

The Ontario Securities Commission

OSC Bulletin

May 13, 2005

Volume 28, Issue 19

(2005), 28 OSCB

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

The Ontario Securities Commission

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

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

Published under the authority of the Commission by:

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

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

Contact Centre - Inquiries, Complaints:

Capital Markets Branch:

- Registration:

Corporate Finance Branch:

- Team 1:

- Team 2:

- Team 3:

- Insider Reporting

- Take-Over Bids:

Enforcement Branch:

Executive Offices:

General Counsel's Office:

Office of the Secretary:

Fax: 416-593-8122

Fax: 416-593-3651

Fax: 416-593-8283

Fax: 416-593-8244

Fax: 416-593-3683

Fax: 416-593-8252

Fax: 416-593-3666

Fax: 416-593-8177

Fax: 416-593-8321

Fax: 416-593-8241

Fax: 416-593-3681

Fax: 416-593-2318



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

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

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

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

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

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

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

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

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

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

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

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



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

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

Table of Contents

<p>Chapter 1 Notices / News Releases 4343</p> <p>1.1 Notices 4343</p> <p>1.1.1 Current Proceedings Before The Ontario Securities Commission 4343</p> <p>1.1.2 Notice of Ministerial Approval - OSC Rule 14-502 (Commodity Futures Act) Designation of Additional Commodities and CP 14-502CP 4345</p> <p>1.2 Notices of Hearing..... (nil)</p> <p>1.3 News Releases 4345</p> <p>1.3.1 OSC Commences Prosecution Against Emilia von Anhalt and Jurgen von Anhalt 4345</p> <p>1.3.2 OSC Settlement With Zoran Popovic and Dxstorm.Com Inc. Approved Over Failure To File Insider Trading Reports 4346</p> <p>1.4 Notices from the Office of the Secretary ... 4347</p> <p>1.4.1 Allen Eizenga et al. and Michael Tibollo - s. 127..... 4347</p> <p>Chapter 2 Decisions, Orders and Rulings 4349</p> <p>2.1 Decisions 4349</p> <p>2.1.1 SEAMARK Asset Management Ltd. - MRRS Decision 4349</p> <p>2.1.2 Lundin Mining Corporation - MRRS Decision 4351</p> <p>2.1.3 Frank Russell Canada Limited - MRRS Decision 4353</p> <p>2.1.4 American Bonanza Gold Mining Corp. - MRRS Decision 4358</p> <p>2.1.5 Calloway Real Estate Investment Trust - MRRS Decision 4359</p> <p>2.1.6 CI Mutual Funds Inc. et al. - MRRS Decision 4363</p> <p>2.1.7 Daylight Energy Ltd. - MRRS Decision 4367</p> <p>2.1.8 Economical Mutual Insurance Company and TEIG Investment Partnership - s. 147 and s. 6.1 of OSC Rule 13-502 4371</p> <p>2.1.9 CFM Corporation - MRRS Decision 4373</p> <p>2.1.10 Real Estate Asset Liquidity Trust - MRRS Decision 4374</p> <p>2.1.11 Altagas Services Inc. and Altagas Ltd. - MRRS Decision 4377</p> <p>2.1.12 Total Energy Services Ltd. et al. - MRRS Decision 4381</p> <p>2.1.13 Vicwest Corporation - MRRS Decision 4386</p> <p>2.1.14 Wheaton River Minerals Ltd. - MRRS Decision 4388</p> <p>2.2 Orders..... 4389</p> <p>2.2.1 Economical Insurance Company and Teig Investment Partnership - s. 147..... 4389</p> <p>2.2.2 Allen Eizenga et al. and Michael Tibollo - s. 127 4391</p>	<p>2.2.3 First Federal Capital (Canada) Corporation and Monte Morris Friesner- ss. 127, 127.1 4391</p> <p>2.2.4 SHSC Financial Inc. - s. 74(1) 4392</p> <p>2.3 Rulings..... (nil)</p> <p>Chapter 3 Reasons: Decisions, Orders and Rulings 4395</p> <p>3.1 Reasons for Decision 4395</p> <p>3.1.1 All Canadian Management Inc. - s. 26(3)..... 4395</p> <p>Chapter 4 Cease Trading Orders 4401</p> <p>4.1.1 Temporary, Extending & Rescinding Cease Trading Orders..... 4401</p> <p>4.2.1 Management & Insider Cease Trading Orders..... 4401</p> <p>Chapter 5 Rules and Policies 4403</p> <p>5.1.1 OSC Rule 14-502 (Commodity Futures Act) Designation of Additional Commodities and Companion Policy 14-502CP 4403</p> <p>Chapter 6 Request for Comments (nil)</p> <p>Chapter 7 Insider Reporting 4407</p> <p>Chapter 8 Notice of Exempt Financings..... 4485</p> <p>Reports of Trades Submitted on Form 45-501F1 4485</p> <p>Chapter 9 Legislation..... (nil)</p> <p>Chapter 11 IPOs, New Issues and Secondary Financings..... 4495</p> <p>Chapter 12 Registrations..... 4503</p> <p>12.1.1 Registrants.....</p> <p>Chapter 13 SRO Notices and Disciplinary Proceedings (nil)</p> <p>Chapter 25 Other Information 4505</p> <p>25.1 Other Information 4505</p> <p>25.1.1 Executive Director's Designation 4505</p> <p>25.2 Consents 4506</p> <p>25.2.1 Medical Facilities Corporation - s. 4(b) of the Regulation 4506</p> <p>Index 4509</p>
--	--

Chapter 1

Notices / News Releases

1.1 Notices

SCHEDULED OSC HEARINGS

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 13, 2005

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

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

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

CDS

TDX 76

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

THE COMMISSIONERS

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

TBA **Yama Abdullah Yaqeen**
s. 8(2)
J. Superina in attendance for Staff
Panel: TBA

TBA **Cornwall *et al***
s. 127
K. Manarin in attendance for Staff
Panel: TBA

TBA **Philip Services Corp. *et al***
s. 127
K. Manarin in attendance for Staff
Panel: TBA

May 12, 13, 16, 18, 20, 30, 2005
June 1 & 3, 2005 ATI Technologies Inc.*, **Kwok Yuen Ho, Betty Ho**, JoAnne Chang*, David Stone*, Mary de La Torre*, Alan Rae* and Sally Daub*

10:00 a.m. s. 127
May 19, 2005
1:00 p.m. M. Britton in attendance for Staff
Panel: SWJ/HLM/MTM

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

* Settled

May 24-27, 2005 **Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir**

10:00 a.m.

s.127

J. Waechter in attendance for Staff

Panel: RLS/ST/DLK

May 30, June 1, 2, 6, 7, 8, 9 and 10, 2005 **Buckingham Securities Corporation, David Bromberg*, Norman Frydrych, Lloyd Bruce* and Miller Bernstein & Partners LLP (formerly known as Miller Bernstein & Partners)**

10:00 a.m.

s. 127

J. Superina in attendance for Staff

Panel: PMM/RWD/DLK

* David Bromberg settled April 20, 2004

* Lloyd Bruce settled November 12, 2004

June 3, 2005 **Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig**

11:00 a.m.

s. 127

J. Waechter in attendance for Staff

Panel: TBA

June 16, 2005 **Gregory Hryniw and Walter Hryniw**

10:00 a.m.

s.127

K. Wootton in attendance for Staff

Panel: TBA

June 27, 2005 **Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulbee and Peter Y. Atkinson**

9:00 a.m.

s.127

J. Superina in attendance for Staff

Panel: TBA

June 29 & 30, 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/DLK

August 29, 2005 to September 16, 2005 **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**

10:00 a.m.

s.127

September 12, 2005

T. Pratt in attendance for Staff

2:30 p.m.

Panel: WSW/PKB/ST

* Fangeat settled June 21, 2004

* Hersey settled May 26, 2004

* McGee settled November 11, 2004

* Rizzutto settled August 17, 2004

September 28 and 29, 2005 **Francis Jason Biller**

10:00 a.m.

s.127

J. Cotte in attendance for Staff

Panel: TBA

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 Notice of Ministerial Approval - OSC Rule 14-502 (Commodity Futures Act) Designation of Additional Commodities and CP 14-502CP

NOTICE OF MINISTERIAL APPROVAL

**ONTARIO SECURITIES COMMISSION RULE 14-502
(COMMODITY FUTURES ACT)**

AND

**COMPANION POLICY 14-502CP
DESIGNATION OF ADDITIONAL COMMODITIES**

On April 12, 2005 the Chair of the Management Board of Cabinet approved OSC Rule 14-502 (Commodity Futures Act) (Rule). The Rule and Companion Policy 14-502CP (Companion Policy) will come into force on May 16, 2005.

Related amendments to section 2 of Regulation 90 of the Revised Regulations of Ontario, 1990 made under the Commodity Futures Act (Ontario) were filed as Regulation 187/05 and are expected to be published in the Ontario Gazette on May 14, 2005.

The Rule and Companion Policy are published in Chapter 5 of this Bulletin. The rule was previously published on February 25, 2005 at (2005) 28 OSCB 1951.

1.3 News Releases

1.3.1 OSC Commences Prosecution Against Emilia von Anhalt and Jurgen von Anhalt

**FOR IMMEDIATE RELEASE
May 10, 2005**

**OSC COMMENCES PROSECUTION AGAINST EMILIA
VON ANHALT
AND JURGEN VON ANHALT**

TORONTO – Staff of the Ontario Securities Commission have initiated a quasi-criminal prosecution against Emilia von Anhalt and Jurgen von Anhalt. These two individuals are former directors and officers of Lydia Diamond Exploration of Canada (Lydia). They remain its majority shareholders.

On May 5, 2005, an Information was sworn that contained 39 counts against Emilia von Anhalt and 27 counts against Emilia von Anhalt and Jurgen von Anhalt jointly.

Staff of the Commission have alleged that in 2002 and 2003 Emilia von Anhalt made oral representations that securities of Lydia would be listed on an exchange with the intention to effect a sale in those securities contrary to s. 38(3) of the *Securities Act* (the "Act") and gave an oral undertaking relating to the future value of Lydia securities with an intention to effect a sale of those securities contrary to s. 38(2). Staff of the Commission have also alleged that since November 19, 2002, she traded Lydia securities while unregistered to trade in securities contrary to s. 25(1), traded securities of Lydia without a prospectus contrary to s. 53(1), violated the terms of a Commission Order by trading securities of Lydia, by acting as a director and officer of Lydia, and failing to resign as a director or officer of an issuer contrary to s. 122(1)(c).

Staff of the Commission have alleged that since November 19, 2002, Jurgen von Anhalt traded Lydia securities while unregistered to trade securities contrary to s. 25(1), traded Lydia securities without a prospectus contrary to s. 53(1), violated the terms of a Commission Order by trading Lydia securities and failing to resign as a director or officer of an issuer.

The background to these charges is that on November 19, 2002, after a ten-day Commission hearing, the Commission determined that Emilia von Anhalt and Jurgen von Anhalt had not complied with Ontario securities law. The Commission also determined that it was in the public interest to order that Emilia von Anhalt and Jurgen von Anhalt cease trading securities for twelve years subject to certain conditions, resign as director and officer of any issuer, and be prohibited from being or acting as a director or officer of any issuer for 15 years.

The charges are scheduled to be heard in Court Room "C" at Old City Hall on June 16, 2005 at 9:00 a.m.

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)

**1.3.2 OSC Settlement With Zoran Popovic and
Dxstorm.Com Inc. Approved Over Failure To
File Insider Trading Reports**

**FOR IMMEDIATE RELEASE
May 11, 2005**

**OSC SETTLEMENT WITH ZORAN POPOVIC AND
DXSTORM.COM INC.
APPROVED OVER FAILURE TO FILE INSIDER
TRADING REPORTS**

Toronto – At a hearing at the Ontario Securities Commission yesterday, a settlement agreement between Staff of the Commission, Zoran Popovic and DXStorm.Com Inc. was approved. Zoran Popovic agreed that on 95 occasions in 2002, he failed to file insider trading reports as required by section 107(2) of the Ontario *Securities Act*.

In approving the settlement agreement in the public interest, the Commission panel reprimanded Popovic, and ordered Popovic to pay personally \$5,500.00 towards the cost of the investigation and the proceeding. The Commission also ordered DXStorm.Com Inc. to implement a Code of Conduct including an Insider Trading and Reporting Policy.

“By agreeing to the proposed sanctions, Popovic has acknowledged and accepted responsibility for his failure to fulfill his obligations to make timely filing of insider reports. Further, Popovic has fully rectified the situation by filing all of the outstanding reports,” said panel Chair Wendell Wigle, Q.C. “DXStorm has adopted the Code of Conduct which addresses insider reporting and trading obligations, and ethical conduct generally. The Code of Conduct provides some assurance that the conduct which gave rise to this proceeding will not repeated.”

“There should be no doubt that this Commission considers a failure to comply with the reporting requirements of the Act respecting insider trading is a serious breach of the Act,” said Commissioner Wigle. “These obligations are essential to that purpose of the Act which is to foster fair markets and confidence in the capital markets. At least, in the view of this panel, failure to meet these obligations should result in serious consequences. We note, however, that in the case before us there are a number of mitigating factors, not the least of these is the attitude of Mr. Popovic. We are satisfied that the mistakes which have occurred in the past will not be repeated. We note, in addition, that Mr. Popovic made no attempt to conceal any of the transactions and he has apparently cooperated in the investigation which has occurred. In addition, there is no evidence before us that anyone has suffered in any way as a result of the omission nor are there any suggestions that Mr. Popovic has profited as a result of the omissions.”

Copies of the Settlement Agreement and Order issued by the Commission are available on the OSC’s web site (www.osc.gov.on.ca).

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

1.4 Notices from the Office of the Secretary

1.4.1 Allan Eizenga et al. and Michael Tibollo - s.127

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

**FOR IMMEDIATE RELEASE
May 4, 2005**

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

AND

**IN THE MATTER OF
ALLAN EIZENGA, RICHARD JULES FANGEAT,
MICHAEL HERSEY,
LUKE JOHN MCGEE AND ROBERT LOUIS RIZZUTO**

AND

**IN THE MATTER OF
MICHAEL TIBOLLO**

TORONTO – The Commission issued an Order in the above noted matter adjourning the hearing to August 29, 2005 through September 16, 2005, peremptorily.

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)

This page intentionally left blank

Chapter 2

Decisions, Orders and Rulings

2.1.1 SEAMARK Asset Management Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the insider reporting requirements granted to certain insiders of a reporting issuer who hold a nominal title of “vice-president” or another nominal title inferring a similar level of seniority, authority or responsibility as a nominal “vice-president” title, subject to conditions.

Applicable Ontario Statutory Provisions

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

Ontario Regulations

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

Rules Cited

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

April 14, 2005

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

AND

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

AND

IN THE MATTER OF
SEAMARK ASSET MANAGEMENT LTD. (THE FILER)

MRRS DECISION DOCUMENT

Background

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

exempting insiders of the Filer who satisfy the Exempted Officer Criteria (as defined below) from the insider reporting requirements of the Legislation, subject to certain conditions (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

1. The Filer's head office is located in Halifax, Nova Scotia.
2. The Filer was incorporated under the *Canada Business Corporations Act* on November 4, 1982. On October 1, 1990, articles of amendment were filed to change the Filer's name from "Elliot and Page Atlantic Limited" to "SEAMARK Asset Management Ltd." under which name the Filer continues to carry on business.
3. The Filer is an investment counsel and portfolio management firm.
4. The Filer is a reporting issuer or the equivalent, as applicable, in all provinces and territories of Canada.
5. The Filer's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "SM".
6. To the best of its knowledge, information and belief, the Filer is not in default of its reporting requirements under the Legislation.
7. Currently, 16 persons are insiders of the Filer by reason of being a senior officer or director of the Filer and are not otherwise exempt from the insider reporting requirements of the Legislation by reason of an existing exemption under National

- Instrument 55-101 *Exemption From Certain Insider Reporting Requirements (NI 55-101)* or an existing decision or order.
8. The Filer has filed with the Decision Makers copies of its Code of Ethics & Business Conduct (the **Code**) and Disclosure & Insider Trading Policies (the **Disclosure Policy**) containing the Filer's policies related to trading in securities of the Filer by directors, officers and employees of the Filer as well as policies relating to reporting on such trading activities (collectively, the **Filer's Disclosure Policies**).
9. The Filer's Disclosure Policies have been developed to ensure that all employees, officers and directors of the Filer comply with all applicable securities legislation with respect to trading in shares of the Filer. Among other things, the Filer's Disclosure Policies are intended to assist employees, officers and directors of the Filer in identifying and meeting their personal obligations under the Legislation in connection with:
- (a) when they are deemed to have certain material non-public information relating to the Filer;
 - (b) their duty not to disclose material non-public information to others; and
 - (c) restrictions on their ability to trade shares of the Filer.
10. Under the Filer's Disclosure Policies, employees, directors and officers are required to pre-clear and obtain the approval of the Filer's Compliance Officer in respect of any personal trades in shares of the Filer. In addition, the Filer's Disclosure Policies contain restrictions such as "quiet times" and "black out periods" designed to prevent the appearance or possibility of conflicts between personal trading and the interests of other public shareholders.
11. The Filer's Manager of Compliance is responsible for the administration of the Filer's Disclosure Policies. All employees, officers and directors of the Filer are required to acknowledge the Code annually and to agree to abide by it.
12. The Filer is seeking the Requested Relief in respect of insiders who, in the opinion of the Filer, satisfy the following criteria (the **Exempted Officer Criteria**):
- (a) the individual is an officer of the Filer who holds a nominal title of "vice-president", or another nominal title inferring a similar level of seniority, authority or responsibility as a nominal "vice-president" title (a **Nominal Title**);
 - (b) the individual is not in charge of a principal business unit, division or function of the Filer or a major subsidiary of the Filer;
 - (c) the individual does not in the ordinary course receive or have access to information as to material facts or material changes concerning the Filer before the material facts or material changes are generally disclosed; and
 - (d) the individual is not an insider of the Filer in any capacity other than by virtue of holding a Nominal Title.
13. Existing and future insiders of the Filer who meet the Exempted Officer Criteria are collectively referred to as the **Exempted Officers**.
14. Management of the Filer considered the job requirements and principal functions of the existing insiders of the Filer to determine which of them meet the Exempted Officer Criteria.
15. Currently, there are four individuals who, in the opinion of the management of the Filer, meet the Exempted Officer Criteria.
16. Management of the Filer will apply the analysis set out above each time a new officer of the Filer or of any major subsidiary of the Filer is appointed, or an existing Exempted Officer is promoted or experiences a change in his or her job requirements or functions and it will review and update the Filer's Exempted Officers analysis annually.
17. If an individual who is designated as an Exempted Officer no longer satisfies the Exempted Officer Criteria as a result of which the individual is subject to a renewed obligation to file insider reports, certain designated staff of the Filer will immediately inform such individual of his or her renewed obligation to file insider reports on trades in shares of the Filer.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (a) the Filer agrees to make available to the Decision Makers, upon request, a list of all individuals who are relying on the exemption granted by this decision as at the time of the request; and

- (b) the relief granted by this decision will cease to be effective on the date when NI 55-101 is amended.

“H. Leslie O’Brien”
Chairman
Nova Scotia Securities Commission

“R. Daren Baxter”
Vice-Chairman
Nova Scotia Securities Commission

2.1.2 Lundin Mining Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Applications – take-over bid to offeree security holders resident in Ontario – *de minimis* number of Ontario registered holders with a *de minimis* holding of securities – bidder unable to rely upon exemption in clause 93(1)(e) of the Act because bid made not made in compliance with laws of a recognized jurisdiction - offer made in compliance with the corporate and securities laws of Ireland – relief granted because the bid is substantially in compliance with the exempt take-over bid requirements and there is no benefit to shareholders of requiring strict compliance.

Applicable Ontario Statutes

Securities Act, R.S.O. 1990, c. S.5, as amended, ss. 93(1)(e), 95-100 and 104(2)(c).

March 11, 2005

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

AND

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

AND

**IN THE MATTER OF
LUNDIN MINING 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) for an exemption from the requirements in the Legislation relating to take-over bids, except the requirements to file a report of a take over bid, where applicable, and to pay the applicable fees, in respect of an offer (the Offer) to be made by the Filer to acquire ordinary shares of Arcon International Resources Plc (Arcon) (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

1. the Filer is incorporated under the *Canada Business Corporations Act*;
2. the Filer's registered office and principal business office are in Vancouver, British Columbia;
3. the Filer is a reporting issuer in British Columbia, Alberta, Ontario, Québec and Nova Scotia and is not on the list of defaulting reporting issuers in any of these jurisdictions where such a list is maintained;
4. the Filer's common shares are listed for trading on the Toronto Stock Exchange and its Swedish Depository Receipts are listed on the O-list of the Stockholm Stock Exchange;
5. the Filer has entered into an agreement to make the Offer to acquire all of the shares of Arcon, an Irish registered mining and mineral exploration company whose ordinary shares are listed on the London Stock Exchange and the Irish Stock Exchange;

6. Arcon is not a reporting issuer or the equivalent in any jurisdiction of Canada and its securities are not listed for trading on any Canadian stock exchange;

7. under the Offer, each tendering Arcon shareholder will receive approximately 0.032 common shares of the Filer and US\$0.36 for each Arcon share held;

8. the Filer will
- (a) make the Offer to all of the Arcon shareholders, other than to those shareholders resident in Australia, Japan, the United States and any other jurisdiction where it is unlawful to do so, and
 - (b) and prepare the documents relating to the Offer,

in compliance with the corporate and securities laws of Ireland;

9. the Offer is subject to Arcon shareholders holding at least 80% of the issued and outstanding Arcon shares accepting the Offer, in which case the Filer intends to exercise its right under Irish corporate law to compulsorily acquire all of the remaining outstanding Arcon shares;

10. as of February 10, 2005, the registered shareholder list of Arcon indicates that there are a total of 12 registered Canadian shareholders of Arcon holding a total of 9,511 Arcon shares, approximately 0.00005% of the total number of issued and outstanding Arcon shares, and that these persons are resident in British Columbia, Alberta, Ontario and the Northwest Territories;

11. the Offer will be made to Canadian holders of Arcon shares on the same basis as it is being made to the holders of Arcon shares resident elsewhere, including extending to those holders identical rights and consideration;

12. the Filer will
- (a) send the documents relating to the Offer to the holders of Arcon shares whose addresses on the books of Arcon are, to the best of the Filer's knowledge, in Canada, at the same time that it sends those documents to the other Arcon shareholders to whom the Offer is made, and

- (b) file those documents with Decision Makers in the Jurisdictions and in the Northwest Territories; and

13. the Filer cannot rely on the *de minimis* exemption relating to take-over bids in the Legislation because Ireland is not a recognized jurisdiction for the purpose of this exemption.

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 in connection with the Offer, provided that

- (a) the Offer is made in compliance with the laws of Ireland, and
- (b) the Filer complies with representation 12.

"Martin Eady, CA"
Director, Corporate Finance
British Columbia Securities Commission

2.1.3 Frank Russell Canada Limited - MRRS Decision

Headnote:

One time trade of securities between mutual funds in the same family of funds to implement a reallocation of assets under a fund of fund structure as part of a change in investment strategy is exempted from the investment restrictions and reporting requirements of sections 111(2)(c), 117(1), 118(2)(b) and subsection 115(6) of the Regulation.

Statutes Cited:

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 111(2)(c), 112, 113, 117(1), 117(2), 118(2)(b), 121(2) and 147.

Regulation Cited:

Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 115(6).

April 29, 2005

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

AND

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

AND

IN THE MATTER OF
FRANK RUSSELL CANADA LIMITED
("FRCL")

AND

IN THE MATTER OF
BALANCED INCOME PORTFOLIO
BALANCED GROWTH PORTFOLIO
LONG-TERM GROWTH PORTFOLIO
ALL EQUITY PORTFOLIO
ALL EQUITY RSP PORTFOLIO
RUSSELL GLOBAL EQUITY FUND
RUSSELL US EQUITY FUND
RUSSELL OVERSEAS EQUITY FUND
SOVEREIGN GLOBAL EQUITY RSP POOL
SOVEREIGN DIVERSIFIED MONTHLY INCOME PORTFOLIO
SOVEREIGN US EQUITY POOL
AND
SOVEREIGN OVERSEAS EQUITY POOL
(THE "FUNDS")

MRRS DECISION DOCUMENT

Background

The securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from FRCL on its own behalf and on behalf of the Funds for a decision (the “**Decision**”) under the securities legislation of the Jurisdictions (the “**Legislation**”) that:

- (a) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly making an investment in any issuer in which any person or company who is a substantial securityholder of the mutual fund, its management company or its distribution company, has a significant interest;
- (b) the restrictions contained in the Legislation prohibiting a mutual fund from knowingly entering into any contract or other arrangement that results in its being directly or indirectly liable or contingently liable in respect of the foregoing;
- (c) the Legislation requiring a management company or, in British Columbia, a mutual fund manager, to file a report relating to a purchase or sale of securities between the mutual fund and any related person or company, or any transaction in which, by arrangement other than an arrangement relating to insider trading in portfolio securities, the mutual fund is a joint participant with one or more of its related persons or companies;
- (d) the restriction contained in the Legislation prohibiting a portfolio manager from knowingly causing an investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, any associate of a responsible person or the portfolio manager; and
- (e) the restriction contained in the Legislation prohibiting a purchase or sale of any securities in which an investment counsel or any partner, officer or associate of an investment counsel has a direct or indirect beneficial interest from or to any portfolio managed or supervised by the investment counsel;

(the “**Applicable Requirements**”) shall not apply to the steps relating to certain transfers of assets between the Funds.

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 otherwise defined in this Decision.

Representations

This Decision is based on the following facts represented by FRCL:

1. RCL is registered under the Legislation as an adviser. FRCL also is the trustee and manager of each of:
 - (a) Balanced Income Portfolio, Balanced Growth Portfolio, Long-Term Growth Portfolio, All Equity Portfolio and All Equity RSP Portfolio (the “**LifePoints Top Funds**”);
 - (b) Russell US Equity Fund and Russell Overseas Equity Fund (the “**Russell Bottom Funds**”);
 - (c) Russell Global Equity Fund (the “**New Russell Fund**”);
 - (d) Sovereign Global Equity RSP Pool (the “**Sovereign Pool**”);
 - (e) Sovereign Diversified Monthly Income Portfolio (the “**Income Portfolio**”); and
 - (f) Sovereign US Equity Pool and Sovereign Overseas Equity Pool (the “**Sovereign Bottom Funds**”).

The LifePoints Top Funds, the Sovereign Pool (prior to changing its investment strategies as described below) and the Income Portfolio are referred to herein as the “**Top Funds**”. The Russell Bottom Funds and the Sovereign Bottom Funds are referred to herein as the “**Current Bottom Funds**”. The New Russell Fund and the Sovereign Pool (after it changes its investment strategies as described below) are referred to herein as the “**New Bottom Funds**” and, together with the Current Bottom Funds, are referred to herein as the “**Bottom Funds**”.

Decisions, Orders and Rulings

2. Each Fund is a reporting issuer (or the equivalent) as defined in the securities legislation of each Jurisdiction and currently distributes its units in each Jurisdiction pursuant to:
- (a) in the case of the LifePoints Top Funds and Russell Bottom Funds, a simplified prospectus and annual information form dated July 14, 2004;
 - (b) in the case of the Sovereign Pool, the Income Portfolio and the Sovereign Bottom Funds, a simplified prospectus and annual information form dated November 4, 2004; and
 - (c) in the case of the New Russell Fund, a simplified prospectus and annual information form dated April 12, 2005.
3. For purposes of obtaining exposure to foreign equity securities, each Top Fund currently invests a portion of its assets in the certain Current Bottom Funds. In order to provide investors in the Top Funds with optimal portfolio diversification by emphasizing industry sector rather than geographic location, FRCL:
- (a) has created, and currently is the sole unitholder of, the New Russell Fund which will emphasize sector rather than geographic specialization in the selection of its investment managers;
 - (b) proposes to change the name, investment strategies and current investment portfolio of the Sovereign Pool to reflect investing directly in a portfolio of global equity securities which will emphasize sector rather than geographic specialization; and
 - (c) proposes to effect a one-time reallocation of a portion of the assets of each Top Fund currently invested in its Current Bottom Funds to its New Bottom Fund (the “**Reallocation**”) as summarized below:

Top Fund	Current Bottom Funds in Which the Top Fund Invests a Portion of its Assets	New Bottom Fund to Which a Portion of the Top Fund’s Assets in its Current Bottom Funds will be Reallocated
Balanced Income Portfolio	Russell US Equity Fund Russell Overseas Equity Fund	Russell Global Equity Fund
Balanced Growth Portfolio	Russell US Equity Fund Russell Overseas Equity Fund	Russell Global Equity Fund
Long-Term Growth Portfolio	Russell US Equity Fund Russell Overseas Equity Fund	Russell Global Equity Fund
All Equity Portfolio	Russell US Equity Fund Russell Overseas Equity Fund	Russell Global Equity Fund
All Equity RSP Portfolio	Russell US Equity Fund Russell Overseas Equity Fund	Russell Global Equity Fund
Sovereign Global Equity RSP Pool	Sovereign US Equity Pool Sovereign Overseas Equity Pool	N/A (the Fund will invest directly in securities)
Sovereign Diversified Monthly Income Portfolio	Sovereign US Equity Pool Sovereign Overseas Equity Pool	Sovereign Global Equity Pool

4. If FRCL effects the Reallocation by redeeming units of the Current Bottom Funds held by the Top Funds and reinvesting the redemption proceeds in units of the New Bottom Funds, then the cost of disposing of a significant portion of the investment portfolios of the Current Bottom Funds will be borne by other unitholders of the Current Bottom Funds. In addition, to the extent that a New Bottom Fund purchases the same securities that were disposed of

by its corresponding Current Bottom Funds, the New Bottom Fund will incur transaction costs in the form of brokerage commissions. In order to arrange for the costs of liquidating any portfolio securities to be effectively borne by unitholders of the Top Funds and to eliminate unnecessary brokerage commission costs, FRCL proposes to implement the Reallocation as follows:

- (a) each Top Fund will submit its request to redeem some units of its Current Bottom Funds. In the case of the Sovereign Pool, the redemption request will relate to all units it holds of Current Bottom Funds;
 - (b) each Top Fund and its Current Bottom Funds will agree that payment of the redemption price for the units of the Current Bottom Funds will be satisfied through the delivery of portfolio securities (the “**Transferred Securities**”) of the Current Bottom Funds having a value which is equal to the amount at which the Transferred Securities are valued in calculating the net asset value per unit used to establish the redemption price of the units of the Current Bottom Fund redeemed by the Top Fund, as contemplated by section 10.4(3)(b) of National Instrument 81-102;
 - (c) the Sovereign Pool will change its investment strategies to reflect investing directly in a portfolio of global equity securities and will retain the Transferred Securities it receives from its Current Bottom Funds;
 - (d) each Top Fund (other than the Sovereign Pool) will subscribe for units of its New Bottom Fund and pay for such units by delivering to its New Bottom Fund the Transferred Securities the Top Fund has received from its Current Bottom Funds;
 - (e) FRCL will redeem all the units it then holds of the New Russell Fund; and
 - (f) to the extent any Transferred Securities are considered to be unsuitable for a New Bottom Fund, the portfolio advisor of the New Bottom Fund will arrange for such Transferred Securities to be liquidated and replaced with suitable securities.
5. The Transferred Securities of each Current Bottom Fund will be comprised of a pro rata number of all portfolio securities held by such Current Bottom Fund (subject to adjustment for *de minimus* holdings).
6. No new investors will be permitted to purchase units of the New Russell Fund until the Reallocation relating to it has been completed (including the liquidation and replacement of any Transferred Securities considered to be unsuitable for the New Russell Fund by its portfolio advisor).
7. If the requested relief is not granted, FRCL will be unable to effect the Reallocation because:
- (a) the subscription by each LifePoints Top Fund for units of the New Russell Fund may be an investment knowingly made by each LifePoints Top Fund in an issuer in which Frank Russell Company (a substantial securityholder of FRCL which is the management company and distribution company of each LifePoints Top Fund) may be considered to have a significant interest;
 - (b) by submitting an order to purchase units of the New Russell Fund, each LifePoints Top Fund may be considered to have knowingly entered into a contract or other arrangement that results in its being directly liable in respect of an investment that is prohibited;
 - (c) the transfer of the Transferred Securities: (a) by each Current Bottom Fund to its Top Funds in payment of the redemption price for units of the Current Bottom Fund redeemed by such Top Funds, and (b) by each Top Fund to its New Bottom Fund in payment of the purchase price for the units of the New Bottom Fund subscribed for by such Top Fund, may, in each case, be considered to be:
 - (i) a sale of securities knowingly caused by FRCL from an investment portfolio managed by FRCL to the account of an associate of FRCL; and
 - (ii) a purchase of securities knowingly caused by FRCL from an investment portfolio managed by FRCL to the account of an associate of FRCL; and
 - (d) the Reallocation may be considered to be a sale of Transferred Securities from portfolios managed by FRCL to an account in which FRCL will have a direct beneficial interest.
8. The steps of the Reallocation involve transactions between the Funds and persons who may be considered to be a related person or company of the Funds. Consequently, if the requested relief is not granted, FRCL would be required to file reports relating to the Reallocation.

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 FRCL and the Funds are exempt from the Applicable Requirements so as to enable FRCL and the Funds to implement the steps associated with the Reallocation.

“Robert L. Sherriff”
Commissioner
Ontario Securities Commission

“Robert W. Davis”
Commissioner
Ontario Securities Commission

2.1.4 American Bonanza Gold Mining Corp. - MRRS Decision

Relief requested granted on the 28th day of April, 2005.

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.

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

Applicable Ontario Statutory Provisions

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

April 28, 2005

Lang Michener LLP

P.O. Box 11117
1500 - 1055 West Georgia Street
Vancouver, British Columbia V6E 4N7

Attention: Sharon Wong

Dear Madam:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

2.1.5 Calloway Real Estate Investment Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from the requirement to include certain financial statements in respect of certain significant acquisitions in an information circular, preliminary short form prospectus and short form prospectus - Relief from the requirement to file a business acquisition report in respect of said acquisitions provided that certain information in respect of said acquisitions is included in issuer's information circular.

National Instruments Cited

National Instrument 44-101 Short Form Prospectus Distributions, Part 4.

National Instrument 51-102 Continuous Disclosure Obligations, Parts 8 and 9.

May 5, 2005

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

AND

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

AND

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

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

- (a) In British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador, the requirements contained in the Legislation for the Filer:

(i) to include financial statements for certain previously completed significant acquisitions (the "Prior Acquisitions") of the Filer in the prescribed form and for the prescribed periods; and

(ii) to include financial statements for certain proposed significant probable acquisitions (the "Proposed Acquisitions") of the Filer in the prescribed form and for the prescribed periods;

(the foregoing collectively referred to herein as the "Information Circular Acquisition Requirements") shall not apply for the information circular (the "Information Circular") of the Filer to be forwarded to the unitholders of the Filer prior to the unitholder meeting upon which the unitholders of the Filer are to vote for or against the completion of the Proposed Acquisitions, provided that the Filer includes in the Information Circular operating statements for the Prior Acquisitions and the Proposed Acquisitions in an acceptable alternative form (the "Information Circular Requested Relief");

(b) In each of the Jurisdictions, the requirements contained in the Legislation pursuant to Part 4 of National Instrument 44-101 for the Filer:

(i) to include financial statements for the Prior Acquisitions in the prescribed form and for the prescribed periods; and

(ii) to include financial statements for the Proposed Acquisitions in the prescribed form and for the prescribed periods;

(the foregoing collectively referred to herein as the "Prospectus Acquisition Requirements") shall not apply for the preliminary and final short form prospectus (each referred to herein as the "Prospectus") of the Filer to be filed to raise proceeds to partially finance the Proposed Acquisitions provided that the Filer includes in the Prospectus operating statements for the Prior Acquisitions and the Proposed Acquisitions in an acceptable alternative form (the "Prospectus Requested Relief"); and

(c) In Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador, the requirements contained in the Legislation pursuant to Part 8 of National Instrument 51-102 for the Filer to file a business acquisition report (the "BAR Requirements") shall not apply to the Filer for the Proposed Acquisitions provided that the Filer includes in the aforementioned Information Circular operating statements for such Proposed Acquisitions in the form required by the decision of the Decision Makers with respect to the Information Circular Requested Relief, as well as

the required pro forma financial statements (the "BAR Requested Relief").

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

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

Interpretation

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

Representations

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

1. The Filer is an unincorporated closed-end real estate trust established under the laws of the Province of Alberta by a declaration of trust dated December 4, 2001, as amended and restated as of October 24, 2002, October 31, 2003 and January 16, 2004.
2. The Filer's head office is located at 310, 855 – 8th Avenue SW, Calgary, Alberta T2P 3P1.
3. The Filer is a reporting issuer in all Jurisdictions where such status exists and, to the best of its knowledge, is currently not in default of any applicable requirements under the Legislation.
4. The units of the Filer ("Units") are listed and posted on the Toronto Stock Exchange under the symbol CWT.UN. As at April 13, 2005, the Filer had 36,714,479 Units issued and outstanding.
5. Certain of the Prior Acquisitions of the Filer were "significant acquisitions" of the Filer at the time of acquisition for the purposes of National Instrument 44-101 ("NI 44-101").
6. The Filer filed a prospectus in each of the Jurisdictions, and received a receipt therefore, on January 27, 2004 (the "First Prior Prospectus"). The Filer also filed a prospectus in each of the Jurisdictions (other than the Yukon, the Northwest Territories and Nunavut), and received a receipt therefore, on April 30, 2004 (the "Second Prior Prospectus and collectively with the First Prior Prospectus, the "Prior Prospectuses").
7. For each of the Prior Prospectuses, the Filer filed an application seeking, and received relief from the Decisions Makers in the Jurisdictions in which the applicable Prior Prospectus was filed, from the requirement to include in the applicable Prior Prospectus financial statements in the prescribed form for each of the Prior Acquisitions for which financial statements were required to be included in the applicable Prior Prospectus on the condition that the Filer include in the applicable Prior Prospectus operating statements for such Prior Acquisitions in the form of statements of net operations (the "Prospectus Operating Statements"), in each case as approved by the Decision Makers.
8. Further, for its most recent Prior Acquisitions which occurred after the implementation of National Instrument 51-102 ("NI 51-102"), the Filer filed an application seeking, and received relief from the Decision Makers in the applicable Jurisdictions in a decision document dated January 7, 2005 (the "BAR Decision Document"), from the requirement to include in the applicable business acquisition report to be filed under NI 51-102 financial statements in the prescribed form for each of the Prior Acquisitions for which financial statements were required to be included in a business acquisition report on the condition that the Filer include in the applicable business acquisition reports operating statements for such Prior Acquisitions in the form of statements of net operations (the "BAR Operating Statements", and together with the Prospectus Operating Statements referred to herein as the "Prior Acquisition Operating Statements), in each case as approved by the Decision Makers.
9. The Filer filed a business acquisition report for the acquisition it completed in November 2004 on February 11, 2005 with such business acquisition report containing operating statements for the applicable Prior Acquisition in the form of statements of net operations in compliance with the BAR Decision Document. The Filer anticipates filing a business acquisition report for the acquisition it completed in March 2005 on or before the date of mailing of the Information Circular with such business acquisition report to contain operating statements for the applicable Prior Acquisition in the form of statements of net operations in compliance with the BAR Decision Document.
10. On April 8, 2005 the Filer concluded preliminary negotiations for the Proposed Acquisitions which consist of interests in thirty-six retail properties owned by retail mall developers and 10 parcels of vacant land for approximately \$1,207,000,000 which acquisitions are expected to close in two simultaneous transactions. The first transaction is in regards to interests in 8 retail properties in consideration for approximately \$285,000,000 of aggregate purchase price. The second transaction is in regards to interests in 28 retail properties and 10 parcels of vacant land in consideration for approximately \$922,000,000 of

aggregate purchase price. Both are expected to close in June of 2005.

11. The Filer intends to finance the Proposed Acquisitions through a combination of mortgage financing, vendor take-back mortgage financing, securities of the Filer issued to one of the vendors and cash generated from the issuance of new units of the Filer from treasury pursuant to either an exempt distribution or a prospectus offering.
12. The Proposed Acquisitions collectively may be considered "acquisitions of related businesses" pursuant to section 8.1 of NI 52-101 and section 1.1 of NI 44-101 and therefore collectively constitute a "significant acquisition" of the Filer for the purposes of each of NI 51-102 and NI 44-101, with significance at the 50% or greater threshold of the significance test as determined in accordance with section 8.3 of NI 52-101 and section 1.2 of NI 44-101.
13. Completion of the Proposed Acquisitions requires the prior approval of the unitholders of the Filer. As such, the Filer anticipates holding a meeting of its unitholders on June 3, 2005 and mailing the requisite the Information Circular to its unitholders on or before May 6, 2005.
14. The Filer anticipates filing the Prospectus in early June 2005.
15. It is impractical to obtain the information required to prepare the financial statements required by the Legislation in respect of the Information Circular Acquisition Requirements, the Prospectus Acquisition Requirements and the BAR Requirements.

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.

In British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador, the decision of the Decision Makers under the Legislation is that the Information Circular Requested Relief is granted provided that:

- (a) The Filer include in, or incorporate by reference into, the Information Circular the Prior Acquisition Operating Statements for any significant acquisition completed prior to the date of the Information Circular for which financial statements are required to be included in the Information Circular;
- (b) The Filer include in, or incorporate by reference into, the Information Circular

operating statements in the form of statements of net operations (the "Proposed Acquisition Operating Statements") for the aggregate properties to be acquired in the Proposed Acquisitions, in form and content similar to the Prior Acquisition Operating Statements:

- (i) for the each of the two most recently completed financial years of the Proposed Acquisitions ended more than 90 days before the date of the Information Circular, with the Proposed Acquisition Operating Statements for these periods to be audited; and
- (ii) for the most recently completed interim period of the Proposed Acquisitions ended more than 45 days before the date of the Information Circular and for the comparable period in the preceding financial year, with the Proposed Acquisition Operating Statements for these periods to be unaudited;

(c) The Proposed Acquisition Operating Statements contain, at a minimum, line items specifying amounts for Rental revenue, Expenses – Property operating costs, Amortization of deferred expenses, and Operating income and that the Proposed Acquisition Operating Statements contain accompanying notes; and

(d) The Filer include in, or incorporate by reference into, the Information Circular:

- (i) a description of the properties included in the Proposed Acquisitions including square footage, occupancy rate, square footage occupied by and duration of leases with anchor tenants; and
- (ii) disclosure of an estimated value of the Proposed Acquisitions prepared by an independent valuator, the material assumptions used in preparing the estimate, and the identity and relationship to the reporting issuer or the vendors of the person who prepared the estimates.

In each of the Jurisdictions, the decision of the Decision Makers under the Legislation is that the Prospectus Requested Relief is granted provided that:

- (a) The Filer include in, or incorporate by reference into, the Prospectus the Prior Acquisition Operating Statements for any significant acquisition completed prior to the date of the Prospectus for which financial statements would otherwise be required to be included in the Prospectus;
- (b) The Filer include in, or incorporate by reference into, the Prospectus operating statements in the form of statements of net operations (the "Proposed Acquisition Operating Statements") for the aggregate properties to be acquired in the Proposed Acquisitions, in form and content similar to the Prior Acquisition Operating Statements:
 - (i) for the each of the two most recently completed financial years of the Proposed Acquisitions ended more than 90 days before the date of the Prospectus, with the Proposed Acquisition Operating Statements for these periods to be audited; and
 - (ii) for the most recently completed interim period of the Proposed Acquisitions ended more than 45 days before the date of the Prospectus and for the comparable period in the preceding financial year, with the Proposed Acquisition Operating Statements for these periods to be unaudited;
- (c) The Proposed Acquisition Operating Statements contain, at a minimum, line items specifying amounts for Rental revenue, Expenses – Property operating costs, Amortization of deferred expenses, and Operating income and that the Proposed Acquisition Operating Statements contain accompanying notes; and
- (d) The Filer include in, or incorporate by reference into, the Prospectus:
 - (i) a description of the properties included in the Proposed Acquisitions including square footage, occupancy rate, square footage occupied by and duration of leases with anchor tenants; and

- (ii) disclosure of an estimated value of the Proposed Acquisitions prepared by an independent valuator, the material assumptions used in preparing the estimate, and the identity and relationship to the reporting issuer or the vendors of the person who prepared the estimates.

In Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador, the decision of the Decision Makers under the Legislation is that the BAR Requested Relief is granted provided that:

- (a) The Filer includes in the Information Circular operating statements for the Proposed Acquisitions in the form required by the decision of the Decision Makers with respect to the Information Circular Requested Relief, along with the required pro forma financial statements;
- (b) The date of the acquisition of the Proposed Acquisitions is within 9 months of the date of the Information Circular; and
- (c) Between the date of the Information Circular and the date of the acquisition of the Proposed Acquisitions, there has been no material change in the terms of the Proposed Acquisitions from those disclosed in the Information Circular.

"Agnes Lau, CA"
Deputy Director, Capital Markets
Alberta Securities Commission

2.1.6 CI Mutual Funds Inc. et al. - MRRS Decision

Headnote

Exemptions from the mutual fund self-dealing prohibitions of clauses 111(2)(a), 111(3) and 118(2)(a) of the *Securities Act* (Ontario). Mutual funds allowed to make purchases and sales of CI Fund Management Inc. securities, a related company to the managers and portfolio advisors of the mutual funds, and to retain those securities provided that a fund governance mechanism is used to oversee the holdings, purchases or sales of these securities for the mutual funds and to ensure that such holdings, purchases or sales have been made free from any influence by CI Mutual Funds Inc. and Assante Asset Management Ltd. and without taking into account any consideration relevant to these entities.

Portfolio managers exempted from provision in securities legislation that prohibits them from knowingly causing any investment portfolio managed by them to invest in any issuer in which a responsible person is an officer or director, subject to a number of conditions.

Statutes Cited:

Securities Act (Ontario), R.S.O. 1990 c. S.5, as am., ss. 111(2)(a), 111(3) and 118(2)(a).

May 3, 2005

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

AND

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

AND

IN THE MATTER OF
CI MUTUAL FUNDS INC. AND ASSANTE ASSET
MANAGEMENT LTD. (the Managers)

AND

BPI AMERICAN EQUITY FUND
BPI GLOBAL EQUITY FUND
BPI INTERNATIONAL EQUITY FUND
CI AMERICAN SMALL COMPANIES FUND
CI AMERICAN VALUE FUND
CI ASIAN DYNASTY FUND
CI CANADIAN INVESTMENT FUND
CI CANADIAN SMALL CAP FUND
CI EMERGING MARKETS FUND
CI EUROPEAN FUND
CI EXPLORER FUND

CI GLOBAL FUND
CI GLOBAL SMALL COMPANIES FUND
CI GLOBAL VALUE FUND
CI INTERNATIONAL FUND
CI INTERNATIONAL VALUE FUND
CI PACIFIC FUND
HARBOUR FUND
SIGNATURE CANADIAN RESOURCE FUND
SIGNATURE SELECT CANADIAN FUND
SYNERGY AMERICAN FUND
SYNERGY EXTREME CANADIAN EQUITY FUND
SYNERGY EXTREME GLOBAL EQUITY FUND
CI CANADIAN ASSET ALLOCATION FUND
CI INTERNATIONAL BALANCED FUND
HARBOUR GROWTH & INCOME FUND
SIGNATURE CANADIAN BALANCED FUND
SIGNATURE CANADIAN INCOME FUND
SIGNATURE INCOME & GROWTH FUND
SYNERGY TACTICAL ASSET ALLOCATION FUND
CI CANADIAN BOND FUND
CI SHORT-TERM BOND FUND
CI LONG-TERM BOND FUND
CI GLOBAL BOND FUND
SIGNATURE CORPORATE BOND FUND
SIGNATURE DIVIDEND FUND
SIGNATURE HIGH INCOME FUND
BPI AMERICAN EQUITY SECTOR FUND
BPI GLOBAL EQUITY SECTOR FUND
BPI INTERNATIONAL EQUITY SECTOR FUND
CI AMERICAN MANAGERS™ SECTOR FUND
CI AMERICAN SMALL COMPANIES SECTOR FUND
CI AMERICAN VALUE SECTOR FUND
CI CANADIAN INVESTMENT SECTOR FUND
CI EMERGING MARKETS SECTOR FUND
CI EUROPEAN SECTOR FUND
CI EXPLORER SECTOR FUND
CI GLOBAL SECTOR FUND
CI GLOBAL BIOTECHNOLOGY SECTOR FUND
CI GLOBAL CONSUMER PRODUCTS SECTOR FUND
CI GLOBAL ENERGY SECTOR FUND
CI GLOBAL FINANCIAL SERVICES SECTOR FUND
CI GLOBAL HEALTH SCIENCES SECTOR FUND
CI GLOBAL MANAGERS® SECTOR FUND
CI GLOBAL SMALL COMPANIES SECTOR FUND
CI GLOBAL SCIENCE & TECHNOLOGY SECTOR FUND
CI GLOBAL VALUE SECTOR FUND
CI INTERNATIONAL SECTOR FUND
CI INTERNATIONAL VALUE SECTOR FUND
CI JAPANESE SECTOR FUND
CI PACIFIC SECTOR FUND
CI VALUE TRUST SECTOR FUND
HARBOUR SECTOR FUND
HARBOUR FOREIGN EQUITY SECTOR FUND
SIGNATURE CANADIAN RESOURCE SECTOR FUND
SIGNATURE SELECT CANADIAN SECTOR FUND
SYNERGY AMERICAN SECTOR FUND
SYNERGY CANADIAN SECTOR FUND
SYNERGY GLOBAL SECTOR FUND
SYNERGY GLOBAL STYLE MANAGEMENT SECTOR
FUND
CI GLOBAL BOOMERNOMICS® SECTOR FUND
CI INTERNATIONAL BALANCED SECTOR FUND

HARBOUR FOREIGN GROWTH & INCOME SECTOR FUND
CI CANADIAN BOND SECTOR FUND
CI SHORT-TERM SECTOR FUND
CI SHORT-TERM US\$ SECTOR FUND
CI GLOBAL BOND SECTOR FUND
SIGNATURE CORPORATE BOND SECTOR FUND
SIGNATURE DIVIDEND SECTOR FUND
SIGNATURE HIGH INCOME SECTOR FUND
SIGNATURE INCOME & GROWTH SECTOR FUND
SIGNATURE CANADIAN SMALL CAP CLASS
SYNERGY CANADIAN CLASS
SYNERGY CANADIAN SHORT-TERM INCOME CLASS
SYNERGY CANADIAN STYLE MANAGEMENT CLASS
SYNERGY CANADIAN VALUE CLASS
CLARICA PREMIER MORTGAGE FUND
CLARICA PREMIER BOND FUND
CLARICA SUMMIT GROWTH AND INCOME FUND
CLARICA CANADIAN EQUITY FUND
CLARICA CANADIAN BLUE CHIP FUND
CLARICA CANADIAN DIVERSIFIED FUND
CLARICA SUMMIT CANADIAN EQUITY FUND
CLARICA SUMMIT DIVIDEND GROWTH FUND
CLARICA SUMMIT FOREIGN EQUITY FUND
CLARICA PREMIER INTERNATIONAL FUND
CLARICA ALPINE GROWTH EQUITY FUND
CLARICA CANADIAN SMALL/MID CAP FUND
CLARICA US SMALL CAP FUND
(the "Current CI Funds")
ASSANTE CANADIAN FIXED INCOME POOL
ASSANTE GLOBAL FIXED INCOME POOL
ASSANTE RSP GLOBAL FIXED INCOME POOL
ASSANTE CANADIAN EQUITY VALUE POOL
ASSANTE CANADIAN EQUITY DIVERSIFIED POOL
ASSANTE CANADIAN EQUITY GROWTH POOL
ASSANTE CANADIAN EQUITY SMALL CAP POOL
ASSANTE US EQUITY VALUE POOL
ASSANTE US EQUITY DIVERSIFIED POOL
ASSANTE RSP US EQUITY DIVERSIFIED POOL
ASSANTE US EQUITY GROWTH POOL
ASSANTE INTERNATIONAL EQUITY VALUE POOL
ASSANTE INTERNATIONAL EQUITY DIVERSIFIED POOL
ASSANTE RSP INTERNATIONAL EQUITY DIVERSIFIED POOL
ASSANTE INTERNATIONAL EQUITY GROWTH POOL
ASSANTE REAL ESTATE INVESTMENT POOL
(the "Current Assante Funds" and, together with the Current CI Funds, the "Current Funds")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Managers in respect of the Current Funds together with such other mutual funds of which the Managers hereafter become manager (individually a "Fund" and collectively the "Funds"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

- (a) the provision prohibiting a mutual fund from knowingly making or holding an investment in any person or company who is a substantial security holder of the mutual fund, its management company or distribution company; and
- (b) the provision prohibiting the portfolio manager from causing any investment portfolio managed by it to invest in any issuer in which a "responsible person" is an officer or director;

shall not apply to investments made by the Funds in securities (the "CIX Securities") of CI Fund Management Inc. ("CIX") (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

Interpretation

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

Representations

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

1. CI Mutual Funds Inc. is a corporation subsisting under the laws of Ontario and is the manager of each Current CI Fund. The registered office of CI Mutual Funds Inc. is located in Toronto, Ontario.
2. Assante Asset Management Ltd. is a corporation subsisting under the laws of Manitoba and is the manager of each Current Assante Fund. The registered office of Assante Asset Management Ltd. is located in Winnipeg, Manitoba.
3. Each Fund is or will be a mutual fund subject to the requirements of National Instrument 81-102 and is or will be a reporting issuer under the Legislation. None of the Current Funds are in default under the Legislation.
4. Each Manager is a wholly-owned subsidiary of CIX. CIX is a corporation incorporated under the laws of Ontario. CIX is a reporting issuer under the securities legislation in all the provinces of Canada and the CIX Securities are listed and posted for trading on the Toronto Stock Exchange.
5. CIX is a "substantial security holder" of each Manager because it owns, directly or indirectly, all of the outstanding shares of each Manager. The Legislation prohibits a mutual fund from knowingly

making an investment in a company which is a substantial security holder of the mutual fund, its management company or distribution company (a "Related Company").

6. The definition of "responsible person" in the Legislation includes every partner, director or officer of each Manager who participates in the formulation of, or has access prior to the implementation of, investment decisions made on behalf of a client. The Legislation prohibits a portfolio manager from causing any investment portfolio managed by it to invest in any issuer in which a responsible person is an officer or director. Certain directors and/or senior officers of the Managers also are directors and/or senior officers of CIX. While these individuals do not assist in formulating, nor have any influence over, investment decisions made for the Funds, these individuals may be considered to have access to investment decisions prior to their implementation.
7. Each Manager believes that it would be in the best interests of investors of the Funds to be permitted to invest in CIX Securities, in keeping with the investment objectives of the Funds, up to the limit allowed by applicable Legislation.
8. Each Manager has established an independent review committee (the "IRC"), comprised entirely of individuals who are wholly independent of the Manager and CIX, to oversee the holdings, purchases or sales of CIX Securities for the Funds.
9. The IRC shall review the holdings, purchases or sales of CIX Securities to ensure that they have been made free from any influence by CIX and without taking into account any consideration relevant to CIX.
10. The IRC will take into consideration the best interests of securityholders of the Funds and no other factors.
11. For greater certainty, a member of the IRC will be considered to have met his or her responsibility to act in the best interests of a Fund if the member makes his or her recommendations with a view to what is fair and reasonable for the Fund's unitholders without regard to the interests of the Manager of the Fund or any entity related to the Manager.
12. Compensation to be paid to members of the IRC will be paid by the Funds. Members of the IRC currently are paid a fixed amount per annum in consideration for the services they provide as members of the IRC and as members of the board of governors or as independent directors of the Funds and other mutual funds managed by the Managers or their affiliates. Such compensation generally is allocated to such mutual funds *pro*

rata based upon the relative net asset values of all such mutual funds.

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 this decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

1. Each Manager has appointed an IRC to review the Funds' purchases, sales and continued holdings of CIX Securities.
2. The IRC has at least three members, each of whom is independent. A member of the IRC is not independent if the member has a direct or indirect material relationship with the Managers, the Funds, or an entity related to the Managers. A material relationship is any relationship that a reasonable person would consider might interfere with the exercise of the member's independent judgement regarding conflicts of interest facing the Managers.
3. The IRC has a written mandate describing its duties and standard of care which, as a minimum, sets out the conditions of this Decision.
4. The members of the IRC exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Funds and, in doing so, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
5. None of the Funds relieves the members of the IRC from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph 4 above.
6. None of the Funds indemnifies the members of the IRC against legal fees, judgments and amounts paid in settlement as a result of a breach of the standard of care set out in paragraph 4 above.
7. None of the Funds incurs the cost of any portion of liability insurance that insures a member of the IRC for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph 4 above.
8. The cost of any indemnification or insurance coverage paid for by the Managers, any portfolio advisor of the Funds, or any associate or affiliate of the Managers or the portfolio advisors of the Funds to indemnify or insure the members of the IRC in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph

Decisions, Orders and Rulings

- 4 above is not paid either directly or indirectly by the Funds.
9. Prior to effecting a purchase under this Decision, the Managers have in place written policies and procedures to ensure that there is compliance with the conditions of this Decision.
10. The IRC reviews the Funds' purchases, sales and continued holdings of CIX Securities on a regular basis, but not less frequently than once every calendar quarter.
11. The IRC forms the opinion, after reasonable inquiry, that the decisions made on behalf of each Fund by a Manager or the Fund's portfolio advisor to purchase, sell or continue to hold CIX Securities were and continue to be in the best interests of the Fund without regard to the interests of the Managers or any entity related to the Managers, and:
- (i) represent the business judgment of the Managers or the Fund's portfolio advisor, uninfluenced by considerations other than the best interests of the Fund;
 - (ii) have been made free from any influence by CIX and without taking into account any consideration relevant to CIX; and
 - (iii) do not exceed the limitations of the applicable legislation.
12. The determination made by the IRC under paragraph 11 above is included in detailed written minutes provided to the Managers not less frequently than every calendar quarter.
13. In respect of the relevant Fund, within 30 days after the end of each month in which the Managers or the portfolio adviser to the Funds purchases or sells CIX Securities on behalf of one or more Funds, the Managers will file on SEDAR
- (a) reports disclosing:
 - (i) the name of each Fund that purchased or sold CIX Securities during the month;
 - (ii) the date of each purchase;
 - (iii) the volume weighted average price paid or received for the CIX Securities by each Fund; and
 - (iv) whether a purchase, sale or equity position was determined by the IRC to not comply with paragraph 11 above and, if so, why the purchase, sale or equity position was completed,
- continued or not liquidated notwithstanding the IRC's determination. Such report will be filed for each Fund and the report will show the trades of all Funds;
- (b) a certificate of the Managers or the Funds' portfolio advisers certifying that:
 - (i) the trades represented the business judgment of the Managers or the portfolio advisor of the Fund uninfluenced by considerations other than the best interests of the Fund and were, in fact, in the best interests of the Fund;
 - (ii) the trades were made free from any influence by CIX or any affiliate or associate thereof, other than the Managers, and without taking any consideration relevant to CIX or any associate or affiliate thereof; and
 - (iii) the trades were not part of a series of transactions aiming to support or otherwise influence the price of the CIX Securities or related to another form of misconduct; and
 - (c) a certificate by each IRC member certifying that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in paragraph 9 above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of each Fund by the Managers or its portfolio adviser to purchase CIX Securities and the purchase by the Fund:
 - (i) was made in compliance with the conditions of this Decision;
 - (ii) represented the business judgment of the Managers or the Fund's portfolio advisers uninfluenced by considerations other than the best interests of the Fund; and
 - (iii) was, in fact, in the best interests of the Fund.
14. The IRC advises the Decision Makers in writing of:
- (i) any determination by it at any time that the condition set out in paragraph 11 has not been satisfied with respect to any

purchase, sale or holding of CIX Securities;

- (ii) any determination by it at any time that any other condition of this Decision has not been satisfied;
- (iii) any action it has taken or proposes to take following the determinations referred to above; and
- (iv) any action taken, or proposed to be taken, by the Managers or a portfolio advisor of the Funds in response to the determinations referred to above.

15. The existence, purpose, duties and obligations of the IRC, the names of its members, whether and how they are compensated by the Funds, and the fact that they meet the requirements of the condition set out in paragraph 2 are disclosed:

- (i) in a press release issued, and a material change report filed, prior to reliance on this decision;
- (ii) in item 12 of Part A of the simplified prospectus of the Funds; and
- (iii) on the Manager's internet website.

16. This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with mutual fund governance in a manner that conflicts with or makes inapplicable any provision of this Decision.

"Robert L. Shirriff"

"Susan Wolburgh Jenah"

2.1.7 Daylight Energy Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from certain continuous disclosure requirements for an issuer of exchangeable securities. Exchangeable securities are exchangeable into trust units of a trust that owns all of the common shares of the issuer.

Applicable Instruments

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

National Instrument 51-102 Continuous Disclosure Obligations

Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings

Citation: Daylight Energy Ltd., 2005 ABASC 267

April 7, 2005

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

AND

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

AND

**IN THE MATTER OF
DAYLIGHT ENERGY LTD. (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:

1.1 except in Québec, the Filer be exempted from Part 2 (Annual Filing Requirements) and Part 3 (Responsibilities of Reporting Issuers and Directors) of National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (NI 51-101)(the NI 51-101 Relief),

1.2 the Filer be exempted from National Instrument 51-102 Continuous Disclosure Obligations (NI 51-102) and from any comparable continuous disclosure requirements under the Legislation that has

- not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 (the Comparable Continuous Disclosure Requirements) and in Québec that order 2004-PDG-0020 dated March 26, 2004 (the Québec Order) be revised to provide the same result (collectively, the Continuous Disclosure Relief), and
- 1.3 except in British Columbia and Québec, the Filer be exempted from Multilateral Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings (MI 52-109)(the MI 52-109 Relief).
2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS):
- 2.1 the Alberta Securities Commission is the principal regulator for this application, and
- 2.2 this MRRS decision document evidences the decision of each Decision Maker.
- Interpretation**
3. Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision.
- Representations**
4. The decision is based on the following facts represented by the Filer:
- 4.1 The Filer was amalgamated pursuant to the Business Corporations Act (Alberta) (the ABCA) on November 30, 2004 and came into existence as a result of a plan of arrangement pursuant to which, among other things, Daylight Acquisition Corp., Midnight Oil & Gas Ltd. (Midnight), Midnight Energy Inc., Midnight Resources Corporation, Vintage Petroleum Canada, Inc. and Vintage Petroleum NWT Ltd. amalgamated (the Arrangement).
- 4.2 The head office and registered office of the Filer are each located in Calgary, Alberta.
- 4.3 The Filer is a reporting issuer in each of the Jurisdictions.
- 4.4 The Filer has filed all of the information that it has been required to file as a reporting issuer in the Jurisdictions and is not in default of the Legislation.
- 4.5 The authorized share capital of the Filer includes an unlimited number of common shares (Common Shares) and an unlimited number of exchangeable shares (the Exchangeable Shares).
- 4.6 As at January 31, 2005, the Filer had the following securities issued and outstanding:
- 4.6.1 100 Common Shares, all of which were owned by Daylight Energy Trust (the Trust),
- 4.6.2 2,330,282 Exchangeable Shares, and
- 4.6.3 debt securities issued to the Trust.
- 4.7 No securities of the Filer, including the Common Shares and Exchangeable Shares, are listed or quoted on any exchange or marketplace.
- 4.8 The Trust was established pursuant to a trust indenture dated October 1, 2004 under the laws of Alberta.
- 4.9 The Trust is, for the purposes of the Income Tax Act (Canada), an unincorporated, open-end mutual fund trust.
- 4.10 The head office of the Trust is located in Calgary, Alberta.
- 4.11 The authorized capital of the Trust consists of an unlimited number of trust units (Trust Units), \$80,000,000 principal amount of series A 8.5% convertible unsecured subordinated debentures, each in the principal amount of \$1,000 (the Convertible Debentures) and an unlimited number of special voting units.
- 4.12 As at January 31, 2005, the Trust had the following securities issued and outstanding:
- 4.12.1 40,996,451 Trust Units,
- 4.12.2 \$80,000,000 principal amount of Convertible Debentures, and
- 4.12.3 one (1) special voting unit.
- 4.13 The unitholders of the Trust are the sole beneficiaries of the Trust. Valiant Trust Company (the Trustee) is the initial trustee of the Trust. The Filer is the administrator of the Trust.

- 4.14 The Trust Units and the Convertible Debentures are listed and posted for trading on the Toronto Stock Exchange.
- 4.15 The Trust is a reporting issuer in each of the Jurisdictions.
- 4.16 Further to a letter dated March 8, 2005 addressed to the Decision Makers, the Trust has adopted the renewal annual information form of Midnight dated April 20, 2004 as its own.
- 4.17 Daylight ExchangeCo Ltd. (ExchangeCo) was incorporated pursuant to the ABCA on September 10, 2004.
- 4.18 The head office and registered office of ExchangeCo are each located in Calgary, Alberta.
- 4.19 ExchangeCo was incorporated for the sole purpose of participating in the Arrangement.
- 4.20 ExchangeCo is authorized to issue an unlimited number of common shares (the ExchangeCo Common Shares).
- 4.21 All of the issued and outstanding ExchangeCo Common Shares are owned by the Trust.
- 4.22 ExchangeCo is not a reporting issuer in any of the Jurisdictions.
- 4.23 No securities of ExchangeCo, including the ExchangeCo Common Shares, are listed or quoted on any exchange or marketplace.
- 4.24 The Exchangeable Shares are exchangeable for Trust Units and, to the extent possible, are the economic equivalent of the Trust Units.
- 4.25 The Exchangeable Shares have voting attributes equivalent to those of the Trust Units.
- 4.26 Holders of Exchangeable Shares will receive all disclosure materials that the Trust is required to send to holders of Trust Units under the Legislation.
- 4.27 The exchange rights attaching to the Exchangeable Shares are governed by a voting and exchange trust agreement among the Trust, the Filer, ExchangeCo and the Trustee that provides the Trustee the right to require the Trust or ExchangeCo to exchange the Exchangeable Shares and which will trigger

automatically the exchange of the Exchangeable Shares for Trust Units upon the occurrence of certain specified events.

- 4.28 The Exchangeable Shares are also subject to a support agreement among the Trust, the Filer and ExchangeCo, pursuant to which the Trust and ExchangeCo will take certain actions and make certain payments and will deliver or cause to be delivered Trust Units in satisfaction of the obligations of the Filer.

Decision

- 5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.
- 6. The decision of the Decision Makers under the Legislation is that:
 - 6.1 The Continuous Disclosure Relief is granted for so long as:
 - 6.1.1 the Trust is a reporting issuer in at least one of the jurisdictions listed in Appendix B of Multilateral Instrument 45-102 Resale of Securities and is an electronic filer under National Instrument 13-101 System for Electronic Data Analysis and Retrieval (SEDAR),
 - 6.1.2 the Trust sends concurrently to all holders of Exchangeable Shares resident in the Jurisdictions all disclosure material furnished to holders of Trust Units pursuant to the requirements of NI 51-102, the Comparable Continuous Disclosure Requirements and the Québec Order (collectively, the Continuous Disclosure Requirements),
 - 6.1.3 the Trust files with each Decision Maker copies of all documents required to be filed by it pursuant to the Continuous Disclosure Requirements and MI 52-109 (collectively, the Trust Documents),
 - 6.1.4 concurrently with the filing of the Trust Documents, the Trust files in electronic format under the SEDAR profile of the Filer either,

- 6.1.4.1 the Trust Documents, or
- 6.1.4.2 a notice that indicates
 - 6.1.4.2.1 that the Filer has been granted an exemption from the Continuous Disclosure Requirements and the requirements of MI 52-109,
 - 6.1.4.2.2 that the Trust has filed the Trust Documents, and
 - 6.1.4.2.3 where a copy of the Trust Documents can be found for viewing on SEDAR by electronic means,
- 6.1.5 the Trust is in compliance with the requirements in the Legislation and of any marketplace on which the securities of the Trust are listed or quoted in respect of making public disclosure of material information on a timely basis, and immediately issues and files any news release that discloses a material change in its affairs,
- 6.1.6 the Filer issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of the Filer that are not also material changes in the affairs of the Trust,
- 6.1.7 the Trust includes in all mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement that explains the reason the mailed material relates solely to the Trust, indicates that the Exchangeable Shares are the economic equivalent to the Trust Units, and describes the voting rights associated with the Exchangeable Shares,
- 6.1.8 the Trust remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Filer, and
- 6.1.9 the Filer does not issue any securities, other than Exchangeable Shares, securities issued to the Trust or its affiliates or debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.
- 6.2 The NI 51-101 Relief is granted for so long as:
 - 6.2.1 the Trust files with each Decision Maker copies of all documents required to be filed by it pursuant to NI 51-101,
 - 6.2.2 the Filer is exempt from or otherwise not subject to the Continuous Disclosure Requirements,
 - 6.2.3 if disclosure to which NI 51-101 applies is made by the Filer separately from the Trust:
 - 6.2.3.1 that disclosure includes a statement to the effect that the Filer is relying on an exemption from the requirement to file information annually under NI 51-101 separately from the Trust, and
 - 6.2.3.2 the Filer disseminates a news release announcing the filing by the Filer of the disclosure, and indicating where a copy of the filed disclosure can be found for viewing on SEDAR by electronic means, and
 - 6.2.4 if the Trust files a material change report to which section 6.1 of NI 51-101 applies, the Filer files the same material change report.
- 6.3 The MI 52-109 Relief is granted for so long as:
 - 6.3.1 the Filer is not required to, and does not, file its own interim filings and annual filings (as those terms are defined under MI 52-109), and

6.3.2 the Filer is exempt from or otherwise not subject to the Continuous Disclosure Requirements.

“Stephen R. Murison”
Vice-Chair
Alberta Securities Commission

“Karl M. Ewoniak”
CA, Member
Alberta Securities Commission

2.1.8 Economical Mutual Insurance Company and TEIG Investment Partnership - s. 147 and s. 6.1 of OSC Rule 13-502

Headnote

Item F(1) of Appendix C of OSC Rule 13-502 Fees - exemption for 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 F(3) of Appendix C of the Rule.

Rules Cited

Ontario Securities Commission Rule 13-502, Fees, (2003) 26 OSCB 4339 and 27 OSCB 7747.
Securities Act, R.S.O. 1990, c. S.5 as am., ss. 77(2) and 78(1).
National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR), s. 2.1(1)1.

May 3, 2005

Miller Thomson LLP
20 Queen Street West, Suite 2500
Toronto, ON M5H 3S1

Attention: Ms. Barbara R.C. Doherty

Dear Sirs and Mesdames:

Re: Economical Mutual Insurance Company (“Economical”) TEIG Investment Partnership (the “Partnership”)-

Application under Section 147 of the Securities Act (Ontario) and Section 6.1 of OSC Rule 13-502 - Fees (the “Rule” or “Rule 13-502”)

Application # 279/05

By letter dated April 21, 2005 (the “Application”), you applied on behalf of Economical and the Partnership to the Ontario Securities Commission (the “Commission”) under subsection 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.

By same date and cover, you additionally applied to the securities regulatory authority in Ontario (the “Decision Maker”) on behalf of the Partnership 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.

Item F of Appendix C of Rule 13-502 specifies the activity fee applicable for applications for discretionary relief. Item F(1) specifies that applications under subsection 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. The Partnership was created on October 1, 2004 among Economical and its wholly-owned subsidiaries, being Federation Insurance Company of Canada.
2. The Missisquoi Insurance Company, the Waterloo Insurance Company and Perth Insurance Company (collectively, the "Subsidiaries").
3. The sole purpose of the Partnership was to create a fund to pool the investment portfolio held by Economical and its Subsidiaries (collectively, the "Partners") through capital contributions made to the Partnership and to utilize those capital contributions to invest in securities and other financial instruments.
4. None of Economical or its Subsidiaries are reporting issuers under the Act.
5. The Partnership is a fund created under the laws of the Province of Ontario.
6. The Partnership fits within the definition of "mutual fund in Ontario" in section 1(1) of the Act and is therefore required to file interim and comparative annual financial statements with the Commission under subsections 77(2) and 78(1) of the Act.
7. Partners of the Partnership receive annual and semi-annual financial statements. The Partnership's annual financial statements are audited by Ernst & Young LLP or such other firm whose partners are members in good standing of the Canadian Institute of Chartered Accountants and which is appointed from time to time as auditor of the Partnership in accordance with its constating documents.
8. Section 2.1(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 filed with the Commission thus become publicly available.
9. In the Application, the Partnership has requested under subsection 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.

10. If the Partnership was a reporting issuer seeking the same relief as requested in this application, such relief could be sought under section 80 of the Act, rather than under subsection 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 the Rule. The Application should be treated as an application for other regulatory relief under item F(3) of Appendix C to the Rule.

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 Economical and the Partnership from:

- i) paying an activity fee of \$5,500 in connection with the Application, provided that Economical and the Partnership 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 request in the Application under item F(3) of Appendix C to Rule 13-502.

Yours truly,

"Leslie Byberg"
Manager, Investment Funds Branch

2.1.9 CFM Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer deemed to have ceased being a reporting issuer.

Applicable Ontario Statutory Provisions

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

May 6, 2005

Davies Ward Phillips & Vineberg LLP

44th Floor, 1 First Canadian Place
Toronto, ON M5X 1B1

Attention: Brendan Cahill

Dear Mr. Cahill:

Re: CFM Corporation (the Applicant) – application to cease to be a reporting issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick 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,

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

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

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

“Charlie MacCready”
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.10 Real Estate Asset Liquidity Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Application by issuer of commercial mortgage pass-through certificates for relief from the requirement to prepare, file and deliver interim and annual financial statements of the issuer. The pass-through certificates evidence undivided co-ownership interests in a pool of mortgage loans acquired by the issuer and, accordingly, do not represent debt obligations of the issuer. The assets are held by a custodian and the recourse of the certificate holders is limited to the custodial property. Certificate holders will only have recourse to the custodial property (and any proceeds thereof) and will not have any recourse to the issuer. Relief granted subject to conditions, including the requirement to prepare, file and deliver monthly distribution date statements and quarterly and annual reports regarding the performance of the pool of mortgage loans.

Ontario Rules

National Instrument 51-102 – Continuous Disclosure Obligations, Part 4 and section 13.1.

May 2, 2005

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

AND

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

AND

**IN THE MATTER OF
REAL ESTATE ASSET LIQUIDITY TRUST**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the “Jurisdictions”) has received an application from Real Estate Asset Liquidity Trust (the “Issuer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) for an exemption from the provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements (the “Continuous

Disclosure Requirements”) of the Issuer (the “Requested Relief”).

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

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

Interpretation

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

Representations

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

1. The Issuer was created pursuant to a declaration of trust dated September 13, 2004, as amended by an amended and restated declaration of trust dated as of October 7, 2004 (the “Declaration of Trust”), under the laws of the Province of Ontario.
2. The issuer trustee of the Issuer is Montreal Trust Company of Canada (the “Issuer Trustee”), a trust company incorporated under the *Trust and Loan Companies Act* (Canada). The head office of the Issuer Trustee is located in Toronto, Ontario.
3. Royal Bank of Canada (“RBC”) is the administrative agent of the Issuer pursuant to an administration agreement between RBC and the Issuer Trustee dated as of September 13, 2004.
4. The Issuer filed an initial annual information form on September 13, 2004.
5. The financial year end of the Issuer is December 31.
6. The Issuer is a “reporting issuer”, or the equivalent, in each Jurisdiction. The Issuer became a reporting issuer, or the equivalent, in each Jurisdiction on October 20, 2004, the date the Issuer received a MRRS decision document in respect of its short form prospectus dated October 20, 2004 (the “Series 2004-1 Prospectus”).
7. The Declaration of Trust restricts the activities of the Issuer to the acquisition of various categories of commercial and multifamily residential mortgages, hypothecs or other charges on real or immovable property situated in Canada and originated by parties other than the Issuer (the “Custodial Property”). The Issuer funds the acquisition of the Custodial Property by issuing mortgage pass-through certificates that evidence

- an undivided co-ownership interest in the Custodial Property (the "Certificates"). The Custodial Property is deposited with a custodian and the recourse of Certificate holders is limited to the Custodial Property and any proceeds thereof.
8. The Issuer was created solely to act as a vehicle for carrying out activities related to issuing asset-backed securities in respect of Custodial Property acquired by the Issuer.
 9. The Issuer has issued (i) \$381,434,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-1, designated as Classes A-1, A-2, B, C, D-1 and E-1, each with an Approved Rating by an Approved Rating Organization (as such terms are defined in National Instrument 44-101 – *Short Form Prospectus Distributions*), pursuant to the Series 2004-1 Prospectus, (ii) \$19,091,747 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-1, designated as Classes D-2, E-2, F, G, H, J, K, L, M and X, on a private placement basis in Canada, (iii) \$333,206,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2005-1, designated as Classes A-1, A-2, XP-1, XC-1, B, C, D-1 and E-1, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated April 5, 2005 (the "Series 2005-1 Prospectus"), and (iv) \$14,332,868 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2005-1, designated as Classes XP-2, XC-2, D-2, E-2, F, G, H, J, K, L and M, on a private placement basis in Canada (collectively, the "Issued Certificates").
 10. The Issuer is currently a venture issuer (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102")).
 11. Pending this Decision, the Issuer has complied with the alternative disclosure described in paragraph 19 hereof and, pursuant to Sections 4.7 and 5.1 of NI 51-102, the Issuer has not filed any interim financial statements or interim management's discussion and analysis since the Issuer became a reporting issuer, or the equivalent, in each Jurisdiction after its interim period ended September 30, 2004 and financial statements for the Issuer were not included in the Prospectus.
 12. As a special purpose vehicle, the Issuer will not carry on any activities other than activities related to issuing asset-backed securities in respect of Custodial Property acquired by the Issuer.
 13. The Issued Certificates sold pursuant to the Series 2004-1 Prospectus and the Series 2005-1 Prospectus have been, and the Certificates to be sold in the future pursuant to a short form prospectus will be, sold on the basis of an Approved Rating by an Approved Rating Organization which will from time to time independently review such rating based on the performance of the Custodial Property.
 14. The Issuer currently has, and will continue to have, no material assets or liabilities other than its rights and obligations arising from acquiring Custodial Property and issuing asset-backed securities. Certificate holders will only have recourse to the Custodial Property and will not have any recourse to the Issuer.
 15. The information that is to be disclosed in the interim and annual financial statements of the Issuer is not relevant to the holders of Certificates because, as noted in paragraph 14, such holders only have entitlements in and recourse to the Custodial Property and do not have any entitlements in or recourse to the Issuer.
 16. For the offering of the Issued Certificates, the Issuer entered into, and for each future offering of Certificates, the Issuer will enter into, a pooling and servicing agreement (the "Pooling and Servicing Agreement") with a reporting agent (the "Reporting Agent"), a Canadian trust company, as custodian on behalf of the Certificate holders (the "Custodian"), and one or more servicers (each, a "Servicer"), among others, providing for, among other things, the issuance of Certificates and governing the rights of Certificate holders.
 17. The Pooling and Servicing Agreement in respect of the Issued Certificates provides, and the Pooling and Servicing Agreement in respect of future series of Certificates will provide, for the fulfillment of certain administrative functions relating to such Certificates, such as maintaining a register of Certificate holders and the preparation by the Servicer and the Reporting Agent of periodic reports (the "Reports") to Certificate holders containing financial and other information in respect of the Custodial Property.
 18. There will be no annual meetings of Certificate holders since the Pooling and Servicing Agreement with respect to the Issued Certificates provides, and the Pooling and Servicing Agreement with respect to future series of Certificates will provide, that only the holders of a certain percentage of Certificates of each series of the Issuer have the right to direct a Servicer or the Custodian to take certain actions under the Pooling and Servicing Agreement with respect to such series of Certificates.
 19. The Reporting Agent provides, and will continue to provide, on a website to be identified in the relevant short form prospectus of the Issuer, the financial and other information prescribed therein to be made available to Certificate holders on a monthly basis, such information to include

- information relating to distributions made in that month, Certificate balances, administration and other fees, and certain aspects of the performance and composition of the Custodial Property, and the Issuer has contemporaneously filed, and will continue to contemporaneously file or cause to be reasonably contemporaneously filed, the monthly reports commonly known as distribution date statements or their equivalent (the "Distribution Date Statements") on the System for Electronic Document Analysis and Retrieval ("SEDAR").
20. Notwithstanding paragraph 19 hereof, the Issuer may amend the contents of the financial and other information posted on the Reporting Agent's website and filed on SEDAR to prevent the disclosure of the name or address of a mortgaged property or any obligor pursuant to the *Personal Information Protection and Electronic Documents Act* (Canada), confidentiality agreements or other obligations of confidentiality binding on the Issuer and certain information on the Reporting Agent's website will only be available on a restricted access basis. No material information will be disclosed on the Reporting Agent's website unless it is also filed contemporaneously via SEDAR with the Decision Makers for posting on www.sedar.com.
21. On not less than an annual basis, the Issuer will request intermediaries to deliver a notice to Certificate holders pursuant to the procedures stipulated by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* or any successor instrument thereto, advising Certificate holders that the monthly information prescribed in paragraph 19 hereof, the quarterly information prescribed in paragraph 22 hereof and the annual information prescribed in paragraph 23 hereof is available on SEDAR and on a website, providing the website address and advising that Certificate holders may request that paper copies of such reports be provided to them by ordinary mail.
22. Within 60 days of the end of each interim period of the Issuer (or within 45 days of the end of an interim period if the Issuer is not a venture issuer at the end of such interim period), the Reporting Agent or the Issuer or its duly appointed representative or agent will post on the applicable website and file on SEDAR, and mail to Certificate holders who so request, interim management discussion and analysis for that interim period with respect to the Custodial Property pools acquired with the proceeds of the Certificates and a quarterly report which shall include the amount of distributions of principal and interest on the Certificates, administration and other fees, and other information on the Certificates for the interim period.
23. Within 120 days of the end of each financial year of the Issuer (or within 90 days of the end of a financial year of the Issuer if the Issuer is not a venture issuer at the end of such financial year), the Reporting Agent or the Issuer or its duly appointed representative or agent will post on the applicable website and file on SEDAR, and mail to Certificate holders who so request:
- (a) annual management discussion and analysis for that financial year with respect to the Custodial Property pools acquired with the proceeds of the Certificates and an annual report which shall include the amount of distributions of principal and interest on the Certificates, administration and other fees, and other information on the Certificates for the financial year;
 - (b) an annual statement of compliance (the "Certificate of Compliance") signed by a senior officer of each applicable Servicer or other party acting in a similar capacity for the applicable Custodial Property pool certifying that the Servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the applicable Pooling and Servicing Agreement during the year, or, if there has been a material default, specifying each such default and the nature and status thereof; and
 - (c) an annual accountants' report (the "Accountants' Report") prepared by a firm of independent public or chartered accountants respecting compliance by each Servicer or such other party acting in a similar capacity with the Uniform Single Attestation Program for Mortgage Bankers, or such other servicing standard acceptable to the Decision Makers, during the year.
24. The Issuer will issue news releases and file material change reports in accordance with the requirements of the Legislation in respect of material changes in the status (including as a result of defaults in payments due to Certificate holders) of the Custodial Property pool underlying the Certificates which may reasonably be considered to be material to Certificate holders.
25. Other than in Ontario, fees payable in connection with the filing of annual financial statements will be paid at the time that, and in respect of, the annual financial information specified in paragraph 23 hereof is required to be filed.
26. In Ontario, the fees payable by the Issuer pursuant to the Ontario Securities Commission Rule 13-502 – *Fees* or as otherwise determined

by the Decision Maker in Ontario, will be paid no later than the date on which the annual financial information specified in paragraph 23 hereof is required to be filed.

27. The provision of information to Certificate holders on a monthly, quarterly and annual basis as described in paragraphs 19, 22 and 23 hereof, as well as the annual notices to be given by the Issuer as to the availability of such information given pursuant to the terms of paragraph 21 hereof will meet the objectives of allowing the Certificate holders to monitor and make informed decisions about their investment.
28. The Certificate of Compliance and the Accountants' Report will provide assurance to Certificate holders in respect of the accuracy of the Reports since the Issuer does not participate in the preparation of the Reports other than reviewing the Reports and informing the Reporting Agent of any errors that they are aware of therein.
29. Certificate holders will obtain adequate and relevant financial information regarding the Certificates from the information described in paragraphs 19, 22 and 23 hereof.

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 in the Jurisdictions under the Legislation is that the Requested Relief is granted provided that:

- (a) the Issuer has not issued any securities, other than Certificates;
- (b) the Issuer complies with paragraphs 12, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 hereof;
- (c) the Issuer complies with all requirements of NI 51-102 other than the requirements concerning the preparation, filing and delivery of interim and annual financial statements; and
- (d) this decision shall terminate sixty days after the occurrence of a material change in any of the representations of the Issuer contained in paragraphs 6, 7, 12, 14, 15, 17 and 19 hereof, unless the Issuer satisfies the Decision Makers that the exemption should continue.

"Erez Blumberger"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.11 Altagas Services Inc. and Altagas Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - issuer entered into plan of arrangement to reorganize its business into an income trust - issuer deemed to have ceased to be a reporting issuer.

Applicable Ontario Statutory Provisions

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

May 26, 2004

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

AND

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

AND

**IN THE MATTER OF
ALTAGAS SERVICES INC. and ALTAGAS LTD.**

MRRS DECISION DOCUMENT

1. **WHEREAS** the local securities regulatory authority or regulator (the "Decision Makers"), in each of Alberta, British Columbia, Saskatchewan, Manitoba, New Brunswick, Prince Edward Island, Ontario, Nova Scotia, Newfoundland and Labrador and Quebec (collectively, the "Jurisdictions") has received an application from AltaGas Services Inc. ("AltaGas") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that a corporation resulting from the amalgamation of AltaGas, AltaGas Subsidiary Corporation and certain of AltaGas' subsidiaries, known as AltaGas Ltd. ("AmalgamationCo") be deemed to cease to be reporting issuer under the Legislation;
2. **AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator for this application;
3. **AND WHEREAS**, unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 Definitions;
4. **AND WHEREAS** the Applicants have represented to the Decision Makers that:

- 4.1 AltaGas is a corporation incorporated and subsisting pursuant to the provisions of the *Canada Business Corporations Act* (the "CBCA"). AltaGas is an energy infrastructure based company that actively moves, processes and uses diversified energies to create value;
- 4.2 AltaGas' head and principal office is located at 1700, 355 – 4th Avenue S.W., Calgary, Alberta T2P 0J1;
- 4.3 AltaGas is authorized to issue an unlimited number of Common shares ("Common Shares") and an unlimited number of participating shares ("Participating Shares"). As at March 26, 2004, there were 9,000,000 Participating Shares issued and outstanding, all owned legally and beneficially by Enbridge Inc. ("Enbridge"), and 36,927,793 Common Shares issued and outstanding. In addition, as at March 26, 2004, 1,384,488 options ("Options") to acquire Common Shares were outstanding. Holders of Common Shares, holders of Participating Shares and holders of Options are referred to collectively as "Securityholders";
- 4.4 the Common Shares were, until completion of the Arrangement, listed and posted for trading on the Toronto Stock Exchange (the "TSX ") under the symbol "ALA";
- 4.5 AltaGas is, and has been since 2000, a reporting issuer (or equivalent) under the laws of all of the provinces of Canada and is not currently in default of the securities legislation in such jurisdictions;
- 4.6 AltaGas has recently reorganized its business into an income trust known as "AltaGas Income Trust" pursuant to a plan of arrangement under Section 192 of the CBCA (the "Arrangement");
- 4.7 AltaGas Income Trust (the "Trust") is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta and created pursuant to a declaration of trust dated March 26, 2004 (the "Declaration of Trust");
- 4.8 the head and principal office of the Trust is located at 1700, 355 - 4th Avenue S.W., Calgary, Alberta T2P 0J1;
- 4.9 The Trust was established for the purposes of investing in the securities of Holding Trust, AltaGas General Partner Inc. (the "General Partner"), AmalgamationCo or any associate or affiliate thereof in the business or the ownership, lease or operation of assets or property in connection with gathering, processing, transporting, extracting, buying, storing or selling petroleum, natural gas, natural gas liquids or other related products, electricity or other forms of energy and related businesses;
- 4.10 the Trust is the sole shareholder of the General Partner and the sole unitholder of Holding Trust;
- 4.11 an unlimited number of trust units ("Trust Units") may be created and issued pursuant to the Declaration of Trust. Each Trust Unit entitles the holder thereof to one vote at any meeting of holders of Trust Units ("Trust Unitholders") or in respect of any written resolution of Trust Unitholders and represents an equal undivided beneficial interest in any distribution from the Trust and in any net assets of the Trust in the event of termination or winding-up of the Trust;
- 4.12 in order to allow the Trust flexibility in pursuing corporate acquisitions, and for purposes of the Arrangement, the Declaration of Trust allows for the creation of special voting units ("Special Voting Units") which will enable the Trust to provide voting rights to holders of exchangeable securities;
- 4.13 under the terms of a voting and exchange trust agreement (the "Voting and Exchange Trust Agreement"), the Trust has issued a Special Voting Unit to a voting and exchange trustee (the "Voting and Exchange Trustee") for the benefit of every person who receives Exchangeable Securities (as defined and described below) pursuant to the Arrangement. The Voting and Exchange Trustee is obligated to vote the Special Voting Unit at meetings of Trust Unitholders pursuant to the instructions of the holders of Exchangeable Securities. However, if no instructions are provided by the holders of Exchangeable Securities, the votes associated therewith in the Special Voting Unit will be withheld from voting;
- 4.14 the Trust has become a reporting issuer (or the equivalent) in certain Canadian jurisdictions and subject to the informational reporting requirements under the securities laws of such jurisdictions as a

- result of the Arrangement described below;
- 4.15 the TSX has approved the listing of the Trust Units in substitution for the Common Shares;
- 4.16 the General Partner is a corporation incorporated pursuant to the CBCA as a direct wholly-owned subsidiary of the Trust. The General Partner is the general partner of both AltaGas LP #1 and AltaGas LP #2;
- 4.17 pursuant to the Declaration of Trust, the board of directors of the General Partner is elected by the Trust at the direction of the Trust Unitholders;
- 4.18 pursuant to a delegation agreement the General Partner is delegated certain of the Trustee's powers and duties in respect of the business and affairs of the Trust;
- 4.19 the General Partner does not intend to become a reporting issuer (or the equivalent) in any Jurisdiction;
- 4.20 AltaGas Limited Partnership No. 1 ("AltaGas LP #1") and AltaGas Limited Partnership No. 2 ("AltaGas LP #2", and, together with AltaGas LP #1, the "Partnerships") are limited partnerships created pursuant to the laws of Alberta pursuant to limited partnership agreements;
- 4.21 the Partnerships are authorized to issue Class A limited partnership units ("LP #1 A Units", in the case of AltaGas LP #1, and "LP #2 A Units", in the case of AltaGas LP #2) and Class B limited partnership units ("LP #1 B Units", in the case of AltaGas LP #1, and "LP #2 B Units", in the case of AltaGas LP #2, and collectively the "Exchangeable Securities") and an unlimited principal amount of demand promissory notes, referred to as "LP #1 X Notes", in the case of AltaGas LP #1, and "LP #2 X Notes", in the case of AltaGas LP #2;
- 4.22 AltaGas LP #1 is initially authorized to issue an unlimited number of LP #1 A Units and LP #1 B Units. Similarly, AltaGas LP #2 is initially authorized to issue an unlimited number of LP #2 A Units and LP #2 B Units. Each unit ranks equally with each other unit of the same class or series and entitles the holder thereof to the same rights and obligations as the holder of any other unit of the
- same class or series and no limited partner is entitled to any privilege, priority or preference in relation to any other limited partner holding units of the same class or series;
- 4.23 initially, AltaGas LP #1 will have only outstanding LP #1 A Units, all of which will be issued to and held by Holding Trust and which are only permitted to be issued to, and held by, Holding Trust or an affiliate thereof. A holder of LP #1 A Units will be entitled to receive, and the General Partner shall, subject to applicable law, from time to time, pay distributions on LP #1 A Units as the General Partner determines;
- 4.24 initially, AltaGas LP #2 will have only outstanding LP #2 A Units, all of which will be issued to and held by AltaGas LP #1 and are only permitted to be issued to, and held by, AltaGas LP #1 or an affiliate thereof. A holder of LP #2 A Units will be entitled to receive, and the General Partner shall, subject to applicable law, from time to time, pay distributions on each LP #2 A Unit as the General Partner determines;
- 4.25 the principal terms of the Exchangeable Securities are that they are exchangeable for Trust Units at any time at the option of the holder and entitle the holder thereof to receive non-interest bearing loans from AltaGas LP #1 or AltaGas LP #2, as the case may be, equal to cash distributions made by the Trust on a Trust Unit and to direct the Voting and Exchange Trustee to vote the Special Voting Unit at all meetings of Trust Unitholders;
- 4.26 AmalgamationCo is the resultant corporation from the amalgamation of AltaGas and certain of its subsidiaries pursuant to the Arrangement. As a result, AmalgamationCo owns, directly or indirectly, all of the assets of AltaGas;
- 4.27 the head and principal office of AmalgamationCo is located at 1700, 355 - 4th Avenue S.W., Calgary, Alberta T2P 0J1;
- 4.28 AmalgamationCo is an indirect wholly-owned subsidiary of the Trust;
- 4.29 AmalgamationCo is presently and, absent the within relief, will remain a reporting issuer (or the equivalent) in certain Canadian jurisdictions and be subject to the informational reporting

- requirements under the securities laws of such jurisdictions as a result of the Arrangement. Instead of complying with those reporting requirements (which would include filing separate financial statements for AmalgamationCo), the holders of Exchangeable Securities will be provided with the documents filed by the Trust pursuant to the informational reporting requirements to which the Trust is subject under applicable Canadian securities laws;
- 4.30 AmalgamationCo is authorized to issue an unlimited number of common shares. Upon completion of the Arrangement, AltaGas LP #2 will be the sole holder of all of the issued and outstanding common shares of AmalgamationCo;
- 4.31 the Trust indirectly owns 100% of the outstanding common shares of AmalgamationCo and AmalgamationCo does not intend to issue any of its securities to the public;
- 4.32 as a result of the Arrangement:
- 4.32.1 Securityholders (including Enbridge) now own all of the issued and outstanding Trust Units of the Trust;
- 4.32.2 Securityholders (other than Enbridge and non-eligible Securityholders) now own all of the issued and outstanding LP #1 B Units;
- 4.32.3 Enbridge owns all of the issued and outstanding LP #2 B Units; and
- 4.32.4 the Trust, through Holding Trust, AltaGas LP #1 and AltaGas LP #2 now owns all of the issued and outstanding common shares of AmalgamationCo;
- 4.33 a meeting of the Securityholders was held on April 29, 2004 at which the Securityholders considered and passed a resolution (the "Arrangement Resolution") approving the Arrangement (the "Meeting"). The Arrangement Resolution was approved by over 99% of the votes cast at the Meeting by Securityholders, voting together as a single class;
- 4.34 the information circular and proxy statement dated March 26, 2004 (the "Circular") used in connection with the Meeting contains, among other things, disclosure regarding the details of the Arrangement and each of AltaGas, Holding Trust, the General Partner, AltaGas LP #1, AltaGas LP #2 and the Trust, being the parties to the arrangement agreement setting out the terms and conditions upon which the parties implemented the Arrangement. The Circular was mailed to Securityholders in the manner required by the CBCA and applicable securities legislation;
- 4.35 pursuant to the Legislation, upon completion of the Arrangement, AmalgamationCo (as the successor to AltaGas) remained a reporting issuer (or the equivalent) under the Legislation notwithstanding that it is now a wholly-owned subsidiary of AltaGas LP #2;
- 4.36 AmalgamationCo does not intend to seek public financing by way of an offering of their securities;
- 4.37 except as disclosed herein, AmalgamationCo does not have any other securities issued and outstanding, including debt securities; and
- 4.38 AmalgamationCo is not in default of the securities legislation in the Jurisdictions.
5. **AND WHEREAS** pursuant to the System, this MRRS Decision Document evidences the decision of each Decision Maker with respect to Holding Trust and AmalgamationCo (the "Decision");
6. **AND WHEREAS** each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Makers with the jurisdiction to make the Decision has been met;
7. **THE DECISION** of the Decision Makers pursuant to the Legislation is that AmalgamationCo is deemed to have ceased to be a reporting issuer under the Legislation.

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

2.1.12 Total Energy Services Ltd. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Pursuant to a plan of arrangement, the business of an existing operating company (a reporting issuer) will be reorganized into an income trust structure and the operating company will be amalgamated with another corporation. Following completion of the arrangement, the income trust will be a new reporting issuer (as a result of its units being listed on the Toronto Stock Exchange) and the amalgamated company will be the operating entity in the income trust structure. However, the amalgamated company will also be a reporting issuer (as a successor to the original operating company). Following completion of the arrangement, the financial information of the amalgamated company will be consolidated into the annual and interim financial statements of the income trust. Amalgamated company granted relief from the continuous disclosure requirements in Parts 4, 5, 6, 7, 8 and 9 of National Instrument 51-102 - *Continuous Disclosure Obligations* and the certification requirements in Parts 2 and 3 of Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*, subject to conditions.

Ontario Rules

National Instrument 51-102 – Continuous Disclosure Obligations, Parts 4, 5, 6, 7, 8 and 9 and section 13.1.
Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings, Parts 2 and 3 and section 4.5.

Citation: Total Energy Services Ltd. et al, 2005 ABASC 360

April 28, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA (THE "PRINCIPAL JURISDICTION"), BRITISH
COLUMBIA, SASKATCHEWAN,
ONTARIO AND QUÉBEC**

AND

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

AND

**IN THE MATTER OF
TOTAL ENERGY SERVICES LTD. ("TOTAL ENERGY"),
TOTAL ENERGY SERVICES TRUST (THE "TRUST"),
TOTAL ACQUISITION CORP. ("ACQUISITIONCO") AND
TOTAL EXCHANGE CO LTD. ("EXCHANGE CO")
(COLLECTIVELY, THE "FILERS")**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (collectively, the "Decision Makers") in each of Alberta, British Columbia, Saskatchewan, Ontario and Québec (the "Jurisdictions") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") that:

1.1 in the Jurisdictions, where applicable, the requirements contained in Parts 4, 5, 6, 7, 8 and 9 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") and in Québec, by a revision of the general order that will provide the same result as an exemption order (collectively, the "Continuous Disclosure Requirements") shall not apply to the continuing corporation following the amalgamation of Total Energy and AcquisitionCo ("AmalCo") pursuant to the proposed plan of arrangement (the "Arrangement") under section 193 of the *Business Corporations Act* (Alberta) (the "ABCA") involving the Filers and the shareholders and optionholders of Total Energy; and

1.2 in the Jurisdictions other than British Columbia and Québec, the requirements contained in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("MI 52-109") shall not apply to AmalCo.

2. Under the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS"),

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

Interpretation

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

Representations

4. The decision is based on the following facts represented by the Filers:

Total Energy

4.1 Total Energy was incorporated under the ABCA under the name Anorak Capital Corp. on November 4, 1996 and

- changed its name to Total Energy pursuant to Articles of Amendment filed on December 3, 1997.
- 4.2 The head and principal office of Total Energy is located at Suite 2410, 520 – 5th Avenue S.W., Calgary, Alberta, T2P 3R7, and the registered office is located at Suite 4500, 855 – 2nd Street S.W., Calgary, Alberta, T2P 4K7.
- 4.3 Total Energy is engaged in the business of providing drilling and production services to the western Canadian oil and gas industry.
- 4.4 The authorized share capital of Total Energy consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares, issuable in series. As of March 28, 2005, there were 27,514,745 Common Shares issued and outstanding and no preferred shares issued and outstanding. Options to acquire 1,218,333 Common Shares (the "Options") were also outstanding as of March 28, 2005.
- 4.5 The Common Shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX"). Total Energy has applied on behalf of the Trust to have the trust units of the Trust ("Trust Units"), as described below, listed in substitution for the Common Shares and to have the Common Shares delisted from the TSX as soon as possible after the Effective Date.
- 4.6 Total Energy is a reporting issuer in each of the Jurisdictions and has been for more than twelve months.
- 4.7 Total Energy has filed all of the information that it has been required to file as a reporting issuer in the Jurisdictions and is not in default of the Legislation in those Jurisdictions.

Total Energy Services Trust

- 4.8 The Trust was established pursuant to a Deed of Trust dated March 23, 2005.
- 4.9 The Trust will be, for the purposes of the *Income Tax Act* (Canada) (the "Tax Act"), an open-ended, unincorporated mutual fund trust.
- 4.10 The capital structure of the Trust consists of an unlimited number of Trust Units and

an unlimited number of special voting units.

- 4.11 As of the date hereof, one Trust Unit was issued and outstanding but will be redeemed pursuant to the Arrangement.
- 4.12 The Trust is not a reporting issuer in any of the Jurisdictions.

Total Acquisition Corp.

- 4.13 AcquisitionCo was incorporated pursuant to the ABCA on March 22, 2005.
- 4.14 The head and principal office of AcquisitionCo is located at Suite 2410, 520 – 5th Avenue S.W., Calgary, Alberta, T2P 3T7, and the registered office is located at Suite 4500, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4K7.
- 4.15 AcquisitionCo was incorporated for purposes of participating in the Arrangement, including creating and issuing the Notes (defined below) and the Exchangeable Shares (defined below) required for implementing the Arrangement.
- 4.16 AcquisitionCo is authorized to issue an unlimited number of common shares and an unlimited number of exchangeable shares, issuable in series. As of the date hereof, one common share of AcquisitionCo was issued and outstanding, the sole holder of which is the Trust. There are currently no exchangeable shares issued and outstanding.
- 4.17 AcquisitionCo is not a reporting issuer in any of the Jurisdictions.

Total ExchangeCo Ltd.

- 4.18 ExchangeCo was incorporated pursuant to the ABCA on March 22, 2005.
- 4.19 The head and principal office of ExchangeCo is Suite 2410, 520 – 5th Avenue S.W., Calgary, Alberta, T2P 3T7, and the registered office is located at Suite 4500, 855 - 2nd Street S.W., Calgary, Alberta, T2P 4K7.
- 4.20 ExchangeCo was incorporated for the sole purpose of participating in the Arrangement.
- 4.21 ExchangeCo is authorized to issue an unlimited number of common shares. As of the date hereof, one common share of

ExchangeCo was issued and outstanding, the sole holder of which is the Trust.

- 4.22 ExchangeCo is not a reporting issuer in any of the Jurisdictions.

The Arrangement

4.23 The Arrangement will be effected by way of a plan of arrangement pursuant to section 193 of the ABCA which will require approval by: (i) at least two-thirds of the votes cast by the holders of Common Shares ("Shareholders") and holders of Options ("Optionholders") (collectively, the "Securityholders") present in person or represented by proxy, voting together as a single class at a special meeting of Securityholders scheduled to be held on April 28, 2005 (the "Meeting"); and (ii) the Court of Queen's Bench of Alberta.

4.24 An information circular and proxy statement (the "Information Circular") was delivered to Securityholders in respect of the Meeting which contained, among other things, prospectus level disclosure of the business and affairs of each of Total Energy and the Trust, the particulars of the Arrangement, as well as a fairness opinion of an independent financial advisor.

4.25 Pursuant to the Arrangement, Total Energy will be reorganized into an income trust to be known as the Trust. The Arrangement does not contemplate the acquisition of any additional operating assets or the disposition of any of Total Energy's existing operating assets. Following completion of the Arrangement, AmalCo will own all of Total Energy's existing operating assets and will be the operating entity in the income trust structure.

4.26 Pursuant to the Arrangement, Shareholders, other than non-resident and tax-exempt Shareholders, will receive in exchange for each of their Common Shares, at the Shareholder's election or deemed election:

- (a) one Trust Unit; or
- (b) one series 1 exchangeable share in the capital of AcquisitionCo (the "Exchangeable Shares").

4.27 The Arrangement involves a number of steps, including the following, each of which will be deemed to occur sequentially:

- (a) The Common Shares and Options held by Securityholders who have exercised the right to dissent pursuant to section 191 of the ABCA and the interim order of the Court of Queen's Bench of Alberta ("Dissenting Securityholders") which remain valid immediately prior to the effective time of the Arrangement (the "Effective Time") shall, as of the Effective Time, be deemed to have been transferred to AcquisitionCo and be cancelled and cease to be outstanding, and as of the Effective Time, such Dissenting Securityholders shall cease to have any rights as Securityholders of Total Energy other than the right to be paid the fair market value of their Common Shares or Options, as the case may be.
- (b) Each Option outstanding and not exercised prior to the Effective Date with an exercise price per Common Share equal to or greater than the weighted average trading price of the Common Shares prior to the Effective Date (the "Out-of-the-Money Options"), other than Out-of-the-Money Options held by Dissenting Shareholders, shall be cancelled in exchange for the payment by Total Energy to each Optionholder of \$0.01 multiplied by the number of Common Shares to which the Optionholder's Out-of-the-Money Options relate, net of any applicable withholdings or taxes as required by law.
- (c) Each Option outstanding and not exercised prior to the Effective Date with an exercise price per Common Share less than the weighted average trading price of the Common Shares prior to the Effective Date (the "In-the-Money Options"), other than In-the-Money Options held by Dis-

- senting Securityholders, shall be cancelled in exchange for the payment by Total Energy to each Optionholder of the amount by which the weighted average trading price of the Common Shares exceeds the exercise price of the In-the-Money Options, multiplied by the number of Common Shares to which the Optionholder's In-the-Money Options relate, net of any applicable withholdings or taxes as required by law.
- (d) Each Common Share held by Shareholders that are residents of Canada and not tax-exempt Shareholders will, at the Shareholder's election, be transferred to AcquisitionCo in exchange for one unsecured, subordinated promissory note (a "Note") or one Exchangeable Share.
- (e) Each Common Share held by tax-exempt Shareholders will be transferred to AcquisitionCo in exchange for one Note.
- (f) Each Common Share held by non-resident Shareholders will be transferred to AcquisitionCo in exchange for one Note.
- (g) Each Common Share held by non-responding Shareholders will be transferred to AcquisitionCo in exchange for one Note.
- (h) Each Note held by Shareholders will be exchanged with the Trust for one Trust Unit.
- 4.28 As a further step to the Arrangement, AcquisitionCo and Total Energy will amalgamate under the ABCA and will continue as one corporation (AmalCo).
- 4.29 Exchangeable Shares are intended to be, to the extent possible, the economic equivalent of Trust Units.
- 4.30 Exchangeable Shares will have voting attributes equivalent to those of the Trust Units.
- 4.31 Holders of Exchangeable Shares will receive all disclosure materials that the
- Trust is required to send to holders of Trust Units under the Legislation.
- 4.32 The exchange rights of the Exchangeable Shares will be governed by a Voting and Exchange Trust Agreement among the Trust, AcquisitionCo, ExchangeCo, and Olympia Trust Company as trustee (the "Trustee") that provides for certain ancillary rights including the right to require the Trust or ExchangeCo to exchange the Exchangeable Shares for Trust Units (which right will trigger automatically the exchange of the Exchangeable Shares for Trust Units upon the occurrence of certain specified events).
- 4.33 The Exchangeable Shares will be subject to a Support Agreement among the Trust, AcquisitionCo and ExchangeCo, pursuant to which the Trust and ExchangeCo will take certain actions and make certain payments and will deliver or cause to be delivered Trust Units in satisfaction of the obligations of AcquisitionCo.
- 4.34 A maximum of 4,000,000 Exchangeable Shares may be issued pursuant to the Arrangement.
- 4.35 In the event that more Exchangeable Shares are requested than are available, the Exchangeable Shares will be prorated and those shareholders who have elected to receive Exchangeable Shares will receive Trust Units in lieu of Exchangeable Shares.
- 4.36 Any Exchangeable Shares issued will not be listed on the TSX.
- 4.37 Upon completion of the steps of the Arrangement, Shareholders will own all of the issued and outstanding Trust Units and Exchangeable Shares and the Trust will own all of the issued and outstanding common shares of AmalCo.
- 4.38 Upon completion of the Arrangement, the Trust will be a reporting issuer in each of the Jurisdictions as a result of the Trust Units being list and posted for trading on the TSX.
- 4.39 Upon completion of the Arrangement, AmalCo will be a reporting issuer in each of the Jurisdictions.
- 4.40 Upon completion of the Arrangement, AmalCo will be subject to the Continuous

- | | | | |
|------|---|-------|---|
| | Disclosure Requirements and, where applicable, MI 52-109. | 6.1.1 | the Trust is a reporting issuer in Québec and at least one of the jurisdictions listed in Appendix B of MI 45-102 and is an electronic filer under National Instrument 13-101 – <i>System for Electronic Document Analysis and Retrieval (SEDAR)</i> ; |
| 4.41 | The Information Circular mailed to Securityholders in connection with the Arrangement discloses that AmalCo will seek relief from the Continuous Disclosure Requirements and MI 52-109. | | |
| 4.42 | AmalCo and its insiders will comply with the insider reporting requirement and the requirement to file an insider profile under National Instrument 55-102 – <i>System for Electronic Disclosure by Insiders</i> . The Trust will take the appropriate measures to require that each insider of AmalCo will (i) file insider reports about trades in Trust Units and Exchangeable Shares and (ii) comply with legislative prohibitions against insider trading. | 6.1.2 | the Trust concurrently sends to all holders of Exchangeable Shares all disclosure material furnished to holders of Trust Units under the Continuous Disclosure Requirements; |
| | | 6.1.3 | the Trust files with each Decision Maker copies of all documents required to be filed by it pursuant to NI 51-102; |
| 4.43 | Following completion of the Arrangement, the financial information of AmalCo will be consolidated into the annual and interim financial statements of the Trust that the Trust will prepare pursuant to NI 51-102. | 6.1.4 | the Trust is in compliance with the requirements in the Legislation of any marketplace on which the securities of the Trust are listed or quoted in respect of making public disclosure of material information on a timely basis, and immediately issues and files any news release that discloses a material change in its affairs; |
| 4.44 | The Trust will include, in both its interim and annual management's discussion and analysis ("MD&A") that the Trust will prepare pursuant to NI 51-102, disclosure about the specific risks and uncertainties relating to the operations of AmalCo and the potential impact of those risks and uncertainties on future distributions of the Trust. The Trust will also include, in both interim and annual MD&A for the fiscal year ended December 31, 2005, comparative financial information in respect of the 2004 financial results of Total Energy and in the interim MD&A for the period ended March 31, 2006, comparative financial information in respect of the financial results of Total Energy for the equivalent period in 2005. | 6.1.5 | AmalCo issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of AmalCo that are not also material changes in the affairs of the Trust; |
| | | 6.1.6 | the Trust includes in all future mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement that explains the reason the mailed materials relate solely to the Trust, indicates the Exchangeable Shares are the economic equivalent to the Trust Units and describes the voting rights associated with the Exchangeable Shares; |

Decision

- | | | | |
|-----|---|-------|---|
| 5. | Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met. | | |
| 6. | The decision of the Decision Makers under the Legislation is that | 6.1.7 | the Trust remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of AmalCo; |
| 6.1 | The Continuous Disclosure Requirements shall not apply to AmalCo for so long as: | 6.1.8 | AmalCo does not issue any securities, other than Exchan- |

geable Shares, securities issued to affiliates, common shares issued only to the Trust, or debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions; and

- 6.1.9 AmalCo files a notice under its SEDAR profile that AmalCo has been granted relief from certain continuous disclosure requirements and that AmalCo will be relying on the continuous disclosure file of the Trust.
- 6.2 Other than in British Columbia and Québec, the requirements under MI 52-109 shall not apply to AmalCo for so long as:
 - 6.2.1 AmalCo is not required to, and does not, file its own interim and annual filings (as those terms are defined under MI 52-109);
 - 6.2.2 the Trust files in electronic format under the SEDAR profile of AmalCo the:
 - (i) interim filings,
 - (ii) annual filings;
 - (iii) interim certificates; and
 - (iv) annual certificatesof the Trust, at the same time as such documents are required to be filed under the Legislation by the Trust; and
 - 6.2.3 AmalCo is exempt from or otherwise not subject to the Continuous Disclosure Requirements.

"Mavis Legg, CA"
Manager, Securities Analysis

2.1.13 Vicwest Corporation – MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Exemption granted from the requirement to include certain financial statements in an information circular sent in respect of a plan of arrangement - Issuer obtained approval from the court under the *Companies' Creditors Arrangement Act* (Canada) for protection from its creditors to allow for development of a restructuring plan - Financial statements prior to restructuring of lesser relevance to shareholders

Ontario Rules

National Instrument 51-102 – Continuous Disclosure Obligations

Ontario Forms

National Instrument 51-102F5

May 5, 2005

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

AND

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

AND

**IN THE MATTER OF
VICWEST 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) for relief from the requirement to include audited financial statements for the three most recent financial years of the Filer in the management information circular (the Circular) of the Filer with respect to a plan of arrangement and in Québec, a variation of the general order that will provide the same result as an exemption order (the Requested Relief).
2. Under the Mutual Reliance Review System for Exemptive Relief Applications

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

Interpretation

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

Representations

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

- 1. The Filer was incorporated on March 10, 2000 and exists validly under the laws of the Province of Ontario.
- 2. The Filer has been a reporting issuer in all of the Jurisdictions since March 10, 2000 and the Filer's common shares are listed and posted for trading on the Toronto Stock Exchange.
- 3. The Filer is not in default of any material requirement of the Legislation and is not on the list of defaulting reporting issuers maintained in the Jurisdictions.
- 4. On August 14, 2003, the Filer obtained the final order and approval from the Ontario Superior Court of Justice under the *Companies' Creditors Arrangement Act* (Canada) for protection from its creditors to allow for development of a restructuring plan (the Restructuring).
- 5. On March 11, 2005, the Filer's board of directors (the Board) unanimously approved the proposal to convert the Filer to an income fund (the Fund) by way of a plan of arrangement.
- 6. Under the arrangement the Fund will indirectly acquire 100% of the common shares of the Filer which interests will comprise all of its business and undertaking. The arrangement will, therefore, be considered a "significant acquisition" and the Filer would be required under item 14.2 of NI 51-102F5 to include in the Circular, among other things, financial statements for each of the three most recently completed financial years of the Filer.
- 7. The Filer proposes to exclude from the Circular, financial statements as at and for the year ended December 31, 2002 (the 2002 Financial Statements).
- 8. The 2002 Financial Statements relate to a period prior to the Restructuring, and as such they are of lesser, if any, relevance to the shareholders in

considering the arrangement for the following reasons:

- (a) the Restructuring profoundly altered the Filer, including the creation of a new capital structure;
 - (b) the management was changed, including
 - (i) the appointment of an entirely new board of directors;
 - (ii) the appointment of a new chief executive officer during the Restructuring process; and
 - (iii) the cessation of the involvement of the pre-Restructuring chief executive officer with the Filer's affairs;
 - (c) the Filer's balance sheet as of September 15, 2003 was prepared in accordance with the provisions of The Canadian Institute of Chartered Accountants Handbook Section 1625, "Comprehensive Revaluation of Assets and Liabilities" (fresh start accounting). Under fresh start accounting, the Filer's assets and liabilities were recorded at management's best estimates of their fair values, the deficit was eliminated and the newly created class of common shares was recorded based on fair value determined by independent financial advisers.
9. The Circular will include, in addition to historical financial information for the two most recent financial years, the requisite *pro forma* information.
10. The Filer will include language substantially to the following effect, in the Circular: "Vicwest Corporation's financial results for the 2002 year are publicly available on www.sedar.com. In that year, Vicwest experienced a net loss of \$80.3 million, which was attributable primarily to the write off of an \$84.0 million receivable supporting the Company's senior subordinated notes. The Company obtained an order for protection from its creditors on August 14, 2003."

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the

financial statements for the years ended December 31, 2003 and 2004 are included in the Circular.

Iva Vranic
Manager, Corporate Finance
Ontario Securities Commission

2.1.14 Wheaton River Minerals Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - issuer deemed to be no longer a reporting issuer under securities legislation (for MRRS Decisions).

Applicable Ontario Statutory Provisions

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

May 10, 2005

Davies Ward Phillips & Vineberg LLP

44th Floor
1 First Canadian Place
Toronto, ON M5X 1B1

Dear Mr. Gauthier:

Wheaton River Minerals Ltd. (the Applicant) – Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the Jurisdictions)

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

As the Applicant has represented to the Decision Makers that,

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

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

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

“Charlie MacCready”
Assistant Manager

2.2 Orders

2.2.1 Economical Insurance Company and Teig Investment Partnership - 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.

May 3, 2005

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

AND

**IN THE MATTER OF
ECONOMICAL MUTUAL INSURANCE COMPANY
AND
TEIG INVESTMENT PARTNERSHIP**

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

UPON the application (the “Application”) of Economical Insurance Company (“Economical”) and TEIG Investment Partnership (the “Partnership”) to the Ontario Securities Commission (the “Commission”) for an order pursuant to subsection 147 of the Act exempting the Partnership from filing with the Commission the interim and comparative financial statements prescribed by sections 77(2) and 78(1), respectively, of the Act;

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

AND UPON the Partnership having represented to the Commission that:

1. The Partnership was created on October 1, 2004 among Economical and its wholly-owned subsidiaries, being Federation Insurance Company of Canada, The Missisquoi Insurance

Company, the Waterloo Insurance Company and Perth Insurance Company (collectively, the "Subsidiaries").

2. The sole purpose of the Partnership was to create a fund to pool the investment portfolio held by Economical and its Subsidiaries (collectively, the "Partners") through capital contributions made to the Partnership and to utilize those capital contributions to invest in securities and other financial instruments.
3. None of Economical or its Subsidiaries are reporting issuers under the Act.
4. The Partnership is a fund created under the laws of the Province of Ontario.
5. The Partnership fits within the definition of "mutual fund in Ontario" in section 1(1) of the Act and is therefore required to file interim and comparative annual financial statements with the Commission under subsections 77(2) and 78(1) of the Act (collectively, the Financial Statements).
6. While the Partnership is structured as a mutual fund, it is not a public mutual fund. The Partnership is not a reporting issuer and is not sold to the general public.
7. Economical manages the Partnership, and the securities of the Partnership are or will be distributed in Canada to the Partners without a prospectus pursuant to exemptions from the prospectus requirements of applicable securities legislation.
8. There are not now, nor will there be, any unitholders in the Partnership other than Economical and its Subsidiaries.
9. Partners of the Partnership receive annual and semi-annual financial statements. The Partnership's annual financial statements are audited by Ernst & Young LLP or such other firm whose partners are members in good standing of the Canadian Institute of Chartered Accountants and which is appointed from time to time as auditor of the Partnership in accordance with its constating documents.
10. Section 2.1(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 filed with the Commission thus become publicly available.

IT IS ORDERED by the Commission pursuant to subsection 147 of the Act that the Partnership be exempted from the requirements in sections 77(2) and 78(1) of the Act to file the Financial Statements with the Commission provided:

- (a) The Partnership will prepare and deliver to the Partners of the Partnership the Financial Statements, in the form and for the periods required under the Act and the Regulation, as if the Financial Statements are required to be filed with the Commission;
- (b) The Partnership will retain the Financial Statements indefinitely;
- (c) The Partnership 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) Partners of the Partnership will be notified that the Partnership are exempted from the requirements in sections 77(2) and 78(1) of the Act to file the Financial Statements with the Commission;
- (e) In all other aspects, the Partnership will comply with the requirements in Ontario securities law for financial statements; and
- (f) 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 sections 77(2) and 78(1) of the Act.

"Paul M. Moore"

"Harold P. Hands"

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

2.2.2 Allan Eizenga et al. and Michael Tibollo - s. 127

May 4, 2005

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

AND

**IN THE MATTER OF
ALLAN EIZENGA, RICHARD JULES FANGEAT,
MICHAEL HERSEY,
LUKE JOHN MCGEE AND ROBERT LOUIS RIZZUTO**

AND

**IN THE MATTER OF
MICHAEL TIBOLLO**

ORDER

WHEREAS on April 14, 2005, Allan Eizenga ("Eizenga") filed an application to adjourn the hearing against him (and Michael Tibollo) scheduled to commence on June 14, 2005.

AND WHEREAS Staff of the Commission opposed the adjournment and Michael Tibollo supported the adjournment.

AND UPON reviewing the Application Record and upon hearing submissions from counsel for Eizenga and from Staff of the Commission on April 28, 2005, the Commission is of the opinion that it is in the public interest to make the following Order adjourning the hearing.

IT IS ORDERED THAT the hearing scheduled for June 14, 2005 through June 30, 2005 is adjourned to August 29, 2005 through September 16, 2005, peremptorily.

"Wendell S. Wigle"

"Suresh Thakrar

"Paul K. Bates"

2.2.3 First Federal Capital (Canada) Corporation and Monte Morris Friesner - ss. 127, 127.1

August 4, 2004

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

AND

**IN THE MATTER OF
FIRST FEDERAL CAPITAL (CANADA) CORPORATION
AND MONTE MORRIS FRIESNER**

**ORDER
SECTIONS 127 AND 127.1**

WHEREAS on the 11th day of December, 2000, the Ontario Securities Commission (the "Commission") ordered, pursuant to clause 2 of section 127(1) of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act"), that all trading in securities by the respondents First Federal Capital (Canada) Corporation ("First Federal") and Monte Morris Friesner ("Friesner") cease (the "Temporary Order");

AND WHEREAS on the 12th day of December, 2000, the Commission issued a Notice of Hearing and related Statement of Allegations against First Federal and Friesner;

AND WHEREAS on the 20th day of December, 2000, the Commission ordered that the Temporary Order be extended until the conclusion of the hearing and a decision is rendered or until otherwise ordered by the Commission and that the hearing be adjourned *sine die*;

AND WHEREAS on the 2nd day of April, 2003, the Commission issued an Amended Amended Statement of Allegations against First Federal and Friesner;

AND WHEREAS the Commission has heard submissions from counsel for Staff of the Commission, from counsel for First Federal and Friesner and from Friesner;

IT IS THEREFORE ORDERED that:

1. pursuant to clause 2 of subsection 127(1) of the Act, First Federal and Friesner cease trading in securities, permanently;
2. pursuant to clause 7 of subsection 127(1) of the Act, Friesner resign all positions that he holds as a director or officer of an issuer;
3. pursuant to clause 8 of subsection 127(1) of the Act, Friesner is permanently prohibited from becoming or acting as director or officer of an issuer; and
4. pursuant to section 127.1 of the Act, First Federal and Friesner pay the costs of Staff's investigation

and the hearing relating to this matter in the amount of \$20,000.00.

"Paul M. Moore"

"Harold P. Hands"

"M. Theresa McLeod"

2.2.4 SHSC Financial Inc. - s. 74(1)

Headnote

SHSC FINANCIAL INC.

Applicant exempted, subject to terms and conditions, from the dealer registration requirements contained in subsection 25(1) of the *Securities Act* (Ontario) in respect of trades consisting of Marketing Activities or acts in furtherance of trades related to the applicant's operations as a mutual funds manager.

Statutes Cited

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

April 1, 2005

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

AND

**IN THE MATTER OF
SHSC FINANCIAL INC.**

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

UPON the application (the **Application**) of SHSC Financial Inc. (the **Manager**), the manager of the Social Housing Investment Funds managed now or in the future by the Manager (collectively, the **Funds**), to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 74(1) of the Act, granting the Manager an exemption from the registration requirements contained in subsection 25(1) of the Act (the **Requirements**), where the Manager conducts certain Marketing Activities (as defined below) in respect of the Funds;

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

AND UPON the Manager having represented to the Commission that:

1. The Manager is a corporation incorporated under the laws of Ontario and is, or will be, the manager of each of the Funds. As manager of the Funds, the Manager manages the overall business and affairs of the Funds, including providing or arranging for administration services. The Manager is not registered in Ontario, and does not, and will not, provide any advisory or distribution services to the Funds.
2. The Manager is a subsidiary of Social Housing Services Corporation (**SHSC**), which was established pursuant to the *Social Housing Reform Act, 2000*. The objectives of SHSC

- include managing the pooling of capital reserve funds for certain housing providers; establishing and coordinating insurance programs and joint purchase programs; and advising on benchmarks and best practices to achieve efficient and effective provision of housing.
3. Through the Manager, SHSC provides a number of services to housing providers, including the Funds.
 4. In addition to managing the Funds, the Manager has developed workshops and materials to assist housing providers in developing capital reserve plans, in evaluating, implementing and updating capital plans, and dealing with funding shortfalls. Some housing providers do not have capital reserve plans and the Manager provides introductory courses and materials describing building condition assessments and the capital reserve planning process. The Manager also offers cash management and budgeting programs and, with the Portfolio Advisor (as defined below), introduction to investing capital reserves.
 5. The Manager provides services through a number of communication channels, including meetings held at numerous locations around the province, conferences and telephone conversations.
 6. Each Fund has been, or will be, established pursuant to a Master Trust Agreement between the Manager and State Street Trust Company Canada.
 7. Each Fund is, or will be qualified, for continuous distribution in Ontario under a simplified prospectus.
 8. The Manager, as manager of the Funds, has entered, or will enter, into a portfolio advisory agreement with an entity registered as an advisor in the categories of investment counsel and portfolio manager in Ontario to act as portfolio advisor to the Funds (the **Portfolio Advisor**).
 9. The Manager, as manager of the Funds, has entered, or will enter, into a distribution agreement with an entity registered as a dealer in Ontario to act as principal distributor of the Funds in Ontario (the **Distributor**).
 10. Purchasers of units in the Funds must open an account with the Distributor, by completing a detailed Investment Account Application Form. Investors generally also complete an Asset Allocation Questionnaire which is updated annually and provide the Distributor with other information necessary to open the account.
 11. Any purchase or redemption of units of the Funds must be effected through the Distributor.
 12. In addition to its principal business of acting as a manager of investment funds and providing housing providers with education and assistance with building condition assessments, capital reserve planning and cash management, the Manager wishes to provide housing providers with marketing information about the Funds (the **Marketing Activities**).
 13. In conducting the Marketing Activities, the Manager would be engaging in an act, advertisement, or solicitation, directly or indirectly in furtherance of another trade in units of the Funds.
 14. In the absence of the requested Order, the Manager would have to be registered with the Commission as a mutual fund dealer.
 15. Any trade in units of a Fund (consisting of a purchase or redemption) will be made by investors through the Distributor, who is a registered dealer and subject to all requirements of securities legislation relating to trading in mutual funds.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to make the requested Order.

IT IS ORDERED by the Commission, pursuant to subsection 74(1) of the Act, that the Manager be exempt from the Requirements in respect of trades consisting of Marketing Activities.

“Wendall S. Wigle”

“David L. Knight”

This page intentionally left blank

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decision

These filings have repeatedly been filed late.

3.1.1 All Canadian Management Inc. - s. 26(3)

**IN THE MATTER OF
THE REGISTRATION OF
ALL-CANADIAN MANAGEMENT INC.**

**OPPORTUNITY TO BE HEARD BY THE DIRECTOR
SECTION 26(3) OF THE SECURITIES ACT**

Held on: January 20, 2005 and January 31, 2005

Director: David M. Gilkes
Manager, Registrant Regulation
Capital Markets Branch

Appearances: Matthew Britton - For the Staff of the
Leslie Daiter Commission

Ellen J. Bessner - For All-Canadian
Management Inc.

Background

1. All-Canadian Management Inc. (**ACMI**) was first granted registration in the category of investment counsel and portfolio manager (**ICPM**) in 1974. ACMI and its predecessors, Vancouver and Ancaster Management (**Vanam**) and Central Group, have been managing mutual funds since 1954.
2. On December 29, 2004, Staff of the Ontario Securities Commission (**OSC**) sent a letter to Russell Boychuk, President of ACMI, notifying him that OSC Staff had recommended the Director refuse to grant the renewal of registration of ACMI on January 1, 2005. OSC Staff cited the following reasons for refusing registration:
 1. No financial statements have been filed for any of the University Avenue Funds since June 30, 2003;
 2. There are currently no "live" prospectuses to sell any of the University Avenue funds or the All-Canadian Money Market Fund, and;
 3. Effective May 5, 2004 ACMI has been subject to terms and conditions on its registration that require it to file certain financial statements on a monthly basis with the Compliance section of the OSC.

3. After receiving the letter from Staff, Mr. Boychuk requested an Opportunity to be Heard (**OTBH**) by the Director pursuant to subsection 26(3) of the Act that states:

(3) Refusal – The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard.

4. The OTBH was conducted through oral hearings on January 20, 2005 and January 31, 2005.

Submissions

5. Counsel for OSC Staff provided information that expanded the reasons for the recommendation that the Director refuse to grant registration to ACMI. This included information obtained by OSC Compliance OSC Staff from a meeting with Mr. Boychuk at the premises of ACMI in Ancaster, Ontario on January 7, 2005.
6. Counsel for ACMI, through the testimony of Mr. Boychuk and through exhibits, explained and clarified the findings of OSC Staff. In addition, a great deal of background into the former owners and their business practices, unknown to OSC Staff was provided.
7. I will not record in this decision all the evidence presented during the OTBH as much of the information placed context around the actions that were undertaken by ACMI. The key elements of the submissions and other relevant information are addressed below.

Investment in ACMI

8. In November 2002, Mr. Boychuk acquired a 20% interest in ACMI. Up to that time ACMI had been owned 75% by the Loyalist Insurance Group (**Loyalist**) and 25% by Accrete Corporation Limited (**Accrete**). Loyalist had been a shareholder in ACMI since 1999, prior to that time Accrete was the sole shareholder of ACMI.
9. At the time that he made the investment, Mr. Boychuk had retired from the investment industry and was asked by Loyalist to join ACMI. Although Mr. Boychuk had undertaken some due diligence he did not appreciate the seriousness of the

situation at ACMI until after he had put his money into the firm.

10. Mr. Boychuk and his business partner, Harold Kent, intend to purchase the outstanding shares of ACMI from Loyalist and Accrete. It is anticipated that they will each own 50% of ACMI once the transaction closes.

Business Practices and Environment at ACMI

11. Submissions from both OSC Staff and ACMI indicate that ACMI could not have continued as a going concern without a change in its business strategy. There had only been about 30 new sales of units in the All-Canadian funds over the last 25 years.
12. The only new revenue coming into ACMI had been through its alliance with the Coleford Investment Counselors of Toronto (**Coleford**). Coleford is the subadviser of a fund managed by ACMI. There have been sales of about \$2.5 million over the past 18 months in this fund.
13. Mr. Boychuk discovered a number of irregularities when he started looking into the daily operations of ACMI. These irregularities included: salaries paid to individuals who were not doing any work at ACMI, trailer commissions paid to firms or persons not registered with the OSC or other securities commissions, expenses paid by ACMI for affiliated companies, and approximately 1,400 dormant accounts which dated back over 40 years.
14. Mr. Boychuk tried to correct these practices and he found himself in an adversarial relationship with his partners and OSC Staff at ACMI. When Loyalist acquired a share of ACMI, it agreed to give five people long term contracts. Mr. Boychuk found himself at odds with these employees after he joined the firm.
15. In February 2004, Mr. Boychuk became Managing Director and took over the position of CFO at ACMI. At this time he started to come to the office everyday and found further irregularities.
16. In March 2004, Mr. Boychuk became President of ACMI. At that time, Mr. Boychuk took additional steps to learn if there were any other irregularities in the operations of ACMI. He conducted an internal audit and changed auditors and law firms. In addition, there was a complete turnover of staff at ACMI. Previous staff started to resign when Mr. Boychuk took over as President.

Financial Monitoring

17. ACMI had terms and conditions imposed on its registration since May 6, 2004. Under these terms and conditions, ACMI is required to file certain

financial statements on a monthly basis with OSC Compliance Staff.

18. Over the seven months through to the end of 2004, ACMI has filed the required reports but on five occasions they were filed late. The terms and conditions require that these statements be filed within 3 weeks of the end of each month. OSC Staff submitted that this time frame is ample to allow for the preparation of such statements and even more so in the case of ACMI given its low number of transactions and relatively modest finances.
19. The financial statements for the first month following the imposition of the terms and conditions were filed by the June 21, 2004 deadline. Subsequently almost all the statements were filed late.
20. Mr. Boychuk explained that the fund accountant at ACMI, one of the employees carried over from the Accrete days, resigned on July 1, 2004. Following the resignation of the accountant Mr. Boychuk started to maintain the accounting records. However, the former accountant did not leave passwords for certain files and had taken two computer hard drives when she left.
21. ACMI hired a new accountant in September 2004. The new accountant found numerous problems with the books and records at ACMI.
22. ACMI has since upgraded its computer systems, has regained access to all its files and the new OSC Staff are more familiar with the organization. Mr. Boychuk said he does not intend to have any further late filings and believes that ACMI will meet the financial monitoring terms and conditions going forward.

Capital Adequacy

23. During the on-site meeting with Mr. Boychuk at ACMI on January 7, 2005, OSC Compliance Staff expressed concern that the capital adequacy calculations contained items that should not have been included. OSC Staff found that if these items were removed, ACMI would be capital deficient.
24. ACMI has reviewed its calculations with its auditors and they agreed that the calculations were not computed correctly. Mr. Boychuk said that ACMI does have sufficient capital to meet the requirements of the *Securities Act* (the **Act**). He noted that the new shareholders will put more money into the company once they have completed the acquisition.

Dormant Accounts

25. Mr. Boychuk was not aware of the dormant accounts when he bought into the company and only learned of the dormant accounts shortly after becoming Managing Director of ACMI. According to Mr. Boychuk, Loyalist was not aware of the dormant accounts when it became the major shareholder.
26. After becoming aware of the dormant accounts, Mr. Boychuk took steps to quantify the value of these accounts. There were approximately 1,450 dormant accounts valued at about \$3.7 million. This represented about 66% of the clients and 30% of the asset base of the All-Canadian Funds.
27. All the dormant accounts related to the All-Canadian funds and not the University Avenue Group of funds or the Coleford fund. As some of the All-Canadian funds had started in 1954, some of the dormant accounts were over 40 years old.
28. Mr. Boychuk indicated that there is no uniform law in Canada for the treatment of dormant accounts and in Ontario there is no specific legislation on point. In absence of any governing law, Mr. Boychuk reviewed the practices of other companies relating to dormant accounts and unclaimed property. He checked with Standard Life, Franklin Templeton, and AIM Trimark. Mr. Boychuk found that depending on the province after either one year or three events of returned cheques, unclaimed amounts of \$100 to \$300 could be taken into income. However, the unit holder still retained the right to redeem at some later date.
29. ACMI wanted to obtain a new prospectus for the funds and to do so it had to redeem the dormant accounts. The dormant accounts were moved over to four interest bearing trust accounts at CIBC. There are separate accounts for the All-Canadian Consumer fund, the All-Canadian Capital fund, the All-Canadian Compound fund and the All-Canadian Resources fund. There are approximately \$3 million in the combined accounts.
30. ACMI has a systematic approach to tracking down the dormant account holders starting with the largest amounts. However, this could be a full-time job. Once all efforts to find a dormant account holder have been exhausted the amount will be redeemed. ACMI will then distribute the money to charity.
31. There is one exception to the above. Vanan redeemed a number of dormant accounts in 1974 and placed the funds in an account named Vanan and then ACMI. There are no records of the original accounts redeemed. Mr. Boychuk

indicated that this account will be taken into income and the appropriate taxes paid.

32. While all these steps have been taken it was noted by OSC Staff that approximately 50 accounts had been settled since July 2004. OSC Staff was concerned with the seemingly little progress in rectifying this issue.
33. Mr. Boychuk noted that the volume and age of the dormant accounts presented ACMI with a unique problem. He stated that while it is important that the accounts are handled fairly and in the best interests of the clients, ACMI must continue to focus on operating and growing its business. However, he indicated that some resources will be dedicated to finding the beneficial owners of the accounts.

University Avenue Funds

34. ACMI was in negotiation with Avenue Financial to buy the University Avenue Funds in January 2003 but ACMI backed out in the spring of 2003 for various reasons. Avenue Financial approached ACMI again in December of 2003 in relation to taking over the University Avenue Funds.
35. ACMI decided to take over the University Avenue Funds for two reasons. First, Avenue Financial paid ACMI \$20,000 (\$10,000 for legal expenses and \$10,000 on closing) to take over the funds. Second, ACMI had received interest from High Street Funds in University Avenue's balanced fund. ACMI was also interested in the University Avenue Money Market Fund and renamed it the All-Canadian Money Market Fund.
36. However, when ACMI tried to get the books and records for the funds, it found that many records did not exist. The record keeping was so poor that the accountants could not complete the audit. The poor records applied to all University Avenue Funds including the money market fund, as a result, ACMI decided to wind-up all the University Avenue Funds.
37. OSC Staff had believed that the unit holders of the University Avenue Funds had not received proper notice of the wind up of the funds. The evidence produced by ACMI indicates that unit holders were given appropriate notice. All the University Avenue Funds have now been paid out and wound up.

All-Canadian Investor Services

38. All-Canadian Investor Services (**ACIS**) was the dealer subsidiary of ACMI. ACMI decided to close ACIS as it had no clients.
39. ACIS is a member of the Mutual Fund Dealers Association and it must have an audit before

resignation from membership will be granted. The audit was scheduled to start on February 14, 2005.

Business Plan of ACMI

40. The evidence presented by OSC Staff, the business environment that had existed at ACMI described by Mr. Boychuk, the large number of dormant accounts and the low number of new sales over the past 25 years, raise questions as to whether ACMI is a going concern.
41. At the second day of the OTBH, Mr. Boychuk entered ACMI's business plan as an exhibit. The business plan builds on the success that ACMI has had with the Coleford Fund. The plan, while not detailed, provides a fairly clear direction of where ACMI is heading.

Decision

42. Based on all the evidence presented, I believe that ACMI should continue its registration but it should be monitored closely. Therefore, the terms and conditions attached as Schedule A shall be imposed on the registration of ACMI.
43. The terms and conditions in Schedule A were developed by OSC Staff in consultation with ACMI management to ensure that they balanced the requirements under the Act with ACMI's ability to operate its business.
44. ACMI is required to provide reports on a regular basis and to meet certain milestones set out in the terms and conditions. ACMI will maintain its registration provided it meets the terms and conditions to the satisfaction of OSC Staff. Should ACMI fail to meet any milestone or provide reports, the Director may decide not to renew the registration of the firm.
45. ACMI must continue to meet all other requirements under the Act that apply to it as a registrant. The terms and conditions will be removed from its registration once ACMI has met all the milestones in Appendix A to the satisfaction of Staff.

May 5, 2005

"David M. Gilkes"

Schedule A

Duration

1. Registration of the Firm will continue until either:
 - a. the Director determines that the Firm has failed to satisfy one or more of these terms and conditions, in which case the registration of the Firm may be suspended at the discretion of the Director; or
 - b. the Director determines that all of these terms and conditions have been satisfied, in which case these terms and conditions will be removed.

Registration

2. No later than May 15, 2005, the Firm shall have submitted, via the National Registration Database, an application satisfactory to the Director for the registration of Mr. Kent as an officer, director and shareholder of the Firm.

Wind-up of All-Canadian Investor Services Inc. (ACIS)

3. No later than May 15, 2005, the Firm shall have engaged the services of a third party accounting firm acceptable to the Manager, Compliance to conduct a closing audit of its wholly-owned subsidiary, ACIS.
4. No later than July 15, 2005, the firm shall have completed the wind-up of ACIS.

Wind-up of the University Avenue Funds (the University Funds) and the All-Canadian Money Market Fund (the Money Market Fund)

5. No later than May 15, 2005, the Firm shall have completed the wind-up of the University Funds in compliance with all applicable requirements of National Policy 51 - *Changes in the Ending Date of a Financial Year and in Reporting Status of an Investment Fund* (NP 51).
6. No later than June 15, 2005, the Firm will have completed the wind-up of the All-Canadian Money Market Fund in accordance with its trust indenture, National Instrument 81-102 - *Mutual Funds* (NI 81-102) and NP 51.

Merger of the All-Canadian Capital Fund (the Capital Fund) and the All-Canadian Compound Fund (the Compound Fund)

7. No later than June 15, 2005, the Firm will have either:
 - a. submitted to the Senior Accountant, Compliance documents establishing that

Reasons: Decisions, Orders and Rulings

- | | |
|--|--|
| <p>it has complied with the requirements of Section 5.6 of NI 81-102; or</p> <p>b. filed an application pursuant to Section 5.7 of NI 81-102 seeking regulatory approval to facilitate the merger of the Capital Fund and the Compound Fund.</p> | <p>business plan presented to the Director in January 2005; and</p> <p>b. any letters of intent entered into with any third party.</p> |
|--|--|
8. No later than September 15, 2005, the Firm will have completed the merger of the Capital Fund and the Compound Fund in compliance with all applicable requirements of NI 81-102 and NP 51.

Dormant Accounts

9. No later than May 15, 2005, the Firm shall have submitted a written plan (the Plan) acceptable to the Director for the reunification of dormant account assets with their beneficial owners. The Plan shall include, among other items, a proposal for the disposition of assets in respect of which beneficial owners cannot be located.
10. No later than July 15, 2005, the Firm shall have submitted a written quarterly progress report to the Senior Accountant, Compliance with respect to the Plan. Further progress reports shall be submitted no later than the 15th day following the end of each quarter for the duration of the Plan.

Financial and other Reporting

11. No later than the 15th day of each month, the Firm shall file the following information with the Senior Accountant, Compliance:
- a. year-to-date unaudited financial statements, including a balance sheet and income statement prepared in accordance with generally accepted accounting principles;
 - b. a calculation of minimum required capital as of the last day of the preceding month; and
 - c. copies of all trust account statements from the preceding month relating to dormant accounts, as well as all supporting documents relating to any withdrawal or transfer of funds out of any such account.

Further Information

12. No later than the 15th day of each month, the Firm shall file the following information with the Manager, Registrant Registration:
- a. written notices of any progress in regard to the Firm's proposed business transactions as outlined in the Firm's

This page intentionally left blank

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
*Gibraltar Springs Capital Corporation	03 May 05	13 May 05		
Arbour Energy Inc.	11 May 05	20 May 05		
Corporate Properties Limited	06 May 05	18 May 05		09 May 05
Dexx Corporation	04 May 05	16 May 05		
FW Omnimedia Corp.	09 May 05	20 May 05		
Mediterranean Minerals Corp.	21 Apr 05	03 May 05	03 May 05	
Mill Run Golf & Country Club	05 May 05	17 May 05		
Multi-Glass International Corp.	04 May 05	16 May 05		
Ribbon Capital Corp.	09 May 05	20 May 05		
Saratoga Capital Corp.	04 May 05	16 May 05		
TeraForce Technology Corporation	09 May 05	20 May 05		
The Lodge at Kananaskis Limited Partnership	03 May 05	13 May 05		
The Loyalist Insurance Group Limited	04 May 05	16 May 05		
The Mountain Inn at Ribbon	03 May 05	13 May 05		
Turbodyne Technologies Inc.	09 May 05	20 May 05		
Vindicator Industries Inc.	09 May 05	20 May 05		

* ICTO was not originally recorded on the May 4, 2005 Bulletin

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
*Aurado Energy Inc.	08 Apr 05	21 Apr 05	21 Apr 05	05 May 05	
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Arise Technologies Corporation	09 May 05	20 May 05			

Cease Trading Orders

Augen Capital Corp.	03 May 05	16 May 05			
Cimatec Environmental Engineering	04 May 05	17 May 05			
Dynex Power Inc.	09 May 05	20 May 05			
Foccini International Inc.	03 May 05	16 May 05			
Greentree Gas & Oil Ltd.	04 May 05	17 May 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		
How To Web Tv Inc.	04 May 05	17 May 05			
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Lucid Entertainment Inc.	03 May 05	16 May 05			
Mamma.Com Inc.	01 Apr 05	14 Apr 05	14 Apr 05		
Nortel Networks Corporation	17 May 04	31 May 04	31 May 04		
Nortel Networks Limited	17 May 04	31 May 04	31 May 04		
Sargold Resources Corporation	04 May 05	17 May 05			
Thistle Mining Inc.	05 Apr 05	18 Apr 05	18 Apr 05		
Timminco Limited	01 Apr 05	14 Apr 05	14 Apr 05	02 May 05	
Tintina Mines Limites	09 May 05	20 May 05			

* MCTO was not originally reported on the April 13, 2005 Bulletin.

Chapter 5

Rules and Policies

5.1.1 OSC Rule 14-502 (Commodity Futures Act) Designation of Additional Commodities and Companion Policy 14-502CP

ONTARIO SECURITIES COMMISSION RULE 14-502 (COMMODITY FUTURES ACT) DESIGNATION OF ADDITIONAL COMMODITIES

PART 1 – DESIGNATION OF ADDITIONAL COMMODITIES

1.1 Designation of Additional Commodities - In addition to the commodities listed in section 1 of the Commodity Futures Act, each of the following is designated as a commodity:

- (a) Energy and fuel, including gas, oil, electricity and energy-related products whether in their original or processed state, and any by-products thereof;
- (b) Weather, including temperatures, precipitation levels, hours of sunshine, or humidity, or any other natural occurrence;
- (c) A product based on environmental quality, including emissions or emission credits;
- (d) Water;
- (e) An interest rate;
- (f) A credit or mortgage obligation;
- (g) A security as the term is defined under the *Securities Act*, except for a security described in paragraph (p) of the definition;
- (h) An index, economic indicator, series or any other numeric reference;
- (i) The occurrence of an identified specific future act or event; or
- (j) Any interest that is a value determined with reference to any commodity, good, article, service, right or interest, or the relationship between any such values, or any combination thereof.

PART 2 - EFFECTIVE DATE

2.1 Effective Date - This Rule comes into effect on May 16, 2005.

**COMPANION POLICY 14-502CP (COMMODITY FUTURES ACT)
DESIGNATION OF ADDITIONAL COMMODITIES**

PART 1 PURPOSE OF THE COMPANION POLICY

1.1 Purpose - The purpose of this companion policy is to state the views of the Commission on various matters related to OSC Rule 14-502 (Commodity Futures Act) Designation of Additional Commodities (Rule), including

- (a) a discussion of the rationale for the Commission implementing the Rule, the general approach taken and the regulatory purpose of the Rule, and
- (b) providing more detail and interpretation of various terms and provisions of the Rule.

PART 2 PURPOSE OF THE RULE

2.1 Purpose of the Rule - Commodity derivatives markets have evolved from their historical agricultural roots to offer products based on a wide ranging and diverse set of underlyers. The designation of commodities in the Rule and the revocation of section 2 of the Regulation (Regulation) made under the *Commodity Futures Act (Ontario) (CFA)* is designed to take these market developments into account and provide the Commission with the ability to deal with them in a timely and efficient manner.

PART 3 COMMODITIES

3.1 Discussion of Designated Commodities - The following paragraphs describe the items that are designated as commodities in the Rule. Some of the designated items are new and others are clarifications and revisions to matters that were included in section 2 of the Regulation that was revoked when the Rule came into effect. The Commission believes that contracts based on these commodities should be regulated under the CFA in a manner that is consistent with the approach to products based on commodities currently captured by the definition. In addition, the regulation of these products will protect the integrity of capital markets, especially the futures markets and their participants, and ensure the Commission pursues an approach that is in keeping with a large number of other jurisdictions that regulate such products.

- (a) *Energy and fuel, including gas, oil, electricity and energy-related products whether in their original or processed state, and any by-products thereof*

Since the deregulation of energy markets, a number of exchanges have been established to trade a wide range of energy-based derivative products.

This paragraph includes, but is not limited to, wind, solar and tidal power, energy produced from household or industrial waste, and energy produced from nuclear, coal, wood, oil, gas, hydro-electric and sustainable fuel sources.

- (b) *Weather, including temperatures, precipitation levels, hours of sunshine, or humidity, or any other natural occurrence*

Weather derivatives have evolved over recent years from bilaterally negotiated, over-the-counter (OTC) transactions into more standardized products. As a result weather-based products are being listed on foreign exchanges.

- (c) *A product based on environmental quality, including emissions or emission credits*

The OTC market in emission credits has evolved with contracts becoming more standardized. Although environment-based products are not currently actively traded on exchange platforms, the Commission has designated products based on environmental quality as commodities in anticipation of their migration to on-exchange trading.

This paragraph includes, but is not limited to, emission credits and other industrial emission-based products.

- (d) *Water*

Water is being designated as a commodity in anticipation of the trading of futures contracts based on water quality or water supply.

This paragraph includes, but is not limited to, water sanitation and filtration and the supply of drinking water.

e) *An interest rate*

Interest rates include, but are not limited to, central bank interest rates and commercial interest rates, including benchmark interest rates such as Bankers Acceptances, Eurodollar and Libor.

(f) *A credit or mortgage obligation*

Securitisation of credit receivables is now common practice in financial markets with the products upon which these receivables are based becoming increasingly standardized. The Commission has designated these obligations as commodities in anticipation of futures contracts being based upon them.

This includes, but is not limited to, mortgages, credit card receivables and car loans.

(g) *A security as the term is defined under the Securities Act, except for a security described in paragraph (p) of the definition*

This includes, but is not limited to, all securities including equities, bonds, warrants or options on securities. This also clarifies that single stock futures are regulated under the CFA.

(h) *An index, economic indicator, series or any other numeric reference*

The trading of both narrow- and broad-based equity indices has become increasingly popular over recent years. The expansion to include economic indicators and other references is designed to take into account products based on economic data and other benchmarks used in derivative transactions.

This paragraph includes, but is not limited to, narrow- and broad-based indices, inflation rates, consumer prices and job data.

(i) *The occurrence of an identified specific future act or event*

Event-based derivatives are becoming increasingly common with a number of niche exchanges offering futures products based on specific events such as election results and credit defaults.

This includes, but is not limited to, credit default obligations.

(j) *Any interest that is a value determined with reference to any commodity, good, article, service, right or interest, or the relationship between any such values, or any combination thereof*

Many contracts that are now traded do not involve the physical delivery of the commodity and are often cash settled in lieu of physical delivery. Commodities include both an underlying interest that is a commodity and an interest that is a value, interest or right relating to a physical commodity, or any combination of or relationship between commodities.

This includes, but is not limited to, a cash settled futures contract and contracts for differences.

This page intentionally left blank

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
11-Apr-2005	Jenal Investments Inc.	Adaltis Inc. - Common Shares	1,264,407.00	320,103.00
19-Apr-2005	CPP Investment Board Private Holdings Inc.	Advent International GPE V-G LP - LP Interest	38,815,200.00	38,815,200.00
20-Apr-2005	30 Purchasers	Alexis Minerals Corporation - Flow-Through Shares	7,222,300.00	9,027,875.00
20-Apr-2005	17 Purchasers	Alexis Minerals Corporation - Units	2,618,498.25	3,497,331.00
22-Apr-2005	AGF Canadian Resources	Arapahoe Energy Corporation - Common Shares	505,240.00	1,263,100.00
28-Apr-2005	3 Purchasers	Arapahoe Energy Corporation - Common Shares	394,760.00	986,900.00
05-May-2005	NCE Diversified Flow-Through (05) LP	Arapahoe Energy Corporation - Common Shares	500,000.00	1,111,112.00
22-Apr-2005	5 Purchasers	Arapahoe Energy Corporation - Flow-Through Shares	2,585,000.70	5,744,446.00
25-Apr-2005	6 Purchasers	Arctic Star Diamond Corp. - Units	757,000.00	2,900,000.00
26-Apr-2005	3 Purchasers	Ascendent Copper Corporation - Common Shares	1,450,000.00	1,450,000.00
26-Apr-2005	3 Purchasers	Atacama Minerals Corp. - Common Shares	500,000.00	500,000.00
30-Mar-2005	Aquilon Capital Corp. Ian Macdonald	Atlantis Systems Corp. - Common Shares	3,100,000.00	5,636,363.00
30-Mar-2005	Aquilon Capital Corp. Ian Macdonald	Atlantis Systems Corp. - Convertible Debentures	3,100,000.00	3,100,000.00
01-Apr-2005	29 Purchasers	Atlantis Systems Corp. - Units	2,040,000.00	3,400,000.00
21-Apr-2005	CMP 2005 Resource LP	Aurizon Mines Ltd. - Common Shares	874,999.50	583,333.00
21-May-2005	Canada Dominion Resources 2005 LP	Aurizon Mines Ltd. - Flow-Through Shares	4,950,000.00	2,750,000.00
13-Apr-2005	12 Purchasers	Birim Goldfields Inc. - Units	1,915,000.00	3,830,000.00
27-Apr-2005	CPP Investment Board Private Holding Limited	Bridgepoint Europe III 'C' LP - Limited Partnership Interest	161,000,000.00	1.00
20-Apr-2005	14 Purchasers	Canstar Resources Inc. - Units	304,500.00	1,015,000.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
27-Apr-2005	8 Purchasers	CareVest Blended Mortgage Investment Corporation - Preferred Shares	786,297.00	786,297.00
27-Apr-2005	10 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	407,295.00	407,295.00
27-Apr-2005	4 Purchasers	CareVest Second Mortgage Investment Corporation - Preferred Shares	105,922.00	105,922.00
14-Apr-2005	8 Purchasers	Castek Software Inc. - Convertible Debentures	237,916.09	237,916.00
02-May-2005	A.T. Griffis Elia Crespo	Cellbucks Payments Networks Inc. - Units	200,750.00	73,000.00
03-May-2005	Spectrum Seniors Housing Development LP	Chartwell Master Care LP - Limited Partnership Units	493,400.49	34,771.00
29-Apr-2005	10 Purchasers	Code's Mill Inn on Stewart Park Ltd. - Common Shares	400,100.00	500.00
29-Apr-2005	Dancap Private Equity Inc. and T.R.L. Investments Limited	Commercial Alcohols Inc. - Common Shares	5,133,940.00	146,684.00
25-Apr-2005	Guiseppe Nardone Pierre Lassonde	Conporec Inc. - Units	0.00	83.00
27-Apr-2005	23 Purchasers	Continental Precious Minerals Inc. - Common Shares	186,600.00	1,555,000.00
21-Apr-2005	9 Purchasers	Corporate Properties Limited - Common Shares	925,000.00	616,666.00
28-Apr-2005	Sarah MacDonald 1352546 Ontario Limited	Corporate Properties Limited - Common Shares	75,000.00	5,000.00
21-Apr-2005	Strategic Advisors Corp.	Corridor Resources Inc. - Common Share Purchase Warrant	30.00	200.00
21-Apr-2005	Strategic Advisors Corp.	Corridor Resources Inc. - Common Shares	820.00	400.00
04-May-2005	The VenGrowth II Investment Fund Inc.	Critical Telecom Corp. - Convertible Debentures	1,721,553.33	1,721,553.00
04-May-2005	The VenGrowth II Investment Fund Inc.	Critical Telecom Corp. - Preferred Shares	1,721,553.33	4,983,609.00
31-Mar-2005	John & Wendy Tysall	Deans Knight Equity Growth Fund - Trust Units	250,000.00	122.00
15-Apr-2005	F. Audrey Rows	Deans Knight Equity Growth Fund - Trust Units	176,000.00	92.00
21-Apr-2005	4 Purchasers	DRC Resources Corporation - Flow-Through Shares	3,000,000.00	400,000.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
14-Apr-2005	Elliot Strashin	East West Resource Corporation - Units	25,000.00	200,000.00
26-Apr-2005	3 Purchasers	ExtendMedia Inc. - Promissory note	350,000.00	3.00
26-Apr-2005	3 Purchasers	ExtendMedia Inc. - Warrants	350,000.00	28,962,195.00
21-Apr-2005	Berkshire Securities Inc.	E.S.I. Environmental Sensors Inc. - Shares	5,000.00	50,000.00
29-Apr-2005	The Kurnik Family Trust The McCarthy Family Trust	Fairways LP - Units	277,448.10	146,797.00
25-Apr-2005 to 04-May-2005	F.L. Spring Valley LP Gerry Jansen	First Lease Side Technologies Limited Partnership - LP Units	450,437.30	359.00
03-May-2005	Bayshore Floating Rate Senior Loan Fund	Floating Rate Senior Loan Fund Limited - Shares	3,246,929.00	3,246,929.00
27-Apr-2005	15 Purchasers	Fralex Therapeutics Inc. - Stock Option	5,000,952.00	5,250,894.00
15-Mar-2005 to 15-Apr-2005	Edward Squires	Fulcrum Financial Group Inc. - Common Shares	18,000.00	18,000.00
15-Mar-2005 to 15-Apr-2005	Jennifer Kraemer	Fulcrum Financial Group Inc. - Common Shares	10,000.00	10,000.00
15-Mar-2005 to 15-Apr-2005	Ingo Kraemer	Fulcrum Financial Group Inc. - Common Shares	10,000.00	10,000.00
15-Mar-2005 to 15-Apr-2005	Albert Brule	Fulcrum Financial Group Inc. - Common Shares	5,000.00	5,000.00
15-Mar-2005 to 15-Apr-2005	Tonya Squires	Fulcrum Financial Group Inc. - Common Shares	18,000.00	18,000.00
15-Mar-2005 to 15-Apr-2005	Albert Marcy	Fulcrum Financial Group Inc. - Common Shares	50,000.00	50,000.00
15-Mar-2005 to 15-Apr-2005	John & Barbara Ward	Fulcrum Financial Group Inc. - Common Shares	25,000.00	25,000.00
15-Mar-2005 to 15-Apr-2005	Marcia Francis	Fulcrum Financial Group Inc. - Common Shares	1,667.00	1,667.00
15-Mar-2005 to 15-Apr-2005	Andrew Tarling	Fulcrum Financial Group Inc. - Common Shares	20,000.00	20,000.00
15-Mar-2005 to 15-Apr-2005	Jean Hooper	Fulcrum Financial Group Inc. - Common Shares	10,000.00	10,000.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
15-Mar-2005 to 15-Apr-2005	Wayne Glazier	Fulcrum Financial Group Inc. - Common Shares	15,000.00	15,000.00
15-Mar-2005 to 15-Apr-2005	Mark McNeil	Fulcrum Financial Group Inc. - Common Shares	15,000.00	15,000.00
15-Mar-2005 to 15-Apr-2005	Phyllis Tuer	Fulcrum Financial Group Inc. - Common Shares	5,000.00	5,000.00
15-Mar-2005 to 15-Apr-2005	Terry LaChance	Fulcrum Financial Group Inc. - Common Shares	12,000.00	12,000.00
15-Mar-2005 to 15-Apr-2005	Robert McKinley	Fulcrum Financial Group Inc. - Common Shares	20,000.00	20,000.00
15-Mar-2005 to 15-Apr-2005	C. William Chafe	Fulcrum Financial Group Inc. - Common Shares	10,000.00	10,000.00
15-Mar-2005 to 15-Apr-2005	Cyril Brady	Fulcrum Financial Group Inc. - Common Shares	12,000.00	12,000.00
15-Mar-2005 to 15-Apr-2005	Laurel Ross	Fulcrum Financial Group Inc. - Common Shares	30,000.00	30,000.00
15-Mar-2005 to 15-Apr-2005	Ken & Joanne Smith	Fulcrum Financial Group Inc. - Common Shares	5,000.00	5,000.00
26-Apr-2005 to 05-May-2005	5 Purchasers	F.L. Securities Inc. - Promissory note	1,565,000.00	5.00
04-Apr-2005	3 Purchasers	Galantas Gold Corporation - Units	40,000.00	400,000.00
18-Apr-2005	ITW Canada	GMO Developed World Equity Investment Fund PLC - Units	55,762.05	2,573.00
15-Apr-2005	Amarnath LLC	Golden Star Resources Ltd. - Notes	50,000,000.00	50,000,000.00
27-Apr-2005	Canadian Imperial Bank of Commerce	Great Lakes Power Trust - Bonds	100,000.00	100,000.00
26-Apr-2005	The Canadian Medical Protective Association	HSBC USA Rutland Investors I, LP - LP Units	3,589,621.20	2,900,001.00
26-Apr-2005	Northwater Capital Management Inc.	iShares, Inc. - Units	22,609.14	200.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
26-Apr-2005	Northwater Capital Management Inc.	iShares, Inc. - Units	20,172.81	900.00
26-Apr-2005	Northwater Capital Management Inc.	iShares, Inc. - Units	44,353.70	500.00
29-Apr-2005	Mary Sinclair	International Nickel Ventures Inc. - Common Shares	60,000.00	60.00
29-Apr-2005	Mary Sinclair	International Nickel Ventures Inc. - Special Warrants	60,000.00	60,000.00
14-Apr-2005	Craig & Taylor Financial Services Inc.	Investment Planning Counsel Inc. - Common Shares	115,000.00	58,974.00
21-Apr-2005 to 29-Apr-2005	11 Purchasers	Ionalytics Corporation - Debentures	5,315,252.00	5,315,252.00
22-Apr-2005	9 Purchasers	Jonpol Explorations Limited - Subscription Receipts	894,137.25	2,384,366.00
01-May-2005	Gerald Krigstin Co. Limited	JT Performance Fund, LP - Limited Partnership Interest	35,000.00	35,000.00
18-Apr-2005	12 Purchasers	K2 Energy Corp. - Common Shares	24,053.00	481,060.00
22-Apr-2005 to 28-Apr-2005	34 Purchasers	K2 Energy Corp. - Convertible Debentures	1,387,000.00	27,740,000.00
20-Apr-2005	12 Purchasers	Kelso Technologies Inc. - Common Shares	154,820.05	1,407,455.00
20-Mar-2005	12 Purchasers	Kelso Technologies Inc. - Warrants	154,820.05	1,407,455.00
19-Apr-2005	90 Purchasers	Kereco Energy Ltd. - Common Shares	74,307,200.00	6,755,200.00
31-Mar-2005	20 Purchasers	Khan Resources Inc. - Special Warrants	2,170,000.00	2,170,000.00
15-Apr-2005	6 Purchasers	Kingwest Avenue Portfolio - Units	492,050.00	20,357.00
21-Apr-2005	Strategic Advisors Corp.	Kodiak Oil & Gas Corp. - Common Shares	1,131.00	1,300.00
31-Mar-2005	Lancaster Balanced Fund II Hunter Graham Investments Ltd.	Lancaster Fixed Income Fund - Trust Units	1,421,699.16	113,731.00
31-Mar-2005	Lancaster Balanced Fund II	Lancaster Global Fund - Trust Units	2,000,000.00	212,633.00
21-Apr-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Share Purchase Warrant	10.00	100.00
21-Apr-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Shares	360.00	200.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
15-Apr-2005	3 Purchasers	Legacy Capital Corp. - Promissory note	85,000.00	85,000.00
15-Apr-2005	First Ontario Labour Sponsored Investment Fund Ltd.	Lexicon Value Management Inc. - Common Shares	1.00	59.00
21-Apr-2005	Strategic Advisors Corp.	Magnifoam Technology International Inc. - Common Shares	1,150.00	500.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife Bernstein US Equity Fund - Units	79,659,688.52	9,691,398.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife E&P Canadian Large Cap Value Fund - Units	67,810,476.94	4,203,262.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife E&P Canadian Money Market Fund - Units	136,621,304.35	13,662,130.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife E&P Intermediate Canadian Bond Fund - Units	63,564,530.91	6,011,442.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife MB Canadian Large Cap Growth Fund - Units	81,643,241.15	5,494,707.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife Oechsle Global Bond Fund - Units	980,277.52	114,005.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife Saxon Canadian Small Cap Equity Fund - Units	101,844,651.33	6,093,600.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife Talvest Canadian Short Term Bond Fund - Units	70,226,758.69	6,533,162.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife Templeton International Equity Fund - Units	62,381,120.49	6,113,493.00
01-Jan-2004 to 31-Dec-2004	Manulife	Manulife Zechner Canadian Large Cap Top Down Equity Fund - Units	48,586,567.95	4,404,776.00
22-Apr-2005	40 Purchasers	Medipattern Corporation, The - Units	3,195,000.00	6,390,000.00
11-Apr-2005	Jenal Investments Inc.	Menu Foods Limited Partnership - Units	6,779,709.00	496,682.00
18-Apr-2005	SAGE Income Fund	MINT Income Fund - Trust Units	17,185,323.12	1,461,337.00
29-Apr-2005	46 Purchasers	Momentas Corporation - Convertible Debentures	585,000.00	117.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
28-Apr-2005	The Canada Trust Co. as Trustee of MACRO Trust	Montreal Trust Company of Canada - Notes	200,000,000.00	200,000,000.00
28-Apr-2005	Likrilyn Capital Corporation Front Street Investment Management Inc.	Morpheus Energy Corporation - Common Shares	1,192,500.00	450,000.00
28-Apr-2005	7 Purchasers	Morpheus Energy Corporation - Flow- Through Shares	3,264,000.00	1,020,000.00
29-Apr-2005 to 02-May-2005	13 Purchasers	MyTEGO, Inc. - Common Shares	325,000.00	3,250,000.00
29-Apr-2005	485374 BC Ltd. Siwash Holdings Ltd.	Neuer Kapital Corp. - Units	34,650.00	105,000.00
19-Apr-2005	Wayne Wonnacott	New Solutions Financial (II) Corporation - Debentures	40,000.00	40,000.00
20-Apr-2005	21 Purchasers	Newport diversified Hedge Fund - Units	1,117,421.00	11,196.00
18-Apr-2005	Barrick Gold Corporation	Northern Mining Explorations Ltd. - Common Share Purchase Warrant	0.00	750,000.00
31-Mar-2005	3 Purchasers	Noveko Echographs Inc. - Convertible Debentures	2,000,000.00	2,000,000.00
31-Mar-2005	3 Purchasers	Noveko Echographs Inc. - Warrants	2,000,000.00	230,000.00
29-Apr-2005	Albert Henhoeffler	O'Donnell Emerging Companies Fund - Units	25,000.00	3,370.00
07-Apr-2003	Peter Bilodeau	Onco Petroleum Inc. - Common Shares	1,340,535.00	2,681,070.00
22-Apr-2005	Lapman Ko Donald Goss	Peterborough Capital Corp. - Common Shares	55,000.00	550,000.00
27-Apr-2005	Interfusion Partners Inc.	Pheromone Sciences Corp. - Common Shares	0.00	50,000.00
01-Apr-2005	Fresh Start Foods. Inc.	Pro*Act, LLC - Limited Partnership Interest	18,148.50	1.00
18-Apr-2005	14 Purchasers	Pure Gold Minerals Inc. - Flow- Through Shares	1,845,000.00	23,062,500.00
22-Jan-2004	John Coady	QuickPlay Media Inc. - Common Shares	25,000.00	234,615.00
02-May-2005	Stares Contracting Corp.	Rampart Ventures Ltd. - Common Shares	22,125.00	75,000.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
03-May-2005	REGGO Capital Corp.	Regco Holdings Inc. - Common Shares	10,000,000.00	10,000,000.00
28-Apr-2005	Canada Post Corporation Registered Pension Plan	Rocket Trust - Notes	5,000,000.00	5,000,000.00
28-Apr-2005	Scotia Capital Inc.	Rocket Trust - Notes	5,000,000.00	30,000,000.00
13-Apr-2005	14 Purchasers	Rutter Inc. - Convertible Debentures	10,000,000.00	10,000,000.00
13-Apr-2005	John Leckie	Rutter Inc. - Subscription Receipts	25,000.00	25,000.00
28-Apr-2005	Brian Bickerton James Doyle	Sacre-Coeur Minerals, Ltd. - Common Shares	175,000.00	175,000.00
25-Apr-2005	11 Purchasers	Schooner Trust - Mortgage	27,579,650.00	11.00
22-Apr-2005	Merrill Lynch Canada Inc.	Silverstone Trust - Notes	50,000,000.00	50,000.00
18-Apr-2005	Julian Baldry	Straight Forward Marketing Corporation - Units	30,000.00	300,000.00
19-Apr-2005	4 Purchasers	Strongbow Exploration Inc. - Common Shares	1,289,450.00	3,485,000.00
29-Apr-2005	B.E.S.T. Total Return Fund Inc.	T-Base Communications Inc. - Common Share Purchase Warrant	4.00	346,274.00
29-Apr-2005	B.E.S.T. Total Return Fund Inc.	T-Base Communications Inc. - Common Shares	2.00	277,500.00
29-Apr-2005	3 Purchasers	TFS Limited Partnership - Limited Partnership Units	3,500,000.00	3,500.00
21-Apr-2005	18 Purchasers	Titan Exploration, Ltd. - Shares	3,897,000.00	1,299,000.00
22-Apr-2005	LLBC	Trafalgar Trading Limited - Units	50,000,000.00	26,334,550.00
28-Apr-2005	4 Purchasers	Trillium Beverage Inc. - Units	375,000.00	595,238.00
28-Apr-2005	3 Purchasers	Truition Inc. - Preferred Shares	908,814.00	1,356,438.00
11-Apr-2005	Jenal Investments Inc.	Turtle Creek Investment Fund - Units	2,857,007.00	244,189.00
29-Apr-2005	6 Purchasers	UV Pure Technologies Inc. - Common Shares	1,309,815.50	374,233.00
25-Apr-2005	11 Purchasers	Verb Exchange Inc. - Special Warrants	35,836.56	7,167,304.00
29-Apr-2005 to 02-May-2005	3 Purchasers	Walsingham Fund LP No. 1 - Units	110,000.00	110.00
27-Apr-2005	23 Purchasers	Westcorp Energy Inc. - Convertible Debentures	899,550.00	899,550.00

Notice of Exempt Financings

Transaction Date	Purchaser	Security	Total Pur. Price (\$)	No. of Securities
26-Apr-2005	Donald G. Jones Heather Mintz	Zeo-Tech Enviro Corp. - Convertible Debentures	65,000.00	65,000.00
26-Apr-2005	Donald G. Jones Heather Mintz	Zeo-Tech Enviro Corp. - Warrants	65,000.00	216,666.00
14-Apr-2005	Ziff Asset Management; L.P.	ZENON Environmental Inc. - Common Shares	24,600,000.00	1,000,000.00

This page intentionally left blank

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Balanced 40/60 Fund
Balanced 50/50 Fund
Balanced 60/40 Fund
Canadian Equity Fund
Canadian Fixed Income Fund
Canadian Fixed Income Index Fund
Canadian Index Fund
Canadian Large Cap Index Fund
Canadian Small Company Equity Fund
EAFE Equity Fund
Emerging Markets Equity Fund
Enhanced Global Bond Fund
Global Growth 100 Fund
Growth 100 Fund
Growth 70/30 Fund
Growth 80/20 Fund
Income 100 Fund
Income 20/80 Fund
Income 30/70 Fund
INTERNATIONAL SYNTHETIC FUND
Long Duration Bond Fund
Money Market Fund
Real Return Bond Fund
U.S. LARGE CAP SYNTHETIC FUND
U.S. Large Company Equity Fund
U.S. MidCap Synthetic Fund
U.S. Small Company Equity Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated April 29, 2005
Mutual Reliance Review System Receipt dated May 6, 2005

Offering Price and Description:

Class R, S and T Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

SEI Investments Canada Company
Project #773463

Issuer Name:

Everbright Capital Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated May 5, 2005
Mutual Reliance Review System Receipt dated May 6, 2005

Offering Price and Description:

MINIMUM OFFERING: \$200,000.00 or 2,000,000 Common Shares; MAXIMUM OFFERING: \$1,000,000.00 or 10,000,000 Common Shares PRICE: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Dundee Securities Corporation

Promoter(s):

-

Project #778369

Issuer Name:

E.D. Smith Income Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated May 6, 2005
Mutual Reliance Review System Receipt dated May 9, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

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

Promoter(s):

EDS Holdings Inc.
Project #776409

Issuer Name:

Frontera Copper Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated May 2, 2005
Mutual Reliance Review System Receipt dated May 4, 2005

Offering Price and Description:

\$ * - * Units Price: \$1,000 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Haywood Securities Inc.
Orion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.

Promoter(s):

-

Project #776729

Issuer Name:

InterOil Corporation

Type and Date:

Preliminary Short Form Shelf Prospectus dated May 3, 2005
Received on May 5, 2005

Offering Price and Description:

\$125,000,000 - 3,333,334 Common Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #777490

Issuer Name:

Lakeport Brewing Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated May 3, 2005
Mutual Reliance Review System Receipt dated May 5, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
RBC Dominion Securities Inc.
Westwind Partners Inc.

Promoter(s):

Lakeport Brewing Corporation
CASC Corp.

Project #777442

Issuer Name:

Manor Global Inc.

Type and Date:

Preliminary CPC Prospectus dated May 5, 2005
Received on May 5, 2005

Offering Price and Description:

MINIMUM OFFERING: \$600,000.00 or 6,000,000 common shares; MAXIMUM OFFERING: \$1,895,000.00 or 18,950,000 common shares Price: \$0.10 per common share

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

-

Project #777764

Northwest Quadrant All Equity Portfolio
Northwest Quadrant Conservative Portfolio
Northwest Quadrant Growth and Income Portfolio
Northwest Quadrant Monthly Income Portfolio
Northwest Specialty Global High Yield Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated May 5, 2005
Mutual Reliance Review System Receipt dated May 6, 2005

Offering Price and Description:

Series A, F and I Units

Underwriter(s) or Distributor(s):

Northwest Mutual Fund Inc.
Northwest Mutual Funds Inc.

Promoter(s):

-

Project #777970

Issuer Name:

Novadaq Technologies Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated May 10, 2005

Mutual Reliance Review System Receipt dated May 10, 2005

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
TD Securities Inc.
GMP Securities Ltd.
Orion Securities Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #769732

Issuer Name:

Phillips, Hager & North \$U.S. Money Market Fund
Phillips, Hager & North Balanced Fund
Phillips, Hager & North Bond Fund
Phillips, Hager & North Canadian Equity Fund
Phillips, Hager & North Canadian Growth Fund
Phillips, Hager & North Canadian Income Fund
Phillips, Hager & North Canadian Money Market Fund
Phillips, Hager & North Community Values Balanced Fund
Phillips, Hager & North Community Values Bond Fund
Phillips, Hager & North Community Values Canadian Equity Fund
Phillips, Hager & North Community Values Global Equity Fund
Phillips, Hager & North Dividend Income Fund
Phillips, Hager & North Global Equity Fund
Phillips, Hager & North Global Equity RSP Fund
Phillips, Hager & North High Yield Bond Fund
Phillips, Hager & North Overseas Equity Fund
Phillips, Hager & North Short Term Bond & Mortgage Fund
Phillips, Hager & North Total Return Bond Fund
Phillips, Hager & North U.S. Dividend Income Fund
Phillips, Hager & North U.S. Equity Fund
Phillips, Hager & North U.S. Growth Fund
Principal Regulator - British Columbia

Type and Date:

Preliminary Simplified Prospectuses dated May 9, 2005
Mutual Reliance Review System Receipt dated May 9, 2005

Offering Price and Description:

(Series A, O and R Units)

Underwriter(s) or Distributor(s):

Phillips, Hager & North Investment Funds Ltd.
Phillips, Hager & North Investment Funds Ltd.
Phillips, Hager & North Investment Funds Ltd.

Promoter(s):

Phillips, Hager & North Investment Management Ltd.

Project #779218

Issuer Name:

Predomino Capital Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated May 6, 2005
Mutual Reliance Review System Receipt dated May 9, 2005

Offering Price and Description:

\$200,000.00 - 2,000,000 Common Shares Price: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Golden Capital Securities Ltd.

Promoter(s):

laurence D. Rose

Project #778760

Issuer Name:

Rolling Rock Resources Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated May 2, 2005
Mutual Reliance Review System Receipt dated May 4, 2005

Offering Price and Description:

\$500,000.00 - 5,000,000 common shares Price: \$0.10 per common share

Underwriter(s) or Distributor(s):

Graydon Elliott Capital Corporation

Promoter(s):

Scott Angus

Project #777124

Issuer Name:

RYJENCAP INC.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated May 3, 2005
Mutual Reliance Review System Receipt dated May 5, 2005

Offering Price and Description:

\$1,000,000.00 - 10,000,000 COMMON SHARES (\$0.10 per Common Share)

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Terry Rogers
Mark Ferguson
Don Terry
Brent Atkinson

Project #777996

Issuer Name:

Uranium City Resources Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated May 4, 2005
Mutual Reliance Review System Receipt dated May 5, 2005

Offering Price and Description:

Minimum Offering: \$ * (* Units); Maximum Offering : \$ * (* Units) - \$ * Per Regular Unit

\$ * Per Flow-Through Unit – and – 3,040,000 Common Shares Issuable Upon Exercise of 3,040,000 Previously Issued First Special Warrants – and – 228,000 First Broker Warrants Issuable Upon Exercise of 228,000 Previously Issued Broker Special Warrants, each First Broker Warrant Entitling the Holder to Purchase one Common Share at \$0.25 – and – 2,340,300 Common Shares and 1,170,150 Common Share Purchase Warrants Issuable Upon Exercise of 2,100,000 Previously Issued Second Ordinary Special Warrants and 240,300 Previously Issued Second Flow-Through Special Warrants – and – 234,030 Second Broker Warrants Issuable Upon Exercise of 234,030 Previously Issued Broker Special Warrants, each Second Broker Warrant Entitling the Holder to Purchase 1 Unit Consisting of one Common Share and one-half of one Common Share Purchase Warrant at \$0.50

Underwriter(s) or Distributor(s):

Northern Securities Inc.

Promoter(s):

GLR Resources Inc.

Project #777424

Issuer Name:

Aliant Telecom Inc.
Principal Regulator - Nova Scotia

Type and Date:

Final Short Form Base Shelf Prospectus dated May 9, 2005

Mutual Reliance Review System Receipt dated May 10, 2005

Offering Price and Description:

\$350,000,000.00 - Medium Term Notes (unsecured)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #773605

Issuer Name:

Canadian Oil Sands Limited
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

Cdn. \$1,000,000,000.00 - Medium Term Notes (Unsecured)

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #770896

Issuer Name:

Fidelity Income Trust Fund
Fidelity Dividend Fund
Fidelity Monthly High Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated May 9, 2005
Mutual Reliance Review System Receipt dated May 10, 2005

Offering Price and Description:

Series A, Series B, Series F and Series O units

Underwriter(s) or Distributor(s):

Fidelity Investments Canada Limited

Promoter(s):

Fidelity Investments Canada Limited

Project #752945

Issuer Name:

Freehold Royalty Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated May 3, 2005
Mutual Reliance Review System Receipt dated May 4, 2005

Offering Price and Description:

\$210,002,750.00 - 13,505,000 Subscription Receipts, each representing the right to receive one trust unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #768824

Issuer Name:

KCP Income Fund
KIK Acquisition Company
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

(KCP Income Fund) C\$100,320,000.00 - 9,600,000 Units
Price: C\$10.45 per Unit

-and - (KIK Acquisition Company) US\$80,000,000.00 -

6.5% Exchangeable Unsecured Subordinated
Debentures Price: US\$1,000 per Debenture

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #768135 & 768158

Issuer Name:

RBC \$U.S. Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated May 6, 2005
Mutual Reliance Review System Receipt dated May 6, 2005

Offering Price and Description:

Series A and F Units

Underwriter(s) or Distributor(s):

Royal Mutual Funds Inc.
Royal Mutual Funds Inc.

Promoter(s):

RBC Asset Management Inc.

Project #762747

Issuer Name:

Richards Oil & Gas Limited
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated May 6, 2005
Mutual Reliance Review System Receipt dated May 9, 2005

Offering Price and Description:

Maximum Offering: \$8,000,000.00 (up to 10,666,672
Common Shares and up to 4,444,440 Flow Through
Shares); Minimum Offering: \$4,000,000.00 (5,333,336
Common Shares and 2,222,220 Flow Through Shares)
Price: \$0.50 per Common Share and \$0.60 per Flow
Through Share 1,813,750 Common Shares (Issuable upon
the exercise of Special Warrants)

Underwriter(s) or Distributor(s):

Union Securities Ltd.
Octagon Capital Corporation
Fraser Mackenzie Limited

Promoter(s):

Richard Cohen

Project #733582

Issuer Name:

The Vengrowth Traditional Industries Fund Inc.
The VenGrowth Advanced Life Sciences Fund Inc.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated May 2, 2005 to Final Prospectuses
dated November 26, 2004
Mutual Reliance Review System Receipt dated May 4,
2005

Offering Price and Description:

Class A Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

APSFA/AGFFP Sponsor Corp.

Project #697410

Issuer Name:

The VenGrowth III Investment Fund Inc.
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated May 2, 2005 to Final Prospectus
dated October 4, 2004
Mutual Reliance Review System Receipt dated May 4,
2005

Offering Price and Description:

Class A Shares - Net Asset Value per Class A Share

Underwriter(s) or Distributor(s):

-

Promoter(s):

APSF/AGFFP Sponsor Corp.

Project #666722

Issuer Name:

XS Cargo Income Fund
Principal Regulator - Alberta

Type and Date:

Final Prospectus dated May 6, 2005
Mutual Reliance Review System Receipt dated May 6,
2005

Offering Price and Description:

\$61,060,000.00 - 6,106,000 Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc,
National Bank Financial Inc.
Canaccord Capital Corporation
Sprott Securities Inc.

Promoter(s):

Famous Brands (Edmonton) Inc.

Project #763057

This page intentionally left blank

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Covenant Capital Management Inc.	Extra Provincial Investment Counsel	May 9, 2005
Change of Registration	C.F.G. Heward investment Management Ltd.	From: Extra Provincial Investment Counsel and Portfolio Manager To: Limited Market Dealer and Extra Provincial Investment Counsel and Portfolio Manager	May 5, 2005

This page intentionally left blank

Chapter 25

Other Information

25.1 Other Information

25.1.1 Executive Director's Designation

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

AND

**IN THE MATTER OF
THE DESIGNATION BY THE EXECUTIVE DIRECTOR
OF
POSITIONS FOR THE PURPOSES OF THE DEFINITION
OF DIRECTOR IN THE ACT**

EXECUTIVE DIRECTOR'S DESIGNATION

WHEREAS:

- A. under subsection 6(4) of the Act, the Executive Director may assign any of his powers and duties to another Director, other than powers and duties assigned to the Executive Director by the Commission;
- B. under subsection 1(1) of the Act, "Director" means the Executive Director of the Commission, a Director or Deputy Director of the Commission, or a person employed by the Commission in a position designated by the Executive Director;
- C. under section 6.1 of Part 6 of Ontario Securities Commission (OSC) Rule 13-502 *Fees*, the Director may grant an exemption from the provisions of that Rule, in whole or in part, subject to such conditions and restrictions as may be imposed in the exemption; and
- D. the Executive Director has determined that it is appropriate that certain staff positions be designated for the purposes of the definition of "Director" in connection with the authority to grant exemptions under section 6.1 of OSC Rule 13-502 *Fees*;

NOW THEREFORE, the Executive Director hereby:

- 1. designates the following positions, whether or not in an acting capacity, for the purposes of the definition of "Director" contained in subsection 1(1) of the Act, solely for the purpose of granting exemptions from fees for the late filing of insider reports on Form 55-102F2 under OSC Rule 13-502 *Fees*:

- each Manager and Assistant Manager in the Corporate Finance Branch and each Senior Legal Counsel and Senior Accountant in the Corporate Finance Branch.

April 28, 2005

"Charlie Macfarlane"
Executive Director

25.2 Consents

25.2.1 Medical Facilities Corporation - s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the OBCA to continue under the BCBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am.
Business Corporations Act, S.B.C. 2002, c. 57
Securities Act, R.S.O. 1990, c. S.5., as am.

Regulation Cited

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

May 6, 2005

**IN THE MATTER OF
R.R.O. 1990, REGULATION 289/00 (THE REGULATION)
MADE UNDER THE BUSINESS CORPORATIONS ACT
(ONTARIO),
R.S.O. 1990 C. B.16, AS AMENDED (THE OBCA)**

AND

**IN THE MATTER OF
MEDICAL FACILITIES CORPORATION**

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

UPON the application (the Application) of Medical Facilities Corporation (the Corporation) to the Ontario Securities Commission (the Commission) requesting a consent from the Commission for the Corporation to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON the Corporation representing to the Commission that:

1. The Corporation was incorporated under the OBCA by a certificate of incorporation on January 12, 2004 under the name Medical Facilities Corp. By articles of amendment dated February 23, 2004, the name of the Corporation was changed to Medical Facilities Corporation.
2. The Corporation's registered and head office is 250 Yonge Street, Toronto, Ontario, M5B 2M6. Following completion of the Proposed Continuance (as defined in paragraph 12, below), the registered office of the Corporation will be

located at 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

3. The Corporation proposes to make an application to the Director under the OBCA pursuant to Section 181 of the OBCA (the Application for Continuance) for authorization to continue as a corporation under the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57 (the BCBCA).
4. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission.
5. The Corporation is an offering corporation under the OBCA.
6. All of the issued and outstanding common shares of the Corporation (the Common Shares) are represented by income participating securities of the Corporation which are listed for trading on the Toronto Stock Exchange (the TSX) under the symbol "DR.UN".
7. Following the Proposed Continuance, the registered office of the Corporation will be located in Vancouver, British Columbia.
8. The Corporation is, and has been since March 17, 2004, a reporting issuer under the Securities Act (Ontario), R.S.O. 1990, c. S.5, as amended (the Act) and the securities legislation of each of the other provinces and territories of Canada that have a reporting issuer concept (collectively, the Legislation) and, to the best of its knowledge, is not in default of any requirement under the Act or the Legislation.
9. The Corporation is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act or the Legislation.
10. The principal place of business of the Corporation's subsidiaries is the State of South Dakota.
11. While the Corporation's subsidiaries currently conduct business solely in the United States, and there are no current plans to conduct business in Canada, management anticipates that the most likely Canadian jurisdiction in which its subsidiaries may conduct business in the future would be the Province of British Columbia.
12. The annual and special meeting (the Meeting) of the holders of Common Shares (the Shareholders) called to, among other things, consider the continuance of the Corporation from the OBCA to the BCBCA (the Proposed Continuance) is scheduled for May 11, 2005. If

Other Information

approval of the Shareholders is obtained, the Application for Continuance would be made, articles of continuance would be filed under the BCBCA and the Proposed Continuance would become effective.

13. The management information circular describing the Proposed Continuance (the Information Circular), which is dated March 28, 2005, has been printed and mailed to the Shareholders and was filed on the System for Electronic Document Analysis and Retrieval on April 13, 2005.
14. Full disclosure of the reasons for and implications of the Proposed Continuance is included in the Information Circular.
15. The OBCA provides that the resolution of the Shareholders concerning the Continuance (the Continuance Resolution) requires the approval of not less than 66 2/3% of the aggregate votes cast by the Shareholders present in person or by proxy at the Meeting. Each Shareholder is entitled to one vote for each Common Share held.
16. The Shareholders will have the right to dissent from the Proposed Continuance under Section 185 of the OBCA, and the Information Circular discloses full particulars of this right in accordance with applicable law.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Corporation under the BCBCA.

“Paul K. Bates”

“H. Lorne Morphy”

This page intentionally left blank

Index

All Canadian Management Inc.		Assante International Equity Growth Pool	
Reasons for Decision	4395	MRRS Decision	4363
All Equity Portfolio		Assante International Equity Value Pool	
MRRS Decision.....	4353	MRRS Decision	4363
All Equity RSP Portfolio		Assante Real Estate Investment Pool	
MRRS Decision.....	4353	MRRS Decision	4363
Altagas Ltd.		Assante RSP Global Fixed Income Pool	
MRRS Decision.....	4377	MRRS Decision	4363
Altagas Services Inc.		Assante RSP International Equity Diversified Pool	
MRRS Decision.....	4377	MRRS Decision	4363
American Bonanza Gold Mining Corp.		Assante RSP US Equity Diversified Pool	
MRRS Decision.....	4358	MRRS Decision	4363
Anhalt, Emilia von		Assante US Equity Diversified Pool	
News Release.....	4345	MRRS Decision	4363
Anhalt, Jurgen von		Assante US Equity Growth Pool	
News Release.....	4345	MRRS Decision	4363
Arbour Energy Inc.		Assante US Equity Value Pool	
Cease Trading Order	4401	MRRS Decision	4363
Argus Corporation Limited		Augen Capital Corp.	
Cease Trading Order	4401	Cease Trading Order.....	4401
Arise Technologies Corporation		Aurado Energy Inc.	
Cease Trading Order	4401	Cease Trading Order.....	4401
Assante Asset Management Ltd.		Balanced Growth Portfolio	
MRRS Decision.....	4363	MRRS Decision	4353
Assante Canadian Equity Diversified Pool		Balanced Income Portfolio	
MRRS Decision.....	4363	MRRS Decision	4353
Assante Canadian Equity Growth Pool		BPI American Equity Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Assante Canadian Equity Small Cap Pool		BPI American Equity Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Assante Canadian Equity Value Pool		BPI Global Equity Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Assante Canadian Fixed Income Pool		BPI Global Equity Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Assante Global Fixed Income Pool		BPI International Equity Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Assante International Equity Diversified Pool		BPI International Equity Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363

C.F.G. Heward investment Management Ltd.		CI Global Biotechnology Sector Fund	
Change of Registration	4503	MRRS Decision	4363
Calloway Real Estate Investment Trust		CI Global Bond Fund	
MRRS Decision.....	4359	MRRS Decision	4363
CFM Corporation		CI Global Bond Sector Fund	
MRRS Decision.....	4373	MRRS Decision	4363
CI American Managers™ Sector Fund		CI Global Boomernomics® Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI American Small Companies Fund		CI Global Consumer Products Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI American Small Companies Sector Fund		CI Global Energy Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI American Value Fund		CI Global Financial Services Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI American Value Sector Fund		CI Global Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Asian Dynasty Fund		CI Global Health Sciences Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Canadian Asset Allocation Fund		CI Global Managers® Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Canadian Bond Fund		CI Global Science & Technology Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Canadian Bond Sector Fund		CI Global Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Canadian Investment Fund		CI Global Small Companies Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Canadian Investment Sector Fund		CI Global Small Companies Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Canadian Small Cap Fund		CI Global Value Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Emerging Markets Fund		CI Global Value Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Emerging Markets Sector Fund		CI International Balanced Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI European Fund		CI International Balanced Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI European Sector Fund		CI International Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Explorer Fund		CI International Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Explorer Sector Fund		CI International Value Fund	
MRRS Decision.....	4363	MRRS Decision	4363

CI International Value Sector Fund		Clarica Summit Foreign Equity Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Japanese Sector Fund		Clarica Summit Growth And Income Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Long-Term Bond Fund		Clarica US Small Cap Fund	
MRRS Decision.....	4363	MRRS Decision	4363
CI Mutual Funds Inc.		Corporate Properties Limited	
MRRS Decision.....	4363	Cease Trading Order.....	4401
CI Pacific Fund		Covenant Capital Management Inc.	
MRRS Decision.....	4363	New Registration	4503
CI Pacific Sector Fund		Daylight Energy Ltd.	
MRRS Decision.....	4363	MRRS Decision	4367
CI Short-Term Bond Fund		Designation of Positions	
MRRS Decision.....	4363	Executive Director, by	4505
CI Short-Term Sector Fund		Dexx Corporation	
MRRS Decision.....	4363	Cease Trading Order.....	4401
CI Short-Term Us\$ Sector Fund		Dxstorm.Com Inc.	
MRRS Decision.....	4363	News Release	4346
CI Value Trust Sector Fund		Dynex Power Inc.	
MRRS Decision.....	4363	Cease Trading Order.....	4401
Cimatec Environmental Engineering		Economical Insurance Company	
Cease Trading Order	4401	Decision - s. 147.....	4371
Clarica Alpine Growth Equity Fund		Order - s. 147	4389
MRRS Decision.....	4363	Eizenga, Allan	
Clarica Canadian Blue Chip Fund		Notice	4347
MRRS Decision.....	4363	Order	4391
Clarica Canadian Diversified Fund		Fangeat, Richard Jules	
MRRS Decision.....	4363	Notice	4347
Clarica Canadian Equity Fund		Order	4391
MRRS Decision.....	4363	First Federal Capital (Canada) Corporation	
Clarica Canadian Small/Mid Cap Fund		Order - ss. 127, 127.1	4391
MRRS Decision.....	4363	Foccini International Inc.	
Clarica Premier Bond Fund		Cease Trading Order.....	4401
MRRS Decision.....	4363	Friesner, Monte Morris	
Clarica Premier International Fund		Order - ss. 127, 127.1	4391
MRRS Decision.....	4363	FW Omnimedia Corp.	
Clarica Premier Mortgage Fund		Cease Trading Order.....	4401
MRRS Decision.....	4363	Gibraltar Springs Capital Corporation	
Clarica Summit Canadian Equity Fund		Cease Trading Order.....	4401
MRRS Decision.....	4363	Greentree Gas & Oil Ltd.	
Clarica Summit Dividend Growth Fund		Cease Trading Order.....	4401
MRRS Decision.....	4363	Harbour Foreign Equity Sector Fund	
		MRRS Decision	4363

Harbour Foreign Growth & Income Sector Fund		Nortel Networks Corporation	
MRRS Decision.....	4363	Cease Trading Order.....	4401
Harbour Fund		Nortel Networks Limited	
MRRS Decision.....	4363	Cease Trading Order.....	4401
Harbour Growth & Income Fund		Ontario Securities Commission Rule 14-502	
MRRS Decision.....	4363	Notice	4343
Harbour Sector Fund		Rules and Policies.....	4403
MRRS Decision.....	4363	Popovic, Zoran	
Hersey, Michael		News Release	4346
Notice.....	4347	Real Estate Asset Liquidity Trust	
Order.....	4391	MRRS Decision	4374
Hollinger Canadian Newspapers, Limited Partnership		Ribbon Capital Corp.	
Cease Trading Order	4401	Cease Trading Order.....	4401
Hollinger Inc.		Rizzuto, Robert Louis	
Cease Trading Order	4401	Notice	4347
Hollinger International Inc.		Order	4391
Cease Trading Order	4401	Russell Global Equity Fund	
How To Web Tv Inc.		MRRS Decision	4353
Cease Trading Order	4401	Russell Overseas Equity Fund	
Kinross Gold Corporation		MRRS Decision	4353
Cease Trading Order	4401	Russell US Equity Fund	
Long-Term Growth Portfolio		MRRS Decision	4353
MRRS Decision.....	4353	Saratoga Capital Corp.	
Lucid Entertainment Inc.		Cease Trading Order.....	4401
Cease Trading Order	4401	Sargold Resources Corporation	
Lundin Mining Corporation		Cease Trading Order.....	4401
MRRS Decision.....	4351	SEAMARK Asset Management Ltd.	
Mamma.Com Inc.		MRRS Decision	4349
Cease Trading Order	4401	SHSC Financial Inc.	
Cease Trading Order	4401	Order - s. 74(1).....	4392
Mcgee, Luke John		Signature Canadian Balanced Fund	
Notice.....	4347	MRRS Decision	4363
Order.....	4391	Signature Canadian Income Fund	
Medical Facilities Corporation		MRRS Decision	4363
Consent - s. 4(b) of the Regulation	4506	Signature Canadian Resource Fund	
Mediterranean Minerals Corp.		MRRS Decision	4363
Cease Trading Order	4401	Signature Canadian Resource Sector Fund	
Mill Run Golf & Country Club		MRRS Decision	4363
Cease Trading Order	4401	Signature Canadian Small Cap Class	
Multi-Glass International Corp.		MRRS Decision	4363
Cease Trading Order	4401	Signature Corporate Bond Fund	
		MRRS Decision	4363

Index

Signature Corporate Bond Sector Fund		Synergy Extreme Global Equity Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Signature Dividend Fund		Synergy Global Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Signature Dividend Sector Fund		Synergy Global Style Management Sector Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Signature High Income Fund		Synergy Tactical Asset Allocation Fund	
MRRS Decision.....	4363	MRRS Decision	4363
Signature High Income Sector Fund		Teig Investment Partnership	
MRRS Decision.....	4363	Decision - s. 147.....	4371
Signature Income & Growth Fund		Order - s. 147	4389
MRRS Decision.....	4363	TeraForce Technology Corporation	
Signature Income & Growth Sector Fund		Cease Trading Order.....	4401
MRRS Decision.....	4363	The Lodge at Kananaskis Limited Partnership	
Signature Select Canadian Fund		Cease Trading Order.....	4401
MRRS Decision.....	4363	The Loyalist Insurance Group Limited	
Signature Select Canadian Sector Fund		Cease Trading Order.....	4401
MRRS Decision.....	4363	The Mountain Inn at Ribbon	
Sovereign Diversified Monthly Income Portfolio		Cease Trading Order.....	4401
MRRS Decision.....	4353	Thistle Mining Inc.	
Sovereign Global Equity RSP Pool		Cease Trading Order.....	4401
MRRS Decision.....	4353	Tibollo, Michael	
Sovereign Overseas Equity Pool		Notice	4347
MRRS Decision.....	4353	Order	4391
Sovereign US Equity Pool		Timminco Limited	
MRRS Decision.....	4353	Cease Trading Order.....	4401
Synergy American Fund		Tintina Mines Limites	
MRRS Decision.....	4363	Cease Trading Order.....	4401
Synergy American Sector Fund		Total Acquisition Corp.	
MRRS Decision.....	4363	MRRS Decision	4381
Synergy Canadian Class		Total Energy Services Ltd.	
MRRS Decision.....	4363	MRRS Decision	4381
Synergy Canadian Sector Fund		Total Energy Services Trust	
MRRS Decision.....	4363	MRRS Decision	4381
Synergy Canadian Short-Term Income Class		Total Exchangeco Ltd. ("Exchangeco")	
MRRS Decision.....	4363	MRRS Decision	4381
Synergy Canadian Style Management Class		Turbodyne Technologies Inc.	
MRRS Decision.....	4363	Cease Trading Order.....	4401
Synergy Canadian Value Class		Vicwest Corporation	
MRRS Decision.....	4363	MRRS Decision	4386
Synergy Extreme Canadian Equity Fund		Vindicator Industries Inc.	
MRRS Decision.....	4363	Cease Trading Order.....	4401
		MRRS Decision	4388

This page intentionally left blank