

The Ontario Securities Commission

OSC Bulletin

February 18, 2005

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

The Ontario Securities Commission

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Toronto, Ontario
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Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

TBA **Yama Abdullah Yaqeen**

FEBRUARY 18, 2005

s. 8(2)

CURRENT PROCEEDINGS

J. Superina in attendance for Staff

BEFORE

Panel: RLS/ST/DLK

ONTARIO SECURITIES COMMISSION

TBA **Cornwall *et al***

s. 127

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

K. Manarin in attendance for Staff

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

February 25, 2005

Panel: HLM/RWD/ST

10:00 a.m.

Foreign Capital Corporation, Montpellier Group Inc. and Pierre Alfred Montpellier

s. 127

A. Clark in attendance for Staff

Telephone: 416-597-0681 Telecopier: 416-593-8348

Panel: PMM/ST

CDS

TDX 76

March 2, 2005 **Brian Peter Verbeek and Lloyd Hutchison Ebenezer Bruce***

Late Mail depository on the 19th Floor until 6:00 p.m.

10:00 a.m.

s. 127

K. Manarin in attendance for Staff

THE COMMISSIONERS

Panel: WSW/ST

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

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

May 2, 4, 12, 13, 16, 18-20, 30, 2005

s. 127

June 1-3, 2005

M. Britton in attendance for Staff

10:00 a.m.

Panel: SWJ/HLM/MTM

* Sally Daub settled December 14, 2004.

April 11 to May 13, 2005, except Tuesdays
10:00 a.m.
Philip Services Corp. et al
s. 127
K. Manarin in attendance for Staff
Panel: PMM/RWD/ST

May 17, 2005
10:00 a.m.
Portus Alternative Asset Management Inc., and Portus Asset Management, Inc.
s. 127
M. MacKewn in attendance for Staff
Panel: TBD

May 24-27, 2005
10:00 a.m.
Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir
s. 127
J. Waechter in attendance for Staff
Panel: TBD

May 26, 2005
10:00 a.m.
Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton
s. 127
J. Cotte in attendance for Staff
Panel: PMM/RWD

June 1, 2, 3, 6, 7, 8, 9 and 10, 2005
10:00 a.m.
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: PMM/RWD
* David Bromberg settled April 20, 2004
* Lloyd Bruce settled November 12, 2004

June 14, 2005
2:30 p.m.
June 15-30, 2005
10:00 a.m.
June 28, 2005
2:30 p.m.
In the matter of Allan Eizenga, Richard Jules Fangeat*, Michael Hersey*, Luke John McGee* and Robert Louis Rizzutto* and In the matter of Michael Tibollo
s. 127
T. Pratt in attendance for Staff
Panel: WSW/PKB/ST
* Fangeat settled June 21, 2004
* Hersey settled May 26, 2004
* McGee settled November 11, 2004
* Rizzutto settled August 17, 2004

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

1.1.2 CSA Staff Notice 13-315 Securities Regulatory Authority Closed Dates 2005

CANADIAN SECURITIES ADMINISTRATORS' STAFF NOTICE 13-315

SECURITIES REGULATORY AUTHORITY CLOSED DATES 2005

We have a mutual reliance review system (MRRS) for prospectuses (including long form, short form and mutual fund prospectuses), prospectus amendments, waiver applications, pre-filings, and initial and renewal annual information forms. It is described in National Policy 43-201 Mutual Reliance Review System for Prospectuses and Annual Information Forms.

The principal regulator will only issue a MRRS decision document evidencing the receipt of non-principal regulators that are open on the date of the MRRS decision document. The principal regulator will issue a MRRS decision document evidencing the receipt of the remaining non-principal regulators on the next day that they are open. These procedures are described in section 7.8 of the Policy.

A dealer may only solicit expressions of interest in a non-principal jurisdiction after a receipt has been issued by that jurisdiction. In addition, an issuer may only distribute its securities in the non-principal jurisdiction at that time.

The following is a list of the closed dates of the securities regulatory authorities for 2005. These dates should be noted by issuers in structuring their affairs.

Securities Regulatory Authority Closed Dates 2005*

1. Saturdays and Sundays (all)
2. Monday January 3, 2005 (all except Sask)
3. Tuesday January 4 (Que)
4. Friday February 25 (YT)
5. Monday March 14 (Nfld)
6. Friday March 25 (all)
7. Monday March 28 (all except Alta, Sask, Ont, Nfld)
8. Monday April 25 (Nfld)
9. Monday May 23 (all)
10. Monday June 20 (Nfld)
11. Tuesday June 21 (NWT)
12. Friday June 24 (Que)
13. Friday July 1 (all)
14. Monday July 11 (Nfld, Nun)
15. Friday July 29 (Sask)
16. Monday August 1 (all except Que, Nfld, PEI, YT)
17. Monday August 15 (YT)
18. Friday August 19 (PEI)
19. Monday September 5 (all)
20. Monday October 10 (all)
21. Friday November 11 (all except Alta, Ont, Que)
22. Friday December 23 (Que)
23. Friday December 23 after 12:00 p.m. (Man, NS, PEI)
24. Monday December 26 (all)
25. Tuesday December 27 (all)
26. Friday December 30 (Que)
27. Monday January 2, **2006** (all)
28. Tuesday January 3 (Que)

*Bracketed information indicates those jurisdictions that are closed on the particular date.

February 18, 2005

1.1.3 OSC Staff Notice 11-743 IOSCO Publishes Consultation Report Concerning Governance of Collective Investment Schemes

OSC STAFF NOTICE 11-743

IOSCO PUBLISHES CONSULTATION REPORT CONCERNING GOVERNANCE OF COLLECTIVE INVESTMENT SCHEMES

On February 11, 2005, Standing Committee 5 (SC5)¹ of the International Organization of Securities Commissions (IOSCO) published a Consultation Report, *Examination of Governance for Collective Investment Schemes*.² This is the first time that IOSCO has examined CIS governance in a comprehensive manner. In preparing this report, SC5 took into account IOSCO's core principles for CIS, prior IOSCO studies that considered certain aspects of CIS governance and the results of a survey completed by SC5 members regarding CIS governance models in their respective jurisdictions.

The Consultation Report proposes the following definition of CIS governance:

“a framework for the organization and operation of CIS that seeks to ensure that CIS are organized and operated efficiently and exclusively in the interests of CIS investors, and not in the interests of CIS insiders”.

The Consultation Report also discusses how CIS governance structures can be developed, based on the corporate and contractual models for CIS organization, and concludes that CIS governance must provide for the independent review and oversight of the CIS' operations, regardless of how CIS are structured in any given jurisdiction. In the next phase of this project, SC5 expects to develop further this principle of independent review (e.g. by identifying the functions that should be entrusted to the independent review entity) and also plans to identify and elaborate on other principles of CIS governance.

Copies of the Consultation Report have been posted on the Ontario Securities Commission's website at **www.osc.gov.on.ca** (International Affairs – Current Consultations) and on the website of the International Organization of Securities Commissions at www.iosco.org. (Library – Public Document #183).

¹ The Commission is a member of IOSCO and participates in Standing Committee 5. More information about IOSCO and the Commission's participation in IOSCO can be found on the Commission's website at **www.osc.gov.on.ca** (International Affairs – Who's Who).

² The term “collective investment schemes” encompasses open-ended funds that redeem units or shares, closed-end funds whose units or shares are traded in securities markets, unit investment trusts, and collective investment vehicles based on contractual models and the European UCITS (Undertakings for Collective Investments in Transferable Securities) model.

The Commission encourages the Canadian investment funds industry to comment on the Consultation Paper. The comment period will remain open until May 11, 2005. Please submit comments by email to mail@oicv.iosco.org. Please include in the subject line of the email “Public Comment on Consultation Report: *Examination of Governance for Collective Investment Schemes*”.

Please do not submit comments to the Commission.

Questions may be referred to:

Susan Silma
Director, Investment Funds
Ontario Securities Commission
Tel: (416) 593-2302
Fax: (416) 593-3699
email: ssilma@osc.gov.on.ca

February 18, 2005

1.2 Notices of Hearing

1.2.1 Portus Alternative Asset Management Inc. and Boaz Manor

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

AND

**IN THE MATTER OF
PORTUS ALTERNATIVE ASSET MANAGEMENT INC.
AND BOAZ MANOR**

**AMENDED NOTICE OF HEARING
(Section 127)**

TO: Portus Alternative Asset Management, Inc.
c/o Blake, Cassels & Graydon LLP
Barristers & Solicitors
Commerce Court West
2800-199 Bay Street
Toronto, Ontario
M5L 1A9

Attention: Nigel Campbell

TO: Boaz Manor
BCE Place, Suite 2400
161 Bay Street
Toronto, Ontario
M53 2S1

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, at the offices of the Ontario Securities Commission, 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario on February 17, 2005 at 10:00 a.m., or as soon thereafter as the hearing can be held:

TO CONSIDER whether, pursuant to section 127 of the *Securities Act*, it is in the public interest for the Commission:

- (a) pursuant to s. 127(7), to extend the temporary orders made February 2, 2005 and February 10, 2005 until the final disposition of this matter or until the Commission considers appropriate; and
- (b) to make such other order as the Commission considers appropriate.

BY REASON OF the allegations of Staff that the above named are conducting business in contravention of sections 113 and 123 of Ontario Regulation 1015, R.R.O. 1990 of the *Securities Act*, and subsections 2.1(1) and 1.5(1)(b) of OSC Rule 31-505 and appear to be engaging in conduct that is contrary to the public interest, and such additional reasons as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel at the hearing;

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

February 10, 2005.

“John Stevenson”

1.3 News Releases

1.3.1 CSA News Release - Securities Regulators Publish Response to Comments on Straight-Through Processing

FOR IMMEDIATE RELEASE

SECURITIES REGULATORS PUBLISH RESPONSE TO COMMENTS ON STRAIGHT-THROUGH PROCESSING

February 11, 2005 – Toronto, ON – The Canadian Securities Administrators (CSA) are publishing their responses to industry comments received on a discussion paper on straight-through processing (STP) and related materials published last year. Discussion Paper 24-401 on Straight-through Processing and Proposed National Instrument 24-101 — *Post-Trade Matching and Settlement* acknowledge the importance of post-execution functions, advance the industry discussions on STP and build on previous initiatives to improve the securities clearing and settlement system in the Canadian capital markets.

CSA Notice 24-301 provides an update on industry and regulatory STP developments and a summary of the comments received on the STP Release. The Notice also discusses the CSA process going forward. The CSA remain committed to supporting an institutional trade-matching (ITM) rule in force by January 1, 2006, but intend to pursue this objective through a co-operative approach with the self-regulatory organizations (SROs) that also have an interest in establishing ITM requirements. Our objective is to have the appropriate rule or rules finalized by December 31, 2005.

Copies of the materials are made available on several CSA members' web sites.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

Media contacts:

Eric Pelletier
Ontario Securities Commission
416-595-8913

Joni Delaurier
Alberta Securities Commission
403-297-4481

Philippe Roy
L'Autorité des marchés financiers
(514) 940-2176

Andrew Poon
British Columbia Securities Commission
604-899-6880

1.3.2 Ontario Superior Court of Justice Affirms OSC's Jurisdiction to Deal with Filing Requirements

**FOR IMMEDIATE RELEASE
February 11, 2005**

**ONTARIO SUPERIOR COURT OF JUSTICE AFFIRMS
OSC'S JURISDICTION TO DEAL WITH FILING
REQUIREMENTS**

Toronto – On January 26, 2005, the Superior Court of Justice released reasons for decision in a motion concerning the restructuring of Richtree Inc. and Richtree Markets Inc. (Richtree). Richtree is a reporting issuer in Ontario and several other Canadian jurisdictions, and its common shares trade on the Toronto Stock Exchange under the symbol (MOO.SV.B). At the time of the motion, Richtree had received creditor protection from the Court under the *Companies Creditors Arrangement Act* (CCAA).

As part of the CCAA proceedings, in a motion heard by Lax J. on December 8, 2004, Richtree asked the Court to make an order exempting it from the requirement to file its annual and quarterly financial statements with the OSC and other Canadian securities commissions. Richtree argued that the Court was able to grant this relief under the broad powers granted to it by the CCAA. Madam Justice Lax, however, rejected this argument, concluding that the authority to grant this form of relief lies solely with the OSC and other relevant Canadian securities commissions.

In Her Honour's words "the proper forum for debating the effect of the filing requirements on Richtree is not on this motion, but at the OSC. The legislature has decided that it is the proper forum for balancing the interests of the company and its stakeholders on the one hand and the interest of the members of the public on the other".

A copy of the reasons for decision is available online at: www.canlii.org/on/cas/onsc/2004/2004onsc13163.html.

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)

1.3.3 OSC Issues a Further Temporary Order in the Matter of Portus Alternative Asset Management Inc.

FOR IMMEDIATE RELEASE
February 11, 2005

OSC ISSUES A FURTHER TEMPORARY ORDER IN THE MATTER OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.

Toronto – The Ontario Securities Commission (OSC) issued a Temporary Order today imposing further terms and conditions on the registration of Portus Alternative Asset Management Inc. (Portus), pursuant to subsections 127(1)1 and (5) of the *Securities Act*. The additional terms and conditions preclude Portus from paying out, redeeming or otherwise returning investment funds to clients (except with respect to pre-authorized periodic withdrawals on behalf of clients). Pursuant to subsection 127(1)2 of the *Securities Act*, the Temporary Order also precludes Portus from trading in securities (again, except with respect to pre-authorized periodic withdrawals on behalf of clients).

The Temporary Order places terms and conditions on the registration of Boaz Manor which prevent him from trading or conducting an act in furtherance of a trade in respect of the term notes invested in on behalf of Portus's clients.

As a result of the Temporary Order, the notes are protected. At maturity the notes will have a value of at least the principal invested by the clients. The Temporary Order also precludes immediate withdrawals which could result in the preferential treatment of some clients to the detriment of others.

The OSC made the Temporary Order in the public interest based on conduct by Portus which appears to contravene sections 113 and 123 of Ontario Regulation 1015, R.R.O. 1990 of the *Securities Act*, and subsections 2.1(1) and 1.5(1)(b) of OSC Rule 31-505 and which appears to be contrary to the public interest.

The hearing to consider whether the Temporary Order should be extended is scheduled for Thursday, February 17, 2005 at 10:00 a.m. at the Offices of the Ontario Securities Commission, 20 Queen Street West, 17th Floor, Hearing Room, Toronto, Ontario.

The Temporary Order and Amended Notice of Hearing are available on the OSC website (www.osc.gov.on.ca).

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

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

1.3.4 OSC Extends Temporary Orders Against Portus and Manor

FOR IMMEDIATE RELEASE
February 15, 2005

OSC EXTENDS TEMPORARY ORDERS AGAINST PORTUS AND MANOR

Toronto – The Ontario Securities Commission (“OSC”) issued an Order today adjourning the hearing to consider whether the temporary orders issued on February 2 and 10, 2005 (the “Temporary Orders”) against Portus Alternative Asset Management Inc. (“Portus”) and Boaz Manor (“Manor”) should be extended, until May 17, 2005. On consent, the Commission continued the Temporary Orders pending the hearing on May 17, 2005.

The Temporary Orders impose terms and conditions on the registration of Portus Alternative Asset Management Inc. (“Portus”) such that Portus is precluded from taking on new client assets and funds, opening new client accounts and paying out, redeeming or otherwise returning investment funds to clients (except with respect to pre-authorized periodic withdrawals on behalf of clients). The Temporary Orders also preclude Portus from trading in securities (again, except with respect to pre-authorized periodic withdrawals on behalf of clients) and place terms and conditions on the registration of Boaz Manor which prevent him from trading or conducting an act in furtherance of a trade in respect of the term notes invested in on behalf of Portus's clients (the “Notes”). The Notes, if held to maturity, will have a value of at least the principal invested.

As a result of the Order issued today, the protections put in place by the Temporary Orders will remain in effect while the OSC continues to investigate this matter.

Final documents are made available on the OSC website www.osc.gov.on.ca.

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

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

1.4 Notices from the Office of the Secretary

1.4.1 Portus Alternative Asset Management Inc. and Boaz Manor

FOR IMMEDIATE RELEASE
February 11, 2005

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

AND

PORTUS ALTERNATIVE ASSET MANAGEMENT INC.
AND BOAZ MANOR

TORONTO – The Commission issued an Amended Notice of Hearing scheduling a hearing on February 17, 2005 at 10:00 a.m. in the above matter.

A copy of the Amended Notice of Hearing and the Temporary Order dated February 10, 2005 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 Portus Alternative Asset Management Inc. and Boaz Manor

FOR IMMEDIATE RELEASE
February 15, 2005

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

AND

PORTUS ALTERNATIVE ASSET MANAGEMENT INC.
AND BOAZ MANOR

TORONTO – The Commission issued an Order in the above-named matter today that the Hearing to consider whether to extend the Temporary Orders is adjourned until May 17, 2005 at 10:00 a.m.; the Temporary Orders issued on February 2 and 10, 2005 are continued until the hearing on May 17, 2005, or until further order of this Commission; and any person or company affected by this Order may apply to the Commission for an order revoking or varying the terms of this Order pursuant to s.144 of the *Securities Act*.

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 Wells Fargo Financial Canada Corporation

**FOR IMMEDIATE RELEASE
February 14, 2005**

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

AND

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

TORONTO – The Commission issued its Oral Reasons For Decision in the above named matter.

A copy of the Oral Reasons For Decision is available at www.osc.gov.on.ca.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For Investor Inquiries: OSC Contact Centre
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Novitas Energy Ltd. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

February 2, 2005.

File No.: B27231

Parlee McLaws LLP

3400, 150 - 6th Avenue S.W.
Calgary, Alberta T2P 3Y7

Attention: Anthony Rasoulis

Dear Sir:

Re: **Novitas Energy Ltd.(the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia (the "Jurisdictions")**

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

2.1.2 Mavrix Fund Management Inc.- MRRS Decision

Headnote

Mutual reliance review system for exemptive relief applications – applicant exempted, subject to terms and conditions, from the dealer registration requirements in the Legislation in respect of trades consisting of Marketing or Wholesaling Activities or acts in furtherance of trades related to the registrant's operations as a mutual funds manager and/or "principal distributor" for the purposes of National Instrument 81-102 Mutual Funds.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as amended s. 25, 74(1).

Rules Cited

National Instrument 81-102 Mutual Funds.
Ontario Securities Commission Rule 31-506 - SRO Membership - Mutual Fund Dealers.

Documents Cited

Letter Sent to The Investment Funds Institute of Canada and the Investment Counsel Association of Canada, December 6, 2000, (2000), 23 OSCB 8467.

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

AND

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

AND

**IN THE MATTER OF
MAVRIX FUND MANAGEMENT INC.**

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of British Columbia, Alberta, Saskatchewan, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon Territory, Northwest Territories and Nunavut (the "Jurisdictions") has received an application from Mavrix Management Inc. ("Mavrix") for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the requirement (the "Dealer Registration Requirement") in the Legislation that prohibits a person or company from trading in a security unless registered as a

dealer in the appropriate category shall not apply to Mavrix or to any officers or employees (each a "Mavrix Representative") of Mavrix acting on its behalf, in respect of certain activities of Mavrix relating to mutual funds (the "Mutual Funds") of which Mavrix is or becomes the manager;

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

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

AND WHEREAS Mavrix has represented to the Decision Makers that:

1. Mavrix was incorporated under the *Business Corporations Act* (Ontario) on May 16, 2001. The head office of Mavrix is located at 36 Lombard Street, Suite 600, Toronto, Ontario.
2. Mavrix is a reporting issuer in each of the Jurisdictions and is not in default of its reporting obligations in any Jurisdiction. The common shares in the capital of Mavrix are listed and posted for trading on The Toronto Stock Exchange.
3. Mavrix is registered under the *Securities Act* (Ontario) as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer. Mavrix is not registered as an adviser or dealer under the securities legislation of any of the Jurisdictions except Ontario.
4. Mavrix carries on business primarily as an investment counsel and portfolio manager. It is the trustee and manager of Mavrix American Growth Fund, Mavrix Canadian Income Trust Fund, Mavrix Canadian Strategic Equity Fund, Mavrix Diversified Fund, Mavrix Dividend & Income Fund, Mavrix Enterprise Fund, Mavrix Explorer Fund, Mavrix Global Fund, Mavrix Growth Fund, Mavrix Money Market Fund, Mavrix Sierra Equity Fund and Mavrix Strategic Bond Fund (the "Mavrix Trust Funds") and is the manager of Mavrix Multi Series Fund Ltd. - Explorer Series, Mavrix Multi Series Fund Ltd. - Canadian Equity Series, Mavrix Multi Series Fund Ltd. - Income Series and Mavrix Multi Series Fund Ltd. - Short Term Income Series (the "Mavrix Corporate Funds"). The Mavrix Trust Funds and the Mavrix Corporate Funds are in continuous distribution pursuant to a combined simplified prospectus and annual information form each dated June 24, 2004.
5. Mavrix is the trustee and manager of Mavrix Small Companies Fund, an investment trust established

under the laws of the Province of Ontario. A preliminary simplified prospectus and annual information form each dated September 7, 2004 in respect of Mavrix Small Companies Fund were filed in all Provinces and Territories of Canada and a preliminary MRRS decision document dated September 9, 2004 has been issued in respect thereof. It is intended that Mavrix Small Companies Fund become part of the Mavrix Trust Funds upon the next renewal filing of a combined simplified prospectus and annual information form of the Mavrix Trust Funds, which is expected to occur in or around May 2005.

6. Mavrix is the trustee and manager of Mavrix Balanced Income and Growth Trust, an investment trust established under the laws of the Province of Ontario. A preliminary prospectus dated September 20, 2004 in respect of Mavrix Balanced Income and Growth Trust was filed in all Provinces and Territories of Canada and a preliminary MRRS decision document dated September 22, 2004 has been issued in respect thereof.
7. Mavrix is the trustee and manager of Mavrix Strategic Small Cap Fund, the securities of which are offered for sale on a private placement basis pursuant to exemptions from the prospectus and registration requirements of the Legislation.
8. Mavrix may in the future be the manager of additional Mutual Funds.
9. Mavrix manages the investment portfolios of the Mutual Funds with full discretionary authority pursuant to management agreements entered into by Mavrix with each of the Mutual Funds.
10. Incidental to its principal business of portfolio management, Mavrix wishes to conduct marketing and wholesaling activities in respect of the Mutual Funds. "Marketing and Wholesaling Activities" means, for Mavrix, a trade by Mavrix that consists of any act, advertisement, or solicitation, directly or indirectly, in furtherance of another trade in shares or units of a Mutual Fund, where the other trade consists of:
 - a. a purchase or sale of securities of a Mutual Fund; or
 - b. a purchase or sale of securities of a Mutual Fund of which Mavrix acts as the "principal distributor" for the purposes of National Instrument 81-102 Mutual Funds,

and where the purchase or sale is, in each case, made by or through another dealer that is registered under the Legislation of the Jurisdiction where the trade is made in a category that permits it to act as a dealer for such trade.

11. Without the relief requested, Mavrix would have to be registered under the Legislation as a dealer in the category of mutual fund dealer (or equivalent category) in order to conduct Marketing and Wholesaling Activities in respect of the Mutual Funds.
12. In order to obtain registration under the Legislation as a mutual fund dealer, Mavrix would be required to be a member of the Mutual Fund Dealers Association of Canada (the "MFDA").
13. The MFDA has rules that govern its membership which would have the effect of precluding Mavrix from being a member of the MFDA if Mavrix continued to conduct its principal business of acting as an investment counsel and as a portfolio manager with discretionary authority to manage the investment portfolios of the Mutual Funds.

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

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

THE DECISION of the Decision Makers under the Legislation is that the Dealer Registration Requirement in the Legislation shall not apply to trades that consist of Marketing or Wholesaling Activities in respect of shares or units of Mutual Funds made by Mavrix through Mavrix Representatives.

February 2, 2005.

"Paul M. Moore"

"David L. Knight"

2.1.3 Riverside Forest Products Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Cease to be a reporting issuer – The securities of the issuer are beneficially owned by more than 50 persons and are not traded through any exchange or market – The issuer became a wholly owned subsidiary of another company – The issuer has debt securities outstanding that are held by more than 50 holders – There is a de minimis number of Canadian holders of the debt securities holding a de minimis amount of the outstanding debt; there is no market for the debt securities – The issuer is required under the terms of the debt instrument to provide certain continuous disclosure to the holders of the debt securities as long as the securities are outstanding, but is not required to remain a reporting issuer in Canada – The issuer does not intend to do a public offering of its securities to Canadian residents – The issuer will not be a reporting issuer in any Canadian jurisdiction

Applicable Ontario Statutory Provisions

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

February 1, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
ONTARIO, QUÉBEC, NEW BRUNSWICK AND NOVA
SCOTIA (THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
RIVERSIDE FOREST PRODUCTS LIMITED
(THE FILER)**

MRRS DECISION DOCUMENT

Background

1 The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is deemed to have ceased to be a reporting issuer under the Legislation.

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the British Columbia Securities Commission is the principal regulator for this application, and

(b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

In this decision,

“Noteholders” means the holders of the Notes;

“Notes” means senior notes issued by the Filer and due 2014;

“Tolko” means Tolko Industries Ltd.; and

“Trust Indenture” means the trust indenture dated February 25, 2004 in respect of the Notes.

Representation

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

1. the Filer is amalgamated under the laws of British Columbia with its head office in Kelowna, British Columbia;

2. the Filer is a reporting issuer in each of the Jurisdictions and is not in default of its obligations under the Legislation;

3. the Filer’s authorized share capital consists of 25,000,000 common shares, of which 9,434,987 common shares are outstanding as of January 24, 2005;

4. as a result of a take over bid and subsequent compulsory acquisition, Tolko owns all of the outstanding common shares;

5. effective December 3, 2004, the common shares were delisted from the Toronto Stock Exchange;

6. the Filer also has approximately US\$150 million principal amount of Notes outstanding as at January 24, 2005;

7. the Notes are not, and never have been, listed on a public exchange;

8. the Filer is not able to obtain complete information as to the total number of beneficial Noteholders or the number of beneficial Noteholders resident in

- Canada, but, to the best of its knowledge and based on the information that is available, there are less than 10 beneficial Noteholders resident in Canada representing less than 10% of the total number of beneficial Noteholders and holding less than 10% of the value of the outstanding Notes;
9. the Filer filed an exchange offering prospectus dated June 30, 2004 with the SEC as a result of which the Filer became subject to the continuous reporting requirements of the SEC;
10. under the Trust Indenture, the Filer is not required to file any financial or other information with any Decision Maker or to be a reporting issuer or the equivalent in any Jurisdiction;
11. under the terms of the Trust Indenture, as long as any Notes are outstanding, and whether or not required by the rules and regulations of the SEC, the Filer must provide the Noteholders with
- (a) all annual financial information that would be required to be contained in the Filer's Form 20-F or Form 40-F filing with the SEC, as applicable, and
- (b) all interim financial information that would be required to be contained in the Filer's Form 6-K filing with the SEC, including, at a minimum, all the information that would be required to be included in an interim report filed under the laws of British Columbia,
- either directly or through the Trustee;
12. if the Filer becomes no longer required to make any filings with the SEC, the Filer will provide the above information to the Noteholders by posting it on its website and sending it to the Noteholders on request;
13. the Filer does not presently intend to seek public financing by way of an offering of its securities in Canada; and
14. the Filer does not have any securities outstanding other than the common shares and the Notes.

Decision

- 4 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 Filer is deemed to have ceased to be a reporting issuer.

"Andrew S. Richardson, CA"
Deputy Director, Corporate Finance
British Columbia Securities Commission

2.1.4 Manulife Financial Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from the requirement to reconcile to Canadian GAAP significant acquisition statements of target company and pro forma statements required in issuer's short form prospectus. Relief granted in this instance because the complex differences between Canadian and US GAAP for life insurance companies would not allow the reconciliation to Canadian GAAP to be properly completed and reliable.

Applicable Instrument

National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, ss. 3.1(1), 6.1 and 7.1(1).

February 8, 2005

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

AND

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

AND

IN THE MATTER OF
MANULIFE FINANCIAL CORPORATION (MFC)
(THE FILER)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from MFC for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the following requirements contained in the Legislation shall not apply to MFC:

1. The requirement under the Legislation to reconcile the John Hancock Financial Statements to be included in a MFC Short Form Prospectus to Canadian GAAP and to provide certain note disclosure in the John Hancock Financial Statements; and
2. The requirement under the Legislation to prepare the MFC Pro Forma Financial Statements in

accordance with Canadian GAAP (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:

- (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.

"**Amended 2003 AIF**" means the amended revised renewal annual information form of MFC filed on SEDAR on February 3, 2005, which incorporates by reference the John Hancock 10-K Excerpts;

"**GAAP**" means generally accepted accounting principles;

"**ICA**" means the *Insurance Companies Act* (Canada), as amended;

"**John Hancock 10 K-Excerpts**" means Parts I and II on pages 3 to 203 of John Hancock's annual report on Form 10-K for the year ended December 31, 2003 as filed on the SEC's System for Electronic Data Gathering, Analysis and Retrieval and filed by MFC on SEDAR on January 11, 2005;

"**John Hancock Interim Financial Statements**" means John Hancock's unaudited comparative interim consolidated financial statements for the three months ended March 31, 2004, as set out on pages 2 to 34 of John Hancock's quarterly statement in Form 10-Q for the quarter ended March 31, 2004;

"**John Hancock Financial Statements**" means the financial statements of John Hancock required under the Significant Acquisition Rules;

"**John Hancock**" means John Hancock Financial Services, Inc.;

"**Merger**" means the merger of MFC and John Hancock on April 28, 2004;

"**MFC Pro Forma Financial Statements**" means the pro forma financial statements of MFC required under the Significant Acquisition Rules;

"**MFC Short Form Prospectus**" means a short form prospectus of MFC filed under NI 44-101 and includes a base shelf prospectus, a shelf prospectus supplement and a pricing supplement filed under NI 44-102;

“**SEC**” means the United States Securities and Exchange Commission;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**NI 44-101**” means National Instrument 44-101 *Short Form Prospectus Distributions*;

“**NI 44-102**” means National Instrument 44-102 *Shelf Distributions*;

“**Significant Acquisition Financial Statements**” means the John Hancock Financial Statements and the MFC Pro Forma Financial Statements; and

“**Significant Acquisition Rules**” means the disclosure required in a short form prospectus of financial statements for significant acquisitions under Part 4 of NI 44-101.

Representations

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

1. MFC was incorporated under the ICA on April 26, 1999.
2. On April 28, 2004, MFC completed the Merger with John Hancock and as a result MFC became the beneficial owner of all of the issued and outstanding shares of John Hancock common stock.
3. MFC is a reporting issuer or the equivalent in each of the provinces and territories of Canada. To the best of its knowledge, MFC is not in default of any applicable requirement under the Legislation.
4. John Hancock was incorporated under the Delaware General Corporation Law on August 26, 1999 to become the holding company for John Hancock Mutual Life Insurance Company.
5. The Merger has created a need for MFC to address the inclusion of John Hancock information in its continuous disclosure record. As a result of the Merger, any MFC Short Form Prospectus filed before MFC has completed a full financial year of operations with John Hancock reflected in its financial results and filed audited financial statements in respect of that year is required to contain the disclosure regarding John Hancock in accordance with the Significant Acquisition Rules.
6. MFC addressed the need to include information in respect of the acquisition of John Hancock in its continuous disclosure record by filing with the Jurisdictions the Amended 2003 AIF. The Amended 2003 AIF includes, directly and through incorporation by reference, the John Hancock 10-K Excerpts filed under MFC's SEDAR profile. The incorporation by reference into a MFC Short Form

Prospectus of the Amended 2003 AIF will, in conjunction with the Significant Acquisition Financial Statements incorporated by reference in a MFC Short Form Prospectus, satisfy the information requirements under the Significant Acquisition Rules relating to John Hancock and the Merger.

7. MFC prepares its financial statements in accordance with Canadian GAAP, as required by the ICA. MFC's financial statements also comply with the accounting requirements of the Office of the Superintendent of Financial Institutions (Canada). MFC reconciles its annual financial statements to U.S. GAAP and it has reconciled its quarterly financial statements to U.S. GAAP when required to do so for U.S. regulatory purposes.
8. John Hancock's historical financial statements have been prepared in accordance with U.S. GAAP and, for the reasons summarized below, cannot be properly reconciled to Canadian GAAP. Consequently the MFC Pro Forma Financial Statements cannot be properly prepared according to Canadian GAAP or reconciled to Canadian GAAP.
9. Due to the general long term nature of insurance products, accounting by life insurers is necessarily complex. The primary difficulty in preparing historical Canadian GAAP financial statements for John Hancock relates to the necessity for complete and accurate investment data (including transaction details) for each year as far back as twenty years from the period that the financial statements are being prepared. Such data impacts the carrying value of assets at any point in time and the recognition of investment income at any point in time. In addition, due to the inter-relationship between invested assets and actuarial liabilities, it is also crucial that investment activities, including the determination of realized gains and losses and credit related losses, be appropriately recorded between the participating and non-participating accounts, in order to record the proper change in actuarial liabilities and therefore the proper recognition of earnings.
10. As a result of the significant and complex differences between Canadian and U.S. GAAP for life insurers, together with the need for twenty years of historical data (the obtaining of such data itself being problematic), it is not possible to properly prepare a set of Canadian GAAP financial statements for John Hancock for periods prior to the Merger, thus precluding strict compliance with the Legislation.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision

Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that any MFC Short Form Prospectus which is required to include the Significant Acquisition Financial Statements:

- (a) is prepared in compliance with this decision;
- (b) include the John Hancock Financial Statements, prepared in accordance with U.S. GAAP;
- (c) include the MFC Pro Forma Financial Statements, prepared in accordance with U.S. GAAP;
- (d) include the annual historical financial statements of MFC, prepared in accordance with Canadian GAAP, including a reconciliation to U.S. GAAP; and
- (e) include disclosure explaining the absence of Canadian GAAP financial information in substantially the following form:

**MATERIAL DIFFERENCES BETWEEN
CANADIAN AND UNITED STATES
GENERALLY ACCEPTED
ACCOUNTING PRINCIPLES**

The Merger has created a need for MFC to address the inclusion of John Hancock information in its continuous disclosure record. MFC addressed this need in part by filing the Amended 2003 AIF under MFC's profile under SEDAR on February 3, 2005. The Amended 2003 AIF includes, directly and through incorporation by reference, specific elements of John Hancock's existing annual report on Form 10-K filed on the SEC's System for Electronic Data Gathering, Analysis and Retrieval (EDGAR). The John Hancock 10-K Excerpts were filed under MFC's SEDAR profile. The incorporation by reference into this prospectus of the Amended 2003 AIF will, in conjunction with the John Hancock Interim Financial Statements and the MFC Pro Forma Financial Statements incorporated by reference in this prospectus, satisfy the information requirements relating to John Hancock and the Merger.

In order to meet the SEC's requirements for domestic issuers, John Hancock has historically prepared and filed its financial

statements in accordance with U.S. GAAP. MFC obtained a decision document dated February 8, 2005 under the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS Decision"), exempting MFC from certain requirements to reconcile the John Hancock Financial Statements to Canadian GAAP and to provide certain note disclosure in the John Hancock Financial Statements and permitting MFC to prepare the MFC Pro Forma Financial Statements in accordance with U.S. GAAP. As a result of the MRRS Decision, subject to certain conditions, MFC is permitted to include in this prospectus historic John Hancock financial statements prepared in accordance with U.S. GAAP and the MFC Pro Forma Financial Statements prepared in accordance with U.S. GAAP.

The material differences between U.S. and Canadian GAAP for a life insurance company relate to the treatment of invested assets, deferred acquisition costs, value of business acquired and actuarial liabilities. Generally, these differences will result in materially different earnings emergence patterns between statements of operations prepared in accordance with Canadian GAAP as compared to statements of operations prepared in accordance with U.S. GAAP.

Specifically, Canadian GAAP requires that the investment return in the actuarial liability calculation be directly linked to the projected investment return on assets supporting actuarial liabilities. Therefore realization of investment gains and losses or adjustments to invested asset carrying values in the policyholder liability segment does not impact net income as the reported investment income amount would be offset by a commensurate change in actuarial liabilities, provided there is no underlying change in the economic value to be realized. Although these adjustments would not have a material impact on net income, they would have a material impact on investment income and changes in actuarial liabilities, which are disclosed separately on the statement of operations. In addition, realization of investment gains and losses and adjustments to equity and real estate carrying values in the surplus segment would have an impact on investment income and net income.

The following provides additional information on the significant differences between Canadian GAAP and U.S. GAAP as it related to accounting for invested assets.

Realized Gains and Losses

Canadian GAAP requires all realized gains and losses be deferred and amortized into investment income at a rate of 5% and 3% per quarter respectively for investments in equities and real estate and that non-credit related gains and losses be amortized over the lesser of the remaining term to maturity and twenty years for bonds and mortgages. In contrast, U.S. GAAP requires recognition of 100% of realized gains and losses in the period in which it occurs for all of these investments.

Unrealized Gains and Losses

Canadian GAAP requires investments in equities and real estate to be recorded on a basis of moving to fair market value at the quarterly rate of 5% and 3% respectively. In contrast, U.S. GAAP provides that there is no impact on earnings for unrealized gains and losses on investments in equities and real estate, except to the extent that the unrealized loss is considered other than temporary. In addition, U.S. GAAP requires real estate to be depreciated.

As a result, had John Hancock prepared its financial statements in accordance with Canadian GAAP, investment income, and its impact on the change in actuarial liabilities on the statement of operations may have been materially impacted. The available financial data is not sufficient to allow John Hancock's historic financial statements to be properly reconciled to Canadian GAAP for the period prior to the Merger.

Accordingly, the MFC Pro Forma Financial Statements for the combined operations of MFC and John Hancock incorporated by reference in this prospectus have been prepared in accordance with U.S. GAAP.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.1.5 Bema Gold Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application for relief from certain disclosure requirements in a takeover bid circular – As a result of the applicant having previously completed a "significant acquisition", it must include in the circular historical financial statements for the acquired business – applicant had previously filed a prospectus with prospectus-level disclosure relating to the acquisition – in the circular, applicant will include audited consolidated financial statements for a financial year that ended considerably after the significant acquisition was completed that consolidates the financial statements of the acquired business; the circular will contain adequate alternative disclosure sufficient for shareholders to assess the transaction as a whole.

Applicable Rules

National Instrument 44-101 Short Form Prospectus Distributions, ss. 4.2 and 15.1(1).

Applicable Regulations

Form 32, R.R.O. 1990, Regulation 1015, Item 15.

January 28, 2005

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

AND

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

AND

**IN THE MATTER OF
BEMA GOLD CORPORATION (THE FILER)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that, in connection with the Filer's offer to acquire all of the outstanding common shares (the Arizona Shares) of Arizona Star Resource Corp (Arizona Star) by way of a take over bid (the Bid), the Filer

be exempt from the requirement to include the following financial statements in its take over bid circular (the Requested Relief):

- (a) audited statements of income, retained earnings and cash flows of EAGC Ventures Corp. (EAGC) for its financial years ended March 31, 2002, 2001 and 2000 (the EAGC Audited Statements),
- (b) unaudited statements of income, retained earnings and cash flows of EAGC for the interim nine month period ended December 31, 2002 and 2001 (the EAGC December 2002 Interim Statements),
- (c) audited statements of income, retained earnings and cash flows of Petrex (Pty) Limited (Petrex) for its financial years ended June 30, 2002, 2001 and 2000 (the Petrex Audited Statements), and
- (d) unaudited statements of income, retained earnings and cash flows of Petrex for the interim six month period ended December 31, 2002 and December 31, 2001 (the Petrex Interim Statements),

(collectively, the Acquisition Statements).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

- 3. The decision is based on the following facts represented by the Filer:
 - 1. the Filer is a corporation continued under the *Canada Business Corporations Act* with its head office in British Columbia;
 - 2. the Filer's authorized capital consists of an unlimited number of common shares of which 400,648,902 shares were outstanding on January 10, 2005;
 - 3. the Filer's shares trade on the Toronto Stock Exchange and the American Stock Exchange under the symbol "BGO" and

on the Alternative Investment Market of the London Stock Exchange under the symbol "BAU";

- 4. the Filer is a reporting issuer in each of the Jurisdictions where that status exists and is not, to its knowledge, in default of the Legislation;
- 5. on February 14, 2003, the Filer completed a business combination with EAGC, a then TSX Venture Exchange listed issuer, under which EAGC became a wholly-owned subsidiary of the Filer;
- 6. as a result of the business combination, the Filer acquired control of Petrex, a South African company, which EAGC had acquired in October 2002;
- 7. the Filer's principal assets are its two operating gold mines (the 79% owned Julietta mine in Russia and the 100% owned Petrex mines in South Africa), its 50% interest in the Refugio mine in Chile, its 24% interest in the Aldebaran property in Chile, (in which Arizona Star holds a 25% interest), and its right to acquire up to a 75% interest (40% of which has been earned) in the Kupol property, a development stage gold-silver deposit in Russia;
- 8. the Filer's financial year end is December 31, EAGC's financial year end is March 31 and Petrex's financial year end is June 30;
- 9. the financial results for EAGC and Petrex, now subsidiaries of the Filer, have been consolidated in the Filer's financial statements since the date the business combination closed;
- 10. on December 20, 2004, the Filer announced its intention to make an offer to all Arizona Star shareholders for all of the outstanding Arizona Shares on the basis of 1.85 of the Filer's shares for each one Arizona Share;
- 11. as the Bid involves the issuance of the Filer's common shares, the Filer must include in its take over bid circular the information prescribed by the form of prospectus appropriate for the Filer;
- 12. the Filer is qualified to file a prospectus in the form of a short form prospectus under National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101);

13. because the business combination was a “significant acquisition”, within the meaning of NI 44-101, completed within the Filer’s three most recently completed financial years, the Filer must include the Acquisition Statements in the take over bid circular;
14. On
- (i) November 28, 2002, the Filer received a receipt in British Columbia, Alberta, Manitoba and Ontario for a final short form prospectus that included the following financial statements:
 - (a) the EAGC Audited Statements,
 - (b) unaudited interim financial statements of EAGC for the three months ended June 30, 2002 and 2001,
 - (c) the Petrex Audited Statements, and
 - (d) pro forma consolidated financial statements of the Filer as at June 30, 2002,

(collectively, the 2002 Prospectus Statements);
 - (ii) September 4, 2003, the Filer received a receipt in British Columbia, Alberta, Manitoba and Ontario for a final short form prospectus that contained or incorporated by reference the following financial statements:
 - (a) the 2002 Prospectus Statements,
 - (b) unaudited interim financial statements of EAGC for the six month period ended September 30, 2002,
 - (c) the EAGC December 2002 Interim Statements,
 - (d) pro forma consolidated financial statements of the Filer as at December 31, 2002 (the December 2002 Pro forma Statements);
- (iii) November 12, 2004, the Filer received a receipt in each of the provinces of Canada for a final short form prospectus that incorporated by reference the following financial statements:
- (a) the Acquisition Statements, other than the Petrex Interim Statements, and
 - (b) the December 2002 Pro forma Statements;
15. the Filer was exempted from having to include interim financial statements of Petrex with the prospectuses it filed in 2002 and 2004; and
16. the Filer will include, or incorporate by reference, the following financial statements in the take over bid circular:
- (i) the Filer’s audited financial statements for the its financial years ended December 31, 2003, 2002 and 2001, and
 - (ii) the Filer’s unaudited financial statements for the nine month period ended September 30, 2004 and 2003.

Decision

4. 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.

“Martin Eady, CA”
 Director, Corporate Finance
 British Columbia Securities Commission

2.2 Orders

2.2.1 Baker Hughes Incorporated - s. 83

Headnote

Section 83 of the Securities Act. Issuer is not a reporting issuer in any province in Canada. Issuer has a large number of shareholders in Ontario holding a de minimis number of securities. Issuer subject to securities legislation of the United States, and issuer delivers and will continue to deliver to shareholders resident in Ontario and in Canada the same continuous disclosure materials as those delivered, and required to be delivered, to U.S. shareholders. Issuer not listed or quoted on an exchange or market in Canada. Issuer deemed to have ceased to be a reporting issuer.

Statutes Cited

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

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

AND

**IN THE MATTER OF
BAKER HUGHES INCORPORATED**

**ORDER
(Section 83 of the Act)**

UPON the application of Baker Hughes Incorporated (the Company) to the Ontario Securities Commission (the Commission) for an order pursuant to section 83 of the Act that the Company be deemed to have ceased to be a reporting issuer for the purposes of the Act;

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

AND UPON it being represented by the Company to the Commission that:

1. The Company is incorporated under the laws of the State of Delaware and its principal office is located in Houston, Texas.
2. On April 3, 1987, Baker Hughes Incorporated, a Delaware corporation, became the sole holder of shares of common stock, one dollar par value, of Hughes Tool Company, a Delaware corporation, pursuant to a merger transaction under Delaware law, namely an Agreement and Plan of Reorganization dated as of October 22, 1986, under which Hughes Tool Company and Baker International Corporation combined their businesses by merging into separate acquisition subsidiaries of Baker Hughes. Each outstanding Hughes Tool Company share was converted into

0.8 shares of Baker Hughes Incorporated common stock, one dollar par value.

3. The Company is a reporting issuer in Ontario by reason of the Hughes shares having previously been listed on the Toronto Stock Exchange (the TSX) in 1973. As the company whose existence continues following a statutory merger procedure, Baker Hughes continues to be a reporting issuer in Ontario.
4. The Hughes shares were delisted from the TSX in 1983. The Hughes shares were also listed on and delisted from the Montreal Stock Exchange in 1973 and 1983, respectively.
5. Baker Hughes Incorporated shares have never been listed on any stock exchange in Canada.
6. The Company is not a reporting issuer in any province in Canada other than Ontario and is not in default of any of its obligations as a reporting issuer.
7. There are no securities of the Company listed or posted for trading on any stock exchange or market in Canada.
8. The Company has no present intention of seeking public financing by way of an offering of its securities in Ontario.
9. To the best of the Company's knowledge, there is not, and there will not be, a marketplace (as defined in National Instrument 21-101 *Marketplace Operation*) in Canada for the Company's securities.
10. The authorized capital of the Company consists of 750,000,000 common shares, with a par value of one dollar, and 15,000,000 preferred shares, with a par value of one dollar. As of December 22, 2004, an aggregate of 335,733,017 common shares were issued and outstanding. No preferred shares are issued or outstanding. The common shares are listed and traded on the New York Stock Exchange, the Pacific Exchange, and the SWX Swiss Exchange.
11. Based on the shareholder registers of the Company, an aggregate of 32,339 shares of common stock are held by persons with addresses in Ontario, and an aggregate of 72,232 shares of common stock are held by persons with addresses in Canada, representing approximately 0.01% and approximately 0.02% of all outstanding common shares, respectively. As of December 22, 2004, there were approximately 137 registered shareholders with addresses in Ontario and approximately 291 registered shareholders with addresses in Canada.

12. To the best of Company's knowledge, residents of Canada:
- (a) do not beneficially own directly or indirectly more than 2% of the outstanding securities of the Company; and
 - (b) do not represent in number more than 2% of the total number of owners directly or indirectly of securities of the Company.
13. On January 14, 2005, the Company issued and filed a press release announcing that the Company has applied to be deemed to have ceased to be a reporting issuer in Ontario and, if relief is granted, the Company will not be a reporting issuer or the equivalent in any jurisdiction in Canada.
14. The Company maintains a reporting issuer status in the United States and distributes to its U.S. resident shareholders and its shareholders located in Ontario and Canada those disclosure materials required by U.S. securities law.
15. The Company has undertaken to the Commission to continue to deliver all disclosure material required by U.S. securities law to be delivered to securityholders resident in the United States to its securityholders in Ontario and Canada in the manner and at the time required by U.S. securities law and U.S. market requirements. This information is also available to shareholders on the Internet at <http://www.bakerhughes.com/investor/> and through the U.S. Securities and Exchange Commission website at <http://www.sec.gov/>.

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

IT IS HEREBY ORDERED pursuant to Section 83 of the Act that the Company is deemed to have ceased to be a reporting issuer for the purposes of the Act.

January 28, 2005.

"David L. Knight"

"Robert L. Shirriff"

2.2.2 Portus Alternative Asset Management Inc. and Boaz Manor - s. 127

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

AND

**PORTUS ALTERNATIVE ASSET MANAGEMENT INC.
AND BOAZ MANOR**

**TEMPORARY ORDER
(Section 127)**

WHEREAS it appears to the Ontario Securities Commission (the "Commission") that:

1. Portus Alternative Asset Management Inc. ("Portus") is a registered Investment Counsel/Portfolio Manager and Limited Market Dealer. The most accurate information provided to date indicates that Portus has approximately \$730 million under management. The majority of these funds are from Ontario clients.
2. At present, Portus has opened managed client accounts for approximately 26,000 clients across Canada. The majority of these clients are resident in Ontario. Portus appears to be offering clients the same portfolio of Canadian equities and assets. Each portfolio appears to contain securities and assets which are held and/or traded to mimic the performance of BancNote Trust mutual funds, non-prospectus mutual funds which Portus also manages.
3. The structure of the investment provided by Portus appears to be such that clients' funds flow through bank accounts held by Portus on behalf of Portus's off-shore counterparties, and eventually flow to an account held by Portus. Portus deposits sufficient client funds into five to seven year term notes issued by Société Générale (Canada) (the "Notes") to guarantee a minimum return of the principal invested with Portus. Société Générale then promises to return to the holder of the Note (BancNote Trust) the higher of the principal invested with Portus or the return achieved by a fund of funds selected by Portus. This appears to be the basis for Portus's representation to clients that their investments are guaranteed.
4. At the same time, Portus transacts with two off-shore counterparties to achieve a position whereby the Canadian equities referred to in paragraph 2 above, appear to be held in client name by one of the off-shore counterparties. Portus transacts in two derivatives which provide the client with the return on the Notes in exchange for the return on the Canadian equities.

5. The Notes are presently held in an account at RBC Dominion Securities Inc. ("RBCDS") over which Boaz Manor ("Manor") has trading authority. At maturity, the Notes will have a value of at least the principal invested by the clients.
6. Withdrawals of clients' funds prior to maturity of the Notes could result in a loss to certain clients and preferential treatment for some clients to the detriment of others.
7. Manor is the owner and Managing Director of Portus. Manor is registered as an Associate Investment Counsel/Portfolio Manager. Manor has trading authority with respect to the RBCDS account.
8. BancNote Trust buys the Notes on behalf of investors. Manor is the advisor to BancNote Trust.
9. Portus appears to have contravened sections 113 and 123 of Ontario Regulation 1015, R.R.O. 1990 of the *Securities Act*, and subsections 2.1(1) and 1.5(1)(b) of OSC Rule 31-505 and, to date, has failed to take adequate steps to remedy these breaches.
10. The conduct referred to above appears to be contrary to the public interest.

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

AND WHEREAS the Commission is of the opinion that the time required to conclude a hearing could be prejudicial to the public interest;

AND WHEREAS by Commission order made March 15, 2004 pursuant to section 3.5(3) of the Act, any one of David A. Brown, Paul M. Moore and Susan Wolburgh Jenah acting alone, is authorized to make orders under section 127 of the Act;

IT IS HEREBY ORDERED that, pursuant to subsections 127(1)1 and 2 and 127(5) of the Act:

1. Trading in any securities by Portus cease, except with respect to the pre-authorized periodic withdrawals permitted pursuant to paragraph 2(b) below; and
2. The following terms and conditions are imposed on Portus' and Manor's registration (the "Terms"):
 - a) Effective immediately, Portus shall not pay out, redeem or otherwise return any funds or other assets from any existing client accounts, except as provided in paragraph (b), below.
 - b) Notwithstanding the restrictions imposed under paragraph 2(a), above, Portus may

continue to make periodic payments from any existing client account in respect of which a client has entered into a pre-authorized periodic withdrawal plan with Portus, provided (a) such plan was entered into before February 10, 2005, (b) such payments are made in compliance with the provisions of the plan, and (c) the amount of such future payments may not be increased from the amount of the most recent previous payment.

- c) Effective immediately, Manor shall not undertake any action that directly or indirectly constitutes a trade or act in furtherance of a trade in the Notes.
- d) Without limiting the generality of the foregoing, Manor shall not authorize, direct or execute trades in the Notes or appoint, authorize or direct any other party to make trades in the Notes.

IT IS FURTHER ORDERED that the Terms supplement and do not replace any other specific terms and conditions that currently apply to Portus and Manor, including but not limited to the terms and conditions imposed on Portus' registration pursuant to the Temporary Order issued by the Commission on February 2, 2005, and Portus and Manor continue to be subject to all applicable general terms, conditions and other requirements contained in the Act and any Regulations made thereunder; and

IT IS FURTHER ORDERED that, pursuant to subsection 127(6) of the Act, this Order shall take effect immediately and shall expire on February 17, 2005, unless extended by the Commission.

February 10, 2005.

"Paul M. Moore"

2.2.3 Majorica Asset Management Corp. - s. 147

Headnote

Exemption for pooled funds from the requirement to file with the Commission interim financial statements under section 77(2) of the Act and comparative financial statements under section 78(1) of the Act, subject to conditions.

Statutes Cited

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

Regulations Cited

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

Rules Cited

National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR), s. 2.1(1)1.

**IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, CHAPTER S5, AS AMENDED (THE "ACT")**

AND

**IN THE MATTER OF
MAJORICA ASSET MANAGEMENT CORP.**

AND

**MAJORICA BOND FUND
MAJORICA SHORT TERM INCOME FUND
(TOGETHER THE "EXISTING FUNDS")**

**ORDER
(Section 147 of the Act)**

UPON the application (the "Application") of Majorica Asset Management Corp. ("Majorica"), the manager of the Existing Funds, and the Existing Funds to the Ontario Securities Commission (the "Commission") for an order pursuant to section 147 of the Act exempting the Existing Funds and any other pooled fund established and managed by Majorica from time to time (collectively, the "Pooled Funds") from filing with the Commission the interim and comparative financial statements prescribed by subsections 77(2) and 78(1), respectively, of the Act.

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

AND UPON Majorica having represented to the Commission that:

1. Majorica is a corporation subsisting under the laws of Canada with its registered office in Toronto, Ontario. Majorica is, or will be, the manager of the Pooled Funds. Majorica is registered under the

Act as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer.

2. The Pooled Funds are not, and will not be, reporting issuers in any province or territory of Canada. Units of the Pooled Funds are, or will be, distributed in certain provinces of Canada without a prospectus pursuant to exemptions from the prospectus delivery requirements of applicable securities legislation.
3. Each Pooled Fund is, or will be, an open-ended mutual fund trust created under the laws of Ontario and a "mutual fund in Ontario" as defined in section 1(1) of the Act. As a result, the Pooled Funds are, or will be, required to file with the Commission interim financial statements under subsection 77(2) of the Act and comparative financial statements under subsection 78(1) of the Act (collectively, the "Financial Statements").
4. Unitholders of the Pooled Funds (the "Unitholders") receive the Financial Statements for the Pooled Funds they hold. The Financial Statements are prepared and delivered to Unitholders in the form and for the periods required under the Act and the Regulation and rules made thereunder (the "Regulation"). Majorica and the Pooled Funds will continue to rely on subsection 94(1) of the Regulation and will omit statements of portfolio transactions from the Financial Statements (such statements from which the statement of portfolio transactions have been omitted, the "Permitted Financial Statements").
5. As required by subsection 94(1) of the Regulation, the Permitted Financial Statements will contain a statement indicating that additional information as to portfolio transactions will be provided to a Unitholder without charge on request to a specified address and,
 - (a) the omitted information shall be sent promptly and without charge to each Unitholder that requests it in compliance with the indication; and
 - (b) where a person or company requests that such omitted information be sent routinely to that Unitholder, the request will be carried out while the information continues to be omitted from the subsequent Permitted Financial Statements until the Unitholder requests, or agrees to, termination of the arrangement or is no longer a Unitholder.
6. Paragraph 2(1)1 of National Instrument 13-101 - System for Electronic Document Analysis and Retrieval (SEDAR) requires that every issuer required to file a document under securities legislation make its filing through SEDAR. The

Financial Statements and statements of portfolio transactions filed with the Commission thus become publicly available.

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

IT IS ORDERED by the Commission pursuant to subsection 147 of the Act that the Pooled Funds be exempt from the requirements in subsections 77(2) and 78(1) of the Act to file the Financial Statements with the Commission, provided:

- (a) that in the absence of other regulatory relief, the Pooled Funds will prepare and deliver to the Unitholders of the Pooled Funds the Permitted Financial Statements, in the form and for the periods required under the Act and the Regulation;
- (b) the Pooled Funds will retain the Financial Statements indefinitely;
- (c) the Pooled Funds will provide the Financial Statements to the Commission or any member, employee or agent of the Commission immediately upon request of the Commission or any member, employee or agent of the Commission;
- (d) Majorica will provide a list of the Pooled Funds relying on this Order to the Investment Funds Branch on an annual basis;
- (e) Unitholders will be notified that the Pooled Funds are exempt from the requirements in sections 77(2) and 78(1) of the Act to file the Financial Statements with the Commission;
- (f) in all other aspects, the Pooled Funds will comply with the requirements of Ontario securities law for financial statements; and
- (g) this decision, as it relates to the Commission, will terminate after the coming into force of any legislation or rule of the Commission dealing with the matters regulated by subsections 77(2) and 78(1) of the Act.

February 11, 2005.

“Paul M. Moore”

“David L. Knight”

2.2.4 Deutsche Bank Trust Company Americas and Enbridge Inc. - ss. 46(4) of the OBCA

Headnote

Order pursuant to subsection 46(4) of the Business Corporations Act (Ontario) (the OBCA) – trust indentures governed by the United States Trust Indenture Act of 1939, as amended, exempted from the requirements of Part V of the OBCA with respect to cross-border offerings.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B-16, as amended, ss. 46(2), 46(4), Part V.
Securities Act, R.S.O. 1990, c. S.5, as amended.
Securities Act of 1933, Act of May 27, 1933, 48 Stat, 74, 15 U.S. Code, Secs. 77a-77aa, as amended.
Trust Indenture Act of 1939, Act of August 3, 1939, 53 Stat, 1149, 15 U.S. Code, Secs. 77aaa- 77bbb, as amended.

**IN THE MATTER OF
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, CHAPTER B.17, AS AMENDED
(THE OBCA)**

AND

**IN THE MATTER OF
DEUTSCHE BANK TRUST COMPANY AMERICAS
AND
ENBRIDGE INC.**

**ORDER
(Subsection 46(4) of the OBCA)**

UPON the application of Deutsche Bank Trust Company Americas (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to subsection 46(4) of the OBCA exempting a trust indenture of Enbridge Inc. (the **Issuer**) from the requirements of Part V of the OBCA;

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

AND UPON it being represented by the Issuer and the Applicant to the Commission that:

1. the Issuer is a corporation existing under the *Canada Business Corporations Act* and is a reporting issuer not in default under the *Securities Act*, R.S.O. 1990, c.S.5, as amended, and the regulations thereunder;
2. the Applicant is a United States (**U.S.**) based financial institution and is to be a trustee under an indenture (the **Indenture**) to be made between the Issuer and the Applicant in respect of unsecured debentures, notes, or other evidence of indebtedness of the Issuer to be issued thereunder (the **Securities**);

3. the Securities are to be sold by the Issuer through certain undetermined investment banks (collectively, the **Underwriters**), as underwriters, pursuant to the terms of agreements to be entered into among the Underwriters and the Issuer from time to time;
4. the Securities are to be offered to the public in the U.S. and are to be registered under the U.S. *Securities Act of 1933*, as amended, pursuant to a shelf registration statement on Form F-10 in the U.S. pursuant to the multijurisdictional disclosure system;
5. a shelf prospectus will be filed with the Commission pursuant to *National Instrument 44-102- Shelf Distributions* and the Securities may be offered in the Province of Ontario pursuant to applicable securities laws;
6. it is not anticipated that the Securities will be listed on any stock exchange;
7. as the Issuer will file a shelf prospectus with the Commission, Part V of the OBCA will apply to the Indenture by virtue of subsection 46(2) of the OBCA;
8. the Indenture will be subject to the U.S. *Trust Indenture Act of 1939* (the **Trust Indenture Act**), which regulates the issue of debt securities under trust indentures in the U.S. in a manner consistent with Part V of the OBCA;
9. the Indenture will be governed by the laws of the State of New York, will provide that there shall always be a trustee thereunder that satisfies the requirements of sections 310(a)(1), 310(a)(2) and 310(b) of the *Trust Indenture Act* and will contain provisions in conformity with the requirements of the *Trust Indenture Act*;
10. as a result of the filing of a U.S. prospectus supplement with the U.S. Security and Exchange Commission pursuant to which the Securities are offered in the U.S., the Indenture related thereto will be subject to and governed by the *Trust Indenture Act*. As a result of the filing with the Commission of a prospectus supplement pursuant to which the Securities are offered in Ontario, the Indenture in respect of such securities will be subject to Part V of the OBCA;
11. because the *Trust Indenture Act* regulates the issue of debt securities under trust indentures in the U.S. in a manner that is consistent with Part V of the OBCA, holders of Securities in Ontario will not, subject to paragraph 12, derive any additional material benefit from having the Indenture be subject to Part V of the OBCA;
12. the Applicant has undertaken to file with the Commission a submission to the non-exclusive

jurisdiction of the courts and administrative tribunals of Ontario and appointment of an agent for service of process in Ontario; and

13. the Issuer has advised the Applicant that any Canadian prospectus supplement under which the Securities will be offered will disclose the existence of this Order and any material risks associated with the purchase of the Securities under an Indenture by a holder in Ontario, as a result of the absence of a local trustee appointed under the Indenture.

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

IT IS ORDERED pursuant to subsection 46(4) of the OBCA, that the Indenture is exempt from Part V of the OBCA, provided that the Indenture is governed by and subject to the Trust Indenture Act.

February 11, 2005.

"Paul M. Moore"

"David L. Knight"

2.2.5 Friedberg Mercantile Group Ltd. and David Lakin - s. 4.1 of OSC Rule 31-502

Headnote

Registrant exempt from paragraph 2.1(3)(c) of Rule 31-502 - Proficiency Requirements for Registrants. Application of the provision, as drafted, is numerically impossible for firms with fewer than twenty registrants.

Rules Cited:

Ontario Securities Commission Rule 31-502 - Proficiency Requirements for Registrants, paragraph 2.1(3)(c).

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

AND

**IN THE MATTER OF
FRIEDBERG MERCANTILE GROUP LTD. AND
DAVID LAKIN**

**ORDER
(Section 4.1 of Rule 31-502)**

WHEREAS the Director (the **Director**) has received an application from Friedberg Mercantile Group Ltd. (**FMGL**), on its own behalf and on behalf of David Lakin (**Lakin**), for an order pursuant to Section 4.1 of Rule 31-502 - *Proficiency Requirements for Registrants* (**Rule 31-502**) exempting Lakin from paragraph 2.1(3)(c) of Rule 31-502;

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

AND WHEREAS FMGL has represented to the Director that:

1. FMGL is a corporation existing under the laws of Canada and having its head office in Toronto.
2. FMGL is registered under the *Securities Act* (Ontario) as a dealer in the category of Investment Dealer and under the *Commodity Futures Act* (Ontario) as a Futures Commission Merchant. FMGL is also a member firm of the Investment Dealers Association of Canada.
3. FMGL is sponsoring the application of Lakin as a salesperson whose registration is to be restricted to the sales of mutual fund securities.
4. Lakin does not satisfy the proficiency requirements contained in subsection 2.1(1) of Rule 31-502.
5. Since Lakin's registration will be restricted to the sale of mutual fund securities, and since Lakin has

completed the Canadian Investment Funds Course, Lakin satisfies paragraphs 2.1(3)(a) and (b) of Rule 31-502, which sets out an exemption to the proficiency requirements contained in subsection 2.1(1) of Rule 31-502.

6. Lakin does not satisfy paragraph 2.1(3)(c) of Rule 31-502 because on the date Lakin is granted registration, FMGL will have registered with it more than the lesser of:
 - (a) 100 restricted representatives whose registration is restricted to the sale of mutual funds; and
 - (b) that number of restricted representatives whose registration is restricted to the sale of mutual funds equal to 5% of the total number of representatives registered with FMGL.
7. Numerically, no company with fewer than twenty representations in total can satisfy paragraph 2.1(3)(c) of Rule 31-502.
8. FMGL employs no other salesperson in Ontario whose registration is restricted to the sale of mutual fund securities, and it will employ, including Lakin, less than twenty representatives in total.

AND WHEREAS the Director is satisfied that it would not be prejudicial to the public interest to make the requested Order on the basis of the terms and conditions proposed;

IT IS HEREBY ORDERED by the Director pursuant to Section 4.1 of Rule 31-502 that Lakin be exempt from paragraph 2.1(3)(c) of Rule 31-502 until

- (a) FMGL ceases to be registered in the category of investment dealer in the Province of Ontario; or
- (b) Lakin ceases to be employed by FMGL.

February 14, 2005.

"David M. Gilkes"

2.2.6 Portus Alternative Asset Management Inc. and Boaz Manor - s. 127

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

AND

**PORTUS ALTERNATIVE ASSET
MANAGEMENT INC. AND BOAZ MANOR**

**ORDER
(Section 127)**

WHEREAS on February 10, 2005, the Ontario Securities Commission (the "Commission") issued an Amended Notice of Hearing pursuant to s. 127 of the *Securities Act*, R.S.O. 1990, c.S.5, to consider whether it is in the public interest to extend the temporary orders made on February 2, 2005 and February 10, 2005 (the "Temporary Orders");

AND WHEREAS on February 2, 2005, the Commission ordered that terms and conditions be imposed on the registration of Portus Alternative Asset Management Inc. ("Portus") such that Portus is precluded from opening new client accounts and accepting any new funds or other assets for investment in respect of any existing client accounts;

AND WHEREAS on February 10, 2005, the Commission ordered that:

- (a) trading in any securities by Portus cease, except with respect to certain pre-authorized periodic account withdrawals (as described in paragraph 2(b) of the Order);
- (b) an additional term and condition be imposed on Portus' registration such that Portus be precluded from redeeming or returning funds or assets from any existing client accounts except with respect to pre-authorized periodic account withdrawals (as described in paragraph 2(b) of the Order);
- (c) Boaz Manor ("Manor") be precluded from undertaking any action that directly or indirectly constitutes a trade or act in furtherance of a trade with respect to the Notes in which client funds are deposited (as defined in the Temporary Order of February 10, 2005, the "Notes");
- (d) that Manor shall not authorize, direct or execute trades in the Notes or appoint, authorize or direct any other party to make trades in the Notes;

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

AND WHEREAS Staff of the Commission and counsel for the Respondents have consented to the making of this Order;

IT IS HEREBY ORDERED that:

1. the hearing to consider whether to extend the Temporary Orders is adjourned until May 17, 2005 at 10:00 a.m.;
2. the Temporary Orders issued on February 2 and 10, 2005 are continued until the hearing on May 17, 2005, or until further order of this Commission; and
3. any person or company affected by this Order may apply to the Commission for an order revoking or varying the terms of this Order pursuant to s.144 of the *Securities Act*.

February 15, 2005.

"Susan Wolburgh Jenah"

2.2.7 Andrew Currah et al. - s. 127

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

AND

IN THE MATTER OF
A PROCEEDING BROUGHT PURSUANT TO
SECTION 127 OF THE ACT

IN THE MATTER OF
ANDREW CURRAH, COLIN HALANEN,
JOSEPH DAMM, NICHOLAS WEIR,
PENNY CURRAH AND WARREN HAWKINS

ORDER

WHEREAS a Notice of Hearing and related Statement of Allegations were issued on the 23rd day of July, 2004 in respect of Andrew Currah, Colin Halanen, Joseph Damm, Nicholas Weir, Penny Currah and Warren Hawkins;

AND WHEREAS by Orders dated August 17, 2004 and November 26, 2004, this matter was adjourned to February 11, 2005 at 10:00 a.m., or as soon thereafter as a panel may be constituted;

AND WHEREAS Staff of the Commission and the respondents have made submissions as to a further adjournment of this matter;

AND WHEREAS the Commission considers it to be in the public interest to make this order;

IT IS ORDERED that this matter be adjourned to a pre-hearing conference on May 12, 2005 at 10:00 a.m., or as soon thereafter as a panel may be constituted.

February 11, 2005.

“S. Wolburgh Jenah”

2.3 Rulings

2.3.1 Westmount Towers II - ss. 74(1)

Headnote

Issuer of 104 Units representing ownership interests in an apartment building deemed to cease to be a reporting issuer. Units are transferred only in connection with purchases of apartments by new owners. Registration relief for trades in Units subject to certain condition. Fee relief for ss. 74(1) application.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, as am, ss. 25, 53, 74(1), s. 83. Business Corporations Act, R.S.O. 1990, Chapter B.16, as am, s. 1(6).

Applicable Ontario Rules

OSC Rule 13-502 Fees, s. 6.1.

IN THE MATTER OF
THE SECURITIES ACT
R.S.O. 1990, CHAPTER 55.5, AS AMENDED

AND

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION
RULE 13-502 FEES

AND

IN THE MATTER OF
WESTMOUNT TOWERS II

ORDER AND RULING

UPON the application of Westmount Towers II (“Westmount”) for the following:

1. an order of the Commission pursuant to section 83 of the *Securities Act* (Ontario) (the “Act”) that Westmount be deemed to have ceased to be a reporting issuer under the Act;
2. a ruling of the Commission pursuant to subsection 74(1) of the Act that trades in Units (as hereinafter defined) are not subject to section 25 of the Act; and
3. a decision of the Director pursuant to section 6.1 of Ontario Securities Commission Rule 13-502, Fees (“Rule 13-502”) that Westmount be exempt from paying the required fee for the application made pursuant to subsection 74(1) of the Act;

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

AND UPON Westmount representing to the Commission and the Director that:

1. Westmount was created on June 25, 1985 as an unincorporated co-ownership arrangement and became a reporting issuer in Ontario under the Act on June 25, 1985 by virtue of a receipt being issued for a prospectus (the "**Prospectus**") dated June 25, 1985. Westmount is not a reporting issuer in any other jurisdiction in Canada.
2. Westmount Towers II Inc. was incorporated on March 6, 1985 under the laws of Ontario to purchase a residential apartment building together with the land upon which it is situated at 65 Westmount Road North, Waterloo, Ontario (the "**Property**") and to hold the Property as bare trustee for the Unitholders (defined below).
3. Westmount offered 104 units (the "**Units**") pursuant to the Prospectus, each Unit representing an undivided interest in the Property. Westmount has not issued any securities other than the Units issued under the Prospectus and does not intend to issue any additional securities in the future.
4. The Units are divided into 16 Class A Units, 85 Class B Units and 3 Class C Units which entitle the holders thereof (the "**Unitholders**") to exclusive occupation of a one bedroom, two bedroom or three bedroom apartment (each, an "**Apartment**"), respectively, the exclusive use of an underground parking space, and the right, in common with other Unitholders, to use the common areas of the Property, all subject to the rights of any existing tenant in the Apartment.
5. The Unitholders entered into a unitholders' agreement (the "**Unitholders' Agreement**") which was appended as Schedule "A" to the Prospectus, and regulates, among other things, the terms of occupancy and transfers of Units and provides for the rights of Unitholders.
6. Pursuant to the Unitholders' Agreement, a Unitholder cannot assign, sell or pledge his or her Unit unless the purchaser of the Unit becomes a party to the Unitholders' Agreement. An existing Unitholder must obtain the consent of the Advisory Board of Westmount before assigning, selling or otherwise transferring his or her Unit.
7. A transfer of Units occurs only in the following circumstances:
 - (a) in the event that a Unitholder transfers his Unit to a purchaser who becomes a party to the Unitholders' Agreement; or
 - (b) in the event the Advisory Board sells a defaulting Unitholder's Unit pursuant to the Unitholders' Agreement.

8. The Units are not listed and posted for trading on a marketplace, as defined in National Instrument 21-101 Marketplace Operation.

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

IT IS HEREBY ORDERED pursuant to section 83 of the Act that Westmount is deemed to have ceased to be a reporting issuer under the Act;

AND IT IS RULED pursuant to subsection 74(1) of the Act that a trade in Units is not subject to section 25 of the Act, provided that there is no material change to the business of Westmount and that trading of Units is limited to:

- (a) trades by a Unitholder who transfers his Unit to a purchaser who becomes a party to the Unitholders' Agreement; or
- (b) trades to a purchaser where the Advisory Board sells a defaulting Unitholder's Unit pursuant to the Unitholders' Agreement.

February 15, 2005.

"Paul M. Moore"

"Susan Wolburgh Jenah"

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

IT IS THE DECISION of the Director, pursuant to section 6.1 of the Rule 13-502, that Westmount is exempt from the requirement in section 4.1 of the Fees Rule to pay an activity fee for the filing of the application made pursuant to subsection 74(1) of the Act.

February 15, 2005.

"Iva Vranic"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decision

3.1.1 Wells Fargo Financial Canada Corporation

**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**

Hearing: Monday, January 24, 2005

Ontario Securities Commission Panel:

Paul M. Moore, Q.C.	-	Vice-Chair (Chair of the Panel)
David L. Knight	-	Commissioner
Suresh Thakrar	-	Commissioner

Counsel:

G. MacKenzie	-	For Staff of the
K. Manarin		Ontario Securities Commission
Joanne Ramirez		
Bruce O'Toole	-	On behalf of Wells Fargo

The following statement has been prepared for purposes of publication in the Ontario Securities Commission Bulletin and is based on the transcript of the hearing. The transcript has been edited, supplemented and approved by the chair of the panel for the purpose of providing a public record of the panel's decision in the matter.

ORAL REASONS FOR DECISION

CHAIR:

We have two matters scheduled this morning. One is a settlement hearing in the matter of Wells Fargo Financial Canada Corporation, the Ontario Securities Commission, and the second one is in the matter of Andrew Campbell.

MR. MACKENZIE:

Mr. Chair, these matters have been pursued by staff under a simplified process, which is a recent initiative by staff to prioritize cases and bring to a hearing quickly, cases that do not require a complicated investigation.

The two cases before you today involve facts that are relatively straightforward, and conduct that is easily identified. These proceedings were both commenced in December, 2004 and they are 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. These cases did not require extensive investigation. And with the assistance of the corporate finance branch, they were identified, assessed and expeditiously brought to a hearing before you today.

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 respondents 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, of course, 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.

VICE-CHAIR MOORE:

[1] I'm going to announce our decision and give oral reasons for it. We reserve the right to edit these reasons and we will then have published in the bulletin a version that we are totally satisfied with.

[2] We approve the settlement agreement as being in the public interest.

[3] Wells Fargo Financial Canada Corporation is a public issuer in the markets in Ontario. Today we had a hearing under section 127 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended to consider whether it is in the public interest to approve the settlement agreement dated January 20th, 2005 between staff and Wells Fargo and to make an order approving the sanctions agreed to by staff and Wells Fargo.

[4] Detailed facts in support of the proposed sanctions in this case are set out in the settlement agreement, part 3.

[5] Briefly, Wells Fargo, on four occasions between February, 2003 and October, 2004, failed to file prospectus supplements on time, as required by part 8 of Canadian Securities Administrators National Instrument 44-102 for shelf prospectus distributions, of medium-term notes, totalling \$950 million.

[6] After default of eight months, in March, 2003, in response to a warning by staff of the Commission, representatives of Wells Fargo gave assurances that all future medium-term note pricing supplements would be filed on time. Furthermore, Wells Fargo advised staff at that time that it had prepared a plan to more effectively administer its MTN program so as to avoid further late filings.

[7] In November, 2003, the 2001 shelf prospectus lapsed. Wells Fargo filed a subsequent shortform-based shelf prospectus qualifying up to \$1.5 billion of unsecured medium-term notes for distribution during the period ending November 30, 2005. It filed late (by a few days) two pricing supplements, after supposedly having a plan in place to prevent further late filings.

[8] Wells Fargo has admitted that its conduct was contrary to the public interest and contrary to requirements under Ontario securities law.

[9] In the settlement agreement, Wells Fargo sets out its position. Its position is as follows.

[10] First, the first two late filings of medium-term note pricing supplements in February, 2003 were inadvertent and occurred during a corporate reorganization at Wells Fargo, which included changes in management.

[11] Secondly, 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.

[12] Thirdly, the third and fourth late filings of MTN pricing supplements 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.

[13] Our first comment relates to the question of inadvertence. We do not think inadvertence is an excuse. We are not sure what it means. We don't know how to distinguish it from a "don't care" attitude, carelessness, negligence or disorganization. We don't give much weight to the fact that these late filings were inadvertent.

[14] Secondly, we accept staff's submission that the buck stops with the reporting issuer. The reporting issuer may choose to rely on outside counsel, but it is no excuse if outside counsel fails to perform tasks that the reporting issuer is responsible for. We don't give any weight to the fact that outside counsel may have dropped the ball with respect to implementing the plan.

[15] As acknowledged in the revised plan, questions should have been asked by Wells Fargo when things weren't done. There should have been proper monitoring of tasks counsel undertook to do for Wells Fargo.

[16] The Commission's mandate in upholding the purposes of the Ontario *Securities Act* is:

- (a) to provide protection to investors from unfair, improper or fraudulent practices; and
- (b) to foster fair and efficient capital markets and confidence in capital markets.

Securities Act, R.S.O. 1990 c. S.5, as amended, s. 1.1

[17] The Commission is guided by certain fundamental principles in pursuing the purposes of the Act. The principle most relevant to this case is the "requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants."

Securities Act, s. 2.1(2)(iii)

[18] In addition, section 2.1 of the Act provides that the Commission shall have regard to the fundamental principle that "effective and responsive securities regulation requires timely, open and efficient administration and enforcement of this Act by the Commission."

Securities Act, s. 2.1 (3)

[19] The principles which guide the Commission in exercising its public interest jurisdiction are reflected in the following words of the Commission in *Re Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at 1610 (Ont. Securities Comm.), and I quote:

We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest, in having capital markets that are both fair and efficient.

[20] In *Re Belteco Holdings* (1998), 21 O.S.C.B. 7743 (Ont. Securities Comm.) (*Belteco*) and *Re M.C.J.C. Holdings Inc.* (2002), 25 O.S.C.B. 1133 (Ont. Securities Comm.), this Commission set out several factors that are relevant to take into consideration when imposing sanctions on a respondent.

[21] It is clear from past cases, including *Belteco*, and *Re Donnini* (2002), 25 O.S.C.B. 6225 (Ont. Securities Comm.), that this Commission considers it has authority to take into account not only specific deterrence for a particular respondent, but general deterrence, in setting sanctions. LeBel J. of the Supreme Court of Canada in *Re Cartaway Resources Corp.* (2004), 1 S.C.R. 672, at para. 60 (S.C.C.), stated:

In my view, nothing inherent in the Commission's public interest jurisdiction, as it was considered in *Asbestos, supra*, prevents the Commission from considering general deterrence in making an order. To the contrary, it is reasonable to view general deterrence as an appropriate, and perhaps necessary, consideration in making orders that are both protective and preventive.

[22] It is clear from the cases that the jurisdiction of this Commission, in issuing section 127 orders, is preventive and protective, and not punitive or remedial.

[23] When it comes to administrative penalties, the fact that we are preventive and protective and not punitive or remedial is very relevant. Deterrence comes to the forefront in deciding the appropriate administrative penalty.

[24] This settlement is the first case to come before the Commission, which I am aware of, where we have been asked to issue an order providing for an administrative penalty.

[25] We've considered the various factors that have been listed in the cases to take into account in applying sanctions generally. But we believe, when it comes to deterrence and an administrative penalty, it is important to address factors such as willfulness, negligence, carelessness, warnings that may have been issued, repeated violations, and also to look at the actual practice of Commission staff in the past in pursuing violations of the nature before us.

[26] While precedent, where available, may be helpful in setting sanctions, precedent is not necessary or determinative in any case. This is because the various factors we have to take into account will rarely be identical in each case. Sanctions must be tailored to the facts. This is almost self-evident when it comes to specially tailored orders such as a cease trading order, but it is equally applicable in applying monetary sanctions, in the form of administrative penalties, which are not meant to be penal or remedial, but are meant to be protective and preventive.

[27] The case before us is novel. It's the first one for an administrative penalty. It also represents a departure, in the sense that staff have indicated to us, and by their action today have shown, that they intend in the future to vigorously enforce late filings to the extent they haven't in the past.

[28] Therefore, this case is a signal to the marketplace of the increased vigilance on the part of staff and the danger to market participants in failing to comply with these technical, but necessary, requirements of our law.

[29] We note that the offences today are a first offence on the part of Wells Fargo. We also note that there is a certain shame factor. We are aware that the first time that a violation of a particular nature is enforced, perhaps it would be unjust to come forth with a huge administrative penalty, and, therefore, although \$20,000 as the agreed amount appears on the light side,

we think it is appropriate in this particular case.

[30] The street should not take this as a precedent and the indication of a scale that might be applied in the future. The warning signal has been given. Let the street take note.

[31] So in conclusion, we are approving the settlement agreement and the proposed sanctions because the proposed sanctions in this particular case provide a specific deterrent to Wells Fargo regarding future late filing of financial information. The proposed sanctions also signal to market participants the importance of timely filing of financial information, as required by Ontario law.

[32] Wells Fargo and other market participants who use the short form prospectus mechanism for raising money in the capital markets are, in some sense, a privileged few. They do not have to comply with the more lengthy prospectus requirements.

[33] We expect this group to be especially vigilant and to police themselves and to monitor themselves and their outside counsel so that they do comply with the law and not to be careless with respect to the privilege that has been extended to them through the short form prospectus mechanism.

[34] By agreeing to the proposed sanctions, Wells Fargo has acknowledged and accepts responsibility for fulfilling its obligations to make timely filing of financial information. By following the plan set forth as a schedule to the settlement agreement, we are satisfied that there shouldn't be problems in the future. For those reasons, we have approved the settlement.

[35] Commissioner Knight, I believe you have a few comments you wish to make.

COMMISSIONER KNIGHT:

[36] I do. Thank you. First I must say that I do concur with what my colleague has had to say. As was evident, I think, from my questions during this hearing, I am troubled by the inadvertence that extended over a period of eight-and-a-half months in connection with the second distribution under the 2001 shelf prospectus. I'm even more troubled by the fact that a year-and-a-half later, when either Wells Fargo or its agent knew of a requirement for timely filing, as evidenced by the filing in connection with the second distribution under the 2003 shelf prospectus, that even though they were aware of the requirement for timely filing, when the third distribution under the 2003 prospectus was made only 12 days later, there was still a further failure to make timely filing in connection with that third distribution.

[37] Clearly, someone was aware of the filing requirements, and they weren't met. But in spite of my concerns, I do concur. I do approve the settlement agreement. But I add that I would anticipate – I would expect, rather – there be no repetition of these failures in the future, and I join my colleague in hoping that the market participants generally will respect filing deadlines in the future.

VICE-CHAIR MOORE:

[38] Thank you. And Commissioner Thakrar.

COMMISSIONER THAKRAR:

[39] Thank you, Mr. Chair. Given the stellar reputation of Wells Fargo, the four instances of late filing, Wells Fargo being in a select group of reporting issuers, and that this is a group that doesn't require policing for late filing, I do consider the penalty of \$20,000 as a relatively modest settlement. However, given the novel context of the settlement and the various comments made by Vice-Chair Moore, on behalf of the panel, I do concur with the approval of the settlement agreement.

Approved.

“Paul M. Moore”

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
Azoico Ltd.	02 Feb 05	14 Feb 05	14 Feb 05	
Stone Mountain Holdings Inc.	02 Feb 05	14 Feb 05	14 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		
CFM Corporation	16 Feb 05	01 Mar 05			
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		
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		

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Chapter 7

Insider Reporting

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>
07-Dec-2004	4 Purchasers	1639662 Ontario Inc. - Common Shares	0.83	83,000.00
28-Jan-2005	Canadian Friends of the Hebrew University of Jerusalem	Adam Street Partners, LLC - Units	1,000,000.00	1,000,000.00
20-Jan-2005	Gary Bourgeois	Advantage Energy Income Fund - Trust Units	2,201,005.83	101,398.00
01-Feb-2005	Burlington Partners I LP	Alaska Communications Systems Group, Inc. - Common Shares	10,460.00	1,000.00
31-Jan-2005	3 Purchasers	Alternum Capital - North American Value Hedge Fund - Limited Partnership Units	6,080.62	7.00
31-Dec-2004	7 Purchasers	Apollo Gold Corporation - Flow-Through Shares	750,000.00	714,285.00
27-Jan-2005	8 Purchasers	Art Advanced Research Technologies Inc. - Joint Ventures	1,875,000.00	1,875,000.00
30-Jul-2004	BMO Nesbitt Burns Inc.	Ashmore Emerging Markets Liquid Investment Portfolio - Shares	1,262,979.41	142,548.00
30-Sep-2003 to 31-Mar-2004	Connor Clark & Lunn Global Absolute Return Strategy Fund	Ashmore Emerging Markets Liquid Investment Portfolio - Shares	380,832.94	47,604.00
27-Feb-2004 to 24-Oct-2004	6 Purchasers	Asset Logics Index Traction Fund - Units	268,562.86	26,856.00
21-Jan-2005	Romeo D'Angela Ennio D'Angela	Au Martinique Inc. - Units	20,000.00	80,000.00
11-Jan-2005 to 13-Jan-2005	John Murphy Michael J. Heath-Eves	BBF Resources Inc. - Debentures	25,000.00	25.00
26-Jan-2005	RBC Dominion Securities Inc.	Brascan Power Corporation - Debentures	20,318,372.00	1.00
07-May-2004 to 23-Nov-2004	Humber River Regional Hospital Foundation	CC&L Arrowstreet American Equity Fund - Trust Units	53,300.00	70,120.00

Notice of Exempt Financings

07-May-2004 to 23-Nov-2004	3 Purchasers	CC&L Arrowstreet EAFE Equity Fund - Trust Units	351,338.00	37,483.00
05-Jul-2004 to 01-Dec-2004	Humber River Regional Hospital Foundation	CC&L Balanced Fund - Trust Units	39,500.00	2,964.00
02-Feb-2005	Leo Alarie & Sons Limited	Century Mining Corporation - Common Shares	675,000.00	1,436,170.00
31-Jan-2005	Sun Life Assurance Company of Canada	Church Street Portfolio Inc. - Bonds	52,000,000.00	1.00
03-Feb-2005	Lanomoids Asset Management Inc.	Comet Trust - Notes	20,000,000.00	20,000,000.00
28-Jan-2005	3 Purchasers	Contec Innovations Inc. - Units	65,000.00	406,250.00
01-Feb-2005	The K2 Principal Fund LP	Corex Gold Corp - Units	120,000.00	200,000.00
01-Jul-2004	Kenneth Wawrew and Clare Galloway	Cygnus XI Limited Partnership - Limited Partnership Units	255,614.87	23.00
28-Jan-2005	48 Purchasers	DB Mortgage Investment Corporation #1 - Common Shares	3,463,000.00	3,463.00
31-Jan-2004 to 31-Dec-2004	9 Purchasers	Discovery Fund - Units	1,070,000.00	51,800.00
31-Dec-2004	Harris Capital Management Inc.	Distributionco Inc. - Units	47,416.75	189,667.00
07-Feb-2005	Phillips Hager & North	DR Residential Mortgage Trust - Notes	15,000,000.00	15,000,000.00
29-Oct-2004	18 Purchasers	Echo Power Generation Inc. - Common Shares	750,510.57	532,277.00
04-Feb-2005	F.B. Tool and Die Limited	Ecosol Solar Technologies Inc. - Common Shares	118,000.00	8,400.00
08-Feb-2005	Kenneth Moore	Even Technologies Inc. - Units	55,440.00	88,000.00
10-Feb-2005	6 Purchasers	FactorCorp. - Debentures	300,000.00	300,000.00
04-Jan-2004 to 01-Dec-2004	3 Purchasers	FairLane Global Opportunity Fund LP - Limited Partnership Units	1,547,000.00	1,526.00
06-Jul-2004	Geoffrey G. and Beverley K. Mitchell	Fidelity Diversified International Fund - Units	48,448.00	1,477.00
01-Apr-2004 to 01-Jul-2004	114 Purchasers	Flatiron Trust - Trust Units	17,272,184.24	17,280.00
25-Jan-2005	Statutory Fixed Income Fund Commonwealth Managed Invests	Forest City Enterprises Inc. - Notes	581,000.00	581,000.00

Notice of Exempt Financings

27-Feb-2004 to 31-Dec-2004	288 Purchasers	Front Street Canadian Hedge - Units	148,653,329.02	11,306,155.00
04-Feb-2005	11 Purchasers	FUN Technologies plc - Shares	1,890,204.00	470,200.00
28-Jan-2005	5 Purchasers	Geoinformatics Explorations Limited - Common Shares	725,000.00	2,900,000.00
28-Jan-2005	ZED Financial Partners Research Capital Corporation	Geoinformatics Explorations Limited - Warrants	0.00	1,297,200.00
24-Jan-2005	Wayne Long	Georgia Ventures Inc. - Units	10,000.00	100,000.00
24-Jan-2005	3 Purchasers	Global Mart International Technology Inc. - Common Shares	45,000.00	450,000.00
26-Jan-2005	3 Purchasers	Gossan Resources Limited - Common Shares	97,500.00	37,500.00
08-Feb-2005	Goodman & Co. Blair Franklin	Gravity Co., Ltd. - Common Shares	126,309.38	7,500.00
26-Jan-2005	William J. Logan Vera Sitar	Gryphon Gold Corporation - Units	101,400.00	156,000.00
10-May-2004	Adam Joseph	HBH Capital Limited Partnership - Limited Partnership Units	20,000.00	195.00
30-Nov-2004	40 Purchasers	HSBC Bank Canada - Units	3,815,000.00	38,150.00
10-Feb-2005	BMO Nesbitt Burns;Inc National Bank Financial	Huntsman Corporation - Convertible Preferred Stock	465,787.50	7,500.00
24-Jan-2005	Trilon Bancorp Inc.	Jovian Capital Corporation - Common Share Purchase Warrant	28,000,000.00	6,400,000.00
31-Dec-2004	Creststreet Windpower Development LP	Kettles Hill Wind Energy Inc. - Common Shares	2,600,000.00	2,600,000.00
31-Aug-2004	Troy Pocaluyko	KidsFutures Inc. - Units	10,000.00	10,000.00
29-Oct-2004 to 31-Dec-2004	289 Purchasers	King & Victoria Fund L.P. - Trust Units	19,759,503.50	1,805,971.00
28-Jan-2005	3 Purchasers	Lalo Ventures Ltd. - Units	140,000.00	400,000.00
31-Dec-2004	Lancaster Balanced Fund II	Lancaster Fixed Income Fund II - Trust Units	1,483,858.12	120,254.00
31-Dec-2004	Lyle Shantz Hallman Charitable Foundation	Lancaster Fixed Income Fund II - Trust Units	1,095,675.70	88,795.00
19-Jan-2005	CPP Investment Board Private Holdings Inc. Interest	Macquarie European Infrastructure Fund LP - Limited Partnership	319,700,000.00	319,700,000.00
03-Feb-2005	Ralston Walters	Madison Minerals Inc. - Units	6,500.00	10,000.00

Notice of Exempt Financings

03-Feb-2005	7 Purchasers	Marina Point Retirement Village Limited Partnership - Limited Partnership Units	1,000,000.00	200.00
10-Dec-2004	Marret Asset Management Inc.	MAAX Holdings, Inc. - Notes	592,716.78	919,725.00
14-Jan-2005	Jonathan Goodman Michael Wenban	Monitor Coinvestors II, LP - Units	516,630.00	516,630.00
14-Jan-2005	Bruce Teron Michael Wenban	Monitor MBG ESC, LP - Limited Partnership Interest	91,170.00	75,000.00
14-Jan-2005	Jonathan Goodman Michael Wenban	Monitor Ventures Coinvestors, LP - Limited Partnership Interest	243,120.00	200,000.00
03-May-2004 to 31-Dec-2004	55 Purchasers	NAVigator Capital Management Inc. - Limited Partnership Units	4,248,544.25	4,248,544.00
01-Dec-2004 to 31-Dec-2004	86 Purchasers	NAVigator Capital Management Inc. - Limited Partnership Units	2,685,601.16	2,685,601.00
04-Feb-2005	3 Purchasers	Neuraxon Inc. - Preferred Shares	1,200,000.04	1,719,937.00
01-Jan-2005 to 28-Jan-2005	26 Purchasers	New Hudson Television Corp. - Shares	100,050.00	33,350.00
04-Dec-2004 to 12-Jan-2005	15 Purchasers	New Hudson Television Corp. - Shares	40,740.00	13,580.00
31-Jan-2005	7 Purchasers	Newport Alternative Income Fund - Units	298,500.00	310.00
25-Jan-2005	Wesley Clover	Newport Networks Group PLC - Shares	21,578,684.00	21,578,684.00
31-Jan-2005	211 Purchasers	Newport Private Yield LP - Units	17,873,210.77	1,384,447.00
03-Feb-2005	19 Purchasers	Novelis Inc. - Notes	13,126,453.60	13,126,454.00
26-Jan-2005 to 02-Feb-2005	13 Purchasers	NRX Global Corp. - Convertible Debentures	2,250,000.00	22,500.00
10-Feb-2005	Credit Risk Advisor	NTK Holdings Inc. - Notes	1,543,582.51	1,543,583.00
28-Jan-2005	4 Purchasers	O'Donnell Emerging Companies Fund - Units	152,100.00	75,314.00
04-Feb-2005	Jim Buckrell	O'Donnell Emerging Companies Fund - Units	25,000.00	2,998.00
04-Mar-2004 to 08-Jul-2004	James Miller & Elizabeth Miller	Orbis Africa Equity (Rand) Fund Limited - Shares	11,787.35	228.00
24-Mar-2004	Richard Edward	Orbis Global Equity Fund Limited - Shares	218,063.00	1,219.00

Notice of Exempt Financings

04-Feb-2004	Royal Bank of Canada	Orbis Japan Equity (US\$) Fund Limited - Shares	1,537,964.03	88,368.00
10-Feb-2005 to 05-Oct-2004	James Miller & Elizabeth Miller	Orbis Leveraged (Euro) Fund Limited - Shares	417,286.42	7,623.00
01-Apr-2004 to 03-Jun-2004	Royal Bank of Canada	Orbis Leveraged (US\$) Fund Limited - Shares	1,677,818.45	12,114.00
04-Mar-2004 to 05-Oct-2004	James Miller & Elizabeth Miller	Orbis Optimal (Euro) Fund Limited - Shares	81,522.69	2,540.00
08-Jan-2004 to 30-Dec-2004	The Royal Trust Co.	Orbis Optimal (US\$) Fund Limited - Shares	648,018.75	7,933.00
10-Nov-2003 to 31-Jul-2004	22 Purchasers	Orchard Statistical Arbitrage LP - Units	4,950,000.00	49,500.00
31-Jan-2005	3 Purchasers	Paradigm Quest Inc. - Debentures	500,000.00	500,000.00
24-Jan-2005	8 Purchasers	Paramax Resources Ltd. - Common Shares	40,700.00	407,000.00
08-May-2004 to 01-Dec-2004	32 Purchasers	Parkwood Limited Partnership Fund - Units	3,795,000.00	3,795.00
30-Apr-2004 to 21-Dec-2004	Clarica Life Insurance Company	PCJ Canadian Equity Fund - Trust Units	930,903.00	105,420.00
30-Apr-2004 to 31-Dec-2004	Clarica Life Insurance Company	PCJ Canadian Small Cap Fund - Trust Units	1,513,826.00	114,186.00
28-Jan-2005	Legg Mason Absolute Return Master Trust	PCM Absolute Return Fund - Units	20,000,000.00	20,000.00
02-Feb-2005	3 Purchasers	PGM Ventures Corporation - Units	520,000.00	1,040,000.00
03-Feb-2005	The Canada Trust Company	Pioneer Trust - Notes	75,000,000.00	75,000,000.00
17-Dec-2004 to 21-Jan-2005	Lamco Marketing Limited Kensington Fund of Funds II LP	Polar Enterprise Partners II - Limited Partnership Units	1,500,000.00	15,000.00
27-Jan-2005	Kensington Co-Investment Fund-A LP	Polymer Technologies Inc. - Promissory note	2,650,000.00	1.00
27-Jan-2005	4 Purchasers	Polymer Technologies Inc. - Shares	945,300.00	46,369.00
04-Feb-2005	3 Purchasers	PQ Corporation - Subordinated Note	2,185,400.00	2,185,400.00
01-Feb-2005	F.J. Stork Holdings 2000 Ltd.	Print-Quotes Software Inc. - Shares	250,000.00	2,500,000.00

Notice of Exempt Financings

09-Jan-2004 to 24-Nov-2004	9 Purchasers	Private Client Balanced Portfolio - Trust Units	738,391.00	74,920.00
09-Jan-2004 to 24-Nov-2004	7 Purchasers	Private Client Balanced Portfolio - Trust Units	738,391.00	74,920.00
01-Jun-2004 to 04-Jun-2004	Paul Andrew Hansen and Bathurst Jewish Community Centre	Private Client Small Cap Portfolio - Trust Units	128,211.00	10,145.00
04-Feb-2005	Credit Risk Advisors Bank of Montreal	Radio One, Inc. - Subordinated Note	4,370,800.00	4,370,800.00
01-Jan-2004 to 31-Dec-2004	119 Purchasers	RBC Canadian Money Market Pool - Units	37,825,000.00	3,782,500.00
04-Feb-2005	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	6,489.98	892.00
22-Dec-2004	4 Purchasers	Reliant Energy Inc - Notes	1,313,000.00	1,313,000.00
28-Jan-2005	3 Purchasers	RepeatSeat Inc. - Units	45,000.00	56,250.00
28-Jan-2005	6 Purchasers	Rogers Wireless Inc. - Notes	4,945,000.00	4,945,000.00
04-Feb-2005	Skypoint II;G.P. CO. Inc. Skypoint II;G.P. CO. (US) Inc.	SIPQuest Inc. - Convertible Debentures	187,469.99	187,470.00
30-Apr-2004 to 31-Dec-2004	Clarica Life Insurance Company	SRA Canadian Equity Fund - Trust Units	871,863.00	69,620.00
01-Feb-2005	3 Purchasers	Stacey Investment Limited Partnership - Limited Partnership Units	880,040.90	27,145.00
31-Jan-2005	6 Purchasers	Stacey RSP Fund - Trust Units	278,304.27	27,173.00
28-Jan-2005	Mackenzie Financial Corporation	Stallion Energy Ltd. - Common Shares	1,000,000.00	1,000,000.00
31-Dec-2004	Susan Rimmer NDB Group Inc	Stanton Alpha Strategies LP - Limited Partnership Interest	234,911.77	170.00
12-Jan-2005	VentureLink Financial Services Innovation Fund Inc.	Stone & Co. Limited - Common Share Purchase Warrant	0.00	2,847,512.00
12-Jan-2005	VentureLink Financial Services Innovation Fund Inc.	Stone & Co. Limited - Debentures	400,000.00	1.00
26-Jan-2005	14 Purchasers	Terra Energy Corp. - Flow-Through Shares	252,000.00	180,000.00
26-Jan-2005	11 Purchasers	Terra Energy Corp. - Units	7,463,960.00	5,331,400.00
31-Jan-2005	6 Purchasers	The McElvaine Investment Trust - Units	477,500.02	22,664.00

Notice of Exempt Financings

13-Apr-2004 to 28-Dec-2004	14 Purchasers	Timbercreek Investments Inc. - Convertible Debentures	12,335,000.00	12,335.00
05-May-2004	Donna Stradiotto	Timbercreek Investments Inc. - Preferred Shares	35,750.00	325.00
03-Feb-2005	13 Purchasers	Tm Bioscience Corporation - Common Shares	6,155,450.00	2,863,000.00
19-Jan-2005	Brian Vyner	Tri-Gold Resources Corp. - Units	30,000.00	120,000.00
02-Jan-2004 to 01-Dec-2004	102 Purchasers	Turtle Creek Investment Fund - Trust Units	22,844,560.00	2,284,456.00
18-Mar-2004	Julia Tania Schindler	UBS (CH) Equity Fund Global - Units	4,868.00	26.00
22-Jan-2004 to 20-Apr-2004	4 Purchasers	UBS (Lux) Money Market Fund CAD - Units	119,762.00	80.00
23-Dec-2004 to 21-Jan-2005	Interward Capital	UR- Energy Inc. - Units	176,250.00	235,000.00
31-Dec-2004	Mary Beesley	Vertex Balanced Fund - Trust Units	25,000.00	4,344.00
31-Dec-2004	22 Purchasers	Vertex Fund - Trust Units	1,595,353.79	114,775.00
23-Nov-2004	Mavrix Resource Fund 04 LP II NCE Diversified FT (04) LP	Virginia Gold Mines Inc. - Flow-Through Shares	1,501,248.75	400,333.00
19-Sep-2003	28 Purchasers	WAM Industries Ltd. - Common Shares	327,250.00	327,250.00
03-Oct-2003	Augmentram Capital Corporation	WAM Industries Ltd. - Common Shares	120,000.00	120,000.00
23-May-2004	7 Purchasers	WAM Industries Ltd. - Common Shares	668,334.00	668,334.00
09-Jul-2004	Hill & Gertner Capital Corporation and Joseph Mimran	WAM Industries Ltd. - Common Shares	425,000.00	425,000.00
28-Jan-2005	6 Purchasers	Wilfrid Laurier University - Debentures	67,000,000.00	67,000,000.00
22-Dec-2004	Canadian Medical Discoveries Fund Inc.	Xillix Ltd. - Debentures	5,000,000.00	5,000,000.00
08-Feb-2005	Rosseau Limited Partnership	Young-Davidson Mines, Limited - Common Shares	500,000.40	555,556.00
24-Jan-2005	Jason Kelly James E. Lalonde	ZTEST Electronics Inc. - Convertible Debentures	195,000.00	195,000.00
24-Jan-2005	Standard Radio Inc.	Zymeta Corporation - Units	50,000.00	500,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Aspreva Pharmaceuticals Corporation
Principal Regulator - British Columbia

Type and Date:

Amended and Restated Preliminary PREP Prospectus dated February 11, 2005
Mutual Reliance Review System Receipt dated February 11, 2005

Offering Price and Description:

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

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:

Aspreva Pharmaceuticals Corporation
Principal Regulator - British Columbia

Type and Date:

Second Amended and Restated Preliminary PREP Prospectus dated February 15, 2005
Mutual Reliance Review System Receipt dated February 15, 2005

Offering Price and Description:

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

Avenir Diversified Income Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated February 11, 2005
Mutual Reliance Review System Receipt dated February 14, 2005

Offering Price and Description:

\$110,000,000 (Maximum Offering); \$95,000,000 (Minimum Offering) A Minimum of * and a Maximum of * Trust Units

Underwriter(s) or Distributor(s):

GMP Securities Ltd.
Raymond James Ltd.
First Associates Investments Inc.
Canaccord Capital Corporation
Acumen Capital Finance Partners Limited

Promoter(s):

William M. Gallacher
Gray H. Dundas

Project #737928

Issuer Name:

Bissett Income Trust Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated February 8, 2005
Mutual Reliance Review System Receipt dated February 9, 2005

Offering Price and Description:

Series A, F and O Units

Underwriter(s) or Distributor(s):

Franklin Templeton Investment Corp.
Franklin Templeton Investments Corp.

Promoter(s):

-

Project #736702

Issuer Name:

CMP 2005 Resource Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 11, 2005
Mutual Reliance Review System Receipt dated February 14, 2005

Offering Price and Description:

\$200,000,000.00 (maximum); 200,000 Limited Partnership Units (represented by Instalment Receipts) Minimum Subscription: \$5,000.00 (Five Units), of which \$2,500.00 is Payable on Closing

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Berkshire Securities Inc.
First Associates Investments Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.

Promoter(s):

CMP 2005 Corporation

Project #737912

Issuer Name:

Creststreet 2005 Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 9, 2005
Mutual Reliance Review System Receipt dated February 9, 2005

Offering Price and Description:

\$75,000,000.00 (Maximum Offering); \$5,000,000.00 (Minimum Offering) A maximum of 7,500,000 and a minimum of 500,000 Limited Partnership Units Issue Price: \$10.00 Per Unit Minimum Purchase: 250 Units

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
GMP Securities Limited
Peters & Co. Limited
Tristone Capital Inc.
Desjardins Securities Inc.
First Associates Investments Inc.
Richardson Partners Financial Limited

Promoter(s):

Creststreet Capital Corporation
Creststreet 2005 General Partner Limited
Project #736644

Issuer Name:

Fortis Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 14, 2005
Mutual Reliance Review System Receipt dated February 14, 2005

Offering Price and Description:

\$129,891,000.00 - 1,740,000 Common Shares Price: \$74.65 per Common Share

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
RBC Dominion Securities Inc.

Promoter(s):

-

Project #737902

Issuer Name:

HF Capital Corp.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated February 7, 2005
Mutual Reliance Review System Receipt dated February 9, 2005

Offering Price and Description:

Maximum: \$10,000,000.00 (* Common Shares); Minimum: \$5,000,000.00 (* Common Shares) Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Canaccord Capital Corporation
Raymond James Ltd.
Tristone Capital Inc.

Promoter(s):

Brett Ironside
Myron Tetreault
Project #736873

Issuer Name:

IPC US Real Estate Investment Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 15, 2005
Mutual Reliance Review System Receipt dated February 15, 2005

Offering Price and Description:

US\$35,007,500.00 - 3,685,000 Units Price: US\$9.50 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Desjardins Securities Inc.
RBC Dominion Securities Inc.

Promoter(s):

-

Project #738603

Issuer Name:

Provident Energy Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated February 11, 2005
Mutual Reliance Review System Receipt dated February 11, 2005

Offering Price and Description:

\$100,800,000.00 -8,400,000 Trust Units \$100,000,000.00
6.50% Convertible Unsecured Subordinated Debentures

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
FirstEnergy Capital Corp.

Promoter(s):

-

Project #737787

Issuer Name:

Real Resources Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated February 14, 2005
Mutual Reliance Review System Receipt dated February 14, 2005

Offering Price and Description:

\$35,000,003.00 - 2,527,076 COMMON SHARES Price:
\$13.85 per Common Share

Underwriter(s) or Distributor(s):

GMP Securities Ltd.
Raymond James Ltd.
CIBC World Markets Inc.
Maison Placements Canada Inc.
Orion Securities Inc.
Peters & Co. Limited

Promoter(s):

-

Project #738281

Issuer Name:

RIOCAN REAL ESTATE INVESTMENT TRUST
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated February 14, 2005
Mutual Reliance Review System Receipt dated February 15, 2005

Offering Price and Description:

\$750,000,000.00 - Debt Securities (Senior Unsecured)

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #738405

Issuer Name:

Somerset Entertainment Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 9, 2005
Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.

Promoter(s):

Somerset Entertainment Holdings Inc.

Project #737173

Issuer Name:

Southampton Ventures Inc.

Type and Date:

Preliminary Prospectus dated February 14, 2005
Received on February 15, 2005

Offering Price and Description:

A MINIMUM OF * COMMON SHARES AND A MAXIMUM
OF * COMMON SHARES Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

Dominick & Dominick Securities Inc.

Promoter(s):

Kabir Ahmed

Project #738270

Issuer Name:

Sun Life Financial Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 8, 2005
Mutual Reliance Review System Receipt dated February 9, 2005

Offering Price and Description:

\$300,000,000.00 -12,000,000 Class A Non-Cumulative
Preferred Shares Series I Price: \$25.00 per Class A
Preferred Share Series 1 to yield 4.75%

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Merrill Lynch Canada Inc.

Promoter(s):

-

Project #736545

Issuer Name:

BPI American Equity Fund
BPI American Equity RSP Fund
BPI American Equity Sector Fund
BPI Global Equity Fund
BPI Global Equity RSP Fund
BPI Global Equity Sector Fund
BPI International Equity Fund
BPI International Equity RSP Fund
BPI International Equity Sector Fund
CI American Managers Sector Fund
CI American Managers RSP Fund
CI Asian Dynasty Fund
CI Emerging Markets Fund
CI Emerging Markets RSP Fund
CI Emerging Markets Sector Fund
CI Global Managers Sector Fund
CI Global Managers RSP Fund
CI Japanese Sector Fund
CI Japanese RSP Fund
CI Pacific Fund
CI Pacific RSP Fund
CI Pacific Sector Fund
Principal Regulator - Ontario

Type and Date:

Amendment No. 5 dated January 28, 2005 to the Simplified
Prospectuses dated July 23, 2004 and Amendment No. 6
dated January 28, 2005 to the Annual Information Forms
dated July 23, 2004

Mutual Reliance Review System Receipt dated February
10, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Mutual Funds Inc.

Project #665295

Issuer Name:

Compton Petroleum Corporation
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated February 14, 2005
Mutual Reliance Review System Receipt dated February 14, 2005

Offering Price and Description:

\$90,000,000.00 - 7,500,000 Common Shares Price: \$12.00 per Common Share

Underwriter(s) or Distributor(s):

Tristone Capital Inc.
GMP Securities Ltd.
FirstEnergy Capital Corp.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Orion Securities Inc.
Raymond James Ltd.
Scotia Capital Inc.
Salman Partners Inc.

Promoter(s):

-

Project #735041

Issuer Name:

Covington Fund I Inc.

Type and Date:

Final Prospectus dated February 9, 2005
Received on February 10, 2005

Offering Price and Description:

Class A Shares @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

COVINGTON CAPITAL CORPORATION,

Project #720862

Issuer Name:

Commonwealth Canadian Balanced Fund
Commonwealth World Balanced Fund Ltd.
Dynamic Focus+ American Fund
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Canadian Fund
Dynamic Focus+ Diversified Income Trust Fund
Dynamic Focus+ Energy Income Trust Fund
Dynamic Focus+ Global Fund
Dynamic Focus+ Real Estate Fund
Dynamic Focus+ Resource Fund
Dynamic Focus+ Small Business Fund
Dynamic Focus+ Wealth Management Fund
Dynamic Focus+ World Equity Fund
Dynamic Focus+ World Equity Fund I
Dynamic RSP Focus+ World Equity Fund
Dynamic Canadian High Yield Bond Fund I
Dynamic Canadian High Yield Bond Fund II
Dynamic Corporate Bond Fund
Dynamic Dividend Fund
(Series A, Series F and Series I Units)
Dynamic Dividend Income Fund
Dynamic Dollar-Cost Averaging Fund
Dynamic Income Fund
Dynamic Money Market Fund
Dynamic Real Return Bond Fund
Dynamic Power American Growth Fund
Dynamic Power American Growth Fund I Ltd.
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Fund
Dynamic Power Small Cap Fund
Dynamic RSP Power American Growth Fund
Dynamic Canadian Precious Metals Fund
Dynamic Canadian Technology Fund
Dynamic Global Precious Metals Fund
Dynamic Global Real Estate Fund
Dynamic Global Resource Fund
Dynamic Greater China Fund
Dynamic SAMI Fund
Dynamic World Convertible Debentures Fund
Dynamic American Value Fund
Dynamic Canadian Dividend Fund Ltd.
Dynamic Dividend Value Fund
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Global Small Cap Value Fund
Dynamic International Value Fund
Dynamic RSP American Value Fund
Dynamic RSP European Value Fund
Dynamic RSP International Value Fund
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada
Dynamic Focus+ American Class of Dynamic Global Fund Corporation
Dynamic Focus+ Canadian Class of Dynamic Global Fund Corporation
Dynamic Money Market Class of Dynamic Global Fund Corporation
Dynamic Power American Growth Class of Dynamic Global Fund Corporation
Dynamic Power Canadian Growth Class of Dynamic Global Fund Corporation

Dynamic Power Global Growth Class of Dynamic Global Fund Corporation
DMP Resource Class of Dynamic Managed Portfolios Ltd.
Dynamic American Value Class of Dynamic Global Fund Corporation
Dynamic Canadian Value Class of Dynamic Global Fund Corporation
Dynamic Global Value Class of Dynamic Global Fund Corporation
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated January 28, 2005
Mutual Reliance Review System Receipt dated February 11, 2005

Offering Price and Description:

Series A, Series F and Series I @ Net Asset Value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #711713

Issuer Name:

Dynamic Strategic All Equity Portfolio
Dynamic Strategic All Income Portfolio
Dynamic Strategic Balanced Portfolio
Dynamic Strategic Conservative Portfolio
Dynamic Strategic Defensive Portfolio
Dynamic Strategic Growth Portfolio (formerly Dynamic Fund of Funds)
Dynamic Strategic High Growth Portfolio
Dynamic Strategic RSP All Equity Portfolio
Dynamic Strategic RSP High Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated January 28, 2005
Mutual Reliance Review System Receipt dated February 9, 2005

Offering Price and Description:

Mutual Fund Trust Units at Net Asset Value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #724828

Issuer Name:

Enbridge Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Shelf Prospectus dated February 11, 2005

Mutual Reliance Review System Receipt dated February 11, 2005

Offering Price and Description:

US\$1,000,000,000.00 - Debt Securities Common Shares Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #735415

Issuer Name:

Hathaway Focus+ American Fund
Hathaway Focus+ Balanced Canadian Fund
Hathaway Focus+ Canadian Fund
Hathaway Focus+ Wealth Management Fund
Hathaway Focus+ World Fund
Hathaway Money Market Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated January 28, 2005
Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

Mutual Fund Trust Units at Net Asset Value

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #711582

Issuer Name:

Manulife Financial Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated February 9, 2005
Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

\$3,500,000,000.00 Debt Securities Class A Shares Class B Shares Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #729480

Issuer Name:

Mercer International Inc.
Principal Regulator - British Columbia

Type and Date:

Final MJDS Prospectus dated February 8, 2005
Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

9,416,196 Shares of Beneficial Interest

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
Raymond James Ltd.

Promoter(s):

-

Project #728841

Issuer Name:

Mercer International Inc.
Principal Regulator - British Columbia

Type and Date:

Final MJDS Prospectus dated February 9, 2005
Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

US\$310,000,000.00 - 9.25% Senior Notes due 2013

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Credit Suisse First Boston Canada Inc.
CIBC World Markets Inc.

Promoter(s):

-

Project #728882

Issuer Name:

Northern Orion Resources Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated February 10, 2005
Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

Cdn\$100,010,000.00 - 27,400,000 Units Price: Cdn\$3.65 per Unit

Underwriter(s) or Distributor(s):

GMP Securities Ltd.
Canaccord Capital Coporation
Orion Securities Inc
Salman Partners Inc

Promoter(s):

-

Project #735384

Issuer Name:

The Newport International Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated January 28, 2005 to the Simplified Prospectus and Annual Information Form dated June 29, 2004

Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Newport Investment Counsel Inc.
Newport Investment Counsel Inc.

Promoter(s):

Newport Investment Counsel Inc.

Project #652216

Issuer Name:

Yield Advantage Income Trust
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated January 28, 2005 to Prospectus dated December 23, 2004

Mutual Reliance Review System Receipt dated February 10, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

Skylon Advisors Inc.

Project #719707

Issuer Name:

Vismand Exploration Inc.
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Prospectus dated November 12th, 2004
Withdrawn on February 9th, 2005

Offering Price and Description:

\$ * - * Units; * Flow-Through Common Shares Price: \$ * per Unit \$ * per Flow-Through Common Share

Underwriter(s) or Distributor(s):

Desjardins Securities Inc.
First Associates Investments Inc.
Brant Securities Limited

Promoter(s):

Loudon Owen

Project #708322

Issuer Name:

MedcomSoft Inc.

Type and Date:

Rights Offering Circular dated January 18, 2005

Accepted on January 21, 2005

Offering Price and Description:

OFFERING OF RIGHTS TO SUBSCRIBE FOR UP TO
7,951,351 UNITS AT A PRICE OF \$0.50 PER UNIT

Underwriter(s) or Distributor(s):

-

Promoter(s):

Project #713190

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Amalgamation	Tullett Liberty (Canada) Limited and Prebon Yamane (Canada) Limited To Form: Prebon Canada Limited	Limited Market Dealer	January 1, 2005
New Registration	ABN AMRO (LMD) LIMITED	Limited Market Dealer	February 15, 2005
Change in Name	From: Harris Partners Limited To: Wellington West Capital Markets Inc.	Broker & Investment Dealer	February 9, 2005
Change in Name	From: UBS Trust (Canada) To: UBS Investment Management Canada Inc./Gestion des placements UBS Canada Inc.	Investment Counsel & Portfolio Manager	December 23, 2004

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Chapter 25

Other Information

25.1 Approvals

25.1.1 I. H. Rotenberg Investment Counsel, Inc. - cl. 213(3)(b) of the LTCA

Headnote

Approval under clause 213(3)(b) of the Loan and Trust Corporations Act – Manager of pooled funds unable to rely upon Approval 81-901 – Approval of Trustees of Mutual Fund Trusts as units to be sold pursuant to dealer registration and prospectus exemptions - manager approved to act as trustee.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c.L.25, as am., clause 213(3)(b).

February 8, 2005

Stikeman Elliott LLP

Barristers & Solicitors
5300 Commerce Court West, 199 Bay St.
Toronto, Ont.
M5L 1B9

Attention: Ms. Tanya Padberg

Re: **I.H. Rotenberg Investment Counsel, Inc. – Approval to act as Trustee under clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario) (the LTCA) – No. 025/05**

By way of letter dated January 13, 2005 (the Application), you applied on behalf of I.H. Rotenberg Investment Counsel, Inc. (the Applicant) to the Ontario Securities Commission (the Commission), under clause 213(3)(b) of the LTCA, for an approval to act as the trustee of the Owners Fund and the Owners RRSP Fund and any other pooled fund to be established and managed by the Applicant from time to time (together, the “Pooled Funds”).

Each of the Pooled Funds will be “mutual funds” for the purposes of the *Securities Act* (Ontario), but will not be reporting issuers as their securities will be sold pursuant to available dealer registration and prospectus exemptions.

This letter confirms that, based on the information and representations set out in the Application, and for the purposes described in the Application, the Commission hereby approves the proposal that the Applicant act as trustee of the Pooled Funds that it will manage.

“Paul M. Moore”

“Wendell S. Wigle”

25.2 Exemptions

25.2.1 Majorica Asset Management Corp. - s. 147 of the Act and s. 6.1 of OSC Rule 13-502

Headnote

Item E(1) of Appendix C of OSC Rule 13-502 Fees – exemption for pooled funds from paying an activity fee of \$5,500 in connection with an application brought under subsection 147 of the Act, provided an activity fee be paid on the basis that the application be treated as an application for other regulatory relief under item E(3) of Appendix C of the Rule.

Rules Cited

Ontario Securities Commission Rule 13-502, Fees, (2003) 26 OSCB 891.

Securities Act, R.S.O. 1990, c. s.5 as am., ss. 77(2) and ss. 78(1).

National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR), s. 2.1(1)1.

February 10, 2005

McCarthy Tetrault LLP

Attention: Michael C. Nicholas

Dear Sirs and Mesdames:

Re: **Majorica Asset Management Corp.**

Majorica Bond Fund and Majorica Short Term Income Fund, (the “Existing Pooled Funds”)

Application Under Section 147 of the Securities Act (Ontario), as amended (the “Act”) and section 6.1 of OSC Rule 13-502 – Fees (“Rule 13-502”)

By letter dated January 21, 2005 (the “Application”), you applied on behalf of Majorica Asset Management Corp. (“Majorica”), the manager of certain pooled funds listed in the Application (the “Existing Pooled Funds”) and other pooled funds managed by Majorica from time to time (collectively, with the Existing Pooled Funds, referred to herein as the “Pooled Funds”), to the Ontario Securities Commission (the “Commission”) under section 147 of the *Securities Act* (Ontario) (the “Act”) for relief from subsections 77(2) and 78(1) of the Act, which requires every mutual fund in Ontario to file interim and comparative annual financial statements (the “Financial Statements”) with the Commission. Majorica is the manager of the Existing Pooled Funds and is registered under the Act as

Other Information

an adviser in the categories of investment counsel and portfolio manager and as dealer in the category of limited market dealer.

By the same date and cover, you additionally applied to the securities regulatory authority in Ontario (the "Decision Maker") on behalf of Majorica for an exemption, pursuant to subsection 6.1 of Rule 13-502, from the requirement to pay an activity fee of \$5,500 in connection with the Application in accordance with item F(1) of Appendix C of the Rule, on the condition that fees be paid on the basis that the Application be treated as an application for other regulatory relief under item F(3) of Appendix C of Rule 13-502, and from the requirement to pay an activity fee of \$1,500 in connection with the latter relief (the "Fee Exemption").

Item E of Appendix C of Rule 13-502 specifies the activity fee applicable for applications for discretionary relief. Item F(1) specifies that applications under section 147 of the Act pay an activity fee of \$5,500, whereas item F(3) specifies that applications for other regulatory relief pay an activity fee of \$1,500.

From our review of the Application and other information communicated to staff, we understand the relevant facts and representations to be as follows:

1. Majorica is a corporation existing under the laws of the Province of Ontario and its registered office is in Toronto, Ontario. Majorica is, or will be the manager of the Pooled Funds.
2. Majorica is registered under the Act as an adviser in the categories of investment counsel and portfolio manager and as dealer in the category of limited market dealer.
3. The Pooled Funds are, or will be, open-ended mutual fund trusts created under the laws of Ontario. The Pooled Funds will not be reporting issuers in any of the provinces or territories of Canada. Units of the Pooled Funds are, or may be, distributed in each of the provinces and territories of Canada without a prospectus pursuant to exemptions from the prospectus delivery requirements of applicable securities legislation.
4. The Pooled Funds fit within the definition of "mutual fund in Ontario" in section 1(1) of the Act and are thus required to file Financial Statements with the Commission under subsections 77(2) and 78(1) of the Act.
5. Section 2.1(1)1 of National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR) ("Rule 13-101") requires that every issuer required to file a document under securities legislation make its filing through SEDAR. The Financial Statements filed with the Commission thus become publicly available.
6. In the Application, Majorica and the Pooled Funds have requested under section 147 of the Act relief from filing the Financial Statements with the Commission. The activity fee associated with the Application is \$5,500 in accordance with item F(1) of Appendix C of Rule 13-502.
7. If Majorica and the Pooled Funds had, as an alternative to the Application, sought an exemption from the requirement to file the Financial Statements via SEDAR, the activity fee for that application would be \$1,500 in accordance with item F(3) of Appendix C of Rule 13-502.
8. If the Pooled Funds were reporting issuers seeking the same relief as requested in the Application, such relief could be sought under section 80 of the Act, rather than under section 147 of the Act, and the activity fee for that application would be \$1,500 in accordance with item F(3) of Appendix C of Rule 13-502.

Decision

This letter confirms that, based on the information provided in the Application, and the facts and representations above, and for the purposes described in the Application, the Decision Maker hereby exempts Majorica and the Pooled Funds from

- i) paying an activity fee of \$5,500 in connection with the Application, provided that Majorica and the Pooled Funds pay an activity fee on the basis that the Application be treated as an application for other regulatory relief under item F(3) of Appendix C to Rule 13-502, and
- ii) paying an activity fee of \$1,500 in connection with the Fees Exemption application under item F(3) of Appendix C to Rule 13-502.

Yours truly,

"Leslie Byberg"

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