Outside Legal Counsel files, via SEDAR, the French version of the Wells Fargo Disclosure Documents.

WFC Documents Incorporated by Reference

1. WFC provides, directly or through its agent, WFC disclosure documents incorporated by reference into the prospectus supplement ("WFC Disclosure Documents") to Outside Legal Counsel, with a copy to WFFI.
2. Outside Legal Counsel files, via SEDAR, the English-version of the WFC Disclosure Documents.
3. Outside Legal Counsel and Outside Accounting Firm arrange for translation of the WFC Disclosure Documents into French.
4. Outside Legal Counsel files, via SEDAR, the French versions of the WFC Disclosure Documents.

2.2.5 Andrew Campbell - ss. 127 and 127.1

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

AND

**IN THE MATTER OF
ANDREW CAMPBELL**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on December 21, 2004, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing and Statement of Allegations pursuant to sections 127 and 127.1 of the *Securities Act* (the "Act") in respect of William Andrew Campbell ("Andrew Campbell");

AND WHEREAS the Commission held a hearing into this matter on January 24, 2005;

AND WHEREAS after hearing the evidence and the submissions of Staff of the Commission and the agent of the Respondent, the Commission found that Andrew Campbell did not comply with Ontario securities law and has acted contrary to the public interest;

AND WHEREAS Andrew Campbell has undertaken to pay \$10,000 to the Commission by no later January 31, 2005;

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

IT IS HEREBY ORDERED THAT:

1. Pursuant to s. 127(1), clause 10, Andrew Campbell shall disgorge \$10,000 to the Commission;
2. Pursuant to s.127(1), clause 6, Andrew Campbell is hereby reprimanded.

January 24, 2005.

"Paul M. Moore"

"Suresh Thakrar"

"David L. Knight "

2.2.6 John Alexander Cornwall et al. - ss. 127 and 127.1

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

AND

**IN THE MATTER OF
JOHN ALEXANDER CORNWALL,
KATHRYN A. COOK,
DAVID SIMPSON,
JEROME STANISLAUS XAVIER,
CGC FINANCIAL SERVICES INC. AND
FIRST FINANCIAL SERVICES**

ORDER

WHEREAS the hearing into this matter was scheduled to commence on Wednesday, January 26, 2005;

AND WHEREAS Staff and the respondents have consented to an adjournment of this matter;

AND WHEREAS the Commission is of the opinion that it is in the public interest to grant the adjournment requested by all parties;

IT IS THEREFORE ORDERED that the hearing of this matter be adjourned to a date in February or March 2005, to be scheduled by the Secretary to the Commission.

January 26, 2005.

"Lorne Morphy"

2.3 Rulings

2.3.1 Workstream Inc. - ss. 74(1)

Headnote

Subsection 74(1) – exemption from prospectus requirement in connection with first trade of shares purchased pursuant to a private placement – issuer unable to fully comply with conditions of section 2.14 of MI 45-102 as approximately 16.22 % of issuer's shares held by Ontario residents – exemption conditional on resale occurring over NASDAQ Small Cap Market, Boston Stock Exchange or other market outside of Canada.

Statutes Cited

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

Rules Cited

Multilateral Instrument 45-102 – Resale of Securities.

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

AND

**IN THE MATTER OF
WORKSTREAM INC.**

**RULING
(Subsection 74(1) of the Act)**

UPON the application of Workstream Inc. (Workstream) to the Ontario Securities Commission (the Commission) for a ruling pursuant to subsection 74(1) of the Act that section 53 of the Act does not apply to the first trades of 1,836,750 common shares in the capital of Workstream that were acquired by subscribers in Ontario pursuant to a private placement completed on December 10, 2003;

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

AND UPON Workstream having represented to the Commission that:

1. Workstream was incorporated on May 24, 1996 pursuant to the laws of Canada and its head office is located in Ottawa, Ontario.
2. Workstream is registered with the Securities and Exchange Commission in the United States of America under the Securities Exchange Act of 1934 (the 1934 Act) and is not exempt from the reporting requirements of the 1934 Act pursuant to Rule 12G3-2. Workstream is not in default of any securities legislation in the United States or any other jurisdiction.

3. Workstream is not a reporting issuer in any jurisdiction in Canada.
4. The authorized capital of Workstream consists of an unlimited number of common shares and an unlimited number of Class A preferred shares issuable in series, of which 47,428,717 common shares (the Shares) were issued and outstanding as of January 5, 2004.
5. The Shares are publicly traded on the NASDAQ Small Cap Market and on the Boston Stock Exchange, but are not listed on a Canadian stock exchange.
6. As of January 5, 2004, an aggregate of 7,694,743 Shares (16.22% of the outstanding Shares) were held by residents of Canada. Of these Shares, approximately 3,000,000 are held by one individual. As of December 9, 2004, approximately 9.68% of Workstream's shareholders were resident in Canada.
7. On December 10, 2003, 19 subscribers resident in Ontario (the Subscribers) acquired an aggregate of 1,836,750 Shares (the Placement Shares) in reliance on registration and prospectus exemptions pursuant to the applicable securities laws of Ontario. Five (5) other subscribers who were not residents of Canada also purchased 663,250 Shares under the private placement transaction on December 10, 2003.
8. Any resale of the Placement Shares by the Subscribers is expected to be made on the NASDAQ Small Cap Market or on the Boston Stock Exchange as there is no market for the Shares in Canada and none is expected to develop.
9. In the absence of an order granting exemptive relief, the first trade in Placement Shares by any of the Subscribers will be deemed to be a distribution under the Act unless, among other things, Workstream has been a reporting issuer for four months immediately preceding the trade in one of the jurisdictions set forth in Appendix B to Multilateral Instrument 45-102 – *Resale of Securities* (the Resale Rule).
10. Section 2.14 of the Resale Rule cannot be utilized by the Subscribers with respect to a first trade of Placement Shares on the NASDAQ Small Cap Market or on the Boston Stock Exchange because, as at the distribution date of the Placement Shares, residents of Canada owned directly or indirectly more than 10 percent of the outstanding Shares.

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

IT IS RULED, pursuant to subsection 74(1) of the Act that section 53 of the Act does not apply to the first trades in the Placement Shares, provided that such first trades are executed through the facilities of the NASDAQ Small Cap Market or the Boston Stock Exchange or on another exchange or market outside Canada.

January 7, 2005.

“Susan Wolburgh Jenah”

“Paul Bates”

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
FirstSmart Sensor Corp.	20 Jan 05	01 Feb 05		
KT Capital Corp.	13 Jan 05	25 Jan 05	25 Jan 05	
SLMSoft Inc.	24 Jan 05	04 Feb 05		

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	21 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		
Infolink Technologies Ltd.	20 Jan 05	01 Feb 05			
The Jean Coutu Group (PJC) Inc.	20 Jan 05	02 Feb 05			
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		
Straight Forward Marketing Corporation	18 Nov 04	01 Dec 04	01 Dec 04		

This page intentionally left blank

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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>
31-Dec-2004	23 Purchasers	Abbey Vista Ridge Limited Partnership - Limited Partnership Units	1,363,296.09	29.00
20-Dec-2004	3497674 Canada Inc	Aberdare Ventures III, L.P. - Limited Partnership Interest	0.00	5,000,000.00
30-Dec-2004	Gordon D. Orlikow	Acres Ventures Ltd. - Units	7,500.00	30,000.00
30-Dec-2004	3 Purchasers	Acuity Pooled High Income Fund - Trust Units	694,375.90	34,699.00
01-Jan-2004	54 Purchasers	Adaly Opportunity Fund - Limited Partnership Units	13,400,000.00	11,990.00
21-Dec-2004	New Generation Biotech (Equity) Fund Inc	Affinium Pharmaceuticals, Inc. - Convertible Debentures	3,250,000.00	1.00
21-Dec-2004	3 Purchasers	ALESCO Preferred Funding VI, Ltd. - Preferred Shares	25,462,325.00	25,462.00
17-Dec-2004	Royal Bank of Canada	Antarcti.ca Systems Inc. - Preferred Shares	350,000.19	533,724.00
21-Dec-2004	AGF Funds TAL	Arbinet-thexchange, Inc. - Shares	175,000.00	10,000.00
12-Nov-2004 to 11-Jan-2005	8 Purchasers	Atsana Semiconductor Corp. - Preferred Shares	1,113,496.31	929,230.00
17-Nov-2004	CIBC World Markets Wifleur Inc	Audible, Inc - Shares	37,977.94	1,300.00
31-Dec-2004	23 Purchasers	AVR Debenture Corp - Debentures	279,235.20	29.00
06-Jan-2005	3 Purchasers	BDE Equities Inc. - Common Shares	70,800.00	471,999.00
30-Dec-2004	3 Purchasers	Broker Payment System Limited Partnership - Limited Partnership Units	210,000.00	14.00
23-Dec-2004	6 Purchasers	Canadian Arrow Mines Limited - Units	649,500.00	999,231.00
31-Dec-2004	5 Purchasers	Cannon Oil & Gas Ltd. - Common Shares	150,449.70	501,499.00
15-Jun-2004 to 30-Aug-2004	3 Purchasers	Capital Wealth Estate Planning Inc. - Common Shares	60,000.00	60,000.00

Notice of Exempt Financings

31-Dec-2004	Augen Limited Partnership 2004 - 1	Cascadia International Resources Inc. - Units	250,000.00	625,000.00
30-Dec-2004	5 Purchasers	Cayenne Gold Mines Ltd. - Common Shares	21,000.00	84,000.00
17-Dec-2004	4 Purchasers	Celtic House Venture Partners Fund III LP - Limited Partnership Units	102,958,800.00	102,958,800.00
30-Dec-2004	3 Purchasers	Clean Energy Developments Corp. - Common Shares	175,000.00	275,975.00
15-Dec-2004	Gordon D. Orlkow and Sprott Asset Management Inc.	Continuum Resources Ltd. - Units	315,000.00	1,260,000.00
16-Dec-2004	Credit Risk Advisors LP	Cooper-Standard Automotive Inc. - Notes	1,214,300.00	1,000.00
07-Dec-2004	4 Purchasers	Datawire Communication Networks Inc. - Convertible Preferred Shares	1,499,998.50	999,999.00
04-Jan-2005	Dio Innamorato	Dejour Enterprises Ltd. - Units	20,100.00	67,000.00
04-Jan-2005	Megellan Aerospace Limited	DynaMotive Energy Systems Corporation - Warrants	295,715.00	500,000.00
22-Dec-2004	473280 Ontario Limited	Dynex Capital Limited Partnership - Units	200,000.00	200.00
31-Dec-2004	Larry Flynn	Eagle Plains Resources Ltd. - Flow-Through Shares	19,875.00	26,500.00
22-Dec-2004	19 Purchasers	Equigenesis 2004 Preferred Investment LP - Limited Partnership Interest	25,984,600.00	1,502.00
30-Dec-2004	Julian Baldry	Fieldex Exploration Inc - Common Shares	50,000.00	200,000.00
30-Dec-2004	4 Purchasers	Fieldex Exploration Inc - Flow-Through Shares	42,500.00	170,000.00
31-Dec-2004	Glenn McHarg	Flying a Petroleum Ltd. - Units	4,950.00	11,000.00
29-Dec-2004	Linda Powers	GangaGen Life Sciences Inc. - Preferred Shares	132,000.00	440,000.00
22-Oct-2004	14 Purchasers	GFE Limited Partnership - Limited Partnership Units	410,000.00	410,000.00
05-Aug-2004	3 Purchasers	Globalive Communications Inc. - Common Shares	550,000.00	376,564.00
26-Oct-2004 to 09-Dec-2004	5 Purchasers	Golden Chalice Resources Inc. - Units	112,500.00	575,000.00
24-Jun-2004	10 Purchasers	Golden Chief Resources Inc. - Units	285,000.00	5,700,000.00
15-Dec-2004	AGF Funds Inc. Toronto-Dominion Bank	Goodman Global Holdings, Inc - Notes	2,450,000.00	2,450.00

Notice of Exempt Financings

30-Dec-2004	Augen Limited Partnership 2004-1	Great Western Minerals Group Ltd. - Units	300,000.00	1,000,000.00
14-Dec-2004	Wifleur Inc	Great Wolf Resorts, Inc - Common Shares	9,467.64	450.00
20-Dec-2004	James B. Marzolf Dr. J. Robert Nicholson	Green Point Resources Ltd. - Units	70,000.00	350,000.00
05-Jan-2005	Marathon Canadian Hotel Trust	Hotels Peel/Cavendish Limited Partnership - Limited Partnership Units	6,300,000.00	6,300.00
07-Jan-2005	10 Purchasers	IG Realty Investments Inc. - Common Shares	1,474,100.00	14,741.00
30-Dec-2004	3 Purchasers	IG Realty Investments Inc. - Common Shares	2,542,000.00	25,420.00
11-Jan-2005	8 Purchasers	Imagis Technologies Inc. - Units	420,199.85	1,200,571.00
04-Jan-2005	Canadian Medical Protective Association	Imperial Capital Acquisition Fund III (Institutional) 2 Limited Partnership - Limited Partnership Units	125,000.00	125,000.00
04-Jan-2005	Kensington Fund of Funds LP	Imperial Capital Acquisition Fund III (Institutional) 3 Limited Partnership - Limited Partnership Units	60,000.00	60,000.00
23-Dec-2004 to 31-Dec-2004	12 Purchasers	IMAGIN Diagnostic Centres, Inc. - Common Share Purchase Warrant	80,000.00	80,000.00
30-Dec-2004	Alan Green Harold Smith	Interactive Exploration Inc. - Units	25,500.00	170,000.00
07-Dec-2004	Simon Gardner	International Arimex Resources Inc. - Units	10,000.00	100,000.00
21-Dec-2004	11 Purchasers	International PBX Ventures Ltd. - Units	93,000.00	310,000.00
01-Jan-2005	John Dunn	Internet Identity Presence Co. - Common Shares	7,500.00	1,500,000.00
30-Dec-2004	Helen Beilhartz	Investicare Seniors Housing Corp. - Units	25,000.00	1.00
15-Dec-2004	Lembit Janes and Karen Leslie Janes	Janes Family Foods Ltd. - Common Shares	376,546.00	1,326,593.00
31-Dec-2004	17 Purchasers	JML Resources Ltd. - Flow-Through Shares	285,892.00	1,633,672.00
30-Dec-2004	12 Purchasers	K2 Energy Corp. - Common Shares	24,058.93	367,310.00
30-Dec-2004	5 Purchasers	Kenrich Eskay Mining Corp. - Flow-Through Shares	309,400.00	364,000.00
30-Sep-2004	8 Purchasers	Klondike Gold Corp. - Units	180,000.00	1,000,000.00

Notice of Exempt Financings

24-Dec-2004	4 Purchasers	KyberPass Corporation - Convertible Debentures	2,666,666.66	2,666,667.00
22-Dec-2004	23 Purchasers	Le Chateau Inc. - Common Shares	5,636,312.00	265,165.00
15-Dec-2004	RBC Global Investment	Legg Mason, Inc - Shares Management	1,054,500.00	15,000.00
10-Jan-2005	Eidenai Innovations Inc	Lemontonic Inc. - Shares	128,000.00	400,000.00
10-Dec-2004	8 Purchasers	Life Trust Limited Partnership - Units	496,000.00	496.00
06-Jan-2005	Investeco Private Equity Fund LP	Lotek Wireless Inc. - Common Share Purchase Warrant	4,000,000.00	879,121.00
31-Dec-2004	Gordon Jarvis	Macquarie Infrastructure Company Trust - Common Shares	12,036.00	400.00
31-Dec-2004	28 Purchasers	Madison Grant Limited Partnership VIII - Limited Partnership Units	3,165,000.00	3,165.00
04-Jan-2005	5 Purchasers	Magenta II Mortgage Investment Corporation - Shares	318,675.38	318,675.00
30-Dec-2004	8 Purchasers	Magnum Energy Inc. - Flow-Through Shares	203,250.00	238,800.00
31-Dec-2004	11 Purchasers	Markland Resource Development Incorporated - Common Shares	477,017.00	477,017.00
01-Mar-2004 to 01-Dec-2004	11 Purchasers	Marret High Yield Hedge Limited Partnership - Units	5,030,000.00	656,395.00
24-Dec-2004	Canadian Science and Technology Growth Fund Inc.	Mathis Instruments Ltd. - Common Shares	129,078.00	11,362.00
07-Jan-2005	The Vengrowth II Investment Fund Inc	Meriton Networks Canada Inc. - Notes	463,061.54	463,062.00
07-Jan-2005	5 Purchasers	Meriton Networks Inc. - Units	262,932.13	262,932.00
23-Dec-2004	8 Purchasers	Metalex Ventures Ltd. - Common Shares	2,586,950.00	2,874,389.00
09-Dec-2004	3 Purchasers	Metro Capital Group - Limited Partnership Units	5,460,226.00	47.00
06-Jan-2005	Janet MacKechnie	Mission Oil & Gas Inc. - Common Shares	35,001.75	19,775.00
16-Dec-2004	3 Purchasers	Montello Resources Ltd. - Units	182,500.00	3,650,000.00
01-Jan-2005	528362 Ontario Limited Robert J. Dart	Montrachet Investments Limited Partnership - Limited Partnership Units	950,000.00	95,000.00
04-Jan-2005	Christopher C. Dundas Ewan Downie	Pediment Exploration Ltd. - Units	63,000.00	210,000.00
23-Dec-2004	10 Purchasers	Plutonic Power Corporation - Units	328,000.00	455,000.00

Notice of Exempt Financings

12-Nov-2004 to 23-Nov-2004	14 Purchasers	QSA Enterprise Fund - Units	46,000.00	5,617.00
12-Jan-2004 to 31-Dec-2004	165 Purchasers	QSA Select Canada Focus Fund - Units	9,989,087.12	1,248,636.00
05-Jan-2004 to 24-Dec-2004	553 Purchasers	QSA Select US Value 50 Fund - Units	17,414,800.53	3,448,475.00
09-Dec-2004	Mossco Capital Inc. Front Street Investment	Qustream Corporation - Common Share Purchase Warrant	510,000.00	750,000.00
15-Sep-2004 to 09-Dec-2004	26 Purchasers	Qustream Corporation - Common Shares	4,833,381.24	12,925,942.00
30-Dec-2004	Augen Limited Partnership 2004-1	Rare Earth Metals Corp. - Units	299,600.00	1,070,000.00
31-Dec-2004	Stan Bharti Darren Carmichael	Red Lake Resources Inc. - Units	30,000.00	600,000.00
07-Jan-2005	14 Purchasers	Red Media Corp. - Units	1,734,734.20	3,304,963.00
03-Dec-2004	Epic Limited Partnership	Rentcash Inc. - Common Shares	762,000.00	60,000.00
15-Oct-2004	16 Purchasers	Resource Holdings & Investments Inc. - Shares	540,000.00	1,080,000.00
06-Jan-2005	24 Purchasers	Resverlogix Corp. - Common Shares	1,677,600.00	559,200.00
19-Nov-2004 to 20-Dec-2004	NDB Group Syndications Inc	Rhone 2004 Oil & Gas Strategic Limited Partnership - Limited Partnership Units	3,925,000.00	157,000.00
23-Dec-2004 to 31-Dec-2004	11 Purchasers	Richards Oil & Gas Limited - Special Warrants	335,000.00	837,500.00
29-Dec-2004	4 Purchasers	Roxmark Mines Limited - Units	111,099.96	925,833.00
07-Jan-2005	Governing Council of the University of Toronto	Roycom (6) Nominee Inc. - Common Shares	1.00	1.00
07-Jan-2005	University of Toronto Canadian The Retirement Plan for Employees of Canadian Utilities Limited	Roycom (6) Property Fund Ltd. - Common Shares	7,000,000.00	7,000,000.00
16-Dec-2004	Royal Capital Management Corp.	Rumble Automation Inc. - Debentures	5,700,310.00	3.00
31-Dec-2004	6 Purchasers	Signalta Resources Limited - Units	7,500,000.00	12.00
09-Dec-2004	Credit Union Central of Ontario Limited	SMART Trust - Subordinated Note	1,500,953.75	1.00
30-Dec-2004	8 Purchasers	Spider Resources Inc. - Flow-Through Shares	1,450,120.00	8,530,117.00

Notice of Exempt Financings

31-Dec-2004	21 Purchasers	Strategic Metals Ltd. - Preferred Shares	1,080,500.00	10,805.00
09-Dec-2004	Elliot & Page Franklin Templeton	Symmetry Medical Inc. - Shares	34,929.60	1,900.00
23-Dec-2004	Jon Woolstencroft	Terraco Gold Corp. - Units	5,000.00	23,180.00
08-Dec-2004	Constellation Certificate Trust (TMT 21HE) Series 2004-1	Terwin Mortgage Trust 2004- 21HE - Certificate	182,220,000.00	1.00
20-Dec-2004	John P. Mulvihill	TFS Limited Partnership - Limited Partnership Units	1,000,000.00	1,000.00
01-Jan-2005	14 Purchasers	Tower Hedge Fund L.P. - Units	98,308.99	8,381.00
14-Dec-2004	Steel Investments Ltd	Trez Capital Corporation - Units	100,000.00	100,000.00
14-Jan-2005	MMV Financial Inc.	Triosyn Corp - Option	1.00	1.00
04-Jan-2005	12 Purchasers	TTi Turner Technology Instruments Inc. - Common Shares	286,750.00	1,147.00
07-Dec-2004	Mavrix Resources Fund 2004 II LP (214)	UR- Energy Inc. - Flow-Through Shares	247,500.00	275,000.00
04-Jan-2005	Booth International Management Consultants	Utilitran Corporation - Common Shares	20,006.00	2,858.00
31-Dec-2004	Augen Limited Partnership 2004-1	Viking Gold Corporation - Units	150,000.00	750,000.00
31-Dec-2004	14 Purchasers	Viking Gold Corporation - Units	259,400.00	324,250.00
31-Dec-2004	Mineral Fields 2004 Limited Partnership	Viking Gold Corporation - Units	199,999.99	833,333.00
11-Jan-2005	The Toronto-Dominion Bank	Vortex Corp. - Notes	7,559,350.00	1.00
13-Jan-2005	Credit Risk Advisors	Warner Chilcott Corporation - Notes	636,450.00	636,450.00
05-Jan-2005	3 Purchasers	Win Energy Corporation - Common Shares	47,000.00	47,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Advantage Energy Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 21, 2005
Mutual Reliance Review System Receipt dated January 21, 2005

Offering Price and Description:

\$113,662,500
5,250,000 Trust Units
Price: \$21.65 per Trust Unit

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Raymond James Ltd.
FirstEnergy Capital Corp.

Promoter(s):

-

Project #731645

Issuer Name:

Alexandria Minerals Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 21, 2005
Mutual Reliance Review System Receipt dated January 24, 2005

Offering Price and Description:

\$1,000,000 to \$1,500,000 - 4,000,000 to 6,000,000 Units
Price: \$ 0.25 per Unit

Underwriter(s) or Distributor(s):

Bolder Investment Partners, Ltd.

Promoter(s):

Eric Owens
Eddy Canova

Project #731827

Issuer Name:

Aspreva Pharmaceuticals Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary PREP Prospectus dated January 24, 2005
Mutual Reliance Review System Receipt dated January 24, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Merrill Lynch Canada Inc.
BMO Nesbitt Burns Inc.

Promoter(s):

Richard M. Glickman
Noel F. Hall
Michael R. Hayden

Project #731882

Issuer Name:

Bashaw Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated January 17, 2005
Mutual Reliance Review System Receipt dated January 19, 2005

Offering Price and Description:

\$250,000 - 1,000,000 Common Shares
Price: \$0.25 per Common Share

Underwriter(s) or Distributor(s):

Dundee Securities Corporation

Promoter(s):

Quest Capital Corp.

Project #730601

Issuer Name:

Brompton Advantaged Equal Weight Oil & Gas Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 24, 2005
Mutual Reliance Review System Receipt dated January 25, 2005

Offering Price and Description:

\$ * - * Units

Price: \$10.00 per Units

Underwriter(s) or Distributor(s):

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

HSBC Securities (Canada) Inc.

Canaccord Capital Corporation

Desjardins Securities Inc.

First Associates Investments Inc.

Raymond James Ltd.

Dundee Securities Corporation

IPC Securities Corporation

Wellington West Capital Inc.

Acadian Securities Incorporated

Newport Securities Inc.

Research Capital Corporation

Promoter(s):

Brompton AOG Management Limited

Project #732145

Issuer Name:

Chrysalis Capital II Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated January 18, 2005
Mutual Reliance Review System Receipt dated January 19, 2005

Offering Price and Description:

Maximum offering: \$1,000,000 (5,000,000 Common Shares)

Minimum offering: \$500,000 (2,500,000 Common Shares)

Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

Marc Lavine

Project #730543

Issuer Name:

Immersive Media Corp.

Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated January 24, 2005

Mutual Reliance Review System Receipt dated January 24, 2005

Offering Price and Description:

\$3,000,000.00 - 3,000,000 Common Shares

Price: \$1.00 per Share

Underwriter(s) or Distributor(s):

Bolder Investment Partners, Ltd.

Promoter(s):

-

Project #732073

Issuer Name:

Capital St-Charles inc.

Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated January 21, 2005

Mutual Reliance Review System Receipt dated January 24, 2005

Offering Price and Description:

A minimum of 2,000,000 common shares and
a maximum of 6,000,000 common shares

at a price of \$0.50 per share

Underwriter(s) or Distributor(s):

CTI Capital Inc.

Desjardins Securities Inc.

Promoter(s):

Louis Lessard

Project #731022

Issuer Name:

Mavrix Resource Fund 2005 - I Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 17, 2005
Mutual Reliance Review System Receipt dated January 19, 2005

Offering Price and Description:

Maximum offering: \$50,000,000 (5,000,000 Units)
Minimum offering: \$5,000,000 (500,000 Units)
Minimum Subscription: 500 Units
Subscription Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
TD Securities Inc.
Dundee Securities Corporation
National Bank Financial Inc.
First Associates Investments Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Bieber Securities Inc.
IPC Securities Corporation
McFarlane Gordon Inc.
Richardson Partners Financial Limited
Union Securities Ltd.
Wellington West Capital Inc.

Promoter(s):

Mavrix Resource Fund 2005 - I Management Limited
Mavrix Fund Management Inc.
Project #730632

Issuer Name:

NAL Oil & Gas Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 20, 2005
Mutual Reliance Review System Receipt dated January 20, 2005

Offering Price and Description:

\$232,900,000
(17,000,000 Trust Units)
Price: \$13.70 per Trust Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
National Bank Financial Inc.
Desjardins Capital Corporation
National Bank Financial Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Dundee Securities Corporation
Peters & Co. Limited

Promoter(s):

-
Project #731354

Issuer Name:

NORCO CAPITAL INC.
Principal Regulator - Quebec

Type and Date:

Preliminary CPC Prospectus dated January 20, 2005
Mutual Reliance Review System Receipt dated January 24, 2005

Offering Price and Description:

Minimum Offering \$750,000 or 5,000,000 Common Shares
Maximum Offering: \$1,275,000 or 8,500,000 Common Shares

Price: \$0.15 per Common Share

Underwriter(s) or Distributor(s):

Investpro Securities Inc.

Promoter(s):

Richard Dumais
Project #731722

Issuer Name:

Pan American Silver Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Shelf Prospectus dated January 18, 2005
Mutual Reliance Review System Receipt dated January 19, 2005

Offering Price and Description:

US\$150,000,000.00 - Common Shares Debt Securities
Warrants Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #730914

Issuer Name:

Renaissance Talvest China Plus Fund
Renaissance Talvest Global Health Care Fund
Renaissance Talvest Millenium High Income Fund
Talvest Renaissance Canadian Balanced Fund
Talvest Renaissance Canadian Balanced Value Fund
Talvest Renaissance Canadian Core Value Fund
Talvest Renaissance Canadian Real Return Bond Fund
Talvest Renaissance U.S. Basic Value Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated January 21, 2005
Mutual Reliance Review System Receipt dated January 25, 2005

Offering Price and Description:

Class A, F and O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

CIBC Asset Management Inc.
Project #732067

Issuer Name:

ALAMOS GOLD INC
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated January 21, 2005
Mutual Reliance Review System Receipt dated January 24, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
GMP Securities Ltd.
Haywood Securities Inc.
McFarlane Gordon Inc.

Promoter(s):

-

Project #729530

Issuer Name:

Centurion Energy International Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated January 20, 2005
Mutual Reliance Review System Receipt dated January 20, 2005

Offering Price and Description:

\$33,125,000.00 - 2,500,000 Offered Shares at \$13.25 per
Common Share

Underwriter(s) or Distributor(s):

GMP Securities Ltd.
Orion Securities Inc.
FirstEnergy Capital Corp.
Jennings Capital Inc.
Maison Placements Canada Inc.
Octagon Capital Corporation

Promoter(s):

-

Project #729250

Issuer Name:

Fairfax Financial Holdings Limited
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated January 24, 2005
Mutual Reliance Review System Receipt dated January 25, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #728339

Issuer Name:

Gaz Métro Limited Partnership
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated January 20, 2005
Mutual Reliance Review System Receipt dated January 20, 2005

Offering Price and Description:

\$65,090,000.00 - 2,830,000 Units PRICE: \$23.00 per Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.

Scotia Capital Inc.

Promoter(s):

-

Project #729389

Issuer Name:

Harris Steel Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated January 20, 2005
Mutual Reliance Review System Receipt dated January 20, 2005

Offering Price and Description:

\$71,925,000.00 - Common Shares Price: \$20.55 per
Common Share

Underwriter(s) or Distributor(s):

GMP Securities Ltd.
Canaccord Capital Corporation
First Associates Investments Inc.
Raymond James Ltd.
Sprott Securities Inc.
Dominick & Dominick Securities Inc.

Promoter(s):

-

Project #728795

Issuer Name:

Novelis Inc.
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated January 18, 2005
Mutual Reliance Review System Receipt dated January 19, 2005

Offering Price and Description:

73,988,932 Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Travis Engen
Geoffery E. Merszei

Project #693181

Issuer Name:

Retrocom Growth Fund Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 20, 2005
Mutual Reliance Review System Receipt dated January 25, 2005

Offering Price and Description:

Class A Series I Shares
Class A Series V Shares
Class C Series 11 Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Retrocom Investment Management Inc
Project #721970

Issuer Name:

Royal Bank of Canada
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated January 21, 2005
Mutual Reliance Review System Receipt dated January 24, 2005

Offering Price and Description:

\$300,000,000.00 - 12,000,000 Non-Cumulative First
Preferred Shares Series W at \$25.00 per Preferred Share
Series W

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #730094

Issuer Name:

THE GOODWOOD CAPITAL FUND
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated January 19, 2005
Mutual Reliance Review System Receipt dated January 20, 2005

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Goodwood Inc.
Goodwood Inc.

Promoter(s):

Goodwood Inc.
Project #720956

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	SIR Capital Corporation	Limited Market Dealer	January 14, 2005
New Registration	Stalworth Investment Management Company Inc.	Investment Counsel & Portfolio Manager	January 17, 2005
New Registration	Calyon Financial Inc.	International Dealer	January 21, 2005
New Registration	Laurence Capital Corp.	Limited Market Dealer	January 19, 2005
New Registration	Claymore Investments, Inc.	Investment Counsel & Portfolio Manager	January 26, 2005
New Registration	Dixon Mitchell Rae Investment Counsel Inc.	(Extra Provincial) Investment Counsel and Portfolio Manager	January 24, 2005
New Registration	CFI Capital Inc.	Limited Market Dealer	January 20, 2005
Change of Name	From: Spear, Leads & Kellogg, L.P. To: Goldman Sachs Execution & Clearing, L.P.	International Dealer	January 14, 2005
Change of Name	From: Brandes Investment Partners, LLC To: Brandes Investment Partners, L.P.	International Advisor (Investment Counsel and Portfolio Manger)	October 18, 2004

This page intentionally left blank

Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA Notice of Hearing - Lawrence Kenneth Freedman

IN THE MATTER OF:

THE BY-LAWS OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA

AND

LAWRENCE KENNETH FREEDMAN

NOTICE OF HEARING

TAKE NOTICE that pursuant to Part 10 of By-law 20 of the Investment Dealers Association of Canada (“the Association”), a hearing will be held before a hearing panel (“the Hearing Panel”) on a date to be fixed by the Hearing Panel on Monday January 31, 2005 at 121 King Street West, Suite 1000, Toronto, Ontario, commencing at 10:00 a.m., or as soon thereafter as the hearing can be heard.

TAKE FURTHER NOTICE that pursuant to Rule 6.2 of the Association Rules of Practice and Procedure, that the hearing shall be designated on the:

The Standard Track

The Complex Track

THE PURPOSE OF THE HEARING is to determine whether Lawrence Kenneth Freedman (“the Respondent”) has committed the following contraventions that are alleged by the Association:

1. Between January 1999 and July 1999, the Respondent, a Registered Representative employed by a Member of the Association, failed to take reasonable steps to ensure that his clients, M.T. Corporation and J.A., insiders of Tropika International Limited, complied with Section 107 of the *Securities Act* R.S.O. 1990, c. S. 5 as amended, and thereby engaged in business conduct or practice which is unbecoming a registered representative or detrimental to the public interest, contrary to By-law 29.1.
2. Between January 7, 1999 and March 23, 1999, the Respondent, a Registered Representative employed by a Member of the Association, failed to take reasonable steps to ensure that his client D.P., an insider of Tropika International Limited, complied with Section 107 of the *Securities Act* R.S.O. 1990, c. S. 5 as amended, and thereby engaged in business conduct or practice which is unbecoming a registered representative or detrimental to the public interest, contrary to By-law 29.1.
3. Between February 1999 and December 1999, the Respondent, a Registered Representative employed by a Member of the Association, failed to take reasonable steps to ensure that the trades of shares in Tropika International Limited made by the Respondent on behalf of his client D.C. Corporation (South Africa), an insider of Tropika International Limited, complied with the control block trading provisions of the *Securities Act*, R.S.O. 1990, c. S. 5 as amended, and thereby engaged in business conduct or practice which is unbecoming a registered representative or detrimental to the public interest, contrary to By-law 29.1.
4. Between January 1999 and February 2000, the Respondent, a Registered Representative employed by a Member of the Association, failed to take reasonable steps to ensure that investments in shares of Tropika International Limited made on behalf of his clients D.C. Corporation (South Africa), D.C. Corporation (West Indies) I.T. Limited, M.T. Limited (West Indies) and T.H. Limited, all offshore entities, complied with the provisions of the *Securities Act* R.S.O. 1990, c. S. 5, as amended, and all Regulations thereto, as well as any Policy Statements and Interpretation Notes issued by the Ontario Securities Commission relating to the distribution of securities outside of Ontario, and thereby engaged in business conduct or practice unbecoming a registered representative or detrimental to the public interest, contrary to By-law 29.1.

5. Between January 1999 and February 2000, the Respondent, a Registered Representative employed by a Member of the Association, the Respondent failed to use due diligence to learn the essential facts relative to his clients D.C. Corporation (South Africa), D.C. Corporation (West Indies), I.T. Trading Limited, M.T. Limited (Ontario), M.T. Limited (West Indies), T.H. Limited, and D.P, and to ensure that the acceptance of every order for those accounts was within the bounds of good business practice, contrary to Association Regulations 1300.1(a) and 1300.1(b)..

PARTICULARS

TAKE FURTHER NOTICE that the following is a summary of the facts alleged and to be relied upon by the Association at the hearing:

1. At all material times, the Respondent was employed at Rampart Securities Inc. ("Rampart") as a Vice-President, Registered Representative- Options. Since September 30, 2002, the Respondent has not been employed by a Member of the Association.
2. Tropika International Limited ("Tropika") was an Ontario corporation formed as a result of a reverse takeover of another public company in May 1995. Its shares were publicly traded in Ontario.
3. From May 1995 to June 1997, Tropika's primary business was the marketing, development and distribution of several beverage products. In July 1997, Tropika underwent a diversification into Internet gaming. Thereafter, Tropika no longer made any public disclosure regarding its beverage business.
4. On January 7, 1999, Tropika acquired 51% of Royal Caribbean Securities Inc. ("RC Securities"), an offshore securities firm located in Antigua, British West Indies. After January 1999, all financings for Tropika involved RC Securities. Tropika purchased the remainder of RC Securities on June 17, 1999.
5. The Ontario Securities Commission ("OSC") suspended Tropika on October 24, 2001 for failing to file required financial statements.
6. The Respondent was the Registered Representative of record for the following accounts at Rampart:
 - a) Account 3R5897
The Respondent opened an account in August 1998 for D.P., at all material times the Managing Director of RC Securities Inc. D.P. became an insider of Tropika effective January 7, 1999.
 - b) Account 3R6087
The Respondent opened an account in November 1998 for M.T. Limited ("M.T. Ontario"), a company incorporated pursuant to the laws of Ontario. The chief signatory on the account was J.A., at all material times the Chairman, President and CEO of Tropika International, and consequently an insider of the company.
 - c) Account 3R0905
The Respondent opened an account in February 1999 for D.C. Corporation ("D.C. South Africa"), a company incorporated pursuant to the laws of South Africa. The chief signatory on the account was T.C. One of directors of D.C. South Africa was P.C., at all material times a Director and insider of Tropika.
 - d) Account 3R7418
The Respondent opened an account on June 15, 1999 for I.T. Limited ("I.T. Limited."), a corporation based in Anguilla, British West Indies. The Corporate Account Application Form signed by the Respondent indicates that I.T. Limited was a new client and was referred to Rampart by J.A. The signatories on the account were J.D., A.P. and P.K.. J.D. and P.K. were employees of the law firm W.,D.,M. with principal offices in Anguilla, British West Indies. The firm advertises its ability to set up companies, which use nominee names in place of principals and are exempt from the filing and reporting requirements of a public company. At the material time, J.D. was a member of the Bar of Anguilla, and P.K. was a Chartered Accountant.
 - e) Account 3R7347
The Respondent opened an account on June 15, 1999 for M.T. Limited ("M.T. West Indies."), a corporation based in Anguilla, British West Indies. The Corporate Account Application Form signed by the Respondent indicates that M.T. West Indies was a new client and was referred to Rampart by J.A.. The signatories on the account were J.D. and P.K..
 - f) Account 3R7448
The Respondent opened an account on June 21, 1999 for T.H. Limited ("T.H. Limited"), a company based in Anguilla, British West Indies. The Corporate Account Application Form signed by the Respondent indicates that T.H. Limited was a new client and was referred to Rampart by J.A. The signatories on the account were J.D., A.P. and P.K..

g) Account 3R8048

The Respondent opened an account in September 1999 for D.C. Corporation ("D.C. West Indies"), a company based in the British West Indies. The signatories on the account were J.D., A.P. and P.J.W.. P.J.W. was a solicitor employed with the same law firm as J.D.

Activities By the Insiders

D.C. South Africa - Control Block Violation

10. The Ontario *Securities Act* defines a "distribution" in paragraph 1(1) as: including

A trade in previously issued securities of an issuer from a holdings of any person, company or a combination of persons or companies holding a sufficient number of any securities of that issuer to affect materially the control of that issuer, but any holding of any person, company or combination of persons or companies holding more than 20% of the outstanding voting securities of an issuer shall, in the absence of evidence of the contrary, be deemed to affect materially the control of that issuer.

Consequently, any sale of securities that may otherwise be exempt from the prospectus requirements of the *Act* requires a prospectus so as to not violate the control block trading provisions in the *Securities Act*.

11. On February 15, 1998, D.C. South Africa had filed with the OSC that it bought 6,820,000 shares of Tropika or 21% of the outstanding float. This was the last filing to the OSC by D.C. South Africa.

12. Subsequently, Tropika's transfer agent records indicate that by January 1, 1999, D.C. South Africa had 13,700,000 shares of Tropika registered in its name. This represented 30% of the outstanding float of the stock. By the virtue of its control holdings, D.C. South Africa could not sell any shares of Tropika without filing a prospectus and otherwise complying with the control block trading provisions in the Ontario *Securities Act*.

13. Between February and December 1999, D.C. South Africa sold 2,786,000 shares of Tropika through its account with the Respondent. These dispositions were a distribution not reported to the OSC, and neither D.C. South Africa nor P.C., as an insider of Tropika, filed a prospectus pursuant to section 53 (1) of the Ontario *Securities Act* or declared any exemptions pursuant to section 72 of the Ontario *Securities Act* to allow it to conduct these transactions.

14. Pursuant to Standard D of the Registrant Code of Ethics set out in the Conduct and Practices Handbook Course administered by the Canadian Securities Institute, all registrants must act in accordance with the *Securities Act* of the province in which registration is held. No registrant shall knowingly participate in nor assist in, any act in violation of any applicable law, Rule or Regulation of any government, governmental agency or regulatory organization governing his or her professional, financial or business activities

15. The Respondent made no enquiries and took no steps to ensure that the transactions through the D.C. South Africa account administered by him complied with the Ontario *Securities Act*.

Failure by Insiders of Tropika to File:

a) D.P.

16. Section 107 of the Ontario Securities Act provides that:

107. (1) A person or company who becomes an insider of a reporting issuer, other than a mutual fund, shall, within 10 days from the day that he, she or it becomes an insider, or such shorter period as may be prescribed by the regulations, file a report as of the day on which he, she or it became an insider disclosing any direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer as may be required by the regulations.

(2) An insider who has filed or is required to file a report under this section or any predecessor section and whose direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer changes from that shown or required to be shown in the report or in the latest report filed by the person or company under this section or any predecessor section shall, within 10 days from the day on which the change takes place, or such shorter period as may be prescribed by the regulations, file a report of direct or indirect beneficial ownership of or control or direction over securities of the reporting issuer as of the day on which the change took place and the change or changes that occurred, giving any details of each transaction as may be required by the regulations.

(3) A person or company who becomes an insider of a reporting issuer by reason of subsection 1 (8) or (9) shall file the reports required by subsections (1) and (2) of this section for the previous six months or such shorter period that he or she was a director or officer of the reporting issuer within 10 days from the day that the issuer became an insider of a reporting issuer or the reporting issuer became an insider of another reporting issuer, as the case may be, or such shorter period as may be prescribed by the regulations

17. Between January 7, 1999 and March 23, 1999, D.P. bought 2,752,000 shares of Tropika and sold 4,452,000 shares of Tropika through his account with the Respondent. None of the trading was reported to the OSC as required by the provisions of the Ontario *Securities Act*.
18. The Respondent made no enquiries and took no steps to ensure that these transactions through the D.P. account complied with s. 107 of the Ontario *Securities Act*.

M.T. Ontario

19. Between January 1999 and July 1999, M.T. Ontario bought 491,000 shares of Tropika and sold 401,500 shares of Tropika through its account with the Respondent. During this same time period, only the purchase or sale of 42,000 shares of Tropika by M.T. Ontario were reported to the OSC pursuant to s. 107 of the Securities Act. .
20. The Respondent made no enquiries and took no steps to ensure that these transactions through M.T. Ontario's account with the Respondent Rampart complied with s.107 of the Ontario Securities Act.

Distribution of Securities in Ontario Issued to Off-shore Entities

21. The Interpretation Note to OSC Policy 1.5 – Distribution of Securities Outside Ontario – (“the Interpretation Note”) states that:

Reasonable precaution and restrictions should be implemented by the issuer, underwriters, and other participants in the distribution [of securities outside Ontario by Ontario or non-Ontario issuers] to ensure that the securities are not distributed or re-distributed into Ontario or to Ontario residents and that such securities come to rest outside of Ontario. Such precaution and restrictions should be designed to ensure that the entire distribution process results in the securities being held by or for the benefit of non residents, as opposed to intermediaries in the distribution chain holding securities for resale to Ontario residents.

26. The Interpretation Note further provides that:

Each Ontario registrant has the duty to take reasonable steps to ensure the trades and securities affected by or through such registrant do not involve trades of securities into Ontario or to Ontario residents without compliance with the prospectus requirements of the *Act* or in reliance on an exemption there from. More particularly, a registrant who sells on behalf of one of his clients securities in Ontario or who purchases securities outside Ontario must take reasonable steps to ensure that the transaction does not involve the distribution of securities not qualified in Ontario, coming to rest in Ontario or with Ontario residents.

All Ontario registrants should establish standard procedures to prevent unlawful distributions of securities into Ontario and to ensure that a registrant meets its continuing responsibility to know both its clients and the securities being sold by or to its clients.

27. Attached as Appendix A to this Notice of Hearing is a list of shares issued by Tropika to off-shore entities, including D.C South Africa, D.C. West Indies, M.T. West Indies, I.T. Limited, and T.H. Limited (“the Respondent’s off-shore clients”), with the dates of issuance from treasury, and the dates of their deposit into client accounts administered by the Respondent.
28. No prospectus was filed by Tropika with the OSC in relation to the issuance of these shares to the Respondent’s off-shore clients, and no instructions were given by Tropika to its transfer agent to place restrictions on the disposition of these shares.
29. On numerous occasions between January 1999 and February 2000, the shares in Tropika International Limited issued to the Respondent’s off-shore clients and others were deposited into accounts administered by the Respondent at Rampart, often within days of being issued. Soon thereafter, the shares were then sold, transferred, or journalled out of the Respondent’s clients’ accounts.

30. The Respondent made no enquiries and took no steps to ensure that the transactions involving the issuance of shares of an Ontario corporation to his off-shore clients (and their subsequent disposition) complied with Interpretation Note, or with the prospectus requirements of the Act, or were made in reliance on an exemption.

Failure to Exercise Due Diligence to Know the Clients

31. Furthermore, as set out in Appendix B, between January 1999 and February 2000, there were multiple crosses and transfers of Tropika shares, and transfers of cash between the off-shore client accounts and between insiders of Tropika. As well, the proceeds of the sales of Tropika shares in the off-shore client accounts were frequently distributed to third parties, including insiders of Tropika and Tropika itself.
32. This activity should have prompted a reasonable registrant to investigate the account holders and the operation of the accounts, given that this activity, alone or in combination, was potentially an indicator of illegal conduct or conduct contrary to the public interest, including money laundering, share manipulation, and insider trading.
33. The Respondent took no steps to investigate his account holders or the activity in their accounts, thereby failing to meet his continuing responsibility to know both his clients and the securities being sold by or to his clients.

GENERAL PROCEDURAL MATTERS

TAKE FURTHER NOTICE that the hearing and related proceedings shall be subject to the Association's Rules of Practice and Procedure.

TAKE FURTHER NOTICE that pursuant to Rule 13.1, the Respondent is entitled to attend and be heard, be represented by counsel or an agent, call, examine and cross-examine witnesses, and make submissions to the Hearing Panel at the hearing.

RESPONSE TO NOTICE OF HEARING

TAKE FURTHER NOTICE that the Respondent must serve upon the Association a Response to the Notice of Hearing in accordance with Rule 7 within twenty (20) days (for a Standard Track disciplinary proceeding) or within thirty (30) days (for a Complex Track disciplinary proceeding) from the effective date of service of the Notice of Hearing.

FAILURE TO RESPOND OR ATTEND HEARING

TAKE FURTHER NOTICE that if the Respondent fails to serve a Response or attend the hearing, the Hearing Panel may, pursuant to Rules 7.2 and 13.5:

- (a) proceed with the hearing as set out in the Notice of Hearing, without further notice to the Respondent;
- (b) accept as proven the facts and contraventions alleged by the Association in the Notice of Hearing; and
- (c) order penalties and costs against the Respondent pursuant to By-law 20.33, 20.34 and 20.49.

PENALTIES & COSTS

TAKE FURTHER NOTICE that if the Hearing Panel concludes that the Respondent did commit any or all of the contraventions alleged by the Association in the Notice of Hearing, the Hearing Panel may, pursuant to By-law 20.33 and By-law 20.34, impose any one or more of the following penalties:

Where the Respondent is/was an Approved Person:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
 - (i) \$1,000,000 per contravention; and
 - (ii) an amount equal to three times the profit made or loss avoided by such Approved Person by reason of the contravention.
- (c) suspension of approval for any period of time and upon any conditions or terms;
- (d) terms and conditions of continued approval;

- (e) prohibition of approval in any capacity for any period of time;
- (f) termination of the rights and privileges of approval;
- (g) revocation of approval;
- (h) a permanent bar from approval with the Association; or
- (i) any other fit remedy or penalty.

Where the Respondent is/was a Member firm:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
 - (i) \$5,000,000 per contravention; and
 - (ii) an amount equal to three times the profit made or loss avoided by the Member by reason of the contravention;
- (c) suspension of the rights and privileges of the Member (and such suspension may include a direction to the Member to cease dealing with the public) for any period of time and upon any conditions or terms;
- (d) terms and conditions of continued Membership;
- (e) termination of the rights and privileges of Membership;
- (f) expulsion of the Member from membership in the Association; or
- (g) any other fit remedy or penalty.

TAKE FURTHER NOTICE that if the Hearing Panel concludes that the Respondent did commit any or all of the contraventions alleged by the Association in the Notice of Hearing, the Hearing Panel may pursuant to By-law 20.49 assess and order any investigation and prosecution costs determined to be appropriate and reasonable in the circumstances.

DATED at Toronto, Ontario, this 11th day of January 11, 2005.

“Paul Bourque”
Senior Vice President
Member Regulation

13.1.2 MFDA Notice of Hearing - Robert Roy Parkinson

IN THE MATTER OF A DISCIPLINARY HEARING
PURSUANT TO SECTIONS 20 AND 24 OF BY-LAW NO. 1
OF THE MUTUAL FUND DEALERS ASSOCIATION OF CANADA

RE: ROBERT ROY PARKINSON

NOTICE OF HEARING

NOTICE is hereby given that a first appearance in this hearing will take place by teleconference before a Hearing Panel (the "Hearing Panel") of the Regional Council of the Ontario Region of the Mutual Fund Dealers Association of Canada (the "MFDA"), in the hearing room located at 121 King Street West, Suite 1000, Toronto, Ontario on Wednesday February 23, 2005, at 10:00 a.m. (Eastern) or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against Robert Roy Parkinson (the "Respondent").

DATED at Toronto, Ontario this 17th day of January, 2005.

"Gregory J. Ljubic"
Gregory J. Ljubic
Corporate Secretary

Mutual Fund Dealers Association of Canada
121 King St. West
Suite 1000
Toronto, Ontario
M5H 3T9
Telephone: (416) 943-5836
E-mail: gljubic@mfdca.ca

NOTICE is further given that the MFDA alleges that the Respondent engaged in the following misconduct contrary to the By-laws, Rules or Policies of the MFDA:

Allegation #1: Between November 2000 and February 2003 inclusive (the "material time"), the Respondent engaged in business conduct which was unbecoming and detrimental to the public interest by soliciting and accepting from clients a total of \$314,000, more or less, and failing to return or otherwise account for these monies, contrary to MFDA Rule 2.1.1.

Allegation #2: During the material time, the Respondent provided false account statements and order forms to clients, contrary to MFDA Rule 2.1.1.

Allegation #3: On or about February 26, 2003, the Respondent engaged in business conduct which was unbecoming and detrimental to the public interest by abandoning his business as an Approved Person without notice to his clients or to the Member, thereby frustrating the ability of the Member and the MFDA to investigate his conduct, contrary to MFDA Rule 2.1.1.

PARTICULARS

NOTICE is further given that the following is a summary of the facts alleged and intended to be relied upon by the MFDA at the hearing:

Registration History

1. From April 2000 to March 2003, the Respondent was registered in Ontario as a mutual fund salesperson for IPC Investment Corporation ("IPC"), a Member of the MFDA. IPC has been a Member of the MFDA since April 17, 2002.
2. On February 26, 2003, the Respondent failed to appear at work and abandoned his clients without notice or explanation to his clients, IPC or the MFDA.
3. Effective March 10, 2003, the Respondent was terminated for cause by IPC as a result of the events described herein. He is not currently registered in the securities industry in any capacity.
4. Prior to being registered as a mutual fund salesperson for IPC, the Respondent was registered in Ontario as a mutual fund salesperson with another mutual fund dealer, dating back to January 1996.

Glengarry Investments

5. The Respondent recommended to numerous clients that they invest in an investment known as Glengarry Investments (“Glengarry”). The Respondent led his clients to believe that Glengarry was a “GIC-like product” that would produce a higher rate of return than a regular GIC.
6. The Respondent did not disclose to IPC that he was offering the Glengarry investment to his clients, nor was Glengarry an investment product known to or approved for sale by IPC salespersons. In fact, there is no evidence that Glengarry was an investment product known to or sold by any other person or company.
7. In total, the Respondent persuaded 24 of his clients to make investments in Glengarry, totaling \$354,000, more or less. These clients made their investments by providing the Respondent with cheques in the amount of their investment payable to the Respondent personally or to Glengarry, as more particularly set out in paragraph 12. None of the investments purportedly made in Glengarry were paid to, received by, or otherwise brought to the attention of IPC.
8. All or substantially all of the funds provided to the Respondent by his clients to invest in Glengarry were deposited by him into a bank account bearing the name “1441213 Ontario Inc – Glengarry Investments.” The records of the Ministry of Consumer and Commercial Relations, Companies Branch state that the Respondent is the President, Secretary and Treasurer, as well as the sole director, of 1441213 Ontario Inc.
9. There is no evidence that the funds provided to the Respondent by his clients were invested in Glengarry or in any GIC or GIC-like product.
10. During the material time, the Respondent provided false account statements to his clients purporting to report on their investments in Glengarry. These account statements were printed by the Respondent either on IPC letterhead or on copies of IPC letterhead which the Respondent altered by replacing the IPC masthead with the name “Glengarry”. Although all of these false account statements listed IPC as the dealer, IPC had no knowledge that the Respondent was generating them and providing them to his clients.
11. During the material time, the Respondent also provided standard IPC order entry forms to his clients purportedly to process their investments in Glengarry. None of these IPC order forms were ever forwarded to IPC nor was IPC ever aware that the Respondent was using IPC order forms for this purpose.
12. The Respondent received funds from his clients to invest in Glengarry on the following dates and in the following amounts:

CLIENT NAME	AMOUNT PAID	DATE OF PAYMENT	AMOUNT REPAID	DATE REPAID	NET LOSS
WG and PG	\$20,000.00	November 28, 2000	\$4,759.00	Unknown	\$35,241.00
	\$20,000.00	February 19, 2001			
JW	\$3,000.00	December 8, 2000			\$3,000.00
HH	\$50,000.00	March 29, 2001			\$50,000.00
BW and KW	\$5,000.00	June 11, 2001	\$8,000.00	April 30, 2002	\$4,500.00
	\$4,000.00	October 3, 2001			
	\$3,500.00	June 4, 2002			
AS and DS	\$10,000.00	June 29, 2001	\$10,000.00	February 19, 2002	\$0.00
EH	\$20,000.00	August 7, 2001	\$6,000.00	October 2002 – January 2003	\$54,975.00
	\$4,975.00	October 29, 2001			
	\$36,000.00	January 8, 2002			
JK	\$2,500.00	September 5, 2001			\$7,200.00
	\$4,700.00	December 5, 2001			
JB	\$19,000.00	September 10, 2001			\$19,000.00
MP	\$6,000.00	October 29, 2001			\$6,000.00
FP and SP	\$10,000.00	November 23, 2001			\$20,300.00
	\$10,300.00	November 30, 2001			
KP and BP	\$15,000.00	February 11, 2002	\$2,000.00	November 24, 2002	\$58,274.17
	\$42,274.17	May 6, 2002	\$1,000.00	February 19, 2003	
	\$2,500.00	June 2002			
	\$1,500.00	August 30, 2002			
MH	\$5,000.00	March 7, 2002			\$5,000.00
KP	\$6,000.00	July 4, 2002			\$6,000.00

SRO Notices and Disciplinary Proceedings

AG	\$14,000.00	October 25, 2002	\$5,000.00	December 15, 2002	\$9,000.00
MM	\$5,000.00	November 7, 2002			\$5,000.00
KG	\$15,000.00	November 15, 2002			\$22,000.00
	\$7,000.00	December 12, 2002			
LP	\$2,000.00	November 15, 2002			\$2,000.00
TT	\$1,500.00	February 20, 2003			\$1,500.00
DB	\$8,500.00	Unknown	\$3,500.00	Unknown	\$5,000.00
Total	\$354,249.17		\$40,259.00		\$313,990.17

13. Save for those amounts which were repaid to investors (as set out in the chart above), all of the funds provided to the Respondent by his clients to invest in Glengarry have not been returned to the clients or otherwise accounted for. The total amount of funds missing and unaccounted for is \$313,990.17.
14. On February 26, 2004, the Respondent failed to appear for work at IPC. The Respondent did not provide IPC with any prior notice of or explanation for his absence and has not had any further communication with IPC. Following the Respondent's unexplained absence from work, his family filed a missing persons report. Shortly thereafter, the Respondent was stopped for a routine traffic violation and, when the missing persons report was brought to his attention, denied that he was missing. The Respondent has not been heard from since and his whereabouts remain unknown.
15. As a result of the Respondent's disappearance, neither IPC nor the MFDA have been able to obtain any information or documents from him regarding the purported Glengarry investment, including, in particular, any bank statements or records pertaining to the Glengarry bank account.

NOTICE is further given that the Respondent shall be entitled to appear and be heard and be accompanied by counsel or agent at the hearing and to call, examine and cross-examine witnesses.

NOTICE is further given that MFDA By-laws provide that if, in the opinion of the Hearing Panel, the Respondent:

- has failed to carry out any agreement with the MFDA;
- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;
- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

the Hearing Panel has the power to impose any one or more of the following penalties:

- (a) a reprimand;
- (b) a fine not exceeding the greater of:
 - (i) \$5,000,000.00 per offence; and
 - (ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;
- (c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;
- (d) revocation of the authority of such person to conduct securities related business;
- (e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time;
- (f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel;

NOTICE is further given that the Hearing Panel may, in its discretion, require that the Respondent pay the whole or any portion of the costs of the proceedings before the Hearing Panel and any investigation relating thereto.

NOTICE is further given that the Respondent has twenty (20) days from the date of service of this Notice of Hearing, to serve a **Reply** upon:

Mutual Fund Dealers Association of Canada
121 King St. West
Suite 1000
Toronto, Ontario
M5H 3T9
Attention: Rob DelFrate, Enforcement Counsel

A **Reply** may either:

- (i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or
- (ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

NOTICE is further given that the Hearing Panel may accept as having been proven any facts alleged or conclusions drawn by the MFDA in the Notice of Hearing that are not specifically denied in the **Reply**.

NOTICE is further given that if the Respondent fails:

- (a) to serve a **Reply**; or
- (b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a **Reply** may have been served,

the Hearing Panel may proceed with the hearing of the matter on the date and the time and place set out in the Notice of Hearing (or on any subsequent date, at any time and place), without any further notice to and in the absence of the Respondent, and the Hearing Panel may accept the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing as having been proven and may impose any of the penalties described in the By-Laws.

Index

AD OPT Technologies Inc.			
MRRS Decision.....	1038		
Argus Corporation Limited			
Cease Trading Orders	1075		
BGB Securities, Inc.			
Order - s. 211 of Reg. 1015	1057		
Brandes Investment Partners, LLC			
Change of Name.....	1171		
Brandes Investment Partners, L.P.			
Change of Name.....	1171		
Calloway Real Estate Investment Trust			
MRRS Decision.....	1054		
Calyon Financial Inc.			
New Registration.....	1171		
Campbell, Andrew			
Notice from the Office of the Secretary	1036		
Order - ss. 127 and 127.1	1072		
CFI Capital Inc.			
New Registration.....	1171		
CGC Financial Services Inc.			
Notice from the Office of the Secretary	1036		
Order - ss. 127 and 127.1	1072		
Claymore Investments, Inc.			
New Registration.....	1171		
CNQ Rules, Amendments - Issuers with a Substantial Connection to Alberta			
Notice.....	1030		
Cook, Kathryn A.			
Notice from the Office of the Secretary	1036		
Order - ss. 127 and 127.1	1072		
Cornwall, John Alexander			
Notice from the Office of the Secretary	1036		
Order - ss. 127 and 127.1	1072		
Credit Suisse Asset Management, LLC			
Order - s. 80 of the CFA.....	1058		
Current Proceedings Before The Ontario Securities Commission			
Notice.....	1029		
Dixon Mitchell Rae Investment Counsel Inc.			
New Registration.....	1171		
Dreman Value Management LLC			
Order - s. 80 of the CFA	1058		
Dresdner RCM Global Investors Asia Limited			
Order - s. 80 of the CFA	1058		
Final Income Trusts Policy Recommends Clearer Disclosure for Investors			
News Release	1034		
First Associates Investments Inc.			
MRRS Decision	1051		
First Financial Services			
Notice from the Office of the Secretary	1036		
Order - ss. 127 and 127.1.....	1072		
FirstSmart Sensor Corp.			
Cease Trading Orders	1075		
Freedman, Lawrence Kenneth			
SRO Notices and Disciplinary Proceedings.....	1173		
Goldman Sachs Execution & Clearing, L.P.			
Change of Name	1171		
Henderson Global Investors Limited			
Order - s. 80 of the CFA	1058		
Hollinger Canadian Newspapers, Limited Partnership			
Cease Trading Orders.....	1075		
Hollinger Inc.			
Cease Trading Orders.....	1075		
Hollinger International Inc.			
Cease Trading Orders.....	1075		
Infolink Technologies Ltd.			
Cease Trading Orders.....	1075		
KT Capital Corp.			
Cease Trading Orders.....	1075		
Laurence Capital Corp.			
New Registration	1171		
LSG Holdings Corp.			
MRRS Decision	1050		
Mackenzie Financial Corporation			
Order - s. 80 of the CFA	1058		
Molson Canada			
MRRS Decision	1043		

Index

Molson Canada 2005		Straight Forward Marketing Corporation	
MRRS Decision.....	1043	Cease Trading Orders.....	1075
Nord Pacific Limited and Allied Gold Limited		The Jean Coutu Group (PJC) Inc.	
MRRS Decision.....	1040	Cease Trading Orders.....	1075
Nortel Networks Corporation		UOB Asset Management	
Cease Trading Orders	1075	Order - s. 80 of the CFA	1058
Nortel Networks Limited		Waddell & Reed Ivy Investment Company	
Cease Trading Orders	1075	Order - s. 80 of the CFA	1058
Northstar Energy Corporation		Wells Fargo Financial Canada Corporation	
MRRS Decision.....	1056	Notice from the Office of the Secretary	1035
OSC Staff Notice 11-739, Policy Reformulation Table of Concordance and List of New Instruments		Order - ss. 127 and 127.1.....	1062
Notice.....	1031	Workstream Inc.	
OSC to Hold Hearing to Consider Application by the Special Committee of the Board of Directors of Financial Models Company Inc. Regarding Take-Over Bid by 1066821 Ontario Inc.		Ruling - ss. 74(1).....	1073
News Release.....	1033	Xavier, Jerome Stanislaus	
OSC's Simplified Process Leads to Sanctions Against Wells Fargo and Unregistered Auditor		Notice from the Office of the Secretary	1036
News Release.....	1033	Order - ss. 127 and 127.1.....	1072
Parkinson, Robert Roy			
SRO Notices and Disciplinary Proceedings	1179		
Pembina Pipeline Income Fund			
MRRS Decision.....	1048		
Performa Financial Group Limited			
MRRS Decision.....	1037		
Polar Capital Partners Limited			
Order - s. 80 of the CFA.....	1058		
Premier Fund Managers Ltd.			
Order - s. 80 of the CFA.....	1058		
Simpson, David			
Notice from the Office of the Secretary	1036		
Order - ss. 127 and 127.1	1072		
SIR Capital Corporation			
New Registration.....	1171		
SLMSoft Inc.			
Cease Trading Orders	1075		
Sovereign Limited Partnership			
Order - s. 144.....	1060		
Spear, Leads & Kellogg, L.P.			
Change of Name.....	1171		
Stalworth Investment Management Company Inc.			
New Registration.....	1171		