The Ontario Securities Commission

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June 10, 2005

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

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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JUNE 10, 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
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Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

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
June 10, 2005 10:00 a.m. June 15, 2005 12:00 p.m.	ATI Technologies Inc.*, **Kwok Yuen Ho, Betty Ho,** JoAnne Chang*, David Stone*, Mary de La Torre*, Alan Rae* and Sally Daub* s. 127 M. Britton in attendance for Staff Panel: SWJ/HLM/MTM * Settled
June 16, 2005 10:00 a.m.	**Gregory Hryniw and Walter Hryniw** s.127 K. Wootton in attendance for Staff Panel: TBA
June 27, 2005 9:00 a.m.	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** 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
July 8, 2005 10:00 a.m.	**Olympus United Group Inc.** S.127 M. Mackewn in attendance for Staff Panel: TBA
July 8, 2005 10:00 a.m.	**Norshield Asset Management (Canada) Ltd.** S.127 M. Mackewn in attendance for Staff Panel: TBA
July 19, 2005 11:00 a.m.	**Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig** s. 127 J. Waechter in attendance for Staff Panel: PMM
August 29, 2005 to September 16, 2005 10:00 a.m. September 12, 2005 2:30 p.m.	**In the matter of Allan Eizenga,** Richard Jules Fangeat*, Michael Hersey*, Luke John McGee* and Robert Louis Rizzutto* **and In the matter of Michael Tibollo** s.127 T. Pratt in attendance for Staff Panel: WSW/PKB/ST * Fangeat settled June 21, 2004 * Hersey settled May 26, 2004 * McGee settled November 11, 2004 * Rizzutto settled August 17, 2004
September 16, 2005 10:00 a.m.	**Portus Alternative Asset Management Inc., and Portus Asset Management, Inc.** s. 127 M. MacKewn in attendance for Staff Panel: TBA
September 28 and 29, 2005 10:00 a.m.	**Francis Jason Biller** s.127 J. Cotte in attendance for Staff Panel: TBA
November 2005	**Andrew Currah, Joseph Damm, Nicholas Weir, Penny Currah, Warren Hawkins** s.127 J. Waechter 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

1.3 News Releases

1.3.1 OSC To Consider Settlement Reached Between Staff and Buckingham Securities Corporation

FOR IMMEDIATE RELEASE
June 3, 2005

OSC TO CONSIDER SETTLEMENT REACHED BETWEEN STAFF AND BUCKINGHAM SECURITIES CORPORATION

Toronto – The Ontario Securities Commission will convene a hearing to consider a settlement reached by Staff of the Commission and the respondent Buckingham Securities Corporation. The hearing is scheduled for Tuesday June 7, 2005 at 10:00 a.m. in the Large Hearing Room of the Commission's offices, located on the 17th floor, 20 Queen Street West, Toronto.

The terms of the settlement agreement between Staff and Buckingham Securities Corporation are confidential until approved by the Commission.

Copies of the Notice of Hearing dated April 15, 2004 and the related Statement of Allegations of Staff of the Commission are available on the Commission's website (**www.osc.gov.on.ca**).

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

For Investor Inquiries: OSC Contact Centre
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1.3.2 Extension of Comment Period for Internal Control and Certification Rules Announced

FOR IMMEDIATE RELEASE
June 2, 2005

EXTENSION OF COMMENT PERIOD FOR INTERNAL CONTROL AND CERTIFICATION RULES ANNOUNCED

Toronto – Securities regulatory authorities in each Canadian jurisdiction, with the exception of British Columbia, are extending the comment period for previously published internal control and certification rules.

On February 4, 2005, CSA members published materials setting out proposed internal control measures for TSX listed issuers (the proposed internal control materials) and modifying certification requirements for all publicly traded issuers (the revised certification materials). The primary objective of the proposals is to improve the quality and reliability of financial reporting and other continuous disclosure by reporting issuers.

CSA members have actively solicited feedback, including discussion forums in several cities over the past two weeks. New guidance from the U.S. Securities and Exchange Commission (the SEC) and the Public Company Accounting Oversight Board (the PCAOB) on the implementation of the rules implementing section 404 of the *Sarbanes-Oxley Act of 2002* was released on May 16, 2005. Several reporting issuers have indicated that they wish to take into account this new guidance in responding to the CSA and they believe this can be accomplished by June 30, 2005.

In view of the importance the CSA attaches to this comment process, we are acceding to this request.

Written submissions on the proposed internal control materials and revised certification materials received by June 30, 2005 will be considered.

Copies of the proposed materials and explanatory staff notice are available on several CSA members' web sites.

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1.3.3 Hearings Adjourned with respect to Temporary Orders Affecting Norshield and Olympus

FOR IMMEDIATE RELEASE
June 2, 2005

HEARINGS ADJOURNED WITH RESPECT TO TEMPORARY ORDERS AFFECTING NORSHIELD AND OLYMPUS

TORONTO – The Commission has today issued orders adjourning to July 8, 2005 hearings that had been scheduled to take place on June 3, 2005 to consider the extension of temporary orders issued with respect to Olympus United Group Inc. ("Olympus") on May 13 and 20, 2005 and with respect to Norshield Asset Management (Canada) Inc. ("Norshield') on May 20, 2005. The adjournment was made with the consent of Olympus and Norshield.

Norshield is the manager and adviser of a variety of hedge funds and alternative investment products offered across Canada by Olympus. These products are sold as shares in the Olympus United Funds Corporation ("Olympus Funds"). At present, Olympus Funds has approximately 2,000 shareholders, the majority of whom are resident in Ontario.

On May 13, 2005, the Commission suspended the registration of Olympus because Olympus was operating without a registered trading and compliance officer. That remains to be the case. On May 20, 2005 a term and condition was imposed on Olympus' registration precluding redemptions from all client accounts. Olympus had suspended redemptions from some, but not all, of the funds offered by Olympus, on May 2, 2005.

On May 20, 2005, the Commission also suspended Norshield's registration and it was made a term and condition on Norshield's registration that a monitor be appointed to oversee Norshield's business and financial affairs in Ontario. This was done because Norshield and Olympus have been unable or unwilling to adequately explain the investment structure and flow and location of client funds during the joint review by Staff of the Commission, the securities regulator in Quebec and the Mutual Fund Dealers Association. On June 1, 2005, Norshield retained RSM Richter Inc. ("Richter") as monitor in accordance with the Commission's order of May 20, 2005.

The Commission's orders of today impose the continued retainer of Richter as a term and condition of Norshield's registration and extend until July 8, 2005 the suspension of Olympus' and Norshield's registration and the prohibition on redemptions by Olympus.

The orders made by the Commission today maintain the protections previously put in place for investors while providing the monitor with a reasonable period of time within which to develop an understanding of Norshield's financial and business affairs and to establish procedures to effectively oversee them.

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1.3.4 Norshield Asset Management (Canada) Ltd. Appoints Monitor

FOR IMMEDIATE RELEASE
June 2, 2005

NORSHIELD ASSET MANAGEMENT (CANADA) LTD.
APPOINTS MONITOR

TORONTO – In accordance with the Order of the Ontario Securities Commission made on May 20, 2005, Norshield Asset Management (Canada) Ltd. has appointed RSM Richter Inc. to monitor its ongoing business and financial affairs. The monitor's mandate is to ensure that clients' funds are preserved and protected.

For Media Inquiries: Wendy Dey
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and Public Affairs
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1.3.5 OSC Approves Settlement in Respect of Buckingham Securities Corporation

FOR IMMEDIATE RELEASE
June 7, 2005

OSC APPROVES SETTLEMENT IN RESPECT OF
BUCKINGHAM SECURITIES CORPORATION

Toronto – Today, the Ontario Securities Commission approved a settlement agreement between Staff of the Commission and Buckingham Securities Corporation.

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

Previously, the Commission had suspended the registration of Buckingham by Orders dated July 6, 2001 and July 20, 2001. BDO Dunwoody Limited was also appointed Receiver and Manager of the assets and undertaking of Buckingham by Order of the Honourable Madame Justice Swinton dated July 26, 2001.

In the settlement agreement approved by the Commission, Buckingham made admissions in relation to the violations of the requirements of Ontario securities law outlined above, and agreed to an order terminating the registration of Buckingham. The panel, comprised of Vice-Chair Paul Moore, Q.C., Commissioner Robert Davis and Commissioner David Knight, approved the settlement as being in the public interest.

Copies of the Notice of Hearing dated April 15, 2004 and related Statement of Allegations, the settlement agreement dated June 2, 2005 and the Commission's Order of June 7, 2005 are made available on the Commission's website (**www.osc.gov.on.ca**).

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1.3.6 CSA News Release - Canadian Securities Regulators Launch Registration Reform Project Website

FOR IMMEDIATE RELEASE

CANADIAN SECURITIES REGULATORS LAUNCH REGISTRATION REFORM PROJECT WEBSITE

J**une 8, 2005 - Toronto** – The Canadian Securities Administrators (CSA) today launched the website of the Registration Reform Project (RRP), an ongoing CSA initiative to harmonize, streamline and modernize the registration regime for firms and individuals across Canada.

The website (**www.rrp-info.ca**) will provide market participants with updated content about the RRP, including news and events, forms and Frequently Asked Questions about various elements of the Project, including the National Registration System.

Additional content will be added to the website, when appropriate, as the RRP moves forward to achieve its various objectives. The principal objective of the RRP is to create a flexible registration regime leading to administrative efficiencies and a reduced regulatory burden.

Questions about the Registration Reform Project may be sent to inquiries@rrp-info.ca.

The RRP is consulting extensively with industry stakeholders on its objectives, which include developing registration categories and common proficiency and conduct requirements. Stakeholders will have the opportunity to participate in additional consultations to discuss other important registration issues as the project seeks to achieve its various objectives.

The Project has a steering committee made up of three industry representatives, and representatives of the Investment Dealers Association, Mutual Fund Dealers Association and securities regulators in British Columbia, Alberta, Quebec and Ontario.
The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

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Saskatchewan Financial Services Commission
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Manitoba Securities Commission
204-945-4733

Philippe Roy
Autorité des marchés financiers
514-940-2176

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Intier Automotive Inc. - 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.

MRRS Decision Document – Letter Granting the Relief

June 2, 2005

Adam Grabowski
Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

Dear Mr. Grabowski:

Intier Automotive Inc. (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.

"John Hughes"
Manager, Corporate Finance

2.1.2 Sterling Centrecorp Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the requirement to provide a US GAAP reconciliation note for unaudited interim financial statements of an acquired business in a business acquisition report – Relief required due to a change in Canadian GAAP that would result in a different presentation of the interim statements from the annual financial statements – Management to provide certification outlining differences between Canadian GAAP and U.S. GAAP in respect of the interim statements.

Instruments Cited

National Instrument 51-102 – Continuous Disclosure Obligations, Part 8.
National Instrument 52-107 – Acceptable Accounting Principles, Auditing Standards and Reporting Currency, ss. 6.1, 7.1.

April 25, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUEBEC, NOVA SCOTIA, NEW BRUNSWICK, NEWFOUNDLAND AND LABRADOR, YUKON, NUNAVUT AND
THE NORTHWEST TERRITORIES (the Jurisdictions)

AND

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

AND

IN THE MATTER OF
STERLING CENTRECORP INC. (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for (i) a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement contained in section 6.1 of National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* (NI 52-107) to provide a reconciliation note from United States generally acceptable accounting principles (U.S. GAAP) to Canadian generally acceptable accounting principles (Canadian GAAP) in the interim financial statements for the period ended June 30, 2004 in respect of the Property (as defined below) and which will be included in the business acquisition report to be filed regarding the Acquisition (as defined below), and (ii) in Quebec, for a revision of the general order that will provide the same result as an exemption order (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission is the principal regulator for this Application; and

(b) 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 a corporation subsisting under the *Business Corporations Act* (Ontario). Its head office is located in Markham, Ontario.

2. The Filer is a reporting issuer or the equivalent in each Jurisdiction and is not in default of any requirements of the Legislation, except for the requirement to file a business acquisition report (the BAR) under Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (NI 51-102).

3. On July 23, 2004, the Filer acquired (the Acquisition) an effective 50 percent ownership interest in the Mall of the Americas, a fully enclosed mall (the Property).

4. The total aggregate purchase price for the Property was US$51 million and was partially satisfied by first mortgage financing in the principal amount of US$40 million.

5. Pursuant to section 8.2 of NI 51-102, the Filer is required to file the BAR in respect of the Acquisition because the Acquisition is a "significant acquisition" for the purposes of section 8.3(2) of NI 51-102. The BAR was due on October 6, 2004.

6. Pursuant to section 8.4 of NI 51-102, the following financial statements for the Property must be filed with the BAR:

   (i) an audited income statement, statement of retained earnings and a cash flow statement for the year ended December 31, 2003 (with applicable notes);

(ii) an audited balance sheet as at December 31, 2003 (with applicable notes);

(iii) an unaudited comparative income statement, statement of retained earnings and a cash flow statement for the six months ended June 30, 2004;

(iv) an unaudited comparative balance sheet as at June 30, 2004;

(v) a *pro forma* income statement for the year ended December 31, 2003 and the six months ended June 30, 2004; and

(vi) a *pro forma* balance sheet as at December 31, 2003 and June 30, 2004.

7. Pursuant to section 6.1 of NI 52-107, an acquisition financial statement included in a BAR may be prepared in accordance with generally accepted accounting principles (GAAP) of the United States provided that, among other things, where the GAAP of the acquisition statements differs from the GAAP used for the Filer's financial statements, the acquisition statements are reconciled to the Filer's GAAP and the notes to the acquisition statements provide disclosure with respect to the differences between the Filer's GAAP and the acquisition statement GAAP, as well as the effect of such differences.

8. Pursuant to section 7.1 of NI 52-107, *pro forma* financial statements must be prepared in accordance with the Filer's GAAP.

9. As the vendor is a pension fund, the financial statements for the Property have been prepared in accordance with U.S. GAAP using the "fair value" basis of accounting, consistent with industry practice, although generally not consistent with the principles of Canadian GAAP.

10. Pursuant to section 1100 of the Canadian Institute of Chartered Accountants Handbook, which requires prospective application for the period beginning January 1, 2004 in respect of the Filer, industry practice that is not consistent with the principles of Canadian GAAP is no longer acceptable under Canadian GAAP. Consequently, under Canadian GAAP, the interim financial statements for the period ended June 30, 2004 required in the BAR (the Interim Statements) must be prepared using the historical cost basis of accounting. Given the timing of this change, the annual financial statements for the year ended December 31, 2003 may be prepared using the "fair value" basis of accounting, consistent with industry practice.

11. The Filer has obtained the financial statements for the Property set forth above in representations 6(iii) and (iv), which have been prepared in accordance with U.S. GAAP.

12. The Filer is of the belief that there is no value to shareholders or investors in restating the Interim Statements to enable it to provide the required reconciliation note due to the fact that:

(i) the Filer will be including the Property in its books effective as of the acquisition date at the purchase price, which is the current fair value and not the historical cost value;

(ii) the *pro forma* statements to be included in the business acquisition report will adjust the Filer's financial statements for the acquisition based on the purchase price (i.e. fair value), not on the historical cost value, and will also calculate depreciation on this fair value amount; and

(iii) having all of the financial statements that are included in the business acquisition report prepared using the same method of accounting (i.e. fair value) will be more useful for investors and shareholders since it will aid a reader's ability to compare the results across the various sets of financial statements.

13. In lieu of a reconciliation note, management of the Filer has agreed to provide a certification that, to the best of their knowledge, there are no differences between U.S. GAAP and Canadian GAAP in respect of the Interim Statements, other than the change in the basis of accounting from the fair value basis to the historical cost basis.

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 Filer files a business acquisition report in respect of the Acquisition in accordance with Part 8 of NI 51-102, other than as otherwise exempted hereunder, together with the certification set out in representation 13 above and signed by the Chief Executive Officer and Chief Financial Officer of the Filer.

"John Hughes"
Manager, Corporate Finance

2.1.3 GMAC Commercial Mortgage Securities of Canada, Inc./GMAC titres hypothécaires commerciaux du Canada inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer of mortgage pass-through certificates previously granted an exemption from the requirements to file annual and interim financial statements, subject to certain conditions. Issuer granted an exemption from the requirements in Multilateral Instrument 52-109 to file interim and annual certificates, subject to certain conditions, including the requirement to file alternative forms of annual and interim certificates.

Ontario Rules

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

June 2, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, NOVA SCOTIA, NEWFOUNDLAND AND LABRADOR, NEW BRUNSWICK,
THE NORTHWEST TERRITORIES AND NUNAVUT
(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
GMAC COMMERCIAL MORTGAGE SECURITIES OF CANADA, INC./
GMAC TITRES HYPOTHÉCAIRES COMMERCIAUX DU CANADA INC.
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirements in Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings to file interim certificates and annual certificates, subject to certain conditions (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

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

1. The Filer was incorporated under the laws of Canada on March 25, 2002 and is a special purpose corporation wholly-owned by GMAC Commercial Mortgage of Canada, Limited ("GMACCM"). The only security holders of the Filer, excluding GMACCM, are and will be the holders (the "Certificateholders") of its asset-backed securities ("Certificates").

2. The head office of the Filer is located in Toronto, Ontario.

3. The financial year-end of the Filer is December 31.

4. The Filer filed a short form prospectus (the "Prospectus") dated July 30, 2002 with the securities regulatory authorities in each of the provinces and territories of Canada for the issuance of approximately $210,187,000 aggregate principal amount of Mortgage Pass-Through Certificates, Series 2002-FL1 (the "Issued Certificates") and received receipts for the Prospectus from the securities regulatory authorities in each of the provinces and territories of Canada.

5. The Filer is a reporting issuer, or the equivalent, in each of the provinces and territories of Canada that provides for a reporting issuer regime.

6. The Filer is a "venture issuer" as defined in National Instrument 51-102 — *Continuous Disclosure Obligations* ("NI 51-102").

7. The Filer does not carry on any activities other than issuing Certificates and purchasing assets in connection thereto (the "Assets").

8. The Filer has no material assets or liabilities other than its rights and obligations arising from acquiring Assets and in respect of the Issued Certificates.

9. Pursuant to an MRRS decision document dated October 16, 2002, and a decision document dated May 6, 2005, of the New Brunswick Securities Commission (collectively, the "Previous Decision"), the Filer is exempted, on certain terms

and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, and Newfoundland and Labrador (the local securities regulatory authority or regulator in each such jurisdiction, collectively, the "Previous Decision Makers") concerning the preparation, filing and delivery of interim financial statements and audited annual financial statements ("Financial Statements").

10. The Filer has delivered a notice to the applicable securities regulatory authorities or regulators pursuant to section 13.2 of NI 51-102 stating that it intends to rely on the Previous Decision to the same extent and on the same conditions as contained in the Previous Decision.

11. For each offering of Certificates, the Filer and, among others, the master servicer (the "Master Servicer") for all of the Assets in a given pool, the special servicer (the "Special Servicer"), the custodian on behalf of all Certificateholders and a reporting agent (the "Reporting Agent") enter into a pooling and servicing agreement (the "Pooling and Servicing Agreement") providing for, among other things, the preparation by the Master Servicer, Special Servicer and the Reporting Agent of periodic reports (the "Reports") to Certificateholders containing financial and other information in respect of the applicable pool of Assets and Certificates.

12. Pursuant to the Pooling and Serving Agreement and as disclosed in the Prospectus, the Reports are prepared by the Reporting Agent based solely on information provided by the Master Servicer and the Special Servicer. The Master Servicer and the Special Servicer are referred to herein as the "Servicer".

13. In accordance with the Previous Decision, within 60 days of the end of each interim period (as defined in NI 51-102) of the Filer (or such lesser period as may be required under applicable laws), the Reporting Agent or the Filer or its duly appointed representative or agent will post on the applicable website or mail to Certificateholders who so request and will contemporaneously file through SEDAR management's discussion and analysis ("MD&A") with respect to the applicable pool of Assets included in the Filer's annual information form ("AIF") filed with the Previous Decision Makers (as supplemented by any short form prospectuses filed by the Filer during the intervening period).

14. In accordance with the Previous Decision, within 140 days of the end of each financial year of the Filer (or such lesser period as may be required under applicable laws), the Reporting Agent or the Filer or its duly appointed representative or agent will post on the applicable website or mail to Certificateholders who so request and will contemporaneously file through SEDAR:

    (a) MD&A with respect to the applicable pool of Assets included in the Filer's AIF filed with the Previous Decision Makers (as supplemented by any short form prospectuses filed by the Filer during the intervening period);

    (b) an annual statement of compliance signed by a senior officer of each applicable Master Servicer or other party acting in a similar capacity on behalf of the Filer for the applicable pool of Assets, certifying that the Master Servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the related Pooling and Servicing Agreement during the year or, if there has been a default, specifying each such default and the status thereof; and

    (c) an annual accountants' report in form and content acceptable to the Previous Decision Makers prepared by a firm of independent public or chartered accountants acceptable to the Previous Decision Makers respecting compliance by the Master Servicer (or such other party acting in a similar capacity) with the Uniform Single Attestation Program or such other servicing standard acceptable to the Previous Decision Makers.

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 is not required to prepare, file and deliver Financial Statements under the Legislation, whether pursuant to exemptive relief or otherwise;

    (b) for each financial year of the Filer, within 120 days of the end of the financial year (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Filer or its duly appointed representative or agent will file through SEDAR an annual certificate in the form set out in Schedule "A" of this MRRS decision document and personally signed by a person who, at the time of filing of the annual certificate, is a senior

officer of the Filer, a Servicer or an administrative agent of the Filer;

(c) if the Filer voluntarily files an AIF for a financial year after it has filed the annual certificate referred to in paragraph (b) above for the financial year, the Filer will file through SEDAR a second annual certificate that:

(i) is in the form set out in Schedule "A" of this MRRS decision document;

(ii) is personally signed by a person who, at the time of filing of the second annual certificate, is a senior officer of the same person or company of which the senior officer who signed the annual certificate referred to in paragraph (b) is an officer; and

(iii) certifies the AIF in addition to the other documents identified in the annual certificate;

(d) for each interim period, within 60 days of the end of each interim period (or within 45 days of the end of an interim period of the Filer if the Filer is not a venture issuer at the end of such interim period), the Filer or its duly appointed representative or agent will file through SEDAR an interim certificate in the form set out in Schedule "B" of this MRRS decision document and personally signed by a person who, at the time of filing of the interim certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer; and

(e) the Requested Relief will cease to be effective in a Jurisdiction on the earlier of:

(i) June 1, 2008; and

(ii) the date on which a rule regarding the continuous disclosure requirements for issuers of asset-backed securities comes into force in a Jurisdiction.

"Erez Blumberger"
Assistant Manager
Ontario Securities Commission

SCHEDULE "A"

Certification of annual filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

(a) the servicer reports for each month in the financial year ended ***<insert financial year end>*** (the servicer reports);

(b) annual MD&A in respect of the issuer's pool(s) of assets for the financial year ended ***<insert the relevant date>*** (the annual MD&A);

(c) AIF for the financial year ended ***<insert the relevant date>*** (the AIF); [if applicable] and

(d) each annual statement of compliance regarding fulfillment of the obligations of the servicer(s) under the related servicing agreement(s) for the financial year ended ***<insert the relevant date>*** (the annual compliance certificate(s)),

(the servicer reports, the annual MD&A, the AIF [if applicable] and the annual compliance certificate(s) are together the annual filings);

2. Based on my knowledge, the annual filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the annual filings;

3. Based on my knowledge, all of the distribution, servicing and other information and all of the reports on assessment of compliance with servicing criteria for asset-backed securities and the annual accountant's report respecting compliance by the servicer(s) with servicing criteria for asset-backed securities required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

4. **Option #1** ***<use this alternative if a servicer is providing the certificate>***

I am responsible for reviewing the activities performed by the servicer(s) and based on my

knowledge and the compliance review(s) conducted in preparing the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

Option #2 ***<use this alternative if the Issuer or the administrative agent is providing the certificate>***

Based on my knowledge and the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

5. The annual filings disclose all material instances of noncompliance with the servicing criteria based on the [servicer's/servicers'] an assessment of compliance with such criteria.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____
[Signature]
[Title]
< indicate the capacity in which the certifying officer is providing the certificate>

SCHEDULE "B"

Certification of interim filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the interim period ended ***<insert relevant date>*** (the servicer reports); and

   (b) interim MD&A in respect of the issuer's pool(s) of assets for the interim period ended ***<insert the relevant date>*** (the interim MD&A),

   (the servicer reports and the interim MD&A are together the interim filings);

2. Based on my knowledge, the interim filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the interim filings; and

3. Based on my knowledge, all of the distribution, servicing and other information required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

2.1.4 Real Estate Asset Liquidity Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer of mortgage pass-through certificates previously granted an exemption from the requirements to file annual and interim financial statements, subject to certain conditions. Issuer granted an exemption from the requirements in Multilateral Instrument 52-109 to file interim and annual certificates, subject to certain conditions, including the requirement to file alternative forms of annual and interim certificates.

Ontario Rules

Multilateral Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings.

May 31, 2005

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

(the "Jurisdictions")

AND

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

AND

IN THE MATTER OF
REAL ESTATE ASSET LIQUIDITY TRUST
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirements in Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* to file interim certificates and annual certificates, subject to certain conditions (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. The Filer is a special purpose trust that was established by Montreal Trust Company of Canada under the laws of the Province of Ontario 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"), the beneficiary of which is a registered charity. Currently, Montreal Trust Company of Canada is the issuer trustee (the "Issuer Trustee") of the Filer.

2. Royal Bank of Canada ("RBC") is the administrative agent of the Filer pursuant to an administration agreement between RBC and the Issuer Trustee dated as of September 13, 2004.

3. The Issuer Trustee is located in Toronto, Ontario and the executive office of RBC is located in Toronto, Ontario.

4. The financial year-end of the Filer is December 31.

5. The Filer is a "reporting issuer", or the equivalent, in each Jurisdiction and British Columbia, Quebec and Prince Edward Island (collectively, the "Filing Jurisdictions"). The Filer became a reporting issuer, or the equivalent, in each Filing Jurisdiction on October 20, 2004, the date the Filer received a MRRS decision document in respect of its short form prospectus dated October 20, 2004 (the "Series 2004-1 Prospectus").

6. The Declaration of Trust restricts the activities of the Filer to the acquisition of various categories of commercial and multi-family residential mortgages, hypothecs or other charges on real or immovable property situated in Canada and originated by parties other than the Filer (the "Custodial Property"). The Filer funds the acquisition of the Custodial Property by issuing asset-backed securities, namely mortgage pass-through certificates that evidence an undivided co-ownership interest in the Custodial Property (the "Certificates"). The only security holders of the Filer are and will be the holders of the Certificates (the "Certificate holders").

7. The Filer 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, 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").

8. The Filer is a "venture issuer" as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102").

9. As a special purpose vehicle, the Filer will not carry on any activities other than activities related to issuing asset-backed securities in respect of Custodial Property acquired by the Filer.

10. The Filer 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 Filer.

11. Pursuant to an MRRS decision document dated May 2, 2005 (the "Previous Decision"), the Filer is exempted, on certain terms and conditions, from the requirements of the securities legislation in the Jurisdictions and British Columbia and Quebec (the local securities regulatory authority or regulator in each such jurisdiction, collectively, the "Previous Decision Makers") concerning the preparation, filing and delivery of interim financial statements and audited annual financial statements ("Financial Statements").

12. For each offering of the Issued Certificates, the Filer entered into, and for each future offering of Certificates, the Filer 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, 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.

13. 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 to Certificate holders containing financial and other information in respect of the Custodial Property.

14. The Reporting Agent provides, and will continue to provide, on a website to be identified in the relevant short form prospectus of the Filer, 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. In accordance with the Previous Decision, the Filer 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 on the System for Electronic Document Analysis and Retrieval ("SEDAR"). 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.

15. In accordance with the Previous Decision, within 60 days of the end of each interim period of the Filer (or within 45 days of the end of an interim period if the Filer is not a venture issuer at the end of such interim period), the Reporting Agent or the Filer 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.

16. In accordance with the Previous Decision, within 120 days of the end of each financial year of the Filer (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Reporting Agent or the Filer 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 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 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 Previous Decision Makers, during the year.

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 is not required to prepare, file and deliver Financial Statements under the Legislation, whether pursuant to exemptive relief or otherwise;

(b) for each financial year of the Filer, within 120 days of the end of the financial year (or within 90 days of the end of the financial year if the Filer is not a venture issuer at the end of such financial year), the Filer or its duly appointed representative or agent will file through SEDAR an annual certificate in the form out in Schedule "A" of this MRRS decision document and personally signed by a person who, at the time of filing of the annual certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer;

(c) if the Filer voluntarily files an AIF for a financial year after it has filed the annual certificate referred to in paragraph (b) above for the financial year, the Filer will file through SEDAR a second annual certificate that:

(i) is in the form set out in Schedule "A" of this MRRS decision document;

(ii) is personally signed by a person who, at the time of filing of the second annual certificate, is a senior officer of the same person or company of which the senior officer who signed the annual certificate referred to in paragraph (b) is an officer; and

(iii) certifies the AIF in addition to the other documents identified in the annual certificate;

(d) for each interim period of the Filer, within 60 days of the end of the interim period (or within 45 days of the end of the interim period if the Filer is not a venture issuer at the end of such interim period), the Filer or its duly appointed representative or agent will file through SEDAR an interim certificate in the form set out in Schedule "B" of this MRRS decision document and personally signed by a person who, at the time of filing of the interim certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer; and

(e) the Requested Relief will cease to be effective in a Jurisdiction on the earlier of:

(i) June 1, 2008; and

(ii) the date on which a rule regarding the continuous disclosure requirements for issuers of asset-backed securities comes into force in a Jurisdiction.

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

SCHEDULE "A"

Certification of annual filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the financial year ended ***<insert financial year end>*** (the servicer reports);

   (b) annual MD&A in respect of the issuer's pool(s) of assets for the financial year ended ***<insert the relevant date>*** (the annual MD&A);

   (c) AIF for the financial year ended ***<insert the relevant date>*** (the AIF); [if applicable] and

   (d) each annual statement of compliance regarding fulfillment of the obligations of the servicer(s) under the related servicing agreement(s) for the financial year ended ***<insert the relevant date>*** (the annual compliance certificate(s)),

   (the servicer reports, the annual MD&A, the AIF [if applicable] and the annual compliance certificate(s) are together the annual filings);

2. Based on my knowledge, the annual filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the annual filings;

3. Based on my knowledge, all of the distribution, servicing and other information and all of the reports on assessment of compliance with servicing criteria for asset-backed securities and the annual accountant's report respecting compliance by the servicer(s) with servicing criteria for asset-backed securities required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

4. **Option #1** ***<use this alternative if a servicer is providing the certificate>***

   I am responsible for reviewing the activities performed by the servicer(s) and based on my knowledge and the compliance review(s) conducted in preparing the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

   Option #2 ***<use this alternative if the Issuer or the administrative agent is providing the certificate>***

   Based on my knowledge and the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

5. The annual filings disclose all material instances of noncompliance with the servicing criteria based on the [servicer's/servicers'] an assessment of compliance with such criteria.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____

[Signature]
[Title]
< indicate the capacity in which the certifying officer is providing the certificate>

SCHEDULE "B"

Certification of interim filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the interim period ended ***<insert relevant date>*** (the servicer reports); and

   (b) interim MD&A in respect of the issuer's pool(s) of assets for the interim period ended ***<insert the relevant date>*** (the interim MD&A),

   (the servicer reports and the interim MD&A are together the interim filings);

2. Based on my knowledge, the interim filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the interim filings; and

3. Based on my knowledge, all of the distribution, servicing and other information required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____

[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

2.1.5 Column Canada Issuer Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer of mortgage pass-through certificates previously granted an exemption from the requirements to file annual and interim financial statements, subject to certain conditions. Issuer granted an exemption from the requirements in Multilateral Instrument 52-109 to file interim and annual certificates, subject to certain conditions, including the requirement to file alternative forms of annual and interim certificates.

Ontario Rules

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

June 3, 2005

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

AND

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

AND

IN THE MATTER OF
COLUMN CANADA ISSUER CORPORATION
(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 the Filer from the requirements in Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109) to file interim certificates and annual certificates, subject to certain conditions (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the Principal Regulator for this application, and

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

Interpretation

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

Representations

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

1. The Filer was incorporated under the laws of Canada on January 30, 2002. The Filer is a wholly-owned indirect subsidiary of Credit Suisse Group, a corporation incorporated under the laws of Switzerland.

2. The Filer is a reporting issuer, or the equivalent, in each of the provinces of Canada that provides for a reporting issuer regime.

3. The head office of the Filer is located in Toronto, Ontario.

4. The financial year end of the Filer is December 31.

5. The articles of incorporation of the Filer restrict the activities of the Filer 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 Filer (the Custodial Property). The Filer funds the acquisition of the Custodial Property by issuing mortgage pass-through certificates that receive distributions from the Custodial Property acquired by the Filer and 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.

6. The Filer was incorporated solely to act as a vehicle for carrying out activities related to issuing asset-backed securities in respect of Custodial Property acquired by the Filer.

7. The Filer has issued

   (i) $292,242,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2002-CCL1, designated as Classes A-1, A-2, B, C, D, E and A-X, 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 a short form prospectus dated July 25, 2002;

   (ii) $17,829,347 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2002-CCL1, designated as Classes F, G, H, J and K, on a private placement basis in Canada; and

   (iii) $335,000,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2003-WEM, designated as Classes A-1, A-2, B, C, D, E and A-X, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated June 20, 2003 (collectively, the Issued Certificates).

8. The Filer is currently a venture issuer (as such term is defined in National Instrument 51-102 – Continuous Disclosure Obligations).

9. The only security holders of the Filer, excluding Column Canadian Holdings, Inc., which owns all of its issued and outstanding voting securities, are and will be the holders of the Filer's asset-backed securities issued from time to time in respect of Custodial Property.

10. As a special purpose vehicle, the Filer will not carry on any activities other than activities related to issuing asset-backed securities in respect of Custodial Property acquired by the Filer.

11. The Filer 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 Filer.

12. Pursuant to an MRRS decision document dated January 7, 2003 and an order dated November 29, 2004 of the New Brunswick Securities Commission (collectively, the Previous Decision), the Filer is exempted, on certain terms and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the local securities regulatory authority or regulator in each such jurisdiction collectively, the Previous Decision Makers) concerning the preparation, filing and delivery of interim financial statements and audited annual financial statements (the Financial Statements).

13. For each offering of the Issued Certificates, the Filer entered into, and for each future offering of

Certificates, the Filer will enter into, a pooling and servicing agreement (the Pooling and Servicing Agreement) with a reporting agent (the Reporting Agent), one or more servicers (each, a Servicer), and a Canadian trust company, as custodian on behalf of the Certificate holders (the Custodian), among others, providing for, among other things, the issuance of Certificates and governing the rights of Certificate holders.

14. The Pooling and Servicing Agreements in respect of the Issued Certificates provide, and each 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.

15. The Reporting Agent provides, and will continue to provide, on a website to be identified in the relevant short form prospectus of the Filer, 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. In accordance with the Previous Decision, the Filer 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). 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.

16. In accordance with the Previous Decision, within 60 days of the end of each interim period of the Filer (or within 45 days of the end of an interim period if the Filer is not a venture issuer at the end of such interim period), the Reporting Agent or the Filer 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 with respect to the Custodial Property pools acquired with the proceeds of the Certificates.

17. In accordance with the Previous Decision, within 120 days of the end of each financial year of the Filer (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Reporting Agent or the Filer 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 with respect to the Custodial Property pools acquired with the proceeds of the Certificates;

    (b) an annual statement 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

    (b) an annual 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 Previous Decision Makers, during the year.

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 Filer is not required to prepare, file and deliver Financial Statements under the Legislation, whether pursuant to exemptive relief or otherwise;

    (b) for each financial year of the Filer, within 120 days of the end of the financial year (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Filer or its duly appointed representative or agent will file through SEDAR an annual certificate in the form set out in Schedule "A" of this MRRS decision document and personally signed by a person who, at the time of filing of the annual certificate, is a senior

officer of the Filer, a Servicer or an administrative agent of the Filer;

(c) if the Filer voluntarily files an AIF for a financial year after it has filed the annual certificate referred to in paragraph (b) above for the financial year, the Filer will file through SEDAR a second annual certificate that:

(i) is in the form set out in Schedule "A" of this MRRS decision document;

(ii) is personally signed by a person who, at the time of filing of the second annual certificate, is a senior officer of the same person or company of which the senior officer who signed the annual certificate referred to in paragraph (b) is an officer; and

(iii) certifies the AIF in addition to the other documents identified in the annual certificate;

(d) for each interim period, within 60 days of the end of each interim period (or within 45 days of the end of an interim period of the Filer if the Filer is not a venture issuer at the end of such interim period), the Filer or its duly appointed representative or agent will file through SEDAR an interim certificate in the form set out in Schedule "B" of this MRRS decision document and personally signed by a person who, at the time of filing of the interim certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer; and

(e) the Requested Relief will cease to be effective in a Jurisdiction on the earlier of:

(i) June 1, 2008; and

(ii) the date on which a rule regarding the continuous disclosure requirements for issuers of asset-backed securities comes into force in a Jurisdiction.

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

SCHEDULE A

Certification of annual filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the financial year ended ***<insert financial year end>*** (the servicer reports);

   (b) annual MD&A in respect of the issuer's pool(s) of assets for the financial year ended ***<insert the relevant date>*** (the annual MD&A);

   (c) AIF for the financial year ended ***<insert the relevant date>*** (the AIF); [if applicable] and

   (d) each annual statement of compliance regarding fulfillment of the obligations of the servicer(s) under the related servicing agreement(s) for the financial year ended ***<insert the relevant date>*** (the annual compliance certificate(s)),

   (the servicer reports, the annual MD&A, the AIF [if applicable] and the annual compliance certificate(s) are together the annual filings);

2. Based on my knowledge, the annual filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the annual filings;

3. Based on my knowledge, all of the distribution, servicing and other information and all of the reports on assessment of compliance with servicing criteria for asset-backed securities and the annual accountant's report respecting compliance by the servicer(s) with servicing criteria for asset-backed securities required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

4. **Option #1** ***<use this alternative if a servicer is providing the certificate>***

   I am responsible for reviewing the activities performed by the servicer(s) and based on my knowledge and the compliance review(s) conducted in preparing the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

   Option #2 ***<use this alternative if the Issuer or the administrative agent is providing the certificate>***

   Based on my knowledge and the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

5. The annual filings disclose all material instances of noncompliance with the servicing criteria based on the [servicer's/servicers'] assessment of compliance with such criteria.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee >***.]

Date: **<insert date of filing>**

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

SCHEDULE B

Certification of interim filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the interim period ended ***<insert relevant date>*** (the servicer reports); and

   (b) interim MD&A in respect of the issuer's pool(s) of assets for the interim period ended ***<insert relevant date>*** (the interim MD&A),

   (the servicer reports and the interim MD&A are together the interim filings);

2. Based on my knowledge, the interim filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the interim filings; and

3. Based on my knowledge, all of the distribution, servicing and other information required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

2.1.6 Windsor Auto Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer of asset-backed securities previously granted an exemption from the requirements to file annual and interim financial statements, subject to certain conditions. Issuer granted an exemption from the requirements in Multilateral Instrument 52-109 to file interim and annual certificates, subject to certain conditions, including the requirement to file alternative forms of annual and interim certificates.

Ontario Rules

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

June 3, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
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
WINDSOR AUTO TRUST
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirements in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* to file interim certificates and annual certificates, subject to certain conditions (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 meanings 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 established by The Canada Trust Company ("Canada Trust"), pursuant to an amended and restated declaration of trust made as of October 14, 2003, under the laws of the Province of Ontario.

2. Canada Trust is the issuer trustee of the Filer (in such capacity, the "Issuer Trustee").

3. The Filer is a special purpose entity whose business is specifically restricted to, (a) purchasing or otherwise acquiring from DaimlerChrysler Services Canada Inc. ("DCSCI") receivables consisting of loans to various persons used to finance the purchase of automobiles and light-duty trucks ("Financed Vehicles") originated in Canada by various automobile dealers of DaimlerChrysler Canada Inc. and other automobile manufacturers, and acquired by DCSCI, that meet certain eligibility requirements ("Receivables"), the interest of DCSCI in the Financed Vehicles, the financing of the purchase of which gave rise to such Receivables, and all guarantees or other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of the Receivables (the "Related Security"), all collections with respect thereto (the "Collections") and all proceeds of the foregoing, (b) funding such acquisition, and (c) engaging in related activities. The Filer does not presently, and will not, carry on any business other than the activities described above.

4. The Issuer Trustee has delegated its responsibility for the day-to-day administration of the Filer to DCSCI, as administrative agent, pursuant to the administration agreement made as of May 16, 2002, between DCSCI and the Issuer Trustee.

5. The Filer is a reporting issuer, or the equivalent, in each of the provinces of Canada that provides for a reporting issuer regime.

6. For each securitization transaction, a pool of Receivables meeting certain eligibility requirements will be identified. Each purchase or other acquisition, from time to time, by the Filer from DCSCI of such Receivables, all Related Security, all Collections with respect thereto and all proceeds of the foregoing (collectively, "Purchased Assets") will be made pursuant to a

receivables purchase agreement or other agreement (a "Receivables Purchase Agreement"), among DCSCI, as seller (in such capacity, the "Seller"), the Filer and such other persons.

7. Each purchase or other acquisition, from time to time, by the Filer from DCSCI of Purchased Assets will be funded wholly or partially with borrowed funds or by issuing securities, including asset-backed securities, pursuant to the trust indenture dated October 14, 2003, between the Filer and BNY Trust Company of Canada, and a supplement to the Trust Indenture that creates and issues one or more asset-backed securities ("notes") of any series.

8. The Seller will sell the Purchased Assets on a serviced basis to the Filer and, accordingly, DCSCI, as servicer, carries out administrative, servicing and collection functions for and on behalf of the Filer as agent for the Filer.

9. None of the securities of the Filer is traded on a marketplace as defined in National Instrument 21-101 *Certain Capital Market Participants*. The Filer is a "venture issuer" within the meaning National Instrument 51-102 – *Continuous Disclosure Obligations*.

10. Pursuant to the MRRS decision document *In the Matter of Windsor Auto Trust* dated June 3, 2004 (the "Previous Decision"), the Decision Makers (other than the Decision Maker in New Brunswick) exempted the Filer from the requirements (the "Financial Statements Requirement") of the Legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Previous Decision Jurisdictions") concerning the preparation, filing and delivery of, among other things, unaudited interim financial statements and audited annual financial statements (collectively, "Financial Statements"), on certain terms and conditions.

11. In accordance with the Previous Decision, the Filer is exempted from, other among things, the Financial Statements Requirement of the Legislation of the Previous Decision Jurisdictions, provided that, among other things, the Filer, or a representative or agent of the Filer, make available on http://investor.chryslerfinancial.com and mail to holders of the notes who so request,

    (a) on or before the second business day prior to the 15th day of each month, and file on SEDAR contemporaneously therewith, or cause to be filed on SEDAR contemporaneously therewith, the servicer report relating to the Purchased Assets, acquired with the proceeds of the notes held by such holders, during the relevant Collection period and relating to all transactions between the Seller and the Filer during such Collection period;

    (b) within 45 days of the end of each interim period in each financial year of the Filer, and must file on SEDAR contemporaneously therewith, or cause to be filed on SEDAR contemporaneously therewith, interim management's discussion and analysis with respect to the pool of Purchased Assets acquired with the proceeds of the notes held by such holders; and

    (c) within 90 days of the end of each financial year of the Filer, and file on SEDAR contemporaneously therewith, or cause to be filed on SEDAR contemporaneously therewith, the following:

        (i) annual management's discussion and analysis with respect to the pool of Purchased Assets acquired with the proceeds of the notes held by such holders;

        (ii) the certificate of an officer of the servicer certifying that the servicer complied in such year with its obligations under the related Receivables Purchase Agreement, except to the extent non-compliance therewith did not have an adverse effect; and

        (iii) the report of a firm of independent chartered account-ants to the effect that such firm has performed tests relating to retail receivables that disclosed no exceptions or errors in the records relating to such retail receivables, except as disclosed in the report.

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 is not required to prepare, file and deliver Financial Statements under the Legislation, whether pursuant to exemptive relief or otherwise;

(b) for each financial year of the Filer, within 90 days of the end of the financial year, the Filer or its duly appointed representative or agent will file through SEDAR an annual certificate in the form set out in Schedule "A" of this MRRS decision document and personally signed by a person who, at the time of filing of the annual certificate, is a senior officer of the Filer, a servicer or an administrative agent of the Filer;

(c) if the Filer voluntarily files an AIF for a financial year after it has filed the annual certificate referred to in paragraph (b) above for the financial year, the Filer will file through SEDAR a second annual certificate that:

(i) is in the form set out in Schedule "A" of this MRRS decision document;

(ii) is personally signed by a person who, at the time of filing of the second annual certificate, is a senior officer of the same person or company of which the senior officer who signed the annual certificate referred to in paragraph (b) is an officer; and

(iii) certifies the AIF in addition to the other documents identified in the annual certificate;

(d) for each interim period, within 45 days of the end of the interim period, the Filer or its duly appointed representative or agent will file through SEDAR an interim certificate in the form set out in Schedule "B": of this MRRS decision document and personally signed by a person who, at the time of filing of the interim certificate, is a senior officer of the Filer, a servicer or an administrative agent of the Filer; and

(e) the Requested Relief will cease to be effective in a Jurisdiction on the earlier of:

(i) June 1, 2008; and

(ii) the date on which a rule regarding the continuous disclosure requirements for issuers of asset-backed securities comes into force in a Jurisdiction.

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

SCHEDULE A

Certification of annual filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the financial year ended ***<insert financial year end>*** (the servicer reports);

   (b) annual MD&A in respect of the issuer's pool(s) of assets for the financial year ended ***<insert the relevant date>*** (the annual MD&A);

   (c) AIF for the financial year ended ***<insert the relevant date>*** (the AIF); [if applicable] and

   (d) each annual statement of compliance regarding fulfillment of the obligations of the servicer(s) under the related servicing agreement(s) for the financial year ended ***<insert the relevant date>*** (the annual compliance certificate(s)),

   (the servicer reports, the annual MD&A, the AIF [if applicable] and the annual compliance certificate(s) are together the annual filings);

2. Based on my knowledge, the annual filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the annual filings;

3. Based on my knowledge, all of the distribution, servicing and other information and all of the reports on assessment of compliance with servicing criteria for asset-backed securities and the annual accountant's report respecting compliance by the servicer(s) with servicing criteria for asset-backed securities required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

4. **Option #1** ***<use this alternative if a servicer is providing the certificate>***

   I am responsible for reviewing the activities performed by the servicer(s) and based on my knowledge and the compliance review(s) conducted in preparing the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

   Option #2 ***<use this alternative if the Issuer or the administrative agent is providing the certificate>***

   Based on my knowledge and the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

5. The annual filings disclose all material instances of noncompliance with the servicing criteria based on the [servicer's/servicers'] assessment of compliance with such criteria.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee >***.]

Date: **<insert date of filing>**

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

SCHEDULE B

Certification of interim filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the interim period ended ***<insert relevant date>*** (the servicer reports); and

   (b) interim MD&A in respect of the issuer's pool(s) of assets for the interim period ended ***<insert relevant date>*** (the interim MD&A),

   (the servicer reports and the interim MD&A are together the interim filings);

2. Based on my knowledge, the interim filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the interim filings; and

3. Based on my knowledge, all of the distribution, servicing and other information required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

2.1.7 Canada Mortgage Acceptance Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer of mortgage pass-through certificates previously granted an exemption from the requirements to file annual and interim financial statements, subject to certain conditions. Issuer granted an exemption from the requirements in Multilateral Instrument 52-109 to file interim and annual certificates, subject to certain conditions, including the requirement to file alternative forms of annual and interim certificates.

Ontario Rules

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

May 31, 2005

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

AND

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

AND

IN THE MATTER OF
CANADA MORTGAGE ACCEPTANCE CORPORATION
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirements in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* to file interim certificates and annual certificates, subject to certain conditions (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

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

1. The Filer was incorporated under the laws of Ontario on March 11, 2004 and is a special purpose corporation wholly-owned by GMAC Residential Funding of Canada, Limited ("GMACRFC"). The only security holders of the Filer, excluding GMACRFC, are and will be the holders (the "Certificateholders") of its asset-backed securities ("Certificates").

2. The head office of the Filer is located in Toronto, Ontario.

3. The financial year-end of the Filer is December 31.

4. The Filer filed with the securities regulatory authorities in each of the provinces of Canada (i) a short form prospectus dated June 18, 2004 (the "June 18, 2004 Prospectus") for the issuance of approximately $270,377,000 aggregate principal amount of Mortgage Pass-Through Certificates, Series 2004-C1 (the "Series 2004-C1 Certificates") and (ii) a short form prospectus dated December 8, 2004 (together with the June 18, 2004 Prospectus, the "Prospectuses") for the issuance of approximately $297,806,000 aggregate principal amount of Mortgage Pass-Through Certificates, Series 2004-C2 (together with the Series 2004-C1 Certificates, the "Issued Certificates") and received receipts for each of the Prospectuses from the securities regulatory authorities in each of the provinces of Canada.

5. The Filer is a reporting issuer, or the equivalent, in each of the provinces of Canada that provides for a reporting issuer regime.

6. The Filer is a "venture issuer" as defined in National Instrument 51-102 - Continuous Disclosure Obligations ("NI 51-102").

7. The Filer does not carry on any activities other than issuing Certificates and purchasing assets in connection thereto (the "Assets").

8. The Filer has no material assets or liabilities other than its rights and obligations arising from acquiring Assets and in respect of the Issued Certificates.

9. Pursuant to an MRRS decision document dated September 8, 2004 (the "Previous Decision"), the

Filer is exempted, on certain terms and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the local securities regulatory authority or regulator in each such jurisdiction, collectively, the "Previous Decision Makers") concerning the preparation, filing and delivery of interim financial statements and audited annual financial statements ("Financial Statements").

10. For each offering of Certificates, the Filer and, among others, the servicer (the "Servicer") for all of the Assets in a given pool, the custodian on behalf of all Certificateholders and a reporting agent (the "Reporting Agent") enter into a pooling and servicing agreement (the "Pooling and Servicing Agreement") providing for, among other things, the preparation by the Servicer and the Reporting Agent of periodic reports (the "Reports") to Certificateholders containing financial and other information in respect of the applicable pool of Assets and Certificates.

11. Pursuant to the Pooling and Serving Agreement and as disclosed in each of the Prospectuses, the Reports are prepared by the Reporting Agent based solely on information provided by the Servicer.

12. In accordance with the Previous Decision, within 60 days of the end of each interim period (as defined in NI 51-102) of the Filer (or within 45 days of the end of an interim period of the Filer if the Filer is not a venture issuer at the end of such interim period), the Reporting Agent or the Filer or its duly appointed representative or agent will post on the applicable website and mail to Certificateholders who so request and will contemporaneously file through SEDAR management's discussion and analysis ("MD&A") with respect to the applicable pool of Assets acquired with the proceeds of the Certificates.

13. In accordance with the Previous Decision, within 120 days of the end of each financial year of the Filer (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Reporting Agent or the Filer or its duly appointed representative or agent will post on the applicable website and mail to Certificateholders who so request and will contemporaneously file through SEDAR:

    (a) MD&A with respect to the applicable pool of Assets acquired with the proceeds of the Certificates;

    (b) an annual statement of compliance signed by a senior officer of the Servicer or other party acting in a similar capacity for the applicable pool of Assets, certifying that the Servicer or such other party acting in a similar capacity has fulfilled all of its obligations under the related Pooling and Servicing Agreement during the year or, if there has been a material default, specifying each such default and the status thereof; and

    (c) an annual accountants' report prepared by a firm of independent public or chartered accountants respecting compliance by the 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 Previous Decision Makers.

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 is not required to prepare, file and deliver Financial Statements under the Legislation, whether pursuant to exemptive relief or otherwise;

(b) for each financial year of the Filer, within 120 days of the end of the financial year (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Filer or its duly appointed representative or agent will file through SEDAR an annual certificate in the form set out in Schedule "A" of this MRRS decision document and personally signed by a person who, at the time of filing of the annual certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer;

(c) if the Filer voluntarily files an AIF for a financial year after it has filed the annual certificate referred to in paragraph (b) above for the financial year, the Filer will file through SEDAR a second annual certificate that:

    (i) is in the form set out in Schedule "A" of this MRRS decision docu-ment;

    (ii) is personally signed by a person who, at the time of filing of the second annual certi-ficate, is a

senior of-ficer of the same person or company of which the senior officer who signed the annual certificate referred to in paragraph (b) is an officer; and

(iii) certifies the AIF in addition to the other documents identified in the annual certificate;

(d) for each interim period, within 60 days of the end of the interim period (or within 45 days of the end of an interim period of the Filer if the Filer is not a venture issuer at the end of such interim period), the Filer or its duly appointed representative or agent will file through SEDAR an interim certificate in the form set out in Schedule "B" of this MRRS decision document and personally signed by a person who, at the time of filing of the interim certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer; and

(e) the Requested Relief will cease to be effective in a Jurisdiction on the earlier of:

(i) June 1, 2008; and

(ii) the date on which a rule regarding the con-tinuous disclosure re-quirements for issuers of asset-backed securities comes into force in a Jurisdiction.

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

SCHEDULE A

Certification of annual filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the financial year ended ***<insert financial year end>*** (the servicer reports);

   (b) annual MD&A in respect of the issuer's pool(s) of assets for the financial year ended ***<insert the relevant date>*** (the annual MD&A);

   (c) AIF for the financial year ended ***<insert the relevant date>*** (the AIF); [if applicable] and

   (d) each annual statement of compliance regarding fulfillment of the obligations of the servicer(s) under the related servicing agreement(s) for the financial year ended ***<insert the relevant date>*** (the annual compliance certificate(s)),

   (the servicer reports, the annual MD&A, the AIF [if applicable] and the annual compliance certificate(s) are together the annual filings);

2. Based on my knowledge, the annual filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the annual filings;

3. Based on my knowledge, all of the distribution, servicing and other information and all of the reports on assessment of compliance with servicing criteria for asset-backed securities and the annual accountant's report respecting compliance by the servicer(s) with servicing criteria for asset-backed securities required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

4. **Option #1** ***<use this alternative if a servicer is providing the certificate>***

   I am responsible for reviewing the activities performed by the servicer(s) and based on my knowledge and the compliance review(s) conducted in preparing the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

   Option #2 ***<use this alternative if the Issuer or the administrative agent is providing the certificate>***

   Based on my knowledge and the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

5. The annual filings disclose all material instances of noncompliance with the servicing criteria based on the [servicer's/servicers'] assessment of compliance with such criteria.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee >***.]

Date: **<insert date of filing>**

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

SCHEDULE B

Certification of interim filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the interim period ended ***<insert relevant date>*** (the servicer reports); and

   (b) interim MD&A in respect of the issuer's pool(s) of assets for the interim period ended ***<insert relevant date>*** (the interim MD&A),

   (the servicer reports and the interim MD&A are together the interim filings);

2. Based on my knowledge, the interim filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the interim filings; and

3. Based on my knowledge, all of the distribution, servicing and other information required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

2.1.8 Sequoia Oil & Gas Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the requirement to be registered to trade in a security and to file and obtain a receipt for a preliminary prospectus and a prospectus with respect to securities issued pursuant to a distribution reinvestment and optional trust unit purchase plan – Relief for first trades of additional trust units, subject to conditions.

Statutes Cited

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

Instruments Cited

Multilateral Instrument 45-102 Resale of Securities, s. 2.6.

April 21, 2005

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

AND

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

AND

IN THE MATTER OF
SEQUOIA OIL & GAS TRUST (THE FILER)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the dealer registration requirement contained in the Legislation and the prospectus requirement contained in the Legislation (collectively, the Registration and Prospectus Requirements) shall not apply to the distribution of trust units of the Filer (Trust Units) to DRIP Participants (as defined below) under a distribution reinvestment plan (the DRIP)(the Requested 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. This decision is based on the following facts represented by the Filer:

   4.1 The Filer is an open-end, unincorporated investment trust settled under the laws of Alberta under a trust indenture (the Trust Indenture) dated March 16, 2005 (the Settlement Date).

   4.2 The Filer's head office is located in Calgary, Alberta.

   4.3 The Filer will become a reporting issuer in certain of the Jurisdictions as a result of a plan of arrangement between Argo Energy Ltd. (Argo) and Lightning Energy Ltd. (Lightning)(the Arrangement).

   4.4 Argo and Lightning will hold a special meeting of holders of common shares of Argo and holders of common shares of Lightning on April 21, 2005 for the purpose of approving the Arrangement after which the Arrangement will require approval of the Court of Queen's Bench of Alberta.

   4.5 The Filer has applied to list the Trust Units on the Toronto Stock Exchange (the TSX).

   4.6 Under the Trust Indenture, the Filer is authorized to issue an unlimited number of Trust Units, of which there will be approximately 22,774,000 Trust Units issued and outstanding immediately after the date on which the Arrangement becomes effective (the Effective Date).

   4.7 The mandate of the Filer is to generate stable monthly cash distributions to Unitholders (Distributions).

   4.8 The Filer proposes to implement, concurrent with the Arrangement becoming effective, the DRIP to permit Unitholders, excluding those who are non-residents of Canada, at their

discretion, to automatically reinvest Distributions, if any, paid on their Trust Units in additional Trust Units as an alternative to receiving Distributions. In addition, the DRIP will permit participants in the DRIP (DRIP Participants) to make additional optional cash payments (Optional Cash Payments) to acquire additional Trust Units, subject to a minimum of $2,000 per Optional Cash Payment and to a maximum of $50,000 per financial year of the Filer per DRIP Participant. (The Trust Units so acquired either by reinvestment or Optional Cash Payment are referred to as DRIP Units.)

4.9 Distributions due to DRIP Participants will be paid to Olympia Trust Company in its capacity as the Trust's agent under the DRIP (the DRIP Agent) and applied by the DRIP Agent to the purchase of DRIP Units, which will be held under the DRIP for the account of the appropriate DRIP Participants.

4.10 The DRIP Agent's charges for administering the DRIP and all commissions, service charges, or brokerage fees in connection with the purchases in the market pursuant to the DRIP will be payable by the Filer. No commissions, service charges or brokerage fees will be payable by DRIP Participants in connection with the purchase of DRIP Units under the DRIP.

4.11 DRIP Units will be acquired by the DRIP Agent at a price calculated based on 95% of the treasury purchase price (the Treasury Purchase Price), being the arithmetic average of the daily volume weighted average trading prices of the Trust Units on the TSX for the trading days in the period of successive trading days commencing on the second business day after the distribution record date and ending on the second business day immediately prior to the distribution payment date (provided, however, that if such period exceeds 10 trading days, then the 10 successive trading days preceding the second business day prior to the distribution payment date) on which at least a board lot of Trust Units is traded, appropriately adjusted for certain capital changes (including Trust Unit subdivisions, Trust Unit consolidations, certain rights offerings and certain distributions).

4.12 For every financial year of the Filer after the year ending December 31, 2005 (the 2005 Financial Year), the aggregate number of DRIP Units that may be issued pursuant to Optional Cash Payments will be limited to 2% of the number of Trust Units issued and outstanding at the start of such financial year.

4.13 A DRIP Participant may terminate its participation in the DRIP at any time by written notice to the DRIP Agent.

4.14 Upon termination of the DRIP or termination of a DRIP Participant's participation in the DRIP, the DRIP Participant(s) will receive a certificate for all the whole DRIP Units held in their accounts, a cash payment for any fraction of a DRIP Unit and return of any uninvested Optional Cash Payments. Any fractional DRIP Unit interest will be paid based on the closing market price of a Trust Unit on the TSX on the effective date of termination of the DRIP or the date on which notice of termination is received by the DRIP Agent, as the case may be.

4.15 Except in Alberta, Saskatchewan and New Brunswick, the distribution of DRIP Units pursuant to the DRIP cannot be made in reliance on exemptions from the Registration and Prospectus Requirements because the DRIP involves the reinvestment of distributable income and not the reinvestment of dividends, interest earnings or surplus of the Filer.

4.16 The distribution of DRIP Units pursuant to the DRIP, other than the distribution of DRIP Units made pursuant to Optional Cash Payments during the 2005 Financial Year, can be made in reliance on exemptions from the Registration and Prospectus Requirements contained in the Legislation of Alberta, Saskatchewan and New Brunswick.

4.17 The distribution of the DRIP Units pursuant to Optional Cash Payments made during the 2005 Financial Year cannot be made in reliance on exemptions from the Registration and Prospectus Requirements contained in the Legislation of Alberta, Saskatchewan and New Brunswick because such exemptions require that in any financial year of an issuer the aggregate number of securities issued pursuant to optional cash payments not exceed 2% of the issued and outstanding securities as at the commencement of each financial year and since the 2005 Financial Year commenced on the Settlement Date,

whereon the Filer only had one Trust Unit issued and outstanding, the Filer would only be able to issue 2% of one DRIP Unit pursuant to Optional Cash Payments made during the 2005 Financial Year.

4.18 In addition, Legislation in some of the Jurisdictions provides exemptions from the Registration and Prospectus Requirements for distributions made pursuant to reinvestment plans of mutual funds. Such exemptions are unavailable to the Filer since it is a royalty trust and does not fall within the definition of a "mutual fund" contained in the Legislation of the relevant Jurisdictions.

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 except in Alberta, Saskatchewan and New Brunswick, the Requested Relief is granted provided that:

(a) at the time of the trade or distribution, the Filer is a reporting issuer or the equivalent in at least one of the Jurisdictions and is not in default of any requirements of the Legislation,

(b) no sales charge is payable by DRIP Participants in connection with the purchase of DRIP Units under the DRIP,

(c) The Filer has caused to be sent to the DRIP Participant to whom the DRIP Units are traded, not more than 12 months before the trade, a copy of the DRIP which contains a statement describing:

(A) their right to withdraw from the DRIP and to make an election to receive cash instead of DRIP Units on the making of a Distribution by the Filer (the Withdrawal Right), and

(B) instructions on how to exercise the Withdrawal Right,

(d) in every financial year of the Filer, except for the 2005 Financial Year, the aggregate number of DRIP Units issued pursuant to Optional Cash Payments shall not exceed 2% of the aggregate number of Trust Units outstanding at the start of that financial year, and

(e) the aggregate number of DRIP Units issued pursuant to Optional Cash Payments in the 2005 Financial Year shall not exceed 2% of the aggregate number of Trust Units issued and outstanding immediately after the Effective Date,

6.2 In Alberta, Saskatchewan and New Brunswick, the Requested Relief is granted for DRIP Units issued pursuant to Optional Cash Payments in the 2005 Financial Year (the 2005 Optional DRIP Units) provided that the condition in section 6.1(e) of this decision is satisfied,

6.3 The first trade of DRIP Units shall be deemed a distribution or primary distribution to the public in the Jurisdictions, other than Alberta and Saskatchewan, unless:

(a) except in Québec, the conditions set out in paragraphs 1 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 Resale of Securities (the MI 45-102 Conditions) are satisfied, and

(b) in Québec:

(i) at the time of the first trade, the Filer is and has been a reporting issuer in Québec for the four months immediately preceding the trade and is not in default of any of the requirements of securities legislation in Québec, and, for the purpose of determining the period of time that the Filer has been a reporting issuer in Québec, the period of time

that Argo or Lightning was a reporting issuer in Québec immediately before the Arrangement will be included,

(ii) no unusual effort is made to prepare the market or to create a demand for the DRIP Units,

(iii) no extraordinary commission or other consideration is paid to a person or company other than the vendor of the DRIP Units in respect of the first trade, and

(iv) the vendor of the DRIP Units, if in a special relationship with the Trust, has no reasonable grounds to believe that the Trust is in default of any requirement of the securities legislation in Québec,

6.4 The first trade of 2005 Optional DRIP Units shall be deemed a distribution or primary distribution to the public in Alberta and Saskatchewan, unless the MI 45-102 Conditions are satisfied.

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

"Stephen P. Sibold, Q.C."
Chair
Alberta Securities Commission

2.1.9 Windsor Trust 2002-B - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer of asset- backed securities previously granted an exemption from the requirements to file annual and interim financial statements, subject to certain conditions. Issuer granted an exemption from the requirements in Multilateral Instrument 52-109 to file interim and annual certificates, subject to certain conditions, including the requirement to file alternative forms of annual and interim certificates.

Ontario Rules

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

May 31, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
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
WINDSOR TRUST 2002-B
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirements in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109) to file interim certificates and annual certificates, subject to certain conditions (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 meanings 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 established by The Canada Trust Company ("Canada Trust"), pursuant to the declaration of trust made as of October 10, 2002, and is governed by the laws of the Province of Ontario

2. Canada Trust is the issuer trustee of the Filer (in such capacity, the "Issuer Trustee").

3. The Filer is a special purpose entity whose business is specifically restricted to, (a) purchasing or otherwise acquiring from DaimlerChrysler Services Canada Inc. ("DCSCI") receivables consisting of loans to various persons used to finance the purchase of automobiles and light-duty trucks ("Financed Vehicles") originated in Canada by various automobile dealers of DaimlerChrysler Canada Inc. and other automobile manufacturers, and acquired by DCSCI, that meet certain eligibility requirements ("Receivables"), the interest of DCSCI in the Financed Vehicles, the financing of the purchase of which gave rise to such Receivables, and all guarantees or other security interests or liens and property subject thereto from time to time, if any, purporting to secure payment of the Receivables (the "Related Security"), all collections with respect thereto (the "Collections") and all proceeds of the foregoing, (b) funding such acquisition, and (c) engaging in related activities. The Filer does not presently, and will not, carry on any business other than the activities described above.

4. The Filer has no directors, officers or employees. The Issuer Trustee has delegated its responsibility for the day-to-day administration of the Filer to DCSCI, as administrative agent (in such capacity, the "Administrative Agent"), pursuant to the administration agreement made as of October 10, 2002, between DCSCI and the Issuer Trustee.

5. The Filer is a reporting issuer, or the equivalent, in each of the provinces of Canada that provides for a reporting issuer regime.

6. On November 13, 2002, the Filer purchased a pool of Receivables meeting certain eligibility criteria, together with all Related Security, all Collections with respect thereto and all proceeds of the foregoing (collectively, the "Purchased Assets") from DCSCI pursuant to the receivables purchase agreement made as of November 13, 2002, as amended by agreement dated April 3, 2004, between DCSCI, as seller, and Windsor A (the "Receivables Purchase Agreement").

7. The purchase by the Filer of the Purchased Assets was funded through the issuance under a trust indenture dated November 13, 2002, between the Filer and The Trust Company of Bank of Montreal, as indenture trustee, of:

   (a) $225,000,000 principal amount of 3.584% Auto Loan Receivables-Backed Class A-1 Pay-Through Notes (the "Pay-Through Notes"), pursuant to a long-form prospectus dated November 7, 2002 filed with and receipted by the local securities regulatory authority or regulator in each of the provinces of Canada on November 7, 2002; and

   (b) $191,676,826 principal amount of 3.584% Auto Loan Receivables-Backed Class A-2 Pass-Through Notes (the "Pass-Through Notes"), pursuant to an exemption from the registration requirement and the prospectus requirement of the *Securities Act* (Ontario).

   The Pay-Through Notes and the Pass-Through Notes are herein collectively referred to as the "Notes".

8. None of the securities of the Filer is traded on a marketplace as defined in National Instrument 21-101 - *Certain Capital Market Participants*. The Filer is a "venture issuer" within the meaning National Instrument 51-102 - *Continuous Disclosure Obligations*.

9. DCSCI, as seller, sold the Purchased Assets on a serviced basis to the Filer and, accordingly, DCSCI, as servicer (in such capacity, the "Servicer"), carries out administrative, servicing and collection functions for and on behalf of the Filer as agent for the Filer.

10. Pursuant to the MRRS decision document *In the Matter of Windsor Trust 2002-B* dated August 29, 2003 (the "Previous Decision"), the Decision Makers (other than the Decision Maker in New Brunswick) exempted the Filer from the requirements (the "Financial Statements Requirement") of the Legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Previous Decision Jurisdictions") concerning the preparation, filing and delivery of, among other things, unaudited interim financial statements and audited annual financial statements (collectively, "Financial Statements"), on certain terms and conditions.

11. In accordance with the Previous Decision, the Filer is exempted from, among other things, the Financial Statements Requirement of the Legislation of the Previous Decision Jurisdictions, provided that, among other things, the Filer, or a representative or agent of the Filer, must post on http://investor.chryslerfinancial.com and mail to holders of its Notes who so request:

    (a) on or before the second business day prior to the 15th day of each month, and file on SEDAR contemporaneously therewith, or cause to be filed on SEDAR contemporaneously therewith, the a servicer report relating to the Purchased Assets during the relevant Collection period and relating to all transactions between the Seller and the Filer during such Collection period;

    (b) within 60 days of the end of each fiscal quarter of the Filer, and file on SEDAR contemporaneously therewith, or cause to be filed on SEDAR contemporaneously therewith, interim management's discussion and analysis with respect to the pool of Purchased Assets ("Interim MD&A"); and

    (c) within 140 days of the end of each fiscal year of the Filer, and file on SEDAR contemporaneously therewith, or cause to be filed on SEDAR contemporaneously therewith, the following:

        (i) annual management's discussion and analysis with respect to the pool of Purchased Assets ("Annual MD&A");

        (ii) the certificate of an officer of the Servicer certifying that the Servicer complied in such year with its obligations under that Receivables Purchase Agreement except to the extent non-compliance therewith did not have an adverse effect; and

        (iii) the report of a firm of independent chartered accountants to the effect that such firm has performed tests relating to retail receivables disclosed no exceptions or errors in the records relating to such retail receivables, except as described in the report.

Decision

Each of 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 is not required to prepare, file and deliver Financial Statements under the Legislation, whether pursuant to exemptive relief or otherwise;

(b) for each financial year of the Filer, within 140 days of the end of the financial year, the Filer or its duly appointed representative or agent will file through SEDAR an annual certificate in the form set out in Schedule "A" of this MRRS decision document and personally signed by a person who, at the time of filing of the annual certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer;

(c) if the Filer voluntarily files an AIF for a financial year after it has filed the annual certificate referred to in paragraph (b) above for the financial year, the Filer will file through SEDAR a second annual certificate that:

    (i) is in the form set out in Schedule "A" of this MRRS decision document;

    (ii) is personally signed by a person who, at the time of filing of the second annual certificate, is a senior officer of the same person or company of which the senior officer who signed the annual certificate referred to in paragraph (b) is an officer; and

    (iii) certifies the AIF in addition to the other documents identified in the annual certificate;

(d) for each interim period, within 60 days of the end of the interim period, the Filer or its duly appointed representative or agent will file through SEDAR an interim certificate in the form set out in Schedule "B" of this MRRS decision document and personally signed by a person who, at the time of filing of the interim certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer; and

(e) the Requested Relief will cease to be effective in a Jurisdiction on the earlier of:

(i) June 1, 2008; and

(ii) the date on which a rule regarding the continuous disclosure requirements for issuers of asset-backed securities comes into force in a Jurisdiction.

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

2.1.10 Molson Coors Brewing Company and Molson Coors Capital Finance ULC - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Filer is wholly-owned single purpose financing subsidiary of Molson Coors incorporated in Nova Scotia – Filer seeking to complete debt offering in Canada using northbound MJDS – Alternative eligibility criteria for MJDS would be met but for fact that filer is not a U.S. issuer – Relief required from criterion that filer be a U.S. issuer – Not a precedent because Molson Coors, although MJDS eligible, required exemptive relief to meet general eligibility criteria of MJDS.

National Instrument Cited

National Instrument 71-101 The Multijurisdictional Disclosure System, ss. 3.1, 3.2.

June 3 , 2005

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

AND

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

AND

**IN THE MATTER OF
MOLSON COORS BREWING COMPANY ("Molson Coors")**

AND

**MOLSON COORS CAPITAL FINANCE ULC
(the "Issuer")
Molson Coors and the Issuer (together, 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"**) that the requirement contained in Section 3.2(b) of National Instrument 71-101 – *The Multi-jurisdictional Disclosure System* (**"NI 71-101"**) that the Issuer be a "U.S. issuer" (as defined in NI 71-101) shall not

apply to the Issuer so that it is eligible to offer certain non-convertible debt securities in the Jurisdictions under NI 71-101 (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 otherwise defined in this decision.

"1933 Act" means the United States *Securities Act of 1933*, as amended.

"1934 Act" means the United States *Securities Exchange Act of 1934*, as amended.

"1940 Act" means the United States *Investment Company Act of 1940*, as amended.

"Alternative Eligibility Criteria" means the alternative eligibility criteria contained in Section 3.2 of NI 71-101 for offerings of guaranteed non-convertible debt distributed in accordance with NI 71-101.

"Class A Shares" means shares of Class A common stock of Molson Coors.

"Class B Shares" means shares of Class B common stock of Molson Coors.

"General Eligibility Criteria" means the general eligibility criteria contained in Section 3.1(a) of NI 71-101 for offerings of non-convertible debt distributed in accordance with NI 71-101.

"Issuer" means Molson Coors Capital Finance ULC.

"Molson Coors" means Molson Coors Brewing Company.

"NI 71-101" means National Instrument 71-101 – The Multijurisdictional Disclosure System.

"Offering" means one or more offerings of the Senior Notes.

"SEC" means the United States Securities and Exchange Commission.

"Senior Notes" means one or more series of investment grade, non-convertible debt securities distributed by the Issuer pursuant to the Offering.

"U.S. Prospectus" means the base shelf prospectus pursuant to which the Issuer will distribute the Senior Notes in the United States, together with all supplements thereto.

Representations

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

1. Molson Inc. and Adolph Coors Company combined pursuant to a merger of equals effected by way of a plan of arrangement under the *Canada Business Corporations Act* to form Molson Coors.

2. Molson Coors is incorporated under the laws of Delaware. Molson Coors maintains dual headquarters in the metropolitan areas of Denver, Colorado and Montréal, Québec.

3. Molson Coors is a global brewing company with significant operations in the United States, the United Kingdom and Canada.

4. As at December 26, 2004, Molson Coors' combined total assets were approximately US$4,657,524,000 and its total net income for the twelve month period ended December 26, 2004 was approximately US$196,736,000.

5. The authorized share capital of Molson Coors consists of 500,000,000 Class A Shares, 500,000,000 Class B Shares, 1 share of Class A special voting stock, 1 share of Class B special voting stock and 25,000,000 shares of preferred stock. At the close of business on March 28, 2005, there were 1,400,614 Class A Shares, 55,335,557 Class B Shares, 1 share of Class A special voting stock, 1 share of Class B special voting stock and no shares of preferred stock outstanding.

6. Molson Coors is a reporting issuer or equivalent in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador under the Legislation and a reporting company under the 1934 Act.

7. Molson Coors is not in default under the Legislation or the 1934 Act.

8. The Class A Shares and the Class B Shares are listed for trading on both the New York Stock Exchange and the Toronto Stock Exchange.

9. The Class B Shares are registered under Section 12(b) of the 1934 Act. Molson Coors is not currently registered nor is it required to be registered as an investment company under the 1940 Act, nor is it a commodity pool issuer.

10. Molson Coors satisfies all of the General Eligibility Criteria and is eligible to distribute investment grade, non-convertible debt in Canada under a prospectus that has been prepared in accordance with the disclosure and other requirements of U.S. federal securities law, provided that such prospectus contains such additional information, legends and certificates as required by NI 71-101.

11. The Issuer was incorporated under the laws of the Province of Nova Scotia as an unlimited liability company on December 29, 2004, and is an indirect, wholly-owned subsidiary of Molson Coors.

12. The authorized capital of the Issuer consists of 2,000,000,000 common shares, of which 1,001 common shares are issued and outstanding.

13. The registered and principal offices of the Issuer are in Nova Scotia.

14. Except for the requirement to be a "U.S. issuer", the Issuer satisfies all of the Alternative Eligibility Criteria for offerings of guaranteed non-convertible debt as it is not currently nor is it required to be registered as an investment company under the 1940 Act and it is not a commodity pool issuer.

15. The Issuer is a single purpose entity whose business activities are limited to financing the operations and business activities of Molson Coors' Canadian subsidiaries and has no other operations, revenues or cash flows. It is not contemplated that the Issuer will have any future operations that will be independent of the business and operations of Molson Coors.

16. Molson Coors' consolidated financial reporting includes the financial reports of the Issuer and the Issuer does not report separately.

17. Pursuant to Rule 12(h)-5 of the 1934 Act the Issuer's continuous disclosure filings in the United States will be substantially satisfied by Molson Coors' filings with the SEC and the Issuer will not be required to file separate annual reports, quarterly reports, current reports or transition reports.

18. It is proposed that the Issuer will effect the Offering on a continuous basis in the United States pursuant to the U.S. Prospectus. The Offering will be in Canadian and/or U.S. dollars and will be in a maximum principal amount of up to US$1,500,000,000.

19. The U.S. Prospectus will be prepared in accordance with U.S. securities laws and filed as part of a registration statement on Form S-3 with the SEC pursuant to Rule 415 of the 1933 Act.

20. Molson Coors will fully and unconditionally guarantee the payment of the principal, interest and other amounts due under the Senior Notes.

21. If the Requested Relief is granted, it is proposed that:

    (a) the Issuer will extend the Offering in each of the Jurisdictions in reliance on NI 71-101;

    (b) the U.S. Prospectus will be amended accordingly; and

    (c) the Issuer will file a Canadian version of the amended U.S. Prospectus in the form prescribed under NI 71-101 with the Decision Makers in accordance with the Alternative Eligibility Criteria contained in Section 3.2 of NI 71-101.

Decision

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

The decision of the Decision Makers in the Jurisdictions under the Legislation is that the Requested Relief is granted, provided that at the time of the Offering:

(a) Molson Coors satisfies the General Eligibility Criteria and otherwise complies with all applicable filing requirements and procedures set out in NI 71-101;

(b) the Issuer satisfies the Alternative Eligibility Criteria and complies with all filing requirements and procedures set out in NI 71-101, except as varied by this decision; and

(c) Molson Coors remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Issuer.

"J. William Slattery"
Deputy Director, Corporate Finance
Nova Scotia Securities Commission

2.1.11 Schooner Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer of mortgage pass-through certificates previously granted an exemption from the requirements to file annual and interim financial statements, subject to certain conditions. Issuer granted an exemption from the requirements in Multilateral Instrument 52-109 to file interim and annual certificates, subject to certain conditions, including the requirement to file alternative forms of annual and interim certificates.

Ontario Rules

Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

May 31, 2005

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

AND

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

AND

IN THE MATTER OF
SCHOONER TRUST
(the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirements in Multilateral Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* (MI 52-109) to file interim certificates and annual certificates, subject to certain conditions (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 Issuer:

1. The Filer was created pursuant to a declaration of trust dated July 5, 2000 (the Declaration of Trust) under the laws of the Province of Ontario. The Filer was created under the name of Solar Trust. By a declaration of change of name dated November 17, 2003, the name of the Filer was changed to Schooner Trust.

2. The issuer trustee of the Filer is CIBC Mellon Trust Company (the Issuer Trustee), a trust company incorporated under the *Trust and Loan Companies Act* (Canada).

3. The Toronto-Dominion Bank (TD) is the administrative agent of the Filer pursuant to an administration agreement between TD and the Issuer Trustee dated as of July 5, 2000.

4. The Filer is a reporting issuer, or the equivalent, in each of the provinces of Canada that provides for a reporting issuer regime.

5. The head office of the Issuer Trustee is located in Toronto, Ontario.

6. The financial year end of the Filer is December 31.

7. The Declaration of Trust of the Filer restricts the activities of the Filer 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 Filer (the Custodial Property). The Filer funds the acquisition of the Custodial Property by issuing mortgage pass-through certificates that receive distributions from the Custodial Property acquired by the Filer and 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 Filer 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 Filer.

9. The Filer has issued (i) $189,550,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2000-1, designated as

Classes A-1, A-2, IO, B, C and D, 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 a short form prospectus dated October 24, 2000 (the Series 2000-1 Prospectus), (ii) $214,660,425 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2001-1, designated as Classes A-1, A-2, B and C, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated August 2, 2001 (the Series 2001-1 Prospectus), (iii) $26,531,063 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2001-1, designated as Classes IO, D, E, F, G, H, J and K, on a private placement basis in Canada, (iv) $253,955,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2002-1, designated as Classes A-1, A-2, IO, B, C, D and E, each with an Approved Rating by an Approved Rating Organization, pursuant to an amended and restated short form prospectus dated December 4, 2002 (the Series 2002-1 Prospectus), (v) $12,664,153 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2002-1, designated as Classes F, G, H, J and K, on a private placement basis in Canada, (vi) $430,150,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2003-CC1, designated as Classes A-1, A-2, IO-1, B, C and D-1, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated May 21, 2003 (the Series 2003-CC1 Prospectus), (vii) $38,020,452 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2003-CC1, designated as Classes IO-2, D-2, E, F, G, H, J, K and L, on a private placement basis in Canada, (viii) $437,575,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CCF1, designated as Classes A-1, A-2, IO-1, B, C and D-1, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated January 15, 2004 (the "Series 2004-CCF1 Prospectus"), (ix) $36,439,947 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CCF1, designated as Classes IO-2, D-2, E, F, G, H, J, K and L, on a private placement basis in Canada, (x) $332,445,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CF2, designated as Classes A-1, A-2, B and C, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated September 20, 2004 (the "Series 2004-CF2 Prospectus"), (xi) $30,881,924 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CF2, designated as Classes X, D, E, F, G, H, J, K, L and M, on a private placement basis in Canada, (xii) $375,700,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2005-3, designated as Classes A-1, A-2, XP-1, XC-1, B, C, D-1 and E, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated April 15, 2005 (the "Series 2005-3 Prospectus", and together with the Series 2000-1 Prospectus, the Series 2001-1 Prospectus, the Series 2002-1 Prospectus, the Series 2003-CC1 Prospectus, the Series 2004-CCF1 Prospectus and the Series 2004-CF2 Prospectus, the "Prospectuses"), and (xiii) $20,266,045 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2005-3, designated as Classes XP-2, XC-2, D-2, F, G, H, J, K, L and M, on a private placement basis in Canada (collectively, the "Issued Certificates"). All issues completed prior to November 17, 2003 continue to trade under the name of Solar Trust.

10. The Filer is currently a venture issuer (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*).

11. As a special purpose vehicle, the Filer will not carry on any activities other than activities related to issuing asset-backed securities in respect of Custodial Property acquired by the Filer.

12. The Filer 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 Filer.

13 Pursuant to an MRRS decision document dated May 20, 2005 and an order dated November 29, 2004 of the New Brunswick Securities Commission (collectively, the "Previous Decision"), the Filer is exempted, on certain terms and conditions, from the requirements of the securities legislation in the jurisdictions of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the local securities regulatory authority or regulator in each such jurisdiction collectively, the "Previous Decision Makers") concerning the preparation, filing and delivery of interim financial statements and audited annual financial statements (the "Financial Statements").

14. For each offering of the Issued Certificates, the Filer entered into, and for each future offering of Certificates, the Filer will enter into, a pooling and servicing agreement (the "Pooling and Servicing Agreement") with a reporting agent (the "Reporting Agent"), one or more servicers (each, a "Servicer"), and a Canadian trust company, as custodian on behalf of the Certificate holders (the

"Custodian"), among others, providing for, among other things, the issuance of Certificates and governing the rights of Certificate holders.

15. The Pooling and Servicing Agreements in respect of the Issued Certificates provide, and each 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.

16. The Reporting Agent provides, and will continue to provide, on a website to be identified in the relevant short form prospectus of the Filer, 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. In accordance with the Previous Decision, the Filer 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"). 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.

17. In accordance with the Previous Decision, within 60 days of the end of each interim period of the Filer (or within 45 days of the end of an interim period if the Filer is not a venture issuer at the end of such interim period), the Reporting Agent or the Filer 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 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.

18. In accordance with the Previous Decision, within 120 days of the end of each financial year of the Filer (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Reporting Agent or the Filer 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 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 Compliance Certificate) 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 Previous Decision Makers, during the year.

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 Filer is not required to prepare, file and deliver Financial Statements under the Legislation, whether pursuant to exemptive relief or otherwise;

    (b) for each financial year of the Filer, within 120 days of the end of the financial year (or within 90 days of the end of a financial year of the Filer if the Filer is not a venture issuer at the end of such financial year), the Filer or its duly appointed representative or agent will file through SEDAR an annual certificate in the form set out in Schedule "A" of this

MRRS decision document and personally signed by a person who, at the time of filing of the annual certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer;

(c) if the Filer voluntarily files an AIF for a financial year after it has filed the annual certificate referred to in paragraph (b) above for the financial year, the Filer will file through SEDAR a second annual certificate that:

(i) is in the form set out in Schedule "A" of this MRRS decision document;

(ii) is personally signed by a person who, at the time of filing of the second annual certificate, is a senior officer of the same person or company of which the senior officer who signed the annual certificate referred to in paragraph (b) is an officer; and

(iii) certifies the AIF in addition to the other documents identified in the annual certificate;

(d) for each interim period, within 60 days of the end of the interim period (or within 45 days of the end of an interim period of the Filer if the Filer is not a venture issuer at the end of such interim period), the Filer or its duly appointed representative or agent will file through SEDAR an interim certificate in the form set out in Schedule "B" of this MRRS decision document and personally signed by a person who, at the time of filing of the interim certificate, is a senior officer of the Filer, a Servicer or an administrative agent of the Filer; and

(e) the Requested Relief will cease to be effective in a Jurisdiction on the earlier of:

(i) June 1, 2008; and

(ii) the date on which a rule regarding the continuous disclosure requirements for issuers of asset-backed securities comes into force in a Jurisdiction.

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

SCHEDULE A

Certification of annual filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the financial year ended ***<insert financial year end>*** (the servicer reports);

   (b) annual MD&A in respect of the issuer's pool(s) of assets for the financial year ended ***<insert the relevant date>*** (the annual MD&A);

   (c) AIF for the financial year ended ***<insert the relevant date>*** (the AIF); [if applicable] and

   (d) each annual statement of compliance regarding fulfillment of the obligations of the servicer(s) under the related servicing agreement(s) for the financial year ended ***<insert the relevant date>*** (the annual compliance certificate(s)),

   (the servicer reports, the annual MD&A, the AIF [if applicable] and the annual compliance certificate(s) are together the annual filings);

2. Based on my knowledge, the annual filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the annual filings;

3. Based on my knowledge, all of the distribution, servicing and other information and all of the reports on assessment of compliance with servicing criteria for asset-backed securities and the annual accountant's report respecting compliance by the servicer(s) with servicing criteria for asset-backed securities required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

4. **Option #1** ***<use this alternative if a servicer is providing the certificate>***

   I am responsible for reviewing the activities performed by the servicer(s) and based on my knowledge and the compliance review(s) conducted in preparing the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

   Option #2 ***<use this alternative if the Issuer or the administrative agent is providing the certificate>***

   Based on my knowledge and the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

5. The annual filings disclose all material instances of noncompliance with the servicing criteria based on the [servicer's/servicers'] assessment of compliance with such criteria.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee >***.]

Date: **<insert date of filing>**

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

SCHEDULE B

Certification of interim filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the interim period ended ***<insert relevant date>*** (the servicer reports); and

   (b) interim MD&A in respect of the issuer's pool(s) of assets for the interim period ended ***<insert relevant date>*** (the interim MD&A),

   (the servicer reports and the interim MD&A are together the interim filings);

2. Based on my knowledge, the interim filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the interim filings; and

3. Based on my knowledge, all of the distribution, servicing and other information required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____
[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

2.1.12 Schooner Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - previous order provided that issuer of mortgage pass-through certificates exempt from the requirement to prepare, file and deliver annual report, where applicable, interim and annual financial statements and annual reports, where applicable, in lieu of an information circular subject to conditions, including the requirement to prepare, file and deliver monthly and annual reports regarding performance of pools of assets - previous order revoked and replaced.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 44.

Applicable Ontario Rules

National Instrument 51-102 Continuous Disclosure Obligations.

May 20, 2005

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

AND

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

AND

IN THE MATTER OF
SCHOONER TRUST

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) has received an application from Schooner Trust (the Issuer) for a decision under the securities legislation of the Jurisdictions (the Legislation) for:

Revocation Relief

1. a revocation of In the Matter of Solar Trust/Fiducie Solar, MRRS Decision Document dated February 1, 2001, as amended on December 17, 2001 and May 2, 2003 (collectively, the Original Decision) (the Revocation Relief) and;

Replacement Continuous Disclosure Relief

2. an exemption from the provisions of the Legislation concerning the preparation, filing and delivery of interim and annual financial statements of the Issuer (the Replacement 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 Issuer:

1. The Issuer was created pursuant to a declaration of trust dated July 5, 2000 (the "Declaration of Trust") under the laws of the Province of Ontario. The Issuer was created under the name of Solar Trust. By a declaration of change of name dated November 17, 2003, the name of the Issuer was changed to Schooner Trust.

2. The issuer trustee of the Issuer is CIBC Mellon Trust Company (the "Issuer Trustee"), a trust company incorporated under the *Trust and Loan Companies Act* (Canada).

3. The Toronto-Dominion Bank ("TD") is the administrative agent of the Issuer pursuant to an administration agreement between TD and the Issuer Trustee dated as of July 5, 2000.

4. The Issuer is a reporting issuer, or the equivalent, in each of the provinces of Canada that provides for a reporting issuer regime.

5. The head office of the Issuer Trustee is located in Toronto, Ontario.

6. The financial year end of the Issuer is December 31.

7. The Declaration of Trust of the Issuer 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 receive distributions from the Custodial Property acquired by the Issuer and 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) $189,550,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2000-1, designated as Classes A-1, A-2, IO, B, C and D, 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 a short form prospectus dated October 24, 2000 (the "Series 2000-1 Prospectus"), (ii) $214,660,425 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2001-1, designated as Classes A-1, A-2, B and C, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated August 2, 2001 (the "Series 2001-1 Prospectus"), (iii) $26,531,063 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2001-1, designated as Classes IO, D, E, F, G, H, J and K, on a private placement basis in Canada, (iv) $253,955,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2002-1, designated as Classes A-1, A-2, IO, B, C, D and E, each with an Approved Rating by an Approved Rating Organization, pursuant to an amended and restated short form prospectus dated December 4, 2002 (the "Series 2002-1 Prospectus"), (v) $12,664,153 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2002-1, designated as Classes F, G, H, J and K, on a private placement basis in Canada, (vi) $430,150,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2003-CC1, designated as Classes A-1, A-2, IO-1, B, C and D-1, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated May 21, 2003 (the "Series 2003-CC1 Prospectus"), (vii) $38,020,452 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2003-CC1, designated as Classes IO-2, D-2, E, F, G, H, J, K and L, on a private placement basis in Canada, (viii) $437,575,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CCF1, designated as Classes A-1, A-2, IO-1, B, C and D-1, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated January 15, 2004 (the "Series 2004-CCF1 Prospectus"), (ix) $36,439,947 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CCF1, designated as Classes IO-2, D-2, E, F, G, H, J, K and L, on a private placement basis in Canada, (x) $332,445,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CF2, designated as Classes A-1, A-2, B and C, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated September 20, 2004 (the "Series 2004-CF2 Prospectus"), (xi) $30,881,924 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2004-CF2, designated as Classes X, D, E, F, G, H, J, K, L and M, on a private placement basis in Canada, (xii) $375,700,000 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2005-3, designated as Classes A-1, A-2, XP-1, XC-1, B, C, D-1 and E, each with an Approved Rating by an Approved Rating Organization, pursuant to a short form prospectus dated April 15, 2005 (the "Series 2005-3 Prospectus", and together with the Series 2000-1 Prospectus, the Series 2001-1 Prospectus, the Series 2002-1 Prospectus, the Series 2003-CC1 Prospectus, the Series 2004-CCF1 Prospectus and the Series 2004-CF2 Prospectus, the "Prospectuses"), and (xiii) $20,266,045 aggregate amount of Commercial Mortgage Pass-Through Certificates, Series 2005-3, designated as Classes XP-2, XC-2, D-2, F, G, H, J, K, L and M, on a private placement basis in Canada (collectively, the "Issued Certificates"). All issues completed prior to November 17, 2003 continue to trade under the name of Solar Trust.

10. The Issuer is currently a venture issuer (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*).

11. 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.

12. The Issued Certificates sold pursuant to the Prospectuses 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.

13. 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.

14. For each 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"), one or more servicers (each, a "Servicer"), and a Canadian trust company, as custodian on behalf of the Certificate holders (the "Custodian"), among others, providing for, among other things, the issuance of Certificates and governing the rights of Certificate holders.

15. The Pooling and Servicing Agreements in respect of the Issued Certificates provide, and each 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.

16. There will be no annual meetings of Certificate holders since the Pooling and Servicing Agreements with respect to the Issued Certificates provide, and each 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.

17. 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").

18. Notwithstanding paragraph 17 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.

19. 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 17 hereof, the quarterly information prescribed in paragraph 20 hereof and the annual information prescribed in paragraph 21 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.

20. 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 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.

21. 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 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 "Compliance Certificate") 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.

22. The Issuer will issue news releases and file material change reports in accordance with the requirements of the securities legislation of the Jurisdictions 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.

23. 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 21 hereof is required to be filed.

24. 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 21 hereof is required to be filed.

25. The provision of information to Certificate holders on a monthly, quarterly and annual basis as described in paragraphs 17, 20 and 21 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 19 hereof will meet the objectives of allowing the Certificate holders to monitor and make informed decisions about their investment.

26. The Compliance Certificate 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.

27. Certificate holders will obtain adequate and relevant financial information regarding the Certificates from the information described in paragraphs 17, 20 and 21 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.

Revocation Relief

The decision of the Decision Makers in the Jurisdictions under the Legislation is that the Revocation Relief is granted.

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

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

Replacement Continuous Disclosure Relief

The further decision of the Decision Makers in the Jurisdictions under the Legislation is that the Replacement Relief is granted provided that:

(a) the Issuer has not issued any securities, other than Certificates;

(b) the Issuer complies with paragraphs 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23 and 24 hereof;

(c) the Issuer complies with all requirements of National Instrument 51-102 - *Continuous Disclosure Obligations* 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 4,7, 11, 13, 15 and 17 hereof, unless the Issuer satisfies the Decision Makers that the exemption should continue.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.1.13 CMP 2005 Resource Limited Partnership - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

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

May 30, 2005

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

AND

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

AND

IN THE MATTER OF
CMP 2005 RESOURCE LIMITED PARTNERSHIP

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of Ontario, British Columbia, Alberta, Saskatchewan, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions") has received an application from CMP 2005 Resource Limited Partnership (the "Applicant") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation"):

1. that the requirements under the Legislation that the Applicant file with the Decision Makers and send to its securityholders (the "Limited Partners") its first and third quarter interim financial statements of each of the Applicant's financial years (the "First & Third Quarter Interim Financial Statements"), shall not apply to the Applicant; and

2. in Ontario only, a decision pursuant to the securities legislation in Ontario that the requirements to file and send to the Limited Partners, its:

   (a) annual information form (the "AIF");

   (b) annual management discussion and analysis of financial condition and results of operations (the "Annual MD&A"); and

   (c) interim management discussion and analysis of financial condition and results of operations (the "Interim MD&A"),

   shall not apply to the Applicant.

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

(a) the Ontario Securities Commission (the "OSC") 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 Applicant:

1. The Applicant is a limited partnership formed pursuant to the provisions of the *Limited Partnerships Act* (Ontario) on December 9, 2004.

2. The Applicant was formed to achieve capital appreciation primarily through investment in a diversified portfolio of equity securities, comprised principally of flow through shares ("Flow-Through Shares"), of companies engaged in mining or oil and gas exploration, development and/or production or certain energy production that may incur Canadian renewable and conservation expense ("Resource Companies").

3. The Applicant was granted a decision document, dated February 28, 2005, by the OSC in its capacity as principal regulator under National Policy 43-201 *Mutual Reliance Review System for Prospectuses and Annual Information Forms* on behalf of the Decision Makers and on behalf of the securities regulatory authority or regulator for Québec, Prince Edward Island, Northwest Territories, Nunavut and Yukon, which decision

document evidences the issue of final receipts for the Applicant's prospectus (the "Prospectus") dated February 28, 2005 relating to an offering of up to 200,000 limited partnership units ("Partnership Units").

4. The Partnership Units have not been and will not be listed or quoted for trading on any stock exchange or market.

5. It is the current intention of the Applicant to transfer its assets to Dynamic Managed Portfolios Ltd., an open-ended mutual fund corporation amalgamated under the laws of Canada, or any other mutual fund corporation managed by Goodman & Company, Investment Counsel Ltd. (or its successor or acceptable affiliated entity) ("DMP Ltd."), on a tax deferred basis in exchange for redeemable resource class shares of DMP Ltd. ("DMP Resource Fund"). Within 60 days after such transfer, such shares of DMP Ltd. will be distributed to the partners (including the Limited Partners), pro rata, on a tax-deferred basis upon the dissolution of the Applicant. Such transaction is subject, inter alia, to regulatory approval and in event that it is not implemented prior to July 1, 2007, the Applicant may: (i) be dissolved and its net assets distributed pro rata to the partners (including the Limited Partners); or (ii) subject to approval by extraordinary resolution of the partners of the Applicant, continue in operation with an actively managed portfolio, in which case it will follow a similar investment strategy to that of DMP Resource Fund.

6. Since its formation on December 9, 2004, the Applicant's activities primarily included (i) collecting subscriptions from the Limited Partners, (ii) investing the available funds of the Applicant in Flow-Through Shares of Resource Companies, and (iii) incurring expenses to maintain the fund.

7. Unless a material change takes place in the business and affairs of the Applicant, the Limited Partners will obtain adequate financial information concerning the Applicant from the semi-annual financial statements and the annual report containing audited financial statements of the Applicant together with the auditors' report thereon distributed to the Limited Partners. The Prospectus and the semi-annual financial statements provide sufficient background materials and the explanations necessary for a Limited Partner to understand the Applicant's business, its financial position and its future plans, including dissolution on or before July 1, 2007.

8. In light of the limited range of business activities to be conducted by the Applicant and the nature of the investment of the Limited Partners in the Applicant, the requirements to file and send the First & Third Quarter Interim Financial Statements, the AIF, the Annual MD&A, and the Interim MD&A to the Limited Partners may impose a material financial burden on the Applicant without producing a corresponding benefit to the Limited Partners.

9. The Prospectus discloses that by purchasing Partnership Units, each Limited Partner acknowledges and agrees that he or she has given to CMP 2005 Corporation, the general partner of the Applicant, the irrevocable power of attorney contained in Section 3.05 of the Amended and Restated Limited Partnership Agreement dated as of February 28, 2005, attached to and forming part of the Prospectus, and has thereby, in effect, consented to the making of this application for exemptions from reporting obligations under the Legislation to file and send the Applicant's First & Third Quarter Interim Financial Statements and reports such as the AIF, Annual MD&A, and Interim MD&A.

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 requirements contained in the Legislation to file and send to its Limited Partners its First & Third Quarter Interim Financial Statements shall not apply to the Applicant provided that this exemption shall terminate upon:

(a) the occurrence of a material change in the affairs of the Applicant unless the Applicant satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing; or

(b) National Instrument 81-106 – Investment Fund Continuous Disclosure coming into force.

"Paul Moore"
Vice-Chair
Ontario Securities Commission

"David L. Knight"
Commissioner
Ontario Securities Commission

The further decision of the securities regulatory authority or securities regulator in Ontario is that the requirements contained in the legislation of Ontario to file and send to its Limited Partners its AIF, Annual MD&A and Interim MD&A shall not apply to the Applicant provided that this exemption shall terminate upon:

(a) the occurrence of a material change in the affairs of the Applicant unless the Applicant satisfies the Decision Makers that the exemptions should continue, which satisfaction shall be evidenced in writing; or

(b0 National Instrument 81-106 – Investment Fund Continuous Disclosure coming into force.

"Leslie Byberg"
Manager, Investment Funds Branch

2.1.14 Criterion Business Trust TA Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer granted relief from requirement to deliver annual financial statements and, where applicable, file an annual filing and file and deliver an annual report, for its first financial year – Financial statements for first financial year covering short operating period - Issuer also exempted from requirements to file annual information forms and file and deliver management's discussion and analysis for its first financial year.

Applicable Ontario Statutory Provisions

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

Applicable Ontario Rules

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

May 20, 2005

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

AND

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

AND

**IN THE MATTER OF
CRITERION BUSINESS TRUST TA FUND (the "Trust")**

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 Trust for a decision under the securities legislation of the Jurisdictions (the "Legislation") that the Trust is exempt from the following requirements in respect of its financial year ended December 31, 2004:

(a) the requirement to deliver annual financial statements to holders of units of the Trust (the "Financial Statement Relief");

(b) in Alberta, Saskatchewan, New Brunswick, and Newfoundland and Labrador only, the requirement to file an annual filing (the "Annual Filing Relief");

(c) in Quebec only, the requirement to file and deliver an annual report (the "Annual Report Relief"); and

(d) in Ontario and Quebec only, the requirements to:

(i) file an annual information form; and

(ii) file and deliver an annual management discussion and analysis,

as would otherwise be required pursuant to applicable Legislation. (The relief requested in item (d) is referred to as the "AIF and MD&A 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 Trust:

1. The head office of the Trust is located in Toronto, Ontario.

2. The Trust is a closed-end investment trust established under the laws of Ontario pursuant to a declaration of trust dated December 15, 2004 made by Criterion Investments Limited as trustee of the Trust.

3. The Trust is authorized to issue an unlimited number of units ("Units").

4. The Trust issued 4 million Units pursuant to the initial closing (the "Initial Closing") of its initial public offering by way of a prospectus dated December 15, 2004 (the "Offering"), that was filed in all provinces to qualify the units of the Trust for distribution (the "Prospectus"). An additional 400,000 Units were issued pursuant to the exercise of the over-allotment option as described in the Prospectus (the "Over-Allotment Closing"). The Initial Closing occurred on December 23, 2004 and the Over-Allotment Closing occurred on December 30, 2004.

5. The return to holders of Units of the Trust (the "Unitholders") and the Trust is dependent upon the return on an investment portfolio (the "Investment Portfolio") by virtue of a forward agreement (described below). The Investment Portfolio is comprised of certain business trusts listed on the Toronto Stock Exchange which are held by the CIL Business Trust Fund.

6. The net proceeds of the Offering were invested by the Trust in a portfolio of common shares of Canadian public companies (the "Common Share Portfolio") on December 23, 2004 and again on December 30, 2004 following the Over-Allotment Closing. The Trust then entered into a forward purchase and sale agreement with Royal Bank of Canada (the "Counterparty") pursuant to which the Counterparty agreed to pay to the Trust on or about the termination date as the purchase price for the Common Share Portfolio an amount equal to 100% of the redemption proceeds of a corresponding number of units of the CIL Business Trust Fund (subject to variations in such correspondence). The Counterparty is the sole holder of Units of the CIL Business Trust Fund.

7. As a result of the Offering, the Trust became a reporting issuer in each of the provinces of Canada.

8. The fiscal year end of the Trust occurred on December 31, 2004.

9. The audited Statement of Financial Position of the Trust as of December 15, 2004 contained in the Prospectus reflected the issuance of 1 Unit on that date in consideration of $10.00 in connection with the creation of the Trust.

10. The CIL Business Trust Fund is a reporting issuer in Quebec and is required to file financial statements in Quebec.

11. As at December 31, 2004, the CIL Business Trust Fund had not acquired any of the securities comprising the Investment Portfolio on which the return to the Trust was to be based.

12. As at December 31, 2004, the Net Asset Value of the Units was equivalent to the net proceeds of the Offering, less an accrual for operating expenses of $26,163 or approximately one-half of one cent per Unit, and accordingly, other than the Initial Closing and the Over-Allotment Closing, there were no material changes to the financial position of the Trust during the period from December 15, 2004 to December 31, 2004.

13. The Prospectus contains substantially the same information as would otherwise have been disclosed in an annual filing and there were no changes in such information between the date of the Prospectus and December 31, 2004.

14. The benefit to be derived by the Unitholders from receiving the annual financial statements for the financial year ended December 31, 2004 and, where applicable, the annual report and annual management discussion and analysis for the same period, would be minimal given (i) the extremely short period for the financial year ended December 31, 2004; (ii) the limited nature of business carried on by the Trust; (iii) the disclosure already provided in the Prospectus; (iv) the fact that there were no material changes to the affairs of the Trust since the date of the Prospectus, except the Initial Closing and the Over-Allotment Closing; and (v) the fact that the annual financial statements for the financial year ended December 31, 2004 will be filed and available on SEDAR.

15. The expense to the Trust of printing and delivering the annual financial statements for the financial year ended December 31, 2004 and, where applicable, the annual report and annual management discussion and analysis for the same period, to its Unitholders would not be justified in view of the minimal benefit to be derived by the Unitholders from receiving such annual financial statements, annual report, and annual management discussion and analysis.

16. The Trust is a "non-redeemable investment fund" for the purposes of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"). As a result, the Trust is not subject to the continuous disclosure requirements set out in NI 51-102.

17. As proposed National Instrument 81-106 – *Investment Fund Continuous Disclosure* is not yet in effect, the Trust is currently subject to pre-NI 51-102 continuous disclosure obligations in each of the Jurisdictions.

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 Financial Statement Relief is granted provided that:

i) the Trust issue, and file on SEDAR, a press release informing Unitholders of their right to receive the Trust's annual financial statements for the financial year ended December 31, 2004 upon request; and

ii) the Trust send a copy of such annual financial statements for the financial year ended December 31, 2004 to any Unitholder that so requests.

The decision of the Decision Makers in Ontario, Alberta, Saskatchewan, New Brunswick, and Newfoundland and Labrador is that the Annual Filing Relief is granted.

The decision of the Decision Makers in Ontario and Quebec is that the Annual Report Relief is granted.

"Paul Moore"
Vice-Chair
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

The further decision of the securities regulatory authority or securities regulator in Ontario and Quebec is that the AIF and MD&A relief is granted for the year ended December 31, 2004.

"Leslie Byberg"
Manager, Investment Funds Branch

2.1.15 Sceptre Income & High Growth Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Issuer granted relief from requirement to deliver annual financial statements, file and deliver first and third quarter interim financial statements and, where applicable, file an annual filing and file and deliver an annual report, for its first financial year – Financial statements for first financial year covering short operating period - Issuer also exempted from requirements to file annual information forms and, where applicable, file and deliver annual and interim management's discussion and analysis for its first financial year.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 77, 79(1) and 80(b)(iii).

Applicable Ontario Rules

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

May 20, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC,
NEW BRUNSWICK, NOVA SCOTIA,
AND NEWFOUNDLANDAND LABRADOR
(collectively, the "Jurisdictions" and, individually, a "Jurisdiction")

AND

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

AND

IN THE MATTER OF
SCEPTRE INCOME & HIGH GROWTH TRUST
(the "Filer")

MRRS DECISION DOCUMENT

Background

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

(a) the requirement to deliver to holders of units of the Filer ("Unitholders") audited annual financial statements and an auditors' report ("Annual Financial Statements") for its financial year ended December 31, 2004 (the "2004 Financial Year");

(b) the requirement to prepare, file and deliver to Unitholders interim unaudited financial statements (the "Interim Financial Statements") for its first financial quarter ended March 31, 2005 (the "2005 First Quarter") and its third financial quarter ended September 30, 2005 (the "2005 Third Quarter");

(c) in Alberta, Saskatchewan, New Brunswick, and Newfoundland and Labrador only, the requirement to prepare and file an annual filing ("Annual Filing") for the 2004 Financial Year;

(d) in Quebec only, the requirement to prepare, file and deliver to Unitholders resident in the Province of Quebec an annual report (the "Quebec Annual Report") for the 2004 Financial Year;

(e) in Ontario and Quebec only, the requirements to:

  i) prepare and file an annual information form ("AIF") for the 2004 Financial Year;

  ii) prepare, file and deliver to Unitholders resident in such Jurisdictions annual management's discussion and analysis ("Annual MD&A") for the 2004 Financial Year; and

(f) in Ontario only, the requirement to prepare, file and deliver interim management's discussion and analysis ("Interim MD&A") for the 2005 First Quarter and the 2005 Third Quarter,

as would otherwise be required pursuant to applicable Legislation. (The relief requested in item (a) is referred to as the "Annual Financial Statement Relief"; the relief requested in item (b) is referred to as the "Interim Financial Statement Relief"; the relief requested in item (c) is referred to as the "Annual Filing Relief"; the relief requested in item (d) is referred to as the "Annual Report Relief"; and the relief requested in items (e) and (f) are referred to as the "AIF and MD&A Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for this application; and

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

Interpretation

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

Representations

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

1. The Filer is a closed-end investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of December 16, 2004 (the "Declaration of Trust"). The financial year-end of the Filer is December 31 in each calendar year.

2. Sceptre Fund Management Inc. (the "Manager") is the manager and trustee of the Filer. Sceptre Investment Counsel Limited is the portfolio manager of the Filer.

3. The address of the principal office of the Manager is Suite 1200, 26 Wellington Street East, Toronto, Ontario, M5E 1W4.

4. The Filer filed a final prospectus dated December 16, 2004 (the "Prospectus") with the securities regulatory authorities in each of the provinces of Canada pursuant to which a distribution of 4,000,000 units of the Filer ("Units") was completed on December 30, 2004 (the "Offering"). A receipt for the Prospectus was issued on December 20, 2004.

5. The Filer issued an additional 335,000 Units to the public on January 28, 2005 pursuant to the agents' exercise of the over-allotment option in connection with the Offering.

6. The authorized capital of the Filer consists of an unlimited number of Units, of which 4,335,000 are issued and outstanding, with the attributes described in the Prospectus.

7. The Filer is not a "mutual fund" and does not intend to hold annual meetings for Unitholders, as described in the Prospectus.

8. The principal undertaking of the Filer is the investment in a broadly diversified portfolio consisting primarily of income funds and common shares of small and mid-capitalization Canadian corporations.

9. The Filer is an investment vehicle designed to (i) provide Unitholders with monthly cash distributions; (ii) return at least the original issue price of the Units to Unitholders upon termination of the Filer on February 28, 2015; and (iii) provide Unitholders with an opportunity for capital appreciation.

10. Unitholders will be entitled to receive distributions if and when declared by the Filer. The Filer intends to make monthly cash distributions to Unitholders of record on the last business day of each month and pay such cash distributions on or about the fifteenth business day following the relevant month end.

11. The Filer did not declare a distribution in the financial year ended December 31, 2004 and paid its first monthly distribution on February 21, 2005.

12. At the end of February, 2005, the Filer was substantially invested and held cash and cash equivalents in accordance with the permitted ranges established in the Declaration of Trust.

13. The Prospectus included an audited statement of financial position of the Filer as at December 16, 2004 along with an auditors' report dated December 16, 2004. Press releases were issued by the Filer on December 30, 2004 and January 28, 2005, respectively, announcing to the public the actual number of Units that were issued by the Filer pursuant to the Offering and the over-allotment option closing in connection therewith.

14. The Prospectus contains substantially the same information as would otherwise have been disclosed in an Annual Filing and there were no changes in such information between the date of the Prospectus and December 31, 2004.

15. The Filer only satisfied the criteria under the securities legislation of each of the provinces of Ontario and Quebec which triggers the AIF requirement under such legislation for a period of 2 days during the 2004 Financial Year.

16. The benefit to be derived by Unitholders from receiving Annual Financial Statements, an Annual Filing, an AIF, an Annual MD&A or a Quebec Annual Report for the for the 2004 Financial Year would be minimal in view of:

    (a) the short period from the date of the Prospectus to the Filer's financial year-end;

    (b) the fact that the Filer was only substantially capitalized for 2 days during the 2004 Financial Year;

    (c) the fact that the Filer did not declare any distributions in the 2004 Financial Year;

    (d) the fact that the Filer was not fully invested during the 2004 Financial Year and, therefore, a balance sheet in respect of the 2004 Financial Year would simply show cash held on deposit and an income statement in respect of the 2004 Financial Year would only show interest income rather than income from operations; and

    (e) the absence of any material changes in the affairs of the Filer from December 16,

2004 to December 31, 2004, other than the closing of the Offering on December 30, 2004.

17. The expense in (i) delivering Annual Financial Statements to Unitholders; (ii) preparing and filing an Annual Filing and an AIF; and (iii) preparing, filing and delivering to Unitholders Annual MD&A and a Quebec Annual Report for the 2004 Financial Year would not be justified in view of the minimal benefit to be derived by Unitholders from receiving such financial statements and reports.

18. The benefit to be derived by Unitholders from receiving Interim Financial Statements or Interim MD&A for the 2005 First Quarter and 2005 Third Quarter would be minimal in view of:

    (a) the fact that the Filer was not fully invested until late February, 2005 and the Filer's investment portfolio has a low turnover rate; and

    (b) the absence of any material changes in the affairs of the Filer from December 16, 2004 to the date of this application, other than the closing of the Offering on December 30, 2004.

19. National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106") has removed the requirement for investment funds to provide interim quarterly financial statements. Pursuant to section 2.3 of NI 81-106, an investment fund need only provide interim financial statements in respect of the six month period that occurs before the end of its financial year. While section 2.3 of NI 81-106 will not apply until interim financial periods of the Filer beginning after December 31, 2005, we submit that the benefit to be derived by Unitholders from receiving Interim Financial Statements for the 2005 First Quarter and 2005 Third Quarter would be minimal, which fact was acknowledged by the Canadian Securities Administrators through their implementation of section 2.3 of NI 81-106.

20. NI 81-106 has also removed the requirement for investment funds to provide Annual and Interim MD&A.

21. The Filer currently discloses its top ten holdings on the Sceptre Investment Counsel Limited website at www.sceptre.ca and updates this information on a monthly basis. The Filer is prepared to post on its website within 60 days of the 2005 First Quarter and the 2005 Third Quarter a summary of its investment portfolio prepared in accordance with Item 5 of Part B of Form 81-106F1 as at the end of the 2005 First Quarter and the 2005 Third Quarter, respectively, in order to provide Unitholders with disclosure regarding the financial performance of the Filer and in order to comply in advance with Section 6.2 of NI 81-106. The Filer will promptly send copies of such summaries of its investment portfolio, without charge, to Unitholders upon request.

22. The expense in preparing, filing and delivering to Unitholders the Interim Financial Statements and Interim MD&A for the 2005 First Quarter and the 2005 Third Quarter would not be justified in view of the minimal benefit to be derived by Unitholders from receiving such Interim Financial Statements and Interim MD&A.

23. The Interim Financial Statements of the Filer for the period ending June 30, 2005 will include the 2005 First Quarter period and the Annual Financial Statements of the Filer for the period ending December 31, 2005 will include both the 2005 First Quarter and the 2005 Third Quarter periods.

24. Unless a material change takes place in the business and affairs of the Filer, the Unitholders will obtain adequate financial information concerning the Filer from receiving semi-annual financial statements of the Filer for the six month period ended June 30, 2005 and Annual Financial Statements of the Filer for the year ended December 31, 2005 as well as from the posting by the Filer of a summary of its investment portfolio on the Sceptre Investment Counsel Limited website within 60 days of the 2005 First Quarter and the 2005 Third Quarter.

25. It would not be prejudicial to the public interest for the Decision Makers to grant the relief requested herein.

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 Annual Financial Statement Relief is granted provided that:

    (a) the Filer issue and file on SEDAR a press release informing Unitholders of their right to receive the Annual Financial Statements of the Filer for the 2004 Financial Year upon request; and

    (b) the Filer send a copy of the Annual Financial Statements for the 2004 Financial Year to any Unitholder that so requests.

The decision of the Decision Makers under the Legislation is that the Interim Financial Statement Relief is granted provided that this exemption shall terminate upon:

(i) the occurrence of a material change in the affairs of the Filer unless the Filer satisfies the Decision Makers that the exemption should continue, which satisfaction shall be evidenced in writing; and

(ii) NI 81-106 coming into force.

The decision of the Decision Makers in Ontario, Alberta, Saskatchewan, New Brunswick, and Newfoundland and Labrador is that the Annual Filing Relief is granted.

The decision of the Decision Makers in Ontario and Quebec is that the Annual Report Relief is granted.

"Paul Moore"
Vice-Chair
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

The further decision of the Decision Makers in Ontario and Quebec is that the AIF and MD&A Relief is granted provided that this exemption shall terminate upon:

(i) the occurrence of a material change in the affairs of the Filer unless the Filer satisfies the Decision Makers that the exemption should continue, which satisfaction shall be evidenced in writing; and

(ii) NI 81-106 coming into force.

"Leslie Byberg"
Manager, Investment Funds Branch

2.1.16 Premium Brands Inc. and Premium Brands Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Reporting issuer converting to income trust structure pursuant to a plan of arrangement. Under the plan of arrangement the trust will acquire all of the outstanding shares of the reporting issuer - on date of filing prospectus, reporting issuer eligible to file a short form prospectus - upon completion of arrangement the trust eligible to file short form prospectus – trust exempt from requirements in section 2.1 of National Instrument 44-101, to permit trust to conduct offering using short form prospectus.

Applicable Ontario Statutory Provisions

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

Ontario Rules Applicable

National Instrument 44-101 Short Form Prospectus Distributions (2000)

May 30, 2005

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

AND

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

AND

**IN THE MATTER OF
PREMIUM BRANDS INC. (PREMIUM) AND
PREMIUM BRANDS INCOME FUND (THE FUND AND, COLLECTIVELY, THE FILER)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Fund be exempted from the provisions of section 2.1 of National Instrument 44-101 *Short Form Prospectus Distributions* (NI 44-101) so as to permit the Fund to file a short form prospectus under NI 44-101 (the Requested Relief).

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 upon the following facts represented by the Filer:

1. Premium is incorporated under the *Canada Business Corporations Act* and has its principal business office in Richmond, British Columbia;

2. Premium is, and has been for the last 12 months, a reporting issuer, or holds equivalent status, under the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec, and is also a reporting issuer in New Brunswick, and, to its knowledge, is not in default of any applicable requirement under the Legislation in any of those jurisdictions;

3. Premium's authorized capital consists of an unlimited number of common shares, of which 11,706,444 were issued and outstanding as of May 10, 2005;

4. based on the closing price of the common shares on May 10, 2005, Premium's total market capitalization is $131,697,495;

5. Premium's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "FFF";

6. it is expected that the Fund will be a trust settled by a declaration of trust under the laws of British Columbia;

7. it is expected that the Fund's authorized capital will consist of an unlimited number of trust units (Units) and an unlimited number of special voting units, and that the outstanding Units will be listed and posted for trading on the Toronto Stock Exchange;

8. Premium currently satisfies the eligibility requirements of section 2.2 of NI 44-101 and so could file a short form prospectus in connection with the distribution of its securities;

9. Premium proposes to convert its business into an income trust structure through the following steps:

(a) the Fund will be formed under the laws of British Columbia;

(b) Premium will propose that its shareholders and the British Columbia Supreme Court approve a plan of arrangement under which

(i) the Fund will indirectly acquire Premium's current business, and

(ii) all Premium's shareholders will receive Units, either directly or following an exchange of an exchangeable interest (the Arrangement);

(c) concurrent with the proposal of the Arrangement, the Fund will file the preliminary prospectus under NI 44-101 to qualify

(i) the distribution of approximately $35 million in Units by the Fund, and

(ii) the sale of additional Units in a secondary offering by existing holders of securities of Premium,

(the "Prospectus Offering"); and

(d) it will be a condition of the Arrangement that the Prospectus Offering and the Arrangement will close simultaneously, such that the Fund will indirectly acquire the current business of Premium and will be able to use the funds raised by it under the Prospectus as part of that business;

10. following the Arrangement, the Fund's only business will be the business currently carried on by Premium;

11. the Fund will be a "successor issuer" to Premium, as defined in NI 44-101, given that it is acquiring the current business of Premium through a statutory plan of arrangement;

12. the Fund will adopt Premium's current annual information form as its own annual information form; and

13. immediately following the closing of the Arrangement, and without regard to the Prospectus Offering, the Fund will have sufficient issued capital to satisfy the market value requirements in NI 44-101.

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, provided that

(a) the Fund complies with section 2.8 of NI 44-101, other than items 2 and 3;

(b) the Prospectus Offering and the Arrangement close simultaneously; and

(c) the Units are listed and posted for trading on an exchange in Canada.

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

2.2 Orders

2.2.1 Norshield Asset Management (Canada) Ltd. - s. 127

June 2, 2005

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

AND
I
IN THE MATTER OF
NORSHIELD ASSET MANAGEMENT (CANADA) LTD.

ORDER
(Section 127)

WHEREAS, on May 20, 2005, the Ontario Securities Commission (the "Commission") made an order suspending the registration of Norshield Asset Management (Canada) Ltd. ("Norshield") and requiring, as a term and condition of Norshield's registration, that a monitor be retained by Norshield to oversee its financial and business affairs;

AND WHEREAS the hearing to consider the extension of the temporary order made by the Commission on May 20, 2005, is scheduled to take place on June 3, 2005;

AND WHEREAS, on June 1, 2005, in accordance with the Commission's order of May 20, 2005, Norshield retained RSL Richter Inc. ("Richter") as monitor with the primary objective of overseeing its financial and business affairs in Ontario (the "Retainer");

AND WHEREAS it is a term of the Retainer that either the securities regulators acting together or the monitor is entitled to terminate the Retainer at any time upon five business days written notice to Norshield and each other;

AND WHEREAS Staff of the Commission, and the Respondent has consented to the making of this Order;

AND WHEREAS, in accordance with subsection 127(4) of the Act and section 4 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended, the Respondent has waived its right to a hearing with respect to the retainer of a monitor as a term and condition of its registration;

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

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

IT IS HEREBY ORDERED that:

1. the following term and condition is imposed on the registration of Norshield:

   "RMS Richter Inc. will act as monitor of the Registrant until terminated in accordance with the terms of the retainer dated June 1, 2005 or until the Commission orders otherwise.";

2. the hearing to consider whether to extend the suspension of Norshield's registration pursuant to the temporary order issued on May 20, 2005 is adjourned until July 8, 2005 and the suspension is continued until that time or until such other time as may be ordered by this Commission; and

3. any person or company affected by this Order may apply to the Commission for an order revoking or varying the terms of this Order pursuant to s.144 of the Act.

"David A. Brown"

2.2.2 Olympus United Group Inc. - s. 127

June 2, 2005

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

AND

IN THE MATTER OF
OLYMPUS UNITED GROUP INC.

ORDER
(Section 127)

WHEREAS Olympus United Group Inc. ("Olympus") is registered under Ontario securities law as a Limited Market Dealer and Mutual Fund Dealer. Olympus is a member of the Mutual Fund Dealers Association;

AND WHEREAS Olympus offers a variety of hedge funds and alternative investment products across Canada. These products are sold as shares in the Olympus United Funds Corporation ("Olympus Funds");

AND WHEREAS it appears that, at present, Olympus has approximately 2,000 shareholders, the majority of whom are resident in Ontario;

AND WHEREAS it appears that the manager and advisor of the Olympus Funds is Norshield Asset Management Canada Ltd. ("Norshield"). Norshield is registered under Ontario securities law as an Investment Counsel and Portfolio Manager, Commodity Trading Counsel and Commodity Trading Manager. Norshield is registered under Québec securities law as an advisor with an unrestricted practice;

WHEREAS on May 13, 2005, the Ontario Securities Commission (the "Commission") made a temporary order suspending the registration of Olympus because Olympus was operating without a registered trading and compliance officer in Ontario;

AND WHEREAS on May 20, 2005, the Commission made an order imposing a term and condition on the registration of Olympus which precludes redemptions from any existing client accounts;

AND WHEREAS, on consent, on May 26, 2005, the Commission made an order coordinating the hearing dates to consider the extension of the temporary orders made on May 13, 2005 and May 20, 2005, to take place on June 3, 2005;

AND WHEREAS, to date, Olympus has not sought or obtained registration in Ontario for a trading officer and has not designated a compliance officer in Ontario;

AND WHEREAS, on June 1, 2005, in accordance with the Commission's order of May 20, 2005, Norshield

retained RSL Richter Inc. ("Richter") as monitor with the primary objective of overseeing its financial and business affairs in Ontario, including but not limited to, Norshield's financial and business affairs concerning Olympus Funds (the "Retainer");

AND WHEREAS it is a term of the Retainer that either the securities regulators or the monitor is entitled to terminate the Retainer at any time upon five business days written notice to Norshield and each other;

AND WHEREAS by order or the Commission dated June 2, 2005, made on consent:

1) it is a term and condition of the registration of Norshield that Richter be retained to act as monitor until terminated in accordance with the terms of the Retainer or until the Commission orders otherwise; and

2) the hearing to consider whether to extend the suspension of Norshield's registration pursuant to the temporary order issued on May 20, 2005 is adjourned until July 8, 2005 and the suspension is continued until that time or until such other time as ordered by the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make an order coordinating the hearing dates to consider the extension to the temporary orders affecting the registrations of Norshield and Olympus;

AND WHEREAS Staff of the Commission, and the Respondent have consented to the making of this order;

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

IT IS HEREBY ORDERED that:

1. the hearing to consider whether to extend the temporary orders made by the Commission on May 13, 2005 and May 20, 2005, is adjourned until July 8, 2005 at 10:00 a.m.;

2. the temporary orders issued on May 13, 2005 and May 20, 2005 are continued until the hearing on July 8, 2005, or until further order of this Commission; and

3. any person or company affected by this Order may apply to the Commission for an order revoking or varying the terms of this Order pursuant to s. 144 of the Act.

"David A. Brown"

2.2.3 Adex Mining Inc. - s. 144

Headnote

Section 144 – variation of cease trade order to permit private placement.

Applicable Ontario Statutory Provision

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

May 27, 2005

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

AND

IN THE MATTER OF
ADEX MINING INC.

ORDER
(Section 144)

WHEREAS the securities of Adex Mining Inc. **(the Issuer)** are subject to a cease trade order of the Director dated May 27, 1998 **(the Cease Trade Order)** made under section 127 of the Act directing that trading in the securities of the Issuer cease until the Cease Trade Order is revoked by a further order of revocation;

AND WHEREAS the Issuer has made an application to the Ontario Securities Commission for an order to vary the Cease Trade Order pursuant to section 144 of the Act with respect to three proposed transactions: (i) to negotiate with potential accredited investors and complete a private placement of a minimum of $250,000 and a maximum of $1,000,000 by way of an equity or debt offering **(the Private Placement)**; (ii) to negotiate a debt settlement with one of the two principal creditors of Adex to settle the approximately $500,000 claimed by them **(the Arm's Length Debt Settlement)**; and (iii) to negotiate a debt settlement with two principals of Adex to settle an aggregate of $129,000 of debt (**the Non-arm's Length Debt Settlement**) (the Arm's Length Debt Settlement and the Non-arm's Length Debt Settlement are collectively referred to as the **Debt Settlements**);

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

AND UPON the Issuer having represented to the Commission as follows:

1. The Issuer was formed by articles of amalgamation under the *Business Corporations Act* (Ontario) on December 31, 1992 under the name Adex Mining Corp. on the amalgamation of Bellex Mining Corp. and Adonis Resources Inc. Bellex Mining Corp. was continued into Ontario from British Columbia on December 30, 1992 and was originally formed under the laws of British Columbia on May 18, 1988. Adonis Resources Inc. was continued into Ontario from British Columbia on December 31, 1992 and was originally formed under the laws of British Columbia on March 30, 1989. The Corporation changed its name to Adex Mining Inc. by articles of amendment dated July 15, 1996.

2. The authorized capital of the Issuer consists of an unlimited number of common shares without par value, of which 21,019,975 common shares are currently issued and outstanding, and an unlimited number of preferred shares issuable in series, of which none are currently outstanding.

3. The Issuer became a reporting issuer in Ontario in 1992. The Issuer is also a reporting issuer in British Columbia.

4. None of the Issuer or its predecessors had been subject to a cease trade order of either the Commission or the British Columbia Securities Commission prior to the issuance of the Cease Trade Order. The British Columbia Securities Commission issued an order ceasing trading in the common shares of the Issuer on July 16, 1998. The Cease Trade Order was issued in Ontario as a result of the Issuer's failure to file audited annual financial statements for the year ended December 31, 1997. These statements were subsequently filed on December 4, 1998 together with the interim statements for the three months ended March 31, 1998, the six months ended June 30, 1998 and the nine months ended September 30, 1998, all of which were mailed to shareholders. However, no further financial statements have been filed with the Commission.

5. Prior to the issuance of the Cease Trade Order, the common shares of the Issuer were traded on the Toronto Stock Exchange and have since been delisted.

6. The Issuer's failure to file financial statements was a result of financial distress as the Issuer had expended all of its cash resources developing and maintaining its principal property, the Mount Pleasant Mine **(the Property)** located in the province of New Brunswick, and the Issuer did not have sufficient funds to have its financial statements prepared and audited

7. The Issuer has held an interest in the Property since June 1995. In 1997 the Issuer retained Kvaerner Metals Davy Ltd. (now known as Aker Kvaerner Canada Inc.) (**Kvaerner**) to perform a feasibility study on the Property. The Issuer believes that there is an opportunity to develop the Property and to do so the remaining directors of the Issuer wish to complete the Private Placement and the Debt Settlements.

8. The Issuer wishes to raise between $250,000 and $1,000,000 by way of an equity offering or debt offering of convertible securities to accredited investors including existing shareholders, possibly in the form of a convertible debenture, convertible into units at a price of $0.10 per unit. Each unit could be comprised of a common share and a full warrant with each warrant exercisable to purchase a further common share at $0.10 for nine months; at $0.20 for a further nine months; and at $0.30 for a further six months after the closing of the offering. The Private Placement could also include the offering of a convertible debenture and warrants with the convertible debenture convertible into common shares and the warrants exercisable on the same terms as the warrants referred to above.

9. The funds from the Private Placement would be used to maintain the Issuer and the Property until a more significant financing and a full revocation of the Cease Trade Order can be undertaken.

10. The Issuer is also currently the defendant in an action brought by Kvaerner in respect of payment for the feasibility study prepared by Kvaerner. The amount being claimed is $500,000.

11. The Issuer wishes to be able to negotiate a cash settlement, which will be paid out of the proceeds of the maximum Private Placement, or the issuance of common shares of the Issuer in partial or full satisfaction of the liability (the **Arm's Length Debt Settlement**). A proposal could involve a cash payment and 1,000,000 common shares or more priced at $0.10 per share with the possibility of warrants or a debenture on the same terms as set out above.

12. In addition, the Issuer wishes to settle $129,000 of debt owed to an insider and a former insider for securities being comprised of common shares and warrants or a convertible debenture on the same terms as set out above (the **Non-arm's Length Debt Settlement**).

13. The other major liability of the Issuer is approximately $700,000 in property tax arrears and interest thereon owed to the Province of New Brunswick relating to the Property. The Province of New Brunswick has tentatively agreed that payment be deferred until commencement of commercial production.

14. Other than Kvaerner and the Province of New Brunswick, the Issuer has no substantial liabilities.

15. The Issuer proposes to use the proceeds from the Private Placement as follows:

    (a) completion of the audit and filing of the Issuer's financial statements;

    (b) hold shareholders meeting;

    (c) prepare NI 43-101 report on the Property;

    (d) seek full revocation of the Cease Trade Order;

    (e) property care and maintenance;

    (f) working capital;

    (g) cash settlement of litigation;

    (h) listing on TSXV, assuming maximum offering; and

    (i) work on property in accordance with NI 43-101, assuming maximum offering.

16. As part of the reactivation plan, the Issuer will make full, true and plain disclosure of all its affairs on the public record including holding a shareholders meeting.

17. Apart from its failure to file financial statements, the Issuer is not in default of any requirements of the Act, the rules or the regulations made thereunder, subject to updating its continuous disclosure record pursuant to disclosure in an Information Circular for a shareholders meeting to be called once adequate funding is in place.

18. Concurrent with the Debt Settlements and prior to completion of the Private Placement, each potential investor in securities of the Issuer will:

    (a) receive a copy of the Cease Trade Order;

    (b) receive a copy of this Order; and

    (c) receive written notice from the Issuer and acknowledge that all of the Issuer's securities, including debentures and warrants and any common shares issued upon conversion of the debentures or exercise of the warrants, will remain subject to the Cease Trade Order until it is revoked by the Commission.

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

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be varied solely to permit the Private Placement and the Debt Settlements as described in paragraphs 8 to 12 of this Order and the issuance of common shares on the exercise of warrants or the conversion of debentures.

"Erez Blumberger"
Assistant Manager, Corporate Finance

SCHEDULE A

Certification of annual filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the financial year ended ***<insert financial year end>*** (the servicer reports);

   (b) annual MD&A in respect of the issuer's pool(s) of assets for the financial year ended ***<insert the relevant date>*** (the annual MD&A);

   (c) AIF for the financial year ended ***<insert the relevant date>*** (the AIF); [if applicable] and

   (d) each annual statement of compliance regarding fulfillment of the obligations of the servicer(s) under the related servicing agreement(s) for the financial year ended ***<insert the relevant date>*** (the annual compliance certificate(s)),

   (the servicer reports, the annual MD&A, the AIF [if applicable] and the annual compliance certificate(s) are together the annual filings);

2. Based on my knowledge, the annual filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the annual filings;

3. Based on my knowledge, all of the distribution, servicing and other information and all of the reports on assessment of compliance with servicing criteria for asset-backed securities and the annual accountant's report respecting compliance by the servicer(s) with servicing criteria for asset-backed securities required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

4. **Option #1 *<use this alternative if a servicer is providing the certificate>***

   I am responsible for reviewing the activities performed by the servicer(s) and based on my knowledge and the compliance review(s) conducted in preparing the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

   Option #2 *<use this alternative if the Issuer or the administrative agent is providing the certificate>*

   Based on my knowledge and the annual compliance certificate(s), and except as disclosed in the annual filings, the servicer(s) [has/have] fulfilled [its/their] obligations under the servicing agreement(s); and

5. The annual filings disclose all material instances of noncompliance with the servicing criteria based on the [servicer's/servicers'] assessment of compliance with such criteria.

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee >***.]

Date: **<insert date of filing>**

_____

[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

SCHEDULE B

Certification of interim filings for issuers of asset-backed securities

I, ***<identify (i) the certifying individual, (ii) his or her position in relation to the issuer and (iii) the name of the issuer>***, certify that:

1. I have reviewed the following documents of ***<identify issuer>*** (the issuer):

   (a) the servicer reports for each month in the interim period ended ***<insert relevant date>*** (the servicer reports); and

   (b) interim MD&A in respect of the issuer's pool(s) of assets for the interim period ended ***<insert relevant date>*** (the interim MD&A),

   (the servicer reports and the interim MD&A are together the interim filings);

2. Based on my knowledge, the interim filings, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make the statements not misleading in light of the circumstances under which they were made, with respect to the periods covered by the interim filings; and

3. Based on my knowledge, all of the distribution, servicing and other information required to be filed under the decision(s) ***<identify the decision(s)>*** as of the date of this certificate, other than material change reports and press releases, have been filed with the securities regulatory authorities through SEDAR;

[In giving the certifications above, I have reasonably relied on information provided to me by the following unaffiliated parties ***<insert name of issuer, servicer, sub-servicer, co-servicer, administrative agent, reporting agent or trustee>***.]

Date: ***<insert date of filing>***

_____

[Signature]
[Title]
<indicate the capacity in which the certifying officer is providing the certificate>

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 Reasons for Decision

3.1.1 Roy Gamini DeSilva - s. 26(3) of the Securities Act

IN THE MATTER OF
THE REGISTRATION OF
ROY GAMINI DESILVA

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

Date: June 1, 2005

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

Submissions:
Dianna Daley For the staff of the Commission
Roy DeSilva For the Registrant

Background

1. Mr. DeSilva (the **Registrant**) has been registered with the Ontario Securities Commission (**OSC**) as a mutual fund salesperson for PFSL Investments Canada Ltd. (**PFSL**) since January 1997. On February 9, 2005 PFSL submitted a financial disclosure change notice to the OSC that indicated the Registrant had received a Requirement to Pay from Canada Customs and Revenue Agency.

2. On February 14, 2005, OSC staff sent a letter to the Registrant and PFSL proposing terms and conditions for standard quarterly supervision reporting to the OSC, be imposed on the registration of Roy DeSilva. The Director may impose terms and conditions under subsection 26(2) of the *Securities Act* (**Act**) which states:

> (2) Terms and conditions – The Director may in his or her discretion restrict a registration by imposing terms and conditions thereon and, without limiting the generality of the foregoing, may restrict the duration of registration and may restrict the registration to trades in certain securities or a certain class of securities.

3. The Registrant did not accept the proposal and requested the opportunity to be heard by the Director pursuant to subsection 26(3) of the Act which 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 Registrant requested to be heard through a written submission, which was received on March 8, 2005.

Submissions

5. The Registrant asked that his registration be allowed to continue without terms and conditions. Mr. DeSilva noted that the tax debt had been incurred with a business he had prior to becoming a mutual fund salesperson in 1997. The Registrant had been making monthly payments to CCRA to eliminate the tax debt and was surprised that a Requirement to Pay had been issued.

6. Mr. DeSilva also noted that PFSL has high standards of supervision and the terms and conditions would be redundant. He also noted the proposed terms and conditions on his registration would lead to the suspension of his representative license based on his contract PFSL. This would not be in the best interests of his clients.

7. Staff of the OSC recommended that terms and conditions for standard quarterly supervision reporting to the OSC be imposed on Roy DeSilva's registration. The Requirement to Pay Notice gave Staff concerns regarding the Registrant's continued suitability for registration.

8. OSC staff's analysis of whether an individual meets or continues to meet the fit and proper standards for registration focuses on three key elements: proficiency (education and experience), integrity, and financial solvency. The Requirement to Pay Notice clearly has a bearing upon the last component.

9. It is OSC staff's practice to impose terms and conditions for standard quarterly supervision reporting on an individual's registration should that person file for bankruptcy, receive a garnishment or receive a Requirement to Pay. The terms and conditions are removed when the financial obligations resulting from the event are satisfied. The fact that the Registrant had been paying down the debt owed was not a factor in Staff's recommendation to impose terms and conditions.

Decision

10. OSC staff have a practice of imposing terms and conditions for standard quarterly supervision reporting on the registration of an individual who files for bankruptcy, receives a garnishment or receives a Requirement to Pay Notice. All of these events have a bearing on the financial solvency and hence the suitability of a registrant.

11. The position of staff is consistent with the OSC mandate of investor protection and for this reason, I find that terms and conditions as set out in Exhibit "A" should be imposed on the registration of Roy DeSilva.

June 1, 2005

"David M. Gilkes"

Exhibit A

STANDARD QUARTERLY SUPERVISION REPORT

I hereby certify that standard supervision was conducted for the quarter ending June 30, 2005, of the trading activities of Roy De Silva, by the undersigned. I further certify the following:

1. All orders from the salesperson were reviewed and approved by an officer or branch manager of PFSL Investments Canada Ltd.

2. There were no client complaints received during the preceding quarter. If there were complaints, a description of the complaint and follow-up action initiated by the company is attached.

3. All payments for the purchase of the investments were made payable to the dealer. There were no cash payments accepted.

4. The transactions of the salesperson were reviewed during the preceding quarter to ensure compliance with the policies and procedures of the dealer, including the suitability of investments for clients. If there were any violations, a description of the violation and follow-up action is attached.

[Signature]
Officer/Branch Manager of PFSL Investments Canada Ltd.

Printed name of signatory above:

[Date]

3.1.2 Dimitrios Boulieris v. Staff of the IDA and the OSC

COURT FILE NO.: 109/04
DATE: 20050511

ONTARIO
SUPERIOR COURT OF JUSTICE

DIVISIONAL COURT

CARNWATH, JENNINGS AND SWINTON JJ.

BETWEEN:

DIMITRIOS BOULIERIS Appellant **- and -**	)	*Darryl T. Mann*, for the Appellant
STAFF OF THE INVESTMENT DEALERS ASSOCIATION OF CANADA and THE ONTARIO SECURITIES COMMISSION Respondents	)	*Ricardo Codina* and *Elsa Renzella*, for the Investment Dealers Association *Kate G. Wooton*, for the Ontario Securities Commission
	)	**HEARD at Toronto:** April 15, 2005

SWINTON J.:

[1] The Appellant, Dimitrios Boulieris, appeals from a decision of the Ontario Securities Commission ("the Commission") dated January 28, 2004, which set aside one part of a decision of the Ontario District Council of the Investment Dealers Association ("IDA") on the merits of a disciplinary complaint and substituted a new penalty for that imposed by the District Council.

[2] The issue in this appeal is whether the Commission showed the proper deference to the decisions of the District Council, both on the merits and in the determination of the appropriate penalty.

Factual Background

[3] Between July, 1998 and July, 1999, the Appellant was a registered representative employed with First Delta Securities ("First Delta"), formerly a member firm of the IDA. In or about November, 1998, the Appellant was introduced to Bernie Guam, a representative of First Union Kreditenstalt S.A. ("First Union") by Harold Arviv and his work colleague, Larry Skolnik. Both Mr. Arviv and Mr. Skolnik had been clients of the Appellant when he was with another brokerage firm. At the November meeting, the Appellant was told that First Union would be recommending stock to offshore investors, and that First Union would refer clients to the Appellant.

[4] In the course of his employment, the Appellant opened accounts at First Delta for two corporations, Gideon Trading Ltd. and Venture Capital Group Inc. Mr. Arviv was the beneficial owner of Gideon and had trading authority over this account, and he had influence over the Venture account, over which his wife had trading authority. Those corporations held a large equity position in First Florida Communications Inc. ("First Florida"), a telecommunications company incorporated in Florida, whose shares were traded on the U.S. Over-the Counter Bulletin Board ("OTC BB"). In January, 1999, these two corporate accounts at First Delta held 1,078,600 First Florida shares, representing approximately 93.7% of First Florida's free trading shares.

[5] Before the first referral from First Union, the Appellant was told by Mr. Arviv that "they" were going to generate buying for First Florida. Mr. Arviv also said that "they were trying to make it tight and hopefully dry up the supply and just get demand for the stock." He also told the Appellant that First Florida could not issue any stock without his permission, because he was providing all of the financing for First Florida.

[6] The Appellant also opened an account for First Union at First Delta, although First Union did not trade in that account. First Union represented itself to investors as an asset management company located in Switzerland. However, evidence at the hearing of the District Council showed that First Union was operating out of offices in Toronto. When police and Commission

staff searched those offices in the process of executing a search warrant, they found sales scripts among the documents seized that were used in the promotion of First Florida shares to offshore investors.

[7] First Union was not registered as a dealer pursuant to s. 25 of the Ontario *Securities Act*¸ R.S.O. 1990, c. S.5. Therefore, it was not permitted to solicit clients for the sale of securities in Ontario.

[8] From late January to March, 1999, First Union faxed various trade confirmations to the Appellant relating to the purchase of First Florida shares by the referrals. The confirmations stated that the purchase order was referred by First Union "through the courtesy of First Delta Securities Inc." and included the purchaser's name and address, the number of First Florida shares to be purchased, the purchase price, and a First Delta account number that had been assigned to each referral prior to any account being opened at First Delta.

[9] The Appellant admitted in a statement dated February 23, 2000 that he knew First Union was promoting First Florida shares. At pp. 56-57 of that statement, one finds the following exchange:

> **Mr. D. Cope** And you knew that First Union was promoting First Florida.
>
> **Mr. D. Boulieris** Right. After that, after that – at the beginning, I didn't know, but after once I started to see all the orders, then I knew that they were buying the First Florida. Right?

[10] In his statement dated March 22, 2001, he said (at p. 14):

> **Mr. E. Varela** Okay. What's the significance of First Florida Communication with respect to First Union Kreditenstalt?
>
> **Mr. D. Boulieris** With respect to First Union Kreditenstalt and First Florida?
>
> **Mr. E. Varela** Mm-hmm.
>
> **Mr. D. Boulieris** First Union Kreditenstalt to my understanding was a – was recommending the stock.

He went on to say, when asked about Mr. Arviv's involvement in First Union, that Mr. Arviv "was going to send referrals to me" from around the world and under the banner of First Union. At p. 15, he stated that he didn't know Mr. Arviv's involvement in First Union, but at the first meeting, there were a lot of people there, and "I thought that they were going to provide the investor relations and refer their clients to me".

[11] The Appellant also admitted that he had sent unassigned First Delta account numbers to Mr. Arviv by fax, and he acknowledged that First Union probably obtained the numbers from Mr. Arviv.

[12] As a result of various confirmations sent by First Union, 19 trading accounts were opened at First Delta. The Appellant was the registered representative for all 19 accounts. Over a five month period from January to May, 1999, he executed 44 purchase orders in these accounts. All were on an unsolicited basis and on the terms set out in the confirmations from First Union. However, they occurred only after the Appellant spoke to the client, account documentation required by First Delta had been filled out, and money had been deposited in the client's account. Evidence at the hearing also indicated that on 21 occasions, the referrals bought First Florida shares at prices that were not within the market price range reported on the OTC BB for the day of the purchase, although the Appellant said in his statements that he purchased at market price.

[13] There was evidence before the District Council with respect to the manipulation of the market in First Florida shares between January and June, 1999. The Varela Report, which was in evidence, discussed the trading volume and price of First Florida shares during the period of market manipulation.

[14] There was substantial evidence before the District Council to establish that First Florida shares were the subject of a market manipulation carried out by four accounts at First Delta ("the control group accounts"). The Appellant was the registered representative for all of these accounts, and the evidence showed that they were controlled by Mr. Arviv or his associates. The control group also had accounts at other brokerages.

[15] All but one of the 44 purchases executed for referral accounts at First Delta were matched trades with the known control group accounts, either at First Delta or at the other brokerages. Of the 44 purchases, 21 of the trades were crossed in house with the four known control group accounts at First Delta.

[16] Following a five day hearing before the District Council, the Appellant was found guilty of one count of misconduct, namely "trading for a client who had advised the Respondent that he was attempting to manipulate the market price of a security". However, the District Council concluded that the Appellant had not engaged in conduct unbecoming or detrimental to

the public interest by "knowingly acting as an agent or facilitator for a company engaged in soliciting for the purpose of selling securities while not registered to do so with the Ontario Securities Commission" (Count 1(a)). Its reasons are as follows:

> In the absence of any evidence from clients or any evidence as to the manner in which the orders were solicited, we were unable to find that the Respondent knowingly acting [*sic*] as an agent or facilitator for a company engaged in soliciting for the purpose of selling securities while not registered to do so with the Ontario Securities Commission.

The District Council also concluded that the other counts in the notice of hearing had not been proved.

[17] After a hearing on penalty, the District Council determined that a suspension would normally be ordered, but the Appellant had already served, in effect, a one year suspension, as he had not been given approval to transfer his licence. It also took into account the fact that at the time of the events leading to the allegations, he had only been registered for less than one year. As well, he had not been found to have been part of a market manipulation. Therefore, the District Council ordered that the Appellant successfully re-write the examination based on the *Conduct and Practices Handbook for Securities Industry Professionals* prior to his approval to work in a registered capacity; that he pay costs of $5,000; and that he be subject to strict supervision for two years if employed with a member of the IDA.

[18] Pursuant to s. 21.7 of the *Securities Act,* the IDA applied for a hearing and review by the Commission with respect to the dismissal of Count 1(a) and the penalty imposed. The grounds for review, as set out in the reasons of the Commission, are:

1. In dismissing Count 1(a) of the notice of Hearing and particulars initiating the proceedings, District Council erred in principle in that they misapprehended what the allegations were in Count 1(a), and how they could be proven. Association staff argues that District Council overlooked evidence that the Respondent had facilitated the business of First Union Kreditenstalt S.A. ("First Union");

2. District Council erred by imposing a penalty that was unfit and inappropriate in light of the Respondent's participation in market manipulation;

3. District Council erred by not ordering the disgorgement of commissions received by the Respondent; and

4. District Council fettered its discretion in not imposing a fine on the Respondent.

[19] Pursuant to ss. 21.7(2) and 8, the Commission may, on a hearing and review, "confirm the decision under review or make such other decision as the Commission considers proper". After reviewing the submissions of both parties and the statutory framework, the Commission discussed its role, noting that it is free to substitute its judgment for that of the District Council. However, it went on to state that, in practice, it accords deference to the factual determinations made by self-regulatory organizations ("SRO's") like the IDA and takes a restrained approach on review (at paras. 26, 31). Therefore, it interferes with the decision of a self-regulatory organization only on the following grounds:

1. the SRO has proceeded on an incorrect principle;

2. the SRO has erred in law;

3. the SRO has overlooked material evidence;

4. new and compelling evidence is presented to the Commission that was not presented to the SRO; or

5. the SRO's perception of the public interest conflicts with that of the Commission's.

The Commission also correctly stated that proof of the charges against an individual must be on the basis of clear, convincing and cogent evidence (at para. 34).

[20] In the section of its reasons headed "Analysis", the Commission observed that the District Council had determined that there had been market manipulation. The panel then said, "The issue before the District Council was not whether the [Appellant] participated in the market manipulation but whether the [Appellant] facilitated the process". The Commission stated that there was "clear and cogent evidence of the [Appellant's] direct role in the trading". While the Commission acknowledged that he did not act as "a mere conduit", they set out a number of facts that they considered significant (at para. 37 of the reasons):

> There was clear and cogent evidence of the [Appellant's] role in the trading. He was a necessary party to permit the market manipulation. Granted, the [Appellant] did not act as a mere conduit. But the fact that the [Appellant] talked to the referred persons, or that they became his clients, does not change or sanitize the facts: the [Appellant] knew that Arviv intended to manipulate the stock, that Arviv or entities working with him, such as First Union, had solicited the

> referrals, and that the trades executed by the [Appellant] were in accordance with the solicitations. Confirmations that referrals instructed or permitted the [Appellant] to turn into orders after he talked with them would not have appeared without someone soliciting the referrals.

[21] According to the Commission, First Union, which was not registered as a dealer in Ontario, sought the Appellant's assistance to execute purchases to be made by the individuals whom it referred. The confirmations from First Union included a First Delta account number from those account numbers that had been sent by the Appellant to Mr. Arviv. The Appellant had acknowledged that First Union probably obtained these unassigned numbers from Mr. Arviv.

[22] The Commission also reviewed the facts of the purchases, including that fact that the purchases were on the same terms set out in the confirmations received by the Appellant from First Union. On 21 occasions, the clients purchased at a price outside the market range for the day of the purchase. In the Commission's opinion, it was not necessary to understand how referred persons were solicited by First Union, nor how the Appellant dealt with the clients, as the District Council had said.

[23] The Commission went on to describe the trading in the control group accounts at First Delta and other firms. Finally, it characterized the Appellant's conduct as "wilful and egregious", stating that he wilfully facilitated a market manipulation. Then, under the heading "The Decision", it said, "In dismissing Count 1(a), District Council misapprehended the essential business and operational elements necessary to prove that count".

[24] Having come to this conclusion, the Commission then imposed a harsher penalty, given its conclusion that the District Council had misapprehended the public interest. Specifically, it ordered:

1. a fine of $128,504.55, which was made up of $42,834.85, the portion of commissions received by the Appellant for the purchase of First Union shares in the applicable period, and $85,669.70, two times the benefit that he received.

2. suspension until October 1, 2008 (being equivalent to a period of seven years commencing October 1, 2001).

The Commission also confirmed the terms of the District Council's order requiring the rewriting of the conduct and practices exam, costs, and strict supervision for two years upon re-employment with an IDA member.

Issues

[25] The Appellant appealed the decision of the Commission pursuant to s. 9 of the *Securities Act*, seeking an order that the Commission's decision be set aside and the decisions of the District Council be restored. He argued that the Commission erred in failing to show the requisite deference to the decisions of the District Council, misapprehended the degree of proof required to be met by the Staff of the IDA, erred in making findings of credibility, and erred in law in substituting its view of the evidence for that of the District Council.

The Standard of Review

[26] The parties are agreed that the standard of review on this appeal is reasonableness (see, for example, *Re Cartaway Resources Corp.*, [2004] S.C.J. No. 22 at paras. 43-51). In applying that standard, the Supreme Court of Canada stated in *Law Society of New Brunswick v. Ryan*, [2003] 1 S.C.R. 247 at para. 55:

> A decision will be unreasonable only if there is no line of analysis within the given reasons that could reasonably lead the tribunal from the evidence before it to the conclusion at which it arrived. If any of the reasons that are sufficient to support the conclusion are tenable in the sense that they can stand up to a somewhat probing examination, then the decision will not be unreasonable and a reviewing court must not interfere.

Application of the Standard

[27] As the Commission stated in its reasons, it exercises original jurisdiction (as opposed to a limited appellate function) when exercising its power of review pursuant to s. 21.7(1) of the Act. However, it also correctly stated that, in practice, the Commission affords deference to the factual determinations of an SRO (*Re Shambleau* (2002), 25 O.C.S.B. 1850 at 1852, aff'd (2003), 26 O.C.S.B. 1629 (Ont. Div. Ct.)).

[28] An issue was raised during oral argument of this appeal as to whether the Commission asked itself the wrong question, since it referred in paragraphs 36 and 42 of its reasons to "facilitation" of the process and of the business of First Union without prefacing that word by "knowingly". I note that the Appellant had not raised this as an issue in his factum; rather, the factum focussed on the issue of lack of deference by the Commission.

[29] In my view, when the reasons are read as a whole, it is clear that the Commission was seeking to determine whether the Appellant knowingly facilitated the business of First Union. First, the issues raised by the IDA clearly raised his knowledge. For example, in paragraph 18 of the Commission's reasons, the IDA position was stated as follows:

> Association Staff argued that the evidence illustrated that while the [Appellant] may not have had complete knowledge of what Arviv was doing, he certainly had sufficient knowledge to extract himself from the situation, and his failure to do so was an indication that he was a willing and consenting participant to what Arviv was doing. He did have enough knowledge to know that the manipulation was happening.

As well, the Notice Of Request for Hearing and Review states that District Council "overlooked material evidence" with respect to whether the Appellant had "knowingly" facilitated the activities of First Union.

[30] Moreover, after reviewing the evidence, the Commission concluded that the Appellant had *wilfully* facilitated a market manipulation (at para. 49). Therefore, in my view, it can not be said that the Commission asked itself the wrong question.

[31] The main issue raised by the Appellant was the lack of deference shown by the Commission to the District Council's factual determinations. In particular, he argued that the Commission failed to consider the fact that the Appellant did not simply process the referrals, but spoke with each client before opening the account. He submitted that the Commission unreasonably disregarded the conclusion of the District Council that there was a serious lack of evidence to support the allegations against the Appellant.

[32] However, in its reasons, the Commission confirmed the deferential approach to be used in the review of a decision a self-regulatory organization like the IDA, and it set out the five grounds on which it will intervene. This deferential approach has been affirmed by appellate courts (*Re Lafferty, Harwood & Partners Ltd. and Board of Governors of the Toronto Stock Exchange* (1975), 8 O.R. (2d) 604 (Div. Ct.) at 607). In my view, the Commission applied this approach in this case, and it did not substitute its views on the evidence for those of the District Council. Indeed, the Commission expressly stated at paragraph 32, "The Commission will not substitute its own view of the evidence for that taken by an SRO just because the Commission might have reached a different decision."

[33] The District Council concluded that it could not determine that the Appellant knowingly acted as an agent for an unregistered company engaged in soliciting for the purpose of selling securities in the absence of evidence from clients or evidence as to the manner in which the orders were solicited. In its reasons for decision on the merits, there was no review of the evidence canvassed by the Commission in its reasons with respect to the way in which trades were referred by First Union to the Appellant, nor the terms of the purchases by the clients, nor the pattern of trading activity.

[34] In reviewing a decision of an SRO, the Commission has stated that it will intervene if the SRO has failed to appreciate material evidence. According to the Commission's reasons, the Staff of the IDA argued that the District Council failed to appreciate material evidence. The Commission concluded that the District Council erred in failing to appreciate the "essential business and operational elements necessary to prove the count". Specifically, the Commission concluded that the District Council erred in concluding that it was necessary to understand how referred clients were solicited by First Union or how the Appellant dealt with the clients.

[35] It is regrettable that the Commission did not state explicitly that it was intervening because of the District Council's failure to address material evidence. Nevertheless, on reading the Commission's reasons as a whole, it is evident that the Commission found the District Council misapprehended material evidence. Indeed, the Commission reviewed in detail the evidence which the District Council failed to discuss, including the role played by the Appellant in the trading of First Florida shares and the state of his knowledge. The Commission then concluded that there was clear and cogent evidence showing that the Appellant wilfully facilitated the market manipulation in that he clearly facilitated the business of First Union, a company that he knew was promoting sales of First Florida shares and that was not registered in Ontario.

[36] In my view, the Commission overturned the decision of the District Council with respect to Count 1(a) on the basis that the District Council misapprehended the evidence required to prove that count (see paragraph 54 of the reasons). There was evidence to support the Commission's decision that Count 1(a) had been proven, and, therefore, it can not be said that the Commission's decision was unreasonable.

[37] Moreover, the Commission reached that decision without making findings of credibility, as alleged by the Appellant. He did not testify before the District Council, and it made no findings with respect to his credibility. Nor did the Commission make a finding about his credibility; rather, it characterized his conduct and drew inferences about the nature of his role from the evidence as a whole, much of which was documentary.

[38] In summary, the Commission's conclusion that the District Council erred in dismissing Count 1(a) was not unreasonable, nor did the Commission fail to show appropriate deference to the findings of the District Council.

The Appropriate Penalty

[39] In substituting a new penalty, the Commission was of the view that "the District Council had misapprehended the public interest in having strong sanctions in view of the Respondent's wilful conduct". The Commission was permitted in law to substitute its view for that of the District Council where their respective views on the public interest differed. The courts have held that a high level of deference should be afforded to the Commission when it determines what is in the public interest, especially in relation to sanctions (*Costello v. Ontario (Securities Commission)*, [2004] O.J. No. 2972 (Div. Ct.) at para. 31; *Donnini v. Ontario (Securities Commission)*, [2005] O.J. No. 240 (C.A.) at para. 54.).

[40] The Commission characterized the Appellant's conduct as wilful and egregious, and it concluded that a severe penalty was warranted, despite the Appellant's youth and lack of supervision, for the following reasons (at para. 50):

> Where a registrant has wilfully facilitated a market manipulation, he should face severe consequences, including removal from the marketplace for an appropriate period and disgorgement of moneys received as a consequence of his conduct. Otherwise, confidence in the capital markets will suffer and the market will be at risk of further disreputable conduct, and harm from the registrant.

The Commission also reviewed the sanctions imposed on First Delta and three of its officers and directors before determining the appropriate penalty. The allegations were that they failed to properly supervise the Appellant and failed to have adequate policies and procedures in place. Pursuant to a settlement agreement, First Delta paid a fine of $600,000 and its membership in the IDA was terminated. One of the directors and officers received a fine of $50,000 and a six month suspension, while two others were fined $30,000 and suspended for 30 days.

[41] The Commission concluded that there should be disgorgement of profits and a fine imposed. Disgorgement is a reasonable sanction in order to prevent unjust enrichment and to deprive the wrongdoer of his gains. There was evidence before the District Council which showed the amount of the profits received by the Appellant from the trades in First Florida shares.

[42] The Appellant has not shown that the Commission committed any error in principle, nor can it be said that the punishment does not fit the misconduct. Given the facts, the penalty imposed was not unreasonable.

[43] For these reasons, the appeal is dismissed. If the parties can not agree on costs, they may make brief written submissions within 21 days of the release of this decision.

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Chapter 4

Cease Trading Orders

4.1.1 Temporary, Extending & Rescinding Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/Revoke
Launch Resources Inc.	31 May 05	10 June 05		
Navitrak International Corporation	03 Jun 05	15 Jun 05		

4.2.1 Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Brainhunter Inc.	18 May 05	31 May 05	31 May 05		
Cimatec Environmental Engineering	04 May 05	17 May 05	17 May 05		
Foccini International Inc.	03 May 05	16 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	17 May 05		
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Lucid Entertainment Inc.	03 May 05	16 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	17 May 05		
Thistle Mining Inc.	05 Apr 05	18 Apr 05	18 Apr 05		

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Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (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 45-5-1F1

Transaction Date	Purchaser	Security	Total Pur. Price ($)	No. of Securities
27-May-2005	David Carpenter Normand Loubier & Delvina Loubier	1635536 Ontario Inc. - Common Shares	60,000.00	2,000.00
06-Jun-2005	Kent Dinning	Active Control Technology Inc. - Common Shares	3,778.00	75,560.00
25-May-2005	Rodney B. Clark	Active Control Technology Inc. - Units	20,055.00	364,636.00
16-May-2005	3 Purchases	Algonquin Credit Card Trust - Notes	200,000,000.00	3.00
31-May-2005	3 Purchasers	Alternum Capital - North American Value Hedge Fund - LP Units	5,973.00	6.00
24-May-2005	3 Purchasers	A.J. Resources Inc. - Units	2,000,000.00	2,000,000.00
01-Jun-2005	Scotia Capital Inc.	B Split II Corp. - Shares	100.00	100.00
31-May-2005	Michael Wekerle Eugene C. McBurney	Baffinland Iron Mines Corporation - Common Shares	1,102,668.00	711,398.00
31-May-2005	1128737 Ontario Limited	Beckwith Farm Limited Partnership - Limited Partnership Units	150,000.00	1.00
02-Jun-2005	3 Purchasers	Blackpool Explorations Ltd. - Common Shares	52,400.00	103,000.00
31-May-2005	Frances Mi-Fung Mak	BrazAlta Resources Corp. - Units	35,000.00	100,000.00
02-Jun-2005	Daoust Vukowich LLP	BSM Technologies Inc. - Common Shares	31,103.90	311,039.00
11-Mar-2005	James McMillan	Bulldog Technologies Inc. - Common Shares	140,000.00	100,000.00
20-May-2005	4 Purchasers	Canadian Real Estate Investment Trust - Debentures	23,000,000.00	23,000,000.00
02-Jun-2005	Goodman & Co.	CBRE Realty Finance - Stock Option	655,357.50	35,000.00
26-May-2005	3 Purchasers	Clearframe Solutions Corp. - Units	15,000.00	37,500.00
24-May-2005	10 Purchasers	Coro Mining Corp. - Shares	1,025,000.00	2,050,000.00
26-May-2005	Strategic Advisors Corp.	Corridor Resources Inc. - Common Share Purchase Warrant	1,386.00	6,300.00
26-May-2005	Strategic Advisors Corp.	Corridor Resources Inc. - Common Shares	26,712.00	12,600.00

Transaction Date	Purchaser	Security	Total Pur. Price ($)	No. of Securities
20-May-2005	Mike McBain	Deans Knight Equity Growth Fund - Units	375,000.00	201.00
08-Apr-2005	Terttu Taylor	Duncan Park Holdings Corporation - Common Shares	99,085.00	396,340.00
04-Apr-2005	9 Purchasers	Duncan Park Holdings Corporation - Units	555,000.00	1,110,000.00
02-Jun-2005	9 Purchasers	Eastshore Energy Ltd. - Shares	2,844,275.00	1,625,300.00
23-May-2005	CPP Investment Board Private Holdings Inc.	ESP CPPIB European Mid Market Fund - Limited Partnership Units	159,280,000.00	159,280,000.00
26-May-2005	Strategic Advisors Corp.	Etruscan Resources Inc. - Common Share Purchase Warrant	2.60	2,600.00
25-May-2005	14 Purchasers	Glentel Inc. - Common Shares	8,800,000.00	1,600,000.00
27-May-2005	Patricia A. Main and James H.P. Main George I.P. Main	HSBC Securities (Canada) Inc. - Units	1,510,080.00	2.00
24-May-2005	3 Purchasers	Imagis Technologies Inc. - Units	40,000.00	100,000.00
20-May-2005	G. Scott Paterson 1475468 Ontario Inc.	JumpTV.com, Inc. - Shares	115,005.00	7,667.00
29-Sep-2004	G. Scott Paterson	JumpTV.com, Inc. - Special Warrants	750,000.00	300,000.00
26-May-2005	Strategic Advisors Corp.	Kodiak Oil & Gas Corp. - Common Share Purchase Warrant	6.53	6,525.00
30-May-2005	10 Purchasers	Lakeview Real Estate Investment Trust - Trust Units	250,000.00	250.00
30-May-2005	Stone Asset Management Limited Don Lenaghan	Lakeview Real Estate Investment Trust - Units	932,000.00	372,800.00
13-May-2005	66 Purchasers	Las Vegas from Home.com Entertainment Inc. - Subscription Receipts	8,115,575.00	12,485,500.00
26-May-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Share Purchase Warrant	2,108.00	3,400.00
26-May-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Shares	15,776.00	6,800.00
24-May-2005	The Canadian Medical Protective Association	Macquarie European Infrastructure Fund LP - LP Interest	40,000,000.00	40,000,000.00
21-Jun-2004	The Canadian Medical Protective Association	Macquarie European Infrastructure Fund LP - LP Interest	79,020,000.00	79,020,000.00

Transaction Date	Purchaser	Security	Total Pur. Price ($)	No. of Securities
27-May-2005	13 Purchasers	Magellan Aerospace Corporation - Preferred Shares	7,526,500.00	752,650.00
26-May-2005	Strategic Advisors Corp.	Magnifoam Technology International Inc. - Common Shares	8,136.00	3,600.00
25-May-2005	J. Ronald Woods Kees C. Van Winters	Magnus Energy Inc. - Shares	156,250.00	625,000.00
12-May-2005	EdgeStone Capital Venture Fund L.P.	Maximum Throughput Inc. - Debentures	1,441,800.00	1,441,800.00
12-May-2005	EdgeStone Capital Venture Fund L.P.	Maximum Throughput Inc. - Shares	1,441,800.00	4,593,183.00
12-May-2005	CMP 2005 Resource LP Canada Dominion Resource 2005 LP	Metalex Ventures Ltd. - Common Shares	1,000,000.35	1,176,471.00
17-May-2005	TD Asset Management Inc.	Micro Focus International plc. - Shares	3,635,268.00	1,200,000.00
27-May-2005	6379320 Canada Inc.	Montez Retail Fund Inc. - Common Shares	3,614,029.17	3,614,029.00
27-May-2005	6379320 Canada Inc.	Montez Retail Fund Inc. - Common Shares	772,805.84	772,806.00
18-May-2005	Milton Chambers	New Solutions Financial (II) Corporation - Debentures	250,000.00	250,000.00
18-May-2005	26 Purchasers	Newport diversified Hedge Fund - Units	1,509,934.89	12,064.00
01-Jun-2005	9 Purchasers	Normiska Corporation - Shares	184,449.52	2,231,327.00
25-Jun-2005	RBC Dominion Securities Inc.	Pioneer Trust - Notes	62,577,602.19	62,000,000.00
22-Nov-2004	Lasswell Medical Co. Ltd	Primus Pharmaceuticals Inc. - Stock Option	125,446.63	50,000.00
26-May-2005	MineralFields 2005 Super Flow-Through LP	Probe Mines Limited - Units	100,000.00	222,222.00
02-Jun-2005	3 Purchasers	Regional Power Inc. - Shares	773,250.00	773,250.00
10-May-2005	TAL Global Asset Management Inc.	Satyam Computer Services Limited - Shares	1,596,000.00	60,000.00
01-Jun-2005	The Bank of Nova Scotia	SCITI Fund - Units	10,892,376.36	1,147,629.00
18-Mar-2005	Credit Risk Advisors L.P.	Seneca Gaming Corporation - Notes	608,818.50	500,000.00
26-May-2005	Spire Group Limited	Skulogix Ltd. - Common Shares	64,000.00	607.00
20-May-2005	3 Purchasers	Skulogix Ltd. - Common Shares	136,000.00	1,289.00
25-May-2005	MACRO Trust	SMART Trust - Notes	1,192,346.01	1.00

Transaction Date	Purchaser	Security	Total Pur. Price ($)	No. of Securities
27-May-2005	8 Purchasers	Sofea Inc - Preferred Shares	500,000.00	500,000.00
01-Jun-2005	The Canada Life Assurance Company	SPE-VFC Trust II - Notes	5,500,000.00	2.00
26-May-2005	Strategic Advisors Corp.	Sterling Resources Ltd. - Common Shares	35,956.00	20,200.00
31-May-2005	Canada Dominion Resource 2005 LP CMP 2005 Resource LP Limited	Strategic Metals Ltd. - Flow-Through Shares	506,000.00	2,300,000.00
30-May-2005	4 Purchasers	Tangarine Concepts Corporation - Units	62,105.00	62,105.00
25-May-2005	9 Purchasers	The CAP 2005 LP - Units	1,330,000.00	35.00
12-May-2005	George Xavier David Vere Mason	Tranzeo Wireless Technologies Inc. - Common Shares	20,000.00	20,000.00
13-May-2005	Carl Turner	Trident Global Opportunities RSP Fund - Units	31,721.00	304.00
09-May-2005	Natcan Investment Management Inc.	Triple Plate Junction Plc. - Units	1,876,777.00	1,150,000.00
25-May-2005	Dundee Securities Corporation	Vencan Gold Corporation - Common Shares	0.00	192,500.00
25-May-2005	CMP 2005 Resource LP Canada Dominion Resources 2005 LP	Vencan Gold Corporation - Flow-Through Shares	200,000.00	2,000,000.00
25-May-2005	Stephen Sharpe CMP 2005 Resource LP	Vencan Gold Corporation - Units	75,000.00	750,000.00
01-Jun-2005	Diane Braxatoris	Win Energy Corporation - Common Shares	12,500.00	10,000.00
22-May-2005	3 Purchasers	Zephyr Alternative Power Inc. - Convertible Debentures	170,000.00	3.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Acuity Canadian Small Cap Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Simplified Prospectus dated May 31, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Acuity Fund Ltd.
Project #775093

Issuer Name:
Acuity Conservative Asset Allocation Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 31, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
Class A and F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Acuity Funds Ltd.
Project #794139

Issuer Name:
Connor, Clark & Lunn Real Return Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
$ * Maximum - (* Units) Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Canaccord Capital Corporation
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Conner, Clark & Lunn Capital Markets Inc.
Project #794511

Issuer Name:
diversiYield Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 3, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
$ * - * Units - Price: $10.00 per Trust Unit (Minimum Purchase: 100 Trust Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Berkshire Securities Inc.
First Associates Investments Inc.
Raymond James Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #794860

Issuer Name:
Dundee Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 6, 2005
Mutual Reliance Review System Receipt dated June 6, 2005
Offering Price and Description:
$100,000,000.00 - 5.85% Exchangeable Unsecured Subordinated Debentures due June 30, 2015
Exchangeable for REIT Units, Series A of Dundee REIT
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
Dundee Securities Corporation
RBC Dominion Securities Inc.
TD Securities Inc.
GMP Securities Ltd.
HSBC Securities (Canada) Inc.
Sprott Securities Inc.
Trilon Securities Inc.
Promoter(s):
-
Project #795337

Issuer Name:
GGOF Floating Rate Income Fund
GGOF Japanese Value Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 6, 2005
Mutual Reliance Review System Receipt dated June 7, 2005
Offering Price and Description:
(F Class Units and Mutual Fund Units)
Underwriter(s) or Distributor(s):
Jones Heward Investment Management Inc.
Guardian Group of Funds Ltd.
Promoter(s):
Guardian Group of Funds Ltd.
Project #795433

Issuer Name:
Global Credit Pref Corp.
Principal Regulator - Ontario
Type and Date:
Amended Preliminary Prospectus dated May 30, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
$* - (* Preferred Shares) $25.00 per Preferred Share
Price: $25.00 per Preferred Share Minimum Purchase: $*
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Wellington West Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
First Associates Investments Inc.
Raymond James Ltd.
Research Capital Corporation
Richardson Partners Financial Limited
Promoter(s):
Gatehouse Capital Inc.
Project #782387

Issuer Name:
Golden Dawn Minerals Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated May 27, 2005
Mutual Reliance Review System Receipt dated June 1, 2005
Offering Price and Description:
Up to 5,095,239 units Minimum Public Offering of $1,200,000.40 (3,761,906 units)
Maximum Public Offering of $1,600,000.30 (5,095,239 units)
Price: $0.30 per Unit Price: $0.35 per FT Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Wolfgang Wiese
Project #793220

Issuer Name:
Kingsway Linked Return of Capital Trust
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated May 31, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
$ * (* LROC Preferred Units); $25.00 per LROC Preferred Unit Price: $25.00 per LROC Preferred Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
Desjardins Securities Inc,
HSBC Securities (Canada) Inc.
Promoter(s):
Kingsway Financial Services Inc.
Project #785040

Issuer Name:
Lancaster Sierra Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated May 30, 2005
Mutual Reliance Review System Receipt dated June 1, 2005
Offering Price and Description:
$350,000.00 - 1,400,000 Common Shares Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Brian W. Courtney
Project #794010

Issuer Name:
Lonsdale Public Ventures Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
$ 750,000.00 - 3,750,000 Common Shares
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Lorne Gertner
Project #794658

Issuer Name:
Magnum Energy Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated June 2, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
Minimum 1,600,000 Units ($1,200,000.00); Maximum 2,000,000 Units ($1,500,000.00) Price: $0.75 per Unit
Underwriter(s) or Distributor(s):
Bolder Investment Partners, Ltd.
Promoter(s):
Theodore H. Konyi
Allan Thompson
Project #794955

Issuer Name:
Magnus Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated June 3, 2005
Mutual Reliance Review System Receipt dated June 6, 2005
Offering Price and Description:
Minimum: 5,000 Units ($5,000,000.00); Maximum: 10,000 Units ($10,000,000.00)
Price: $1,000 per Unit Minimum Subscription: 5 Units ($5,000)
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Research Capital Corporation
Promoter(s):
Owen C. Pinnell
Michael R. Binnion
Project #795121

Issuer Name:
Medical Facilities Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 6, 2005
Mutual Reliance Review System Receipt dated June 6, 2005
Offering Price and Description:
Cdn$71,815,000.00 - 5,420,000 Income Participating Securities Price: Cdn$13.25 per IPS
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
TD Securities Inc.
RBC Dominion Securities Inc.
Canaccord Capital Corporation
Sprott Securities Inc.
Promoter(s):
-
Project #795345

Issuer Name:
Newstrike Resources Ltd.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
A Minimum of 1,000,000 Units and a Maximum of 1,500,000 Units and A Minimum of 800,000 Flow-Through Common Shares and a Maximum of 1,000,000 Flow-Through Common Shares Price: $0.40 per Unit Price: $0.40 per Flow-Through Common Share
Underwriter(s) or Distributor(s):
Jones, Gables and Company Limited
Promoter(s):
John A. Pollack
Project #794545

Issuer Name:
Noranda Inc.
Type and Date:
Preliminary Short Form Shelf Prospectus dated June 1, 2005
Receipted on June 1, 2005
Offering Price and Description:
$US750,000,000.00 - Debt Securities (unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #793973

Issuer Name:
Prime Rate Plus Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
$ * (Maximum) - Preferred Shares and * Class A Shares Price: $10.00 per Preferred Share and $15.00 per Class A Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Bieber Securities Inc.
First Associates Investments Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Quadravest Capital Management Inc.
Project #794363

Issuer Name:
Queenstake Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 7, 2005
Mutual Reliance Review System Receipt dated June 7, 2005
Offering Price and Description:
Cdn$6,000,008.00 - 21,428,600 Common Shares Price: $ 0.28 per Shares
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
First Associates Investments Inc.
Wellington West Capital Markets Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #795798

Issuer Name:
Sentry Select Commodities Income Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 2, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Wellington West Capital Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
IPC Securities Corporation
Richardson Partners Financial Limited
Rothenberg Capital Management Inc.
Promoter(s):
Sentry Select Capital Corp.
Project #794874

Issuer Name:
Sienna Gold Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
Offering: $3,600,000 (12,000,000 Units) Price: $0.30 per Unit
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Promoter(s):
John Rucci
Project #794976

Issuer Name:
Sterling Shoes Income Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated June 3, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Promoter(s):
Sterling Shoes Inc.
Project #794984

Issuer Name:
Taiga Building Products Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated June 2, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
$ * - * Stapled Units Price: $ 8 per Stapled Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Scotia Capital Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
Taiga Forest Products Ltd.
Project #794642

Issuer Name:
Cargojet Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
$59,545,450.00 - 5,954,545 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Genuity Capital Markets
Promoter(s):
Ajay Virmani
Project #769679

Issuer Name:
Cartier Money Market Fund
Cartier Bond Fund
Cartier Cdn. Equity Fund
Cartier Small Cap Cdn. Equity Fund
Cartier Global Equity Fund
Cartier Multimanagement Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 27, 2005
Mutual Reliance Review System Receipt dated June 1, 2005
Offering Price and Description:
Class A Units and Class F Units
Underwriter(s) or Distributor(s):
Dejardins Trust Inc.
Desjardins Trust Investment Services Inc.
Cartier Partners Securities Inc.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #773012

Issuer Name:
Counsel Managed
Counsel Select America (formerly, Counsel Focus)
Counsel Money Market
Counsel Select Canada
Counsel Select International (formerly, Counsel Select Value)
Counsel Fixed Income
Counsel Select Small Cap
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 27, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
Series A Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #769651

Issuer Name:
Diversified All Equity Portfolio
Diversified All Income Portfolio
Diversified Balanced Portfolio
Diversified Conservative Portfolio
Diversified Defensive Portfolio
Diversified Growth Portfolio
Diversified High Growth Portfolio
Diversified RSP All Equity Portfolio
Diversified RSP High Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated May 30, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
Marquis Series and Viscount Series units
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
-
Project #777988

Issuer Name:
First Capital Realty Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Shelf Prospectus dated May 31, 2005
Mutual Reliance Review System Receipt dated June 1, 2005
Offering Price and Description:
$300,000,000.00 - Debt Securities (Senior Unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #787363

Issuer Name:
Frontenac Mortgage Investment Corporation
Type and Date:
Final Prospectus dated May 30, 2005
Receipted on June 1, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
W.A. Robinson & Associates Ltd.
Project #724524

Issuer Name:
Frontera Copper Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 2, 2005
Offering Price and Description:
$60,000,000.00 - 60,000 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:
Garrison International Ltd.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 30, 2005
Mutual Reliance Review System Receipt dated June 1, 2005
Offering Price and Description:
$7,000,000.00 - 35,000,000 Units Price: $0.20 per Unit
Underwriter(s) or Distributor(s):
Dominick & Dominick Securities Inc.
Promoter(s):
-
Project #700435

Issuer Name:
Guinor Gold Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 3, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
Cdn $86,794,098.00 - 82,661,046 Common Shares Issuable on Exercise of 82,661,046 Special Warrants
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Haywood Securities Inc.
Wellington West Capital Inc.
Promoter(s):
-
Project #786563

Issuer Name:
Ivanhoe Mines Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated June 1, 2005
Mutual Reliance Review System Receipt dated June 1, 2005
Offering Price and Description:
Cdn.$158,000,000.00 - 19,750,000 Common Shares Price: Cdn.$8.00 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
GMP Securities Ltd.
HSBC Securities (Canada) Inc.
Salman Partners Inc.
Promoter(s):
-
Project #787563

Issuer Name:
Noranda Inc.
Type and Date:
Final Short Form Shelf Prospectus dated June 1, 2005
Receipted on June 2, 2005
Offering Price and Description:
U.S.$750,000,000.00 -Debt Securities (unsecured)
Underwriter(s) or Distributor(s):

Promoter(s):
-
Project #793973

Issuer Name:
Novadaq Technologies Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 2, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
$25,175,000.00 - 2,650,000 Common Shares Price: $9.50 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:
Petrofund Energy Trust
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 6, 2005
Mutual Reliance Review System Receipt dated June 6, 2005
Offering Price and Description:
$75,737,500.00 - 4,150,000 Trust Units Price: $18.25 per Trust Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
GMP Securities Ltd.
Raymond James Ltd.
First Associates Investments Inc.
Promoter(s):
-
Project #788678

Issuer Name:
Southern Arc Minerals Inc.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated June 2, 2005
Mutual Reliance Review System Receipt dated June 3, 2005
Offering Price and Description:
$2,000,000.00 - 8,000,000 Common Shares Price $0.25 per share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
John G. Proust
Project #766726

Issuer Name:
The Children's Educational Foundation of Canada
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 31, 2005
Mutual Reliance Review System Receipt dated June 7, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #768312

Issuer Name:
Barclays Liquid Income Fund
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated February 28th, 2005
Withdrawn on June 6th, 2005
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Promoter(s):
Barclays Global Investors Canada Limited
Project #743183

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Macquarie Securities (USA) Inc.	International Dealer	June 3, 2005
New Registration	Noble International Investments Inc.	International Dealer	June 3, 2005
New Registration	TradeWeb LLC	International Dealer	June 2, 2005
New Registration	Jacobs Levy Equity Management, Inc.	International Advisor(Investment Counsel and Portfolio Manager)	June 1, 2005
Change of Name	From: Ernst & Young Investment Advisers Inc. To: I3 Advisors Inc. Information, Innovation and Independence	Investment Counsel	April 22, 2005
Change of Name	From: Dlouhy Merchant Group Inc./Groupe Dlouhy Merchant Inc. To: Versant Partners Inc./Les Partenaires Versant Inc.	Investment Dealer	May 26, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Sets Date for Joseph Van Der Velden and Andrew Stokman Hearing in Toronto, Ontario

FOR IMMEDIATE RELEASE

**MFDA SETS DATE FOR JOSEPH VAN DER VELDEN
AND ANDREW STOKMAN HEARING IN TORONTO, ONTARIO**

June 2, 2005 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Joseph Van Der Velden and Andrew Stokman by Notice of Hearing dated April 21, 2005.

As specified in the Notice of Hearing, the first appearance in this proceeding took place today at 10:00 a.m. (Eastern) before a 3-member Hearing Panel of the Ontario Regional Council.

The date for the commencement of the hearing in this matter on the merits has been scheduled to take place before a Hearing Panel of the Ontario Regional Council on Friday, October 14, 2005 at 10:00 a.m. (Eastern) in the hearing room located at the MFDA Office, 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as can be held.

The hearing will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA web site at **www.mfda.ca**.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 181 members and their approximately 70,000 representatives with a mandate to protect investors and the public interest.

For further information, please contact:
Gregory J. Ljubic
Corporate Secretary and Director of Regional Councils
(416) 943-5836 or gljubic@mfda.ca

13.1.2 RS Market Integrity Notice – Request for Comments – Provisions Respecting Client Priority

REQUEST FOR COMMENTS

PROVISIONS RESPECTING CLIENT PRIORITY

Summary

On May 24, 2005, the Board of Directors of Market Regulation Services Inc. ("RS") approved amendments to the Rules and Policies under Universal Market Integrity Rules ("UMIR") to require that, subject to certain exceptions, a Participant give priority to a client order over all principal orders and non-client orders that are entered on a marketplace after the receipt of the client order:

- for the same security;
- at the same or better price;
- on the same side of the market; and
- on the same conditions and settlement terms.

Rule-Making Process

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

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

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

The amendments to UMIR will be effective upon approval of the changes by the Recognizing Regulators following public notice and comment. Comments on the proposed amendments should be in writing and delivered by **July 11, 2005** to:

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

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

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

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

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

Background to the Proposed Amendments

Rule 5.3 of UMIR presently provides that a Participant need not give priority to a client order over a principal order or non-client order if the allocation has been made by the trading system of a marketplace. This approach is acceptable when all marketplaces utilize the same allocation algorithms. However, if there are multiple marketplaces trading the same securities there is a probability that each of the marketplaces will have variations in the priorities for the allocation of orders in respect of trades executed on the marketplace. With the possible introduction of new allocation algorithms, the interests of a client could be affected intentionally or unintentionally based on the marketplace on which either the client order or the principal order or non-client order is entered.

Presuming that a Participant has implemented a reasonable system of internal policies and procedures to ensure compliance with the client priority rule and to prevent misuse of information about client orders, nonetheless the Participant under the current version of Rule 5.3 may not rely on the allocation provided by the trading system of a marketplace if:

- any of the client order, principal order or non-client order has executed on a market other than on a marketplace (e.g. a foreign stock exchange or an organized regulated market outside of Canada);
- the client order was not immediately entered upon receipt; or
- the client order was subsequently changed or cancelled by the Participant (e.g. by the trader in response to market conditions in an attempt to get “best execution” for the client) other than on the instruction of the client.

The proposed amendments address the practical problems associated with the inability of a Participant being in a position to rely on the “trading system exemption” by tying client priority directly to the time of receipt of the client order.

Summary of the Impact of the Proposed Amendments

The following is a summary of the most significant differences between the client priority requirements under the proposed amendments as compared to the existing provisions of Rule 5.3 and Policy 5.3. Under the proposed amendments:

- a Participant would provide priority for a client order over a principal order or non-client order only if the client order is received prior to the entry of the principal order or non-client order and the client order is at the same or “better” price and is subject to the same conditions and settlement terms as the principal order or non-client order;
- the provisions would clarify that a trade permitted by the client priority rule would nonetheless be subject to any restrictions imposed by Rule 4.1 dealing with frontrunning;
- a principal order or non-client order would be exempted from the client priority requirement if the principal order or non-client order is:
    - automatically generated by the trading system of an exchange or quotation and trade reporting system pursuant to market making obligations, or
    - a Basis Order;
- a client would be deemed to have consented to the principal order or non-client order trading in priority if the client has instructed that their order is to be executed in part at various times during the trading day or at various prices during the trading day;

- a client may provide a "conditional consent" to the principal order or non-client order trading in priority which would require the Participant to "give up" all or part of its fills to the client order if the client's condition is not satisfied;

- if the security trades on more than one marketplace, the Participant would not be able to rely on an allocation made by the trading system of a marketplace unless the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order; and

- a principal order or non-client order could trade in priority to a client order if a Market Integrity Official requires or permits the trade.

Summary of the Proposed Amendments

The following is a summary of the provisions of the amendments to Rule 5.3 and Policy 5.3:

Same Conditions and Settlement Terms

Rule 5.3 currently provides that a Participant must provide priority to its client orders:

- for the same security;

- at the same or better price; and

- on the same side of the market.

The amendments propose that the requirements be varied such that priority would be provided only if the client order was on the same conditions and settlement terms as the principal or non-client order. The amendments recognize that unless the conditions and settlement terms are the same, the principal order or non-client order has not effectively taken away a trading opportunity from the client.

In order to prevent abuse, the Policy would specifically state that it would be unacceptable for a Participant to:

- add terms or conditions to a client order (other than on the instructions of the client) so that the client order ranks behind principal or non-client orders at that price; and

- put terms or conditions on a principal or non-client order for the purpose of differentiating the principal or non-client order from a client order that would otherwise have priority at that price.

Anonymous Orders

A Participant does not have to provide priority for a client order that has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the person who enters the principal order or non-client order has no knowledge that the "anonymous" order is from a client of the Participant until the execution of the client order.

With the introduction of "attribution choice" on the TSX in March of 2002, an intentional cross with an unattributed order on both the buy and sell side was exempt from interference. To the extent that a principal order or non-client order may be entered without the disclosure of the relevant identifier of the Participant, it may be possible for a principal account or non-client account to obtain an execution in priority to a previously entered client order where the identifier of the Participant has been disclosed on the entry of the client order. Under the current client priority rule, the Participant may not have to reallocate any fill obtained by the "unattributed" principal or non-client order to the previously entered client order as the allocation had been made by a trading system of a marketplace. However, RS has taken the position as set out in Market Integrity Notice 2003-024 dated October 31, 2003 that a Participant would be expected to provide priority to any "disclosed" client order. If the proposed amendments are approved, this position would be incorporated directly into the Policies and a Participant would be under an obligation to provide priority to any previous client order on the same terms.

Exemptions for Trades Pursuant to Market Maker Obligations

Presently, the requirement to provide priority to a client order has been interpreted not to apply in the event the principal order or non-client order has been automatically generated by the trading system of a marketplace in order to fulfil Market Maker Obligations imposed by that marketplace on the Participant or employee of the Participant in accordance with the applicable Marketplace Rules. In executing these trades, the market maker is not attempting to bypass client orders but to meet its obligations as a market maker. The amendments propose to incorporate this interpretation into the language of the rule.

Exemptions for a "Basis Order"

Effective April 8, 2005, UMIR was amended to provide recognition to a "Basis Order". A Basis Order will be subject to a number of conditions including that the price of the resulting trade is determined in a manner acceptable to a Market Regulator based on the price achieved through the execution on that trading day of one or more transactions in a derivative instrument that is listed on a recognized exchange or quoted on a recognized quotation and trade reporting system. Under these circumstances, a Participant that executes a principal order as a Basis Order is not attempting to bypass client orders at the same or a better price but merely completing a trade at a price which is determined by derivative transactions. The proposed amendments to the client priority rule provide an exemption for a principal order entered as a Basis Order.

Reliance on Trading System Allocation

The current Rule 5.3 allows a Participant to rely on trading allocations made by a trading system of a marketplace provided:

- the client order was entered on a marketplace immediately upon receipt;
- the client order was not varied except on the instruction of the client; and
- the Participant has a reasonable system of internal policies and procedures to prevent misuse of information about client orders.

This provision was based on a previous requirement of the TSX which had adopted "time priority" as the basis for trade allocations. However, if there are multiple marketplaces trading the same securities and each marketplace has distinct allocation algorithms, the interests of a client could be affected intentionally or unintentionally based on the marketplace on which either the client order or the principal order or non-client order is entered. The amendments propose that a Participant will only be able to rely on the trading system exemption if:

- the security which is the subject of the orders trades on a single marketplace; or
- the principal order or non-client is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order.

The exception for the Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order recognizes that the price at which these orders will execute is generally not known at the time of the entry of the order. Provided the client order has been entered on receipt and not varied without the consent of the client, any allocation by the trading system of the marketplace for these "specialty orders" is not an attempt to bypass client orders.

Client Consent

Specific Consent

A Participant does not have to provide priority to a client order if the client specifically consents to the Participant trading alongside or ahead of the client. The consent of the client must be specific to a particular order and details of the agreement with the client must be noted on the order ticket. A client cannot give a blanket form of consent to permit the Participant to trade alongside or ahead of any future orders the client may give the Participant.

If the client order is part of a pre-arranged trade that is to be completed at a price below the best bid price or above the best ask price as indicated on a consolidated market display, the Participant will be under an obligation to ensure that "better-priced" orders on a marketplace are filled prior to the execution of the client order. Prior to executing the client order, the Participant must ensure that the client is aware of the better-priced orders and has consented to the Participant executing as against them in priority to the client. The consent of the client must be noted on the order ticket.

Deemed Consent

Under the proposed amendments, a client would be deemed to have consented to the principal order or non-client order trading in priority if the client has instructed that their order is to be executed in part at various times during the trading day or at various prices during the trading day. Unless the client has provided standing written instructions that all orders are to be executed at various times during the trading day or a various prices during the trading day, the client instructions should be treated as specific to a particular order and the details of the instructions by the client must be noted on the order ticket. This amendment would incorporate the existing administrative interpretation provided by RS with respect to client consent.

Conditional Consent

Under the proposed amendments to the Policies, a client may provide a "conditional consent" to the principal order or non-client order trading in priority which would require the Participant to "give up" all or part of its fills to the client order if the client's condition is not satisfied. For example, a client may consent to a principal order of Participant sharing fills with the client order provided the client order is fully executed by the end of the trading day. If the client's order is not fully executed, the client may expect that the Participant "give up" its fills to the extent necessary to complete the client order. In this situation, the Participant should mark its orders as "principal" throughout the day. Any part of the execution which is given up to the client should not be re-crossed on a marketplace but should simply be journalled to the client (since the condition of the consent has not been met, the fills in question could be viewed as properly belonging to the client rather than the principal order). To the extent that a Participant "gives up" part of a fill of a principal order to a client based on the conditional consent, the Participant shall report the particulars of the "give up" to the Market Regulator not later than the opening of trading on marketplaces on the next trading day.

The conditional consent of the client must be specific to a particular order. The details of the agreement with the client must be noted on the order ticket.

Application of the Frontrunning Rule

The amendments would clarify that a trade that is permitted by Rule 5.3 dealing with client priority would nonetheless be subject to any restriction imposed by Rule 4.1 dealing with frontrunning. In particular, if a Participant has knowledge of a client order that has not been entered on a marketplace that could, on entry on a marketplace, reasonably be expected to affect the market price of the security, the Participant would be precluded from:

- entering a principal or non-client order with respect to that security or a related security;
- soliciting an order from any other person for the purchase or sale of that security or any related security; or
- informing any other person, other than in the necessary course of business, of the client order.

If that part of a client order that has not been entered on a marketplace could "reasonably be expected to affect the market price of the security", the frontrunning rule would preclude the entry of a principal or non-client order even if the client had given consent for the Participant to trade alongside or ahead of the client order for the purposes of the client priority rule. A Participant must determine the extent to which a client order, including a limit order, that is to be entered in part at various times during the trading day (e.g. an "over-the-day" order) or at various prices throughout the day (e.g. to approximate a volume-weighted average price) would, upon entry on a marketplace, reasonably be expected to affect the market price of the security. If the client has provided specific consent, deemed consent or conditional consent to the Participant trading alongside or ahead of the client order that could reasonably be expected to affect the market price of the security, a Participant would be able to rely on the exemptions from the frontrunning rule that would permit the entry of a principal or non-client order if:

- no director, officer, partner, employee or agent of the Participant who made or participated in making the decision to enter a principal order or non-client order or to solicit an order had actual knowledge of the client order;
- an order is entered or trade made for the benefit of the client for whose account the order is to be made;
- an order is solicited to facilitate the trade of the client order;
- a principal order is entered to hedge a position that the Participant had assumed or agreed to assume before having actual knowledge of the client order provided the hedge is:
    - commensurate with the risk assumed by the Participant, and
    - entered into in accordance with the ordinary practice of the Participant when assuming or agreeing to assume a position in the security;
- a principal order is made to fulfil a legally binding obligation entered into by the Participant before having actual knowledge of the client order; or
- the order is entered for an arbitrage account.

Client Priority in the United States

In the United States, client priority rules are made by each marketplace. Generally, marketplace rules prohibit a dealer from entering an order where the dealer has knowledge of an unexecuted customer order at same price.

New York Stock Exchange

The New York Stock Exchange ("NYSE") prohibits a member from entering an order for a NYSE-listed security for an account in which the member is directly or indirectly interested, if the person responsible for the entry of the order has knowledge of a particular unexecuted customer order on the same side of the market which could be executed at the same price.

The rule does allow members to "trade along" with customer orders under specified conditions, such as when the customer has given express permission for the member or member organization to do so. The express permission of the customer must be obtained on an order-by-order basis and it must include an understanding by the customer of the relative price and size of the allocated execution.

The rule also makes exceptions for special types of orders. For example, a member organization may enter proprietary limit-on-close orders with the same limit price as its customer limit-on-close orders, however, if the member organization order executes and any customer order does not, the member organization is required to give up its execution to the customer. There is no restriction on proprietary market-on-close orders, as all NYSE market-on-close orders must be executed and receive the same closing price.

NASDAQ

NASD Rules prohibit a member from personally buying or selling an exchange-listed security for its own account while such member holds an unexecuted market order to buy or sell such security for a customer. NASD Rules also prohibit members from trading ahead of their customer limit orders in exchange-listed securities traded over-the-counter.

NASD Policy IM-2110-2 (referred to as the Manning Rule) currently generally prohibits members from trading for their own account at prices that would satisfy a customer's limit order unless the member immediately thereafter executes the customer limit order. In 2004, NASD proposed amendments to the Manning Rule which will prohibit a member from trading for its own account in a Nasdaq or exchange-listed security at a price that is better than an unexecuted customer limit order in that security unless the member immediately thereafter executed the customer limit order at the price at which it traded for its own account or better. In other words, under the amendments, where a member trades at a price better than an unexecuted customer limit order, the member will be required to pass along such price improvement to the unexecuted customer limit order. The proposed amendments will also apply the Manning Rule to exchange-listed securities.

In 2004, NASD also proposed to introduce a rule which will prohibit members from trading ahead of customer market orders. With this proposal, NASD would apply the same principles underlying the Manning Rule to the treatment of customer market orders. Under the proposed rule, a member will be prohibited from trading for its proprietary account in a Nasdaq or exchange-listed security if the member has not executed a customer market order in that security unless it immediately thereafter executes the customer market order up to the size and at the same or better price at which it traded for its own account.

The changes proposed by NASD in 2004 would exclude certain activities. For example, members may negotiate specific terms and conditions applicable to the acceptance of an order with respect to an order for customer accounts that are "institutional accounts" or an order that is for 10,000 shares or more unless the order is less than $100,000 in value. Under the proposed changes to the Manning Rule, members may not trade ahead of their customer limit orders in their market-making capacity even if the member had in the past fully disclosed the practice to its customers prior to accepting limit orders.

Strategic Review of UMIR / Regulatory Review of Frontrunning and Client Priority Issues

By Market Integrity Notice 2004-026 issued on October 4, 2004, RS sought input from the public, including market participants, buy-side firms and their advisors, in connection with a number of strategic issues related to UMIR. One of the topics which is included in the strategic review are various aspects of client priority. The outcome of the strategic review may result in additional amendments being proposed related to client priority. During 2004, RS conducted a detailed trading review of the handling of large block orders in the Canadian equity markets to assess whether there is a previously undetected problem of systematic frontrunning or issues related to client priority. The report related to that review was issued by RS on March 31, 2005. Additional analysis of the recommendations of that report also may result in additional amendments to the rules governing client priority. Additional comments therefore are welcome on aspects of client priority that are not otherwise addressed by the amendments currently being proposed.

Appendix

The text of the amendments to the Rules and Policies respecting client priority is set out in Appendix “A”.

Questions

Questions concerning this notice may be directed to:

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

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

ROSEMARY CHAN,
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

Appendix "A"

Universal Market Integrity Rules

Amendments Related to Client Priority

The Universal Market Integrity Rules are amended by repealing Rule 5.3 and substituting the following:

5.3 Client Priority

(1) A Participant shall give priority to a client order of the Participant over all principal orders and non-client orders of the Participant that are entered on a marketplace or an organized regulated market after the receipt of the client order for the same security that is:

(a) at the same price or a higher price in the case of a purchase or a lower price in the case of a sale;

(b) on the same side of the market; and

(c) on the same conditions and settlement terms.

(2) Despite subsection (1) but subject to Rule 4.1, a Participant is not required to give priority to a client order if:

(a) the client specifically has consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same settlement terms;

(b) the client order has not been entered on a marketplace as a result of:

(i) the client specifically instructing the Participant to deal otherwise with the particular order,

(ii) the client specifically granting discretion to the Participant with respect to entry of the order, or

(iii) the Participant determining in accordance with Rule 6.3(1)(e) that, based on market conditions, entering the order would not be in the best interests of the client,

and no director, officer, partner, employee or agent of the Participant with knowledge that the client order has not been entered on a marketplace enters a principal order or a non-client order for the same security on the same side of the market on the same conditions and settlement terms;

(c) the principal order or non-client order is:

(i) automatically generated by the trading system of an Exchange or QTRS in accordance with the Marketplace Rules in respect of the applicable Market Maker Obligations, or

(ii) a Basis Order;

(d) the client order has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the director, officer, partner, employee or agent of the Participant who enters a principal order or a non-client order does not have knowledge that the client order is from a client of the Participant until the execution of the client order;

(e) the principal order or non-client order is executed pursuant to an allocation by the trading system of a marketplace and:

(i) either:

(A) the security which is the subject of the order trades on no marketplace other than that marketplace, or

(B) the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order,

(ii) the client order was entered by the Participant on that marketplace immediately upon receipt by the Participant, and

(iii) if the client order was varied or changed by the Participant at any time after entry, the variation or change was on the specific instructions of the client; or

(f) a Market Integrity Official requires or permits the principal order or non-client order to be executed in priority to a client order.

(3) For the purposes of clause (2)(a), a client shall be deemed to have consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same conditions and settlement terms if the client order, in accordance with the specific instructions of the client, is to be executed in part at various times during the trading day or at various prices during the trading day.

The Policies under the Universal Market Integrity Rules are amended by repealing Policy 5.3 and substituting the following:

POLICY 5.3 – CLIENT PRIORITY

Part 1 – Background

Rule 5.3 restricts a Participant and its employees from trading in the same securities as a client of the Participant. The restriction is designed to minimize the conflict of interest that occurs when a Participant or its employee compete with the firm's clients for execution of orders. The Rule governs:

- *trading ahead* of a client order, which is taking out a bid or offering that the client could have obtained had the client order been entered first. By trading ahead, the pro order obtains a better price at the expense of the client order.

- *trading along* with a client, or competing for fills at the same price.

The application of the rule can be quite complex given the diversity of professional trading operations in many firms, which can include such activities as block facilitation, market making, derivative and arbitrage trading. In addition, firms may withhold particular client orders in order to obtain for the client a better execution than the client would have received if the order had been entered directly on a marketplace. Each firm must analyze its own operations, identify risk areas and adopt compliance procedures tailored to its particular situation.

A Participant has overriding agency responsibilities to its clients and cannot use technical compliance with the rule to establish fulfillment of its obligations if the Participant has not otherwise acted reasonably and diligently to obtain best execution of its client orders.

Part 2 – Prohibition on Intentional Trading Ahead

Rule 5.3 provides that a Participant must give priority of the execution to client orders over all principal orders and non-client orders of the Participant that are entered on a marketplace or an organized regulated market after the receipt of the client order for the same security at the same price on the same side of the market on the same conditions and settlement terms. The requirement is subject to certain exceptions necessary to ensure overall efficiency of order handling.

In particular, exceptions to the client priority rule are provided if the principal order or non-client order that is entered after the receipt of the client order is:

- automatically generated by the trading system of an Exchange or QTRS in accordance with the Market Maker Obligations of that marketplace;

- a Basis Order; or
- required or permitted to be executed by a Market Integrity Official in priority to the client order.

A principal order which is automatically generated by the trading system of an Exchange or QTRS in accordance with that marketplace's rules on market-making activities is not an intentional attempt by a Participant to trade ahead of or along with a client order. An exemption from the client priority rule is therefore provided in order to ensure overall market liquidity in accordance with established Market Making Obligations.

A Basis Order is undertaken at a price that is determined by prices achieved in related trades made in the derivatives markets. As such, the execution of a Basis Order is not an intentional attempt by a Participant to trade ahead of or along with a client order.

An exception to the client priority rule is also provided where the trading system of a marketplace allocates the fill to a principal order or non-client order. In order to be able to rely on this exception the following three conditions must be met:

- either:
  - the security does not trade on any marketplace other than the one on which the client order and the principal order or non-client order is entered, or
  - the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order;
- the client order was entered immediately upon receipt by the Participant; and
- after entry, the client is not varied or changed except on the specific instructions of the client.

The exception that is provided for a principal or non-client order which is a Call Market Order, Opening Order, Market-on Close Order or a Volume-Weighted Average Price Order recognizes that the price at which such an order may execute will not generally be known at the time the principal or non-client order is entered on a marketplace. Provided the client order has been entered on receipt and not varied without the consent of the client, any allocation by the trading system of the marketplace for these particular types of orders is not an attempt to bypass client orders.

A Participant can never intentionally trade ahead of a client market or tradeable limit order received prior to the entry of the principal order or non-client order without the specific consent of the client. Examples of "intentional trades" include, but are not limited to:

- withholding a client order from entry on a marketplace (or removing an order already entered on a marketplace) to permit the entry of a competing principal or non-client order ahead of the client order;
- entering a client order in a relatively illiquid market and entering a principal or non-client order in a more liquid marketplace where the principal or non-client order is likely to obtain faster execution;
- adding terms or conditions to a client order (other than on the instructions of the client) so that the client order ranks behind principal or non-client orders at that price;
- putting terms or conditions on a principal or non-client order for the purpose of differentiating the principal or non-client order from a client order that would otherwise have priority at that price; and
- entering a principal order or non-client order as an "anonymous order" (without the identifier of the Participant) which results in an execution in priority to a previously entered client order where the identifier of the Participant has been disclosed on the entry of the client order.

Part 3 – No Knowledge of Client Order

Rule 5.3 also contains four exceptions to client priority that require the director, officer, partner, employee or agent of the Participant who enters the principal order or the non-client order to be unaware that the client order has not been entered. The exceptions are:

- the client specifically instructs the Participant to withhold entry of the order;

- the client specifically grants discretion to the Participant with respect to the entry of the order;
- the Participant withholds the client order from entry in accordance with Rule 6.3 in a *bona fide* attempt to get better execution for the client; and
- the client enters the order directly on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display.

In these circumstances, the Participant must have reasonable procedures in place to ensure that information concerning client orders is not used improperly within the firm. These procedures will vary from firm to firm and no one procedure will work for all firms. If a firm does not have reasonable procedures in place, it cannot rely on the exceptions. Reference should be made to Policy 7.1 – Policy on Trading Supervision Obligations, and in particular Part 4 – Specific Procedures Respecting Client Priority and Best Execution.

If a client has instructed a Participant to withhold an order or has granted a Participant discretion with respect to the entry of an order, details of the instruction or grant of discretion must be retained for a period of seven years from the date of the instruction or grant of discretion and, for the first two years, the consent must be kept in a readily accessible location.

Part 4 – Client Consent

A Participant does not have to provide priority to a client order if the client specifically consents to the Participant trading alongside or ahead of the client. The consent of the client must be specific to a particular order and details of the agreement with the client must be noted on the order ticket. A client cannot give a blanket form of consent to permit the Participant to trade alongside or ahead of any future orders the client may give the Participant.

If the client order is part of a pre-arranged trade that is to be completed at a price below the best bid price or above the best ask price as indicated on a consolidated market display, the Participant will be under an obligation to ensure that "better-priced" orders on a marketplace are filled prior to the execution of the client order. Prior to executing the client order, the Participant must ensure that the client is aware of the better-priced orders and has consented to the Participant executing as against them in priority to the client order. The consent of the client must be noted on the order ticket.

If the client has given the Participant an order that is to be executed at various times during a trading day (e.g. an "over-the-day" order) or at various prices (e.g. at various prices in order to approximate a volume-weighted average price), the client is deemed to have consented to the entry of principal and non-client orders that may trade ahead of the balance of the client order. Unless the client has provided standing written instructions that all orders are to be executed at various times during the trading day or a various prices during the trading day, the client instructions should be treated as specific to a particular order and the details of the instructions by the client must be noted on the order ticket. However, if the un-entered portion of the client order would reasonably be expected to affect the market price of the security, the Participant may be precluded from entering principal or non-client orders as a result of the application of the frontrunning rule.

In certain circumstances, a client may provide a conditional consent for the Participant to trade alongside or ahead of the client order. For example, a client may consent to a principal order of Participant sharing fills with the client order provided the client order is fully executed by the end of the trading day. If the client's order is not fully executed, the client may expect that the Participant "give up" its fills to the extent necessary to complete the client order. In this situation, the Participant should mark its orders as "principal" throughout the day. Any part of the execution which is given up to the client should not be re-crossed on a marketplace but should simply be journalled to the client (since the condition of the consent has not been met, the fills in question could be viewed as properly belonging to the client rather than the principal order). To the extent that a Participant "gives up" part of a fill of a principal order to a client based on the conditional consent, the Participant shall report the particulars of the "give up" to the Market Regulator not later than the opening of trading on marketplaces on the next trading day. The conditional consent of the client must be specific to a particular order. The details of the agreement with the client must be noted on the order ticket.

13.1.3 RS Market Integrity Notice – Request for Comments – Definition of "Applicable Market Display"

REQUEST FOR COMMENTS

DEFINITION OF "APPLICABLE MARKET DISPLAY"

Summary

On May 24, 2005, the Board of Directors of Market Regulation Services Inc. ("RS") approved an amendment to the Rules and Policies under the Universal Market Integrity Rules ("UMIR") to replace the definition of a "consolidated market display" with the term "applicable market display". The definition of "applicable market display":

- eliminates the requirement that the consolidated feed produced by an information processor or the information on orders and trades produced by an information vendor must contain information from the "principal market" for a particular security; and
- provides that, if there is not an information processor, information provided by an information vendor may be relied upon as an "applicable market display" only if the information vendor meets the standards established by a Market Regulator.

Rule-Making Process

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

As a regulation services provider, RS will administer and enforce trading rules for the marketplaces that retain the services of RS. RS has adopted, and the Recognizing Regulators have approved, UMIR as the integrity trading rules that will apply in any marketplace that retains RS as its regulation services provider. Presently, RS has been retained to be the regulation services provider for: the Toronto Stock Exchange ("TSX"), TSX Venture Exchange ("TSX V") and Canadian Trading and Quotation System, each as a recognized exchange (an "Exchange"); and for Bloomberg Tradebook Canada Company, Liquidnet Canada Inc. and Markets Securities Inc., each as an alternative trading system (an "ATS").

The Rules Advisory Committee of RS ("RAC") reviewed the proposed amendment to the definition of a "consolidated market display" and recommended its adoption by the Board of Directors. RAC is an advisory committee comprised of representatives of each of: the marketplaces for which RS acts as a regulation services provider; Participants; institutional investors and subscribers; and the legal and compliance community.

The amendment to UMIR will be effective upon approval of the changes by the Recognizing Regulators following public notice and comment. Comments on the proposed amendments should be in writing and delivered by **July 11, 2005** to:

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

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

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

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

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

Background to the Proposed Amendments

Both the current definition of "consolidated market display" and the proposed definition of "applicable market display" contemplate that there may be multiple data feeds that satisfy the definition. A Participant or Access Person when complying with the provisions of UMIR would be entitled to rely on information respecting orders and trades on marketplaces to which the Participant or Access Person has access that is derived from a source which complies with the definition. There is no requirement that a Participant or Access Person subscribe for data feeds from sources that would provide information on orders or trades from all marketplaces. However, the current definition of a "consolidated market display" requires information on orders and trades from the "principal market" for a particular security. As the concept of "principal market" was removed from the Marketplace Operation Instrument effective January 4, 2004, it is proposed that the concept be removed from UMIR.

The amendments to the Marketplace Operation Instrument also eliminated the requirements for market integration, including the requirement that marketplaces maintain an electronic connection to all other marketplaces trading the same securities. In these circumstances, in order to ensure that the "data feeds" which would be relied upon by a Participant or Access Person would be adequate for that person to discharge its obligations under UMIR (in particular with reference to the "best ask price", "best bid price" and "last sale price" as disclosed in a consolidated market display), the Marketplace Operation Instrument was amended to provide that the data vendors to which a marketplace provides information on orders and trades must "meet the standards" set by a regulation services provider.

The proposed definition of "applicable market display" is the first step in the establishment by RS of standards for the delivery of information on orders and trades by marketplaces to RS and to information vendors. (See "Establishment of Standards for Information Vendors and for the Regulatory Feed" below.)

Summary of the Proposed Amendment

The proposed definition of "applicable market display" differs from the definition of "consolidated market display" by:

- eliminating the requirement that the consolidated feed produced by an information processor or the information on orders and trades produced by an information vendor contain information on orders or trades for a particular security from the "principal market" for that security; and
- providing that, if there is not an information processor, information provided by an information vendor may be relied upon as a "applicable market display" only if the information vendor meets the standards established by a Market Regulator.

The amendment also clarifies that the relevant information for each Participant or Access Person will be determined by the marketplaces to which the Participant or Access Person has access. A Participant will be required to refer to order and trade information from each:

- Exchange of which they are a member;
- recognized quotation and trade reporting system ("QTRS") of which they are a user; and
- ATS of which they are a subscriber.

An Access Person will be required to refer to order and trade information from each:

- QTRS of which they are a user;
- ATS of which they are a subscriber; and

- Exchange or QTRS to which they have been granted access rights either directly or by means of an electronic connection to the order routing system of a member or user.

Presently, an Access Person who is a subscriber to an ATS would have to take into consideration relevant order and trade information from:

- the TSX if they have been granted access to the order routing system of a Participant pursuant to TSX Policy 2-501; and

- the TSX V if they have been granted access to the order routing system of a Participant pursuant to the "Direct Access Rules" of the TSX V.

Establishment of Standards for Information Vendors and for the Regulatory Feed

Presently, no entity has applied to be recognized as an "information processor" for the equity marketplace for the purposes of the Marketplace Operation Instrument. As such, each marketplace must provide "accurate and timely information" to an information vendor that "meets the standards set by a regulation services provider" in respect of:

- if the marketplace displays orders, each order for a listed security, a quoted security or foreign exchange-traded security; and

- each trade in a listed security, a quoted security or foreign exchange-traded security.

RS will determine and set certain minimum standards for the data feed from marketplaces to information vendors with respect to the required data elements and with respect to timeliness and operability (the "data feed"). Beyond the required minimums established by the regulation services provider, each marketplace would be free to provide whatever information the marketplace believed supported its competitive position.

In addition, each marketplace that retains a regulation services provider to monitor trading activity on that marketplace must provide information on orders and trades to the regulation services provider (the "regulatory feed"). RS will determine and set a common standard for the regulatory feed provided to RS by each marketplace that has retained RS to be its regulation services provider with respect to:

- the data elements to be provided;

- data integrity; and

- delivery service levels.

In the current environment, a marketplace could provide the regulatory feed and the data feed by:

- delivering the regulatory feed to TSX or another marketplace which would provide it to RS and publicly disseminating order and trade information;

- delivering the regulatory feed to a certified information vendor which would provide it to RS and publicly disseminating order and trade information; or

- directly delivering a data feed to RS for regulatory purposes and separately providing order and trade information to a certified information vendor for public dissemination.

Each regulation services provider will define the process, the business content of the reporting and regulatory data feeds, including the core data elements, the message catalogue and the service level standards. The regulation services provider will also define the service level standards for delivery and receipt of market data to and from information vendors and marketplaces as provided in the Marketplace Operation Instrument. The regulation services provider will identify through a certification process which information vendors meet the standards established by the regulation services provider.

The Canadian Securities Administrators ("CSA") have indicated that if there are multiple regulation service providers, the standards of the various regulation service providers must be consistent. In order to maintain market integrity for securities trading in different marketplaces, the Canadian securities regulatory authorities will, through their oversight of the regulation service providers, review and monitor the standards established by all regulation service providers so that business content, service level standards, and other relevant standards are substantially similar for all regulation service providers. The cost of developing the applicable standards is not known at this time. In addition, the CSA has not indicated who should bear the costs or how they should be recovered (e.g. would each regulation services provider, including RS, be expected to recover the costs

of developing the applicable standards from a fee to be charged to the information vendors as part of the certification process, from the general regulation fee revenue paid by Participants or from other sources).

The report of the Trade Reporting and Electronic Audit Trail Committee ("Treats Committee"), on which the CSA relied in making many of the amendments to the Marketplace Operation Instrument, stated the establishment of the minimum standards for the regulatory feed and market data feed would "ensure that a level playing field is available to all participants regardless of the way in which they receive their data feed". In the view of the Treats Committee, these service level standards would cover issues such as regulatory business content, outage handling, time synchronization against a neutral clock not managed by a marketplace (atomic clock, satellites, etc), latency of delivery, time stamps for each stage of the order, trade execution for audit trail requirements, etc.

RS intends to establish the minimum standards for the regulatory feed and market data feed concurrent with the pursuit of the amendment to the definition of consolidated market display. To assist in the development of these standards, RS in inviting comments at this time not only on the amendment to the definition of consolidated market display outlined in this Market Integrity Notice but also on:

- the subject matter that should be covered by the standards for the regulatory feed and the data feed;
- if appropriate, suggestions on the standard RS should establish; and
- the process RS should adopt for the certification of an information vendor.

Appendices

The text of the amendment to the Rules and Policies respecting the definition of an "applicable market display" is set out in Appendix "A". Appendix "B" contains the text of the relevant provisions of the Rules as they would read on the adoption of the amendment. Appendix "B" also contains a marked version of the current definition of "consolidated market display" indicating the differences to the proposed definition of "applicable market display".

Questions

Questions concerning this notice may be directed to:

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

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

ROSEMARY CHAN,
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

Appendix "A"

Universal Market Integrity Rules

Proposed Amendments Respecting "Applicable Market Display"

The Universal Market Integrity Rules are amended as follows:

1. Rule 1.1 amended by deleting the definition of "consolidated market display" and inserting the following definition of "applicable market display":

   "applicable market display" means, in respect of a particular security, information on orders or trades from each marketplace to which a particular Participant or Access Person has access that has been:

   (a) produced by an information processor in a timely manner in accordance with Part 14 of the Marketplace Operation Instrument; or

   (b) if there is no information processor, produced by an information vendor that meets the standards set by a Market Regulator in accordance with Part 7 of the Marketplace Operation Instrument.

2. The Rules are amended by striking out "a consolidated market display" wherever it appears and by substituting "the applicable market display" in every case.

The Policies under the Universal Market Integrity Rules are amended as follows:

1. The Policies are amended by striking out "a consolidated market display" wherever it appears and by substituting "the applicable market display" in every case.

Appendix "B"

Universal Market Integrity Rules

Text of Proposed Definition of "Applicable Market Display" Compared to the Definition of "Consolidated Market Display"

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
1.1 Definitions **"applicable market display"** means, in respect of a particular security, information on orders or trades from each marketplace to which a particular Participant or Access Person has access that has been: (a) produced by an information processor in a timely manner in accordance with Part 14 of the Marketplace Operation Instrument; or (b) if there is no information processor, produced by an information vendor that meets the standards set by a Market Regulator in accordance with Part 7 of the Marketplace Operation Instrument.	**1.1 Definitions** **"applicable ~~consolidated~~ market display"** means, in respect of a particular security, information on orders or trades from each marketplace to which a particular Participant or Access Person has access that has been: ~~(a) the consolidated feed respecting orders and trades~~ produced by an information processor in a timely manner in accordance with Part 14 ~~section 7.3~~ of the Marketplace Operation Instrument ~~provided such consolidated feed includes details of orders and trades from the principal market~~; or (b) if there is no information processor, information ~~regarding orders and trades on a marketplace~~ produced by an information vendor that meets the standards set by a Market Regulator in accordance with Part 7 of ~~for the purposes of~~ the Marketplace Operation Instrument ~~provided such information includes details of orders and trades from the principal market~~.

13.1.4 RS Market Integrity Notice – Request for Comments – Provisions to Accommodate the Introduction of Multiple Marketplaces

REQUEST FOR COMMENTS

PROVISIONS TO ACCOMMODATE THE INTRODUCTION OF MULTIPLE MARKETPLACES

Summary

On May 24, 2005, the Board of Directors of Market Regulation Services Inc. ("RS") approved a series of amendments to the Rules and Policies under the Universal Market Integrity Rules ("UMIR") to accommodate the introduction of multiple and competitive marketplaces. In particular, the amendments:

- make provision for a type of order which will trade at the last sale price of a trade undertaken on a particular marketplace;
- ensure that examples provided in the Policies are generic and may apply to various marketplaces;
- require that orders which are subject to the "order exposure" requirements are entered on a marketplace that displays information regarding orders; and
- clarify various definitions of order types and concepts to ensure that the definitions are applicable across marketplaces.

Rule-Making Process

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

As a regulation services provider, RS will administer and enforce trading rules for the marketplaces that retain the services of RS. RS has adopted, and the Recognizing Regulators have approved, UMIR as the integrity trading rules that will apply in any marketplace that retains RS as its regulation services provider. Presently, RS has been retained to be the regulation services provider for: the Toronto Stock Exchange ("TSX"), TSX Venture Exchange ("TSX V") and Canadian Trading and Quotation System ("CNQ"), each as a recognized exchange (an "Exchange"); and for Bloomberg Tradebook Canada Company, Liquidnet Canada Inc. and Markets Securities Inc., each as an alternative trading system (an "ATS").

The Rules Advisory Committee of RS ("RAC") reviewed the proposed amendments to accommodate the introduction of multiple and competitive marketplaces and recommended their adoption by the Board of Directors. RAC is an advisory committee comprised of representatives of each of: the marketplaces for which RS acts as a regulation services provider; Participants; institutional investors and subscribers; and the legal and compliance community.

The amendment to UMIR will be effective upon approval of the changes by the Recognizing Regulators following public notice and comment. Comments on the proposed amendments should be in writing and delivered by July 11, 2005 to:

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

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

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

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

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

Background to the Proposed Amendments

The UMIR was drafted to accommodate the market structure envisaged by the requirements of Marketplace Operations Instrument and Trading Rules that became effective December 1, 2001. Effective January 4, 2004, a number of changes were made to Marketplace Operation Instrument and the Trading Rules. In particular:

- the deletion of requirement for a data consolidator and the substitution of the concept of an information processor or an "information vendor that meets the standards set by a regulation services provider";
- the deletion of the concept of the "principal market" for trading of a security;
- the deletion of the requirement for marketplaces to maintain an electronic connection to every other marketplace trading the same securities; and
- the delay in the introduction of the electronic audit trail until January 1, 2007.

UMIR was also drafted in contemplation of the order types and trading facilities which existed on the TSX and TSX V as of April 1, 2002. There is a need to ensure that the concepts used in UMIR are flexible enough to apply to order types and trading facilities that may be developed by other competitive marketplaces.

Summary of the Proposed Amendments

The following is a summary of the most significant aspects of the amendments to UMIR to accommodate the introduction of multiple marketplaces:

Provisions for "Last Sale Price Order"

The Marketplace Operation Instrument requires that each marketplace establish operating hours for their marketplace. The Marketplace Operation Instrument does not require that each marketplace adopt the "standard" operating hours of the current exchanges in Canada. In order to facilitate trading at the closing price trades may be permitted in special facilities at the "closing" price. The ability to execute trades at the last sale price of a trading session accommodates index rebalancing at the closing price. On the TSX, this trading is undertaken during the Special Trading Session on the TSX from 4:05 to 5:00 p.m. The securities commissions are contemplating the registration of ATSs that may provide a "follow-on" session which would permit trading at the last sale price for a limited period of time immediately following the dissemination of details of the trade. In both circumstances, the "best price obligation" imposed by Rule 5.2 and "trade-through obligation" imposed by Rule 2.4 may preclude a Participant from executing a client order at the "last sale price" if a better price existed on another marketplace at that time.

In order to accommodate such trading facilities, the amendments propose that provision be made for a "last sale price order" which would be defined as an order that is subject to the condition that it trade at the last sale price of the security in a trade on the marketplace on which the order is entered provided that price is at or between the best bid price and best ask price at the time of execution. Given that prices disclosed in an applicable market display may continue to vary during the period of time following the entry on a particular marketplace of the "last sale price order" and prior to its execution, it would also be necessary to provide exemptions for this type of order from:

- Rule 2.4 on trade-through obligation;
- Rule 3.1 on short sales;
- Rule 5.2 on best price obligation;

- Rule 6.3 on order exposure;
- Rule 8.1 on client-principal trading.

Abuse of a Market Maker

Presently, one of the examples given in Policy 2.1 of unacceptable activity that would constitute a violation of Rule 2.1 on just and equitable principles is order splitting to take advantage of the market maker obligations in respect of odd lot trades on the TSX and TSX V. Given that another Exchange, including CNQ, or a recognized quotation and trade reporting system ("QTRS") may have market making systems and provide for different obligations on the market makers, the amendments would make the language of the Policy more generic. The amendment would indicate that entering orders to take advantage of or abuse market makers would be an example of an activity that would be considered contrary to the requirements to conduct business openly and fairly and in accordance with just and equitable principles of trade.

Requirement to Disclose Client Orders on a Transparent Marketplace

Rule 6.3 requires, subject to certain enumerated exceptions, that client orders to purchase or sell 50 standard trading units or less of a security be immediately entered on a marketplace. The purpose of the rule was to ensure that client orders were exposed to the market. The exposure of the order contributed to the operating of the price discovery mechanism that would help to establish the "best bid price" and "best ask price" used in various UMIR provisions including the best price obligation.
The amendments to the Marketplace Operation Instrument confirm that a marketplace need not distribute order information to an information vendor if the marketplace does not make details of orders available to persons other than those retained to assist in the operation of the marketplace. The policy objectives behind Rule 6.3 are not met if the client order is entered on a marketplace that does not provide information on the order to an information vendor for inclusion in an applicable market display. The proposed amendments to Rule 6.3 would require the entry of the client order on a marketplace that discloses order information in an applicable market display.

Definition of "Special Terms Order"

Presently, UMIR defines a "Special Terms Order" as an order to purchase or sell:

- less than a standard trading unit;
- that is subject to a condition other than price or date of settlement; and
- that on execution would settle other than the third business day following execution (or other date stipulated for settlement by a direction of an Exchange or QTRS).

In addition, UMIR defines a number of "specialty" orders such as a Basis Order, Call Market Order, Market-on-Close Order, Opening Order and Volume-Weighted Average Price Order. As outlined above, the amendments propose to add a "Last Sale Price Order". Each of these order types could be considered to be a "Special Terms Order". However, a "Special Terms Order" is not exempt from Rule 8.1 dealing with Client-Principal Trading (which requires a "better price" when a Participant executes the trade as principal against the client order that is a Special Terms Order) and is exempt from the "best price obligation" under Rule 5.2 only if the Marketplace Rules provide that the order can trade at a price other than the "best price". In order to clarify the requirements applying to order types on future marketplaces, the amendments propose to vary the definition of "Special Terms Order" to specifically exclude the "specialty" order types.

In drafting UMIR, it was anticipated that the "conditions" that would be added to a Special Terms Order would be ones that were added by the client or person entering the order. It was not anticipated that "conditions" imposed by a marketplace on the entry of an order (such as the order being of a minimum size) would qualify an order to be treated as a "Special Terms Order". The amendments propose to clarify that conditions imposed by the marketplace on order entry or order execution will not make the order a "Special Terms Order" for the purposes of UMIR.

Definition of "Best Ask Price", "Best Bid Price", "Last Sale Price"

The definition of "best ask price" and "best bid price" currently exclude any price that may be displayed for a Special Terms Order. While existing marketplaces do not display order information for "specialty" orders, new marketplaces could in fact decide to do so with respect to such orders entered on their marketplace. Because of the "specialty" nature of such orders, the price for such orders to the extent that the price may be publicly available should not be part of the price discovery mechanism. The amendments provide that the determination of the "best ask price" and "best bid price" exclude the price of any order that is:

- a Basis Order;
- a Call Market Order;
- a Last Sale Price Order;
- a Market-on-Close Order;
- an Opening Order;
- a Special Terms Order; and
- a Volume-Weighted Average Price Order.

While the price at which an Opening Order or a Market-on-Close Order executes may be considered to have properly established the market price of a security at that point in time, other types of "specialty" orders reflect terms and conditions that should be excluded from the determination of "last sale price" (which is used principally to determine the price at which a short sale may be made under Rule 3.1 and the price at which market stabilization and market balancing may be undertaken under Rule 7.7). As the definition is presently proposed, the execution of a Special Terms Order would be able to establish the last sale price.

Definition of "Opening Order"

Presently, an order that is entered on a marketplace to execute at the opening price of the security on that marketplace continues to qualify as an Opening Order even if the order does not participate in the initial trades for the security on that marketplace. An Opening Order is exempt from various UMIR requirements, including the "best price" obligation under Rule 5.2 and the client-principal trading requirements under Rule 8.1, since the price at which the opening will occur is not known as the time of the entry of the order. If the order does not trade at the opening, there is a question whether the order should continue to qualify for these exemptions. The amendments propose that an order would cease to qualify as an "Opening Order" if the order does not participate in the initial trades in the security on that marketplace.

Related Proposed Amendments

RS has proposed a number of other amendments to UMIR which are, at least in part, necessary or desirable to accommodate the introduction of multiple marketplaces. The following is a summary of the most relevant aspects of these related amendments:

Best Price Obligation / Trade-Through Obligations

Proposed amendments to the "best price" obligation have been incorporated into a series of proposed amendments to UMIR that has been published for comment by Market Integrity Notice 2005-012 - *Request for Comments - Provisions Respecting "Off-Marketplace" Trades* issued on April 29, 2005. If the amendments related to a "Last Sale Price Order" proposed in this Market Integrity Notice are approved, a client order entered as a Last Sale Price Order will be exempt from the best price obligations under Rule 5.2.

Market Integrity Notice 2005-016 – *Request for Comments - Interim Provisions Respecting Trade-Through Obligations* issued on May 12, 2005 contains a proposal to introduce a specific "trade-through" obligation that would apply to both Participants and Access Persons. If at the time of the execution of a "Last Sale Price Order" the execution price is not then at or between the best bid price and best ask price, a Participant may have the obligation to make reasonable efforts to fill any better-priced orders on another marketplace.

Comment is specifically requested on the following questions:

1. *Should the execution of a Last Sale Price Order be exempt from the trade-through obligations proposed as Rule 2.4 in Market Integrity Notice 2005-016?*
2. *If a Last Sale Price Order is not exempt from the trade-through obligations, should the obligation to better-priced order on other marketplaces be limited to the volume of the Last Sale Price Order that executes?*
3. *Should the volume of a Last Sale Price Order be included in the calculation of the "disclosed volume" that must be filled to comply with the trade-through obligations if the volume of such an order is included in an applicable market display?*

Client Priority

Rule 5.3 of UMIR ("Client Priority Rule") presently provides that a Participant need not give priority to a client order over a principal order or non-client order if the allocation has been made by the trading system of a marketplace. This approach is acceptable when all marketplaces utilize the same allocation algorithms. However, if there are multiple marketplaces trading the same securities there is a probability that each of the marketplaces will have variations in the priorities for the allocation of orders in respect of trades executed on the marketplace. With the possible introduction of new allocation algorithms, the interests of a client could be affected intentionally or unintentionally based on the marketplace on which either the client order or the principal order or non-client order is entered.

Amendments to the Client Priority Rule have been proposed in Market Integrity Notice 2005-017 *Request for Comments – Provisions Respecting Client Priority* whereby a Participant would be able to rely on the allocation of the trading system of a marketplace only if the security did not trade on more than one marketplace. If the security traded on multiple marketplaces, the requirement to provide "priority" to a client would be tied directly to the time of receipt of the client order.

Additional changes to the Client Priority Rule to address problems unrelated to the introduction of multiple marketplaces are included with the proposed amendments set out in Market Integrity Notice 2005-017 issued on June 3, 2005.

Comment is specifically requested on the following question:

4. *Should a Participant be able to rely on the allocation by the trading system of a marketplace as an exemption to the client priority rule if the principal or non-client order is entered as a Last Sale Price Order?*

Definition of "Applicable Market Display"

By Market Integrity Notice 2005-018 *Request for Comments – Definition of "Applicable Market Display"* issued on June 3, 2005, RS requests comments on a proposed amendment to UMIR to vary the definition of "consolidated market display" to:

- eliminate the requirement that the consolidated feed produced by an information processor or the information on orders and trades produced by an information vendor must contain information from the "principal market" for a particular security; and
- provide that, if there is not an information processor, information provided by an information vendor may be relied upon as an "applicable market display" only if the information vendor meets the standards established by a Market Regulator.

While this change is necessary to conform to amendments to the Marketplace Operation Instrument that became effective January 4, 2004 and to accommodate multiple marketplaces, the proposed amendment is the subject of a separate Market Integrity Notice which specifically deals with the process to be followed for the establishment of standards by RS for information vendors and regulatory feeds (including the electronic audit trail requirement under the Marketplace Operation Instrument that will become effective January 1, 2007.)

Appendices

The text of the amendments to the Rules and Policies to accommodate the introduction of multiple marketplaces is set out in Appendix "A". Appendix "B" contains the text of the relevant provisions of the Rules and Policies as they would read on the adoption of the amendments. Appendix "B" also contains a marked version of the current provisions highlighting the changes introduced by the amendments.

Questions

Questions concerning this notice may be directed to:

James E. Twiss,
Chief Policy Counsel,
Market Policy and General Counsel's Office,
Market Regulation Services Inc.,
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P.O. Box 939,
145 King Street West,
Toronto, Ontario. M5H 1J8

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ROSEMARY CHAN,
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

Appendix "A"

Universal Market Integrity Rules

Proposed Amendments to Accommodate the Introduction of Multiple Marketplaces

The Universal Market Integrity Rules are amended as follows:

1. Rule 1.1 is amended by:

   (a) deleting in the definition of "best ask price" the phrase "Special Terms Order" and substituting "Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order".

   (b) deleting in the definition of "best bid price" the phrase "Special Terms Order" and substituting "Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order".

   (c) inserting in the definition of "last sale price" the phrase ", Last Sale Price Order" after "Call Market Order".

   (d) adding the following definition of "Last Sale Price Order":

   > **"Last Sale Price Order"** means an order for the purchase or sale of a listed security or a quoted security entered on a marketplace and subject to the condition that the order trade at the last sale price of that security on that marketplace.

   (e) inserting at the end of the definition of "Opening Order" the phrase "provided an order shall cease to be an Opening Order if the order does not trade at the opening of trading of that security on that marketplace on that trading day"; and

   (f) replacing the definition of "Special Terms Order" with the following:

   > **"Special Terms Order"** means an order for the purchase or sale of a security:
   >
   > (a) for less than a standard trading unit;
   >
   > (b) the execution of which is subject to a condition other than as:
   >
   > (i) to price,
   >
   > (ii) to the date of settlement; or
   >
   > (iii) imposed by the marketplace on which the order is entered as a condition for the entry or execution of the order; or
   >
   > (c) that on execution would be settled on a date other than:
   >
   > (i) the third business day following the date of the trade, or
   >
   > (ii) any settlement date specified in a special rule or direction referred to in subsection (2) of Rule 6.1 that is issued by an Exchange or a QTRS,
   >
   > but does not include an order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order or Volume-Weighted Average Price Order.

   .

2. Clause (f) of subsection (2) of Rule 3.1 is amended by:

   (a) deleting the word "or" at the end of subclause (iii);

(b) inserting the phrase ", or" after the word "Order" in subclause (iv); and

(c) adding the following as subclause (v):

(v) a Last Sale Price Order.

3. Clause (c) of subsection (2) of Rule 5.2 is amended by:

(a) deleting the word "or" at the end of subclause (iv);

(b) inserting the phrase ", or" after the word "Order" in subclause (v); and

(c) adding the following as subclause (vi):

(vi) a Last Sale Price Order.

4. Clause (b) of subsection (1) of Rule 6.2 is amended by adding the following as subclause (v.2):

(v.2) a Last Sale Price Order.

5. Subsection (1) of Rule 6.3 is amended by inserting the phrase "that displays orders in accordance with Part 7 of the Marketplace Operation Instrument" after the first occurrence of the word "marketplace".

6. Clause (h) of subsection (1) of Rule 6.3 is amended by:

(a) deleting the word "or" at the end of subclause (v);

(b) inserting the phrase ", or" after the word "Order" in subclause (vi); and

(c) adding the following as subclause (vii):

(vii) a Last Sale Price Order.

7. Subsection (2) of Rule 8.1 is amended by:

(a) deleting the word "or" at the end of clause (d);

(b) inserting the phrase "; or" after the word "Order" in clause (e); and

(c) adding the following as clause (f):

(f) a Last Sale Price Order.

The Policies under the Universal Market Integrity Rules are amended as follows:

1. Clause (d) at the end of Part 1 of Policy 2.1 is deleted and the following substituted:

(d) when trading a security on a marketplace that is subject to Market Maker Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the Market Maker to:

(i) execute with one or more of the orders, or

(ii) purchase at a higher price or sell at a lower price with one or more of the orders

in accordance with the Market Maker Obligations that would not be imposed on the Market Maker if the orders had been entered on the marketplace as a single order or entered at the same time.

Appendix "B"

Universal Market Integrity Rules

Text of Rules and Policies to Reflect Proposed Amendments to Accommodate the Introduction of Multiple Marketplaces

(The text assumes that the amendments proposed by Market Integrity Notice 2005-012 – *Request for Comments – Provisions Respecting "Off-Marketplace" Trades* have been approved.)

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
1.1 Definitions **"best ask price"** means the lowest price of an order on any marketplace as displayed in an applicable market display to sell a particular security, but does not include the price of any order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order.	1.1 Definitions **"best ask price"** means the lowest price of an order on any marketplace as displayed in an applicable market display to sell a particular security, but does not include the price of any order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order.
"best bid price" means the highest price of an order on any marketplace as displayed in an applicable market display to buy a particular security, but does not include the price of any order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order.	**"best bid price"** means the highest price of an order on any marketplace as displayed in an applicable market display to buy a particular security, but does not include the price of any order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order, Special Terms Order or Volume-Weighted Average Price Order.
"last sale price" means the price of the last sale of at least one standard trading unit of a particular security displayed in an applicable market display but does not include the price of a sale resulting from an order that is a Basis Order, Call Market Order, Last Sale Price Order or Volume-Weighted Average Price Order.	**"last sale price"** means the price of the last sale of at least one standard trading unit of a particular security displayed in an applicable market display but does not include the price of a sale resulting from an order that is a Basis Order, Call Market Order, Last Sale Price Order or Volume-Weighted Average Price Order.
"Last Sale Price Order" means an order for the purchase or sale of a listed security or a quoted security entered on a marketplace and subject to the condition that the order trade at the last sale price of that security on that marketplace.	**"Last Sale Price Order"** means an order for the purchase or sale of a listed security or a quoted security entered on a marketplace and subject to the condition that the order trade at the last sale price of that security on that marketplace.
"Opening Order" means an order for the purchase or sale of a security entered on a marketplace on a trading day for the purpose of calculating and executing at the opening price of the security on that marketplace on that trading day provided an order shall cease to be an Opening Order if the order does not trade at the opening of trading of that security on that marketplace on that trading day.	**"Opening Order"** means an order for the purchase or sale of a security entered on a marketplace on a trading day for the purpose of calculating and executing at the opening price of the security on that marketplace on that trading day provided an order shall cease to be an Opening Order if the order does not trade at the opening of trading of that security on that marketplace on that trading day.
"Special Terms Order" means an order for the purchase or sale of a security: (a) for less than a standard trading unit; (b) the execution of which is subject to a condition other than as: (i) to price, (ii) to the date of settlement, or	**"Special Terms Order"** means an order for the purchase or sale of a security: (a) for less than a standard trading unit; (b) the execution of which is subject to a condition other than as: (i) to price, ~~or~~ (ii) to the date of settlement,~~;~~ or

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
(iii) imposed by the marketplace on which the order is entered as a condition for the entry or execution of the order; or (c) that on execution would be settled on a date other than: (i) the third business day following the date of the trade, or (ii) any settlement date specified in a special rule or direction referred to in subsection (2) of Rule 6.1 that is issued by an Exchange or a QTRS, but does not include an order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order or Volume-Weighted Average Price Order.	(iii) imposed by the marketplace on which the order is entered as a condition for the entry or execution of the order; or (c) that on execution would be settled on a date other than: (i) the third business day following the date of the trade, or (ii) any settlement date specified in a special rule or direction referred to in subsection (2) of Rule 6.1 that is issued by an Exchange or a QTRS, but does not include an order that is a Basis Order, Call Market Order, Last Sale Price Order, Market-on-Close Order, Opening Order or Volume-Weighted Average Price Order.
3.1 Restriction on Short Selling (2) A short sale of a security may be made on a marketplace at a price below the last sale price if the sale is: … (f) the result of: (i) a Call Market Order, (ii) a Market-on-Close Order, ~~or~~ (iii) a Volume-Weighted Average Price Order, (iv) a Basis Order, or (v) a Last Sale Price Order.	**3.1 Restriction on Short Selling** (2) A short sale of a security may be made on a marketplace at a price below the last sale price if the sale is: … (f) the result of: (i) a Call Market Order, (ii) a Market-on-Close Order, (iii) a Volume-Weighted Average Price Order, ~~or~~ (iv) a Basis Order, or (v) a Last Sale Price Order.
5.2 Best Price Obligation (2) Subsection (1) does not apply to the execution of an order which is: … (c) directed or consented to by the client to be entered on a marketplace as: (i) a Call Market Order, (ii) a Volume-Weighted Average Price Order, (iii) a Market-on-Close Order, (iv) an Opening Order, (v) a Basis Order, or (vi) a Last Sale Price Order.	**5.2 Best Price Obligation** (2) Subsection (1) does not apply to the execution of an order which is: … (c) directed or consented to by the client to be entered on a marketplace as: (i) a Call Market Order, (ii) a Volume-Weighted Average Price Order, (iii) a Market-on-Close Order, (iv) an Opening Order, ~~or~~ (v) a Basis Order, or (vi) a Last Sale Price Order.

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
6.2 Designations and Identifiers	**6.2 Designations and Identifiers**
(1) Each order entered on a marketplace shall contain: …	(1) Each order entered on a marketplace shall contain: …
(b) a designation acceptable to the Market Regulator for the marketplace on which the order is entered, if the order is:	(b) a designation acceptable to the Market Regulator for the marketplace on which the order is entered, if the order is:
(i) a Call Market Order,	(i) a Call Market Order,
(ii) an Opening Order,	(ii) an Opening Order,
(iii) a Market-on-Close Order,	(iii) a Market-on-Close Order,
(iv) a Special Terms Order,	(iv) a Special Terms Order,
(v) a Volume-Weighted Average Price Order,	(v) a Volume-Weighted Average Price Order,
(v.1) a Basis Order,	(v.1) a Basis Order,
(v.2) a Last Sale Price Order,	(v.2) a Last Sale Price Order,
(vi) part of a Program Trade,	(vi) part of a Program Trade,
(vii) part of an intentional cross or internal cross,	(vii) part of an intentional cross or internal cross,
(viii) a short sale which is subject to the price restriction under subsection (1) of Rule 3.1,	(viii) a short sale which is subject to the price restriction under subsection (1) of Rule 3.1,
(ix) a short sale which is exempt from the price restriction on a short sale in accordance with subsection (2) of Rule 3.1,	(ix) a short sale which is exempt from the price restriction on a short sale in accordance with subsection (2) of Rule 3.1,
(x) a non-client order,	(x) a non-client order,
(xi) a principal order,	(xi) a principal order,
(xii) a jitney order,	(xii) a jitney order,
(xiii) for the account of a derivatives market maker,	(xiii) for the account of a derivatives market maker,
(xiv) for the account of a person who is an insider of the issuer of the security which is the subject of the order,	(xiv) for the account of a person who is an insider of the issuer of the security which is the subject of the order,
(xv) for the account of a person who is a significant shareholder of the issuer of the security which is the subject of the order, or	(xv) for the account of a person who is a significant shareholder of the issuer of the security which is the subject of the order, or
(xvi) of a type for which the Market Regulator may from time to time require a specific or particular designation.	(xvi) of a type for which the Market Regulator may from time to time require a specific or particular designation.

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
6.3 Exposure of Client Orders (1) A Participant shall immediately enter on a marketplace that displays orders in accordance with Part 7 of the Marketplace Operation Instrument a client order to purchase or sell 50 standard trading units or less of a security unless: … (h) the client has directed or consented to the order being entered on a marketplace as: (i) a Call Market Order, (ii) an Opening Order, (iii) a Special Terms Order, (iv) a Volume-Weighted Average Price Order, (v) a Market-on-Close Order, (vi) a Basis Order, or (vii) a Last Sale Price Order.	**6.3 Exposure of Client Orders** (1) A Participant shall immediately enter on a marketplace <u>that displays orders in accordance with Part 7 of the Marketplace Operation Instrument</u> a client order to purchase or sell 50 standard trading units or less of a security unless: … (h) the client has directed or consented to the order being entered on a marketplace as: (i) a Call Market Order, (ii) an Opening Order, (iii) a Special Terms Order, (iv) a Volume-Weighted Average Price Order, (v) a Market-on-Close Order, ~~or~~ (vi) a Basis Order<u>, or</u> <u>(vii) a Last Sale Price Order</u>.
8.1 Client-Principal Trading (2) Subsection (1) does not apply if the client has directed or consented that the client order be: (a) a Call Market Order; (b) an Opening Order; (c) a Market-on-Close Order; (d) a Volume-Weighted Average Price Order, (e) a Basis Order, or (f) a Last Sale Price Order.	**8.1 Client-Principal Trading** (2) Subsection (1) does not apply if the client has directed or consented that the client order be: (a) a Call Market Order; (b) an Opening Order; (c) a Market-on-Close Order; (d) a Volume-Weighted Average Price Order, ~~or~~ (e) a Basis Order<u>, or</u> <u>(f) a Last Sale Price Order</u>.
Policy 2.1 – Just and Equitable Principles **Part 1 – Examples of Unacceptable Activity** Without limiting the generality of the Rule, the following are example of activities that would be considered to be in violation of the obligation to conduct business openly and fairly or in accordance with just and equitable principles of trade: … (d) when trading a security on a marketplace that is subject to Market Maker Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the Market Maker to:	**Policy 2.1 – Just and Equitable Principles** **Part 1 – Examples of Unacceptable Activity** Without limiting the generality of the Rule, the following are example of activities that would be considered to be in violation of the obligation to conduct business openly and fairly or in accordance with just and equitable principles of trade: … (d) when trading ~~a combined board lot/odd lot order for a listed security on an Exchange, entering the odd lot portion of the order prior to executing the board lot portion of the order as such order entry exposes the Registered Trader on the TSE or the Odd Lot Dealer on~~

Text of Provisions of Following Adoption of Proposed Amendments	Text of Current Provisions Marked to Reflect Adoption of Proposed Amendments
(i) execute with one or more of the orders, or (ii) purchase at a higher price or sell at a lower price with one or more of the orders in accordance with the Market Maker Obligations that would not be imposed on the Market Maker if the orders had been entered on the marketplace as a single order or entered at the same time.	~~the CDNX to automatic odd lot trades at unreasonable prices~~ a security on a marketplace that is subject to Market Maker Obligations, intentionally entering on that marketplace on a particular trading day two or more orders which would impose an obligation on the Market Maker to: (i) execute with one or more of the orders, or (ii) purchase at a higher price or sell at a lower price with one or more of the orders in accordance with the Market Maker Obligations that would not be imposed on the Market Maker if the orders had been entered on the marketplace as a single order or entered at the same time.

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Chapter 25

Other Information

25.1 Consents

25.1.1 King Products Inc. - s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Business Corporations Act (British Columbia).

Statutes Cited

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

Regulations Cited

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

May 17, 2005

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

AND

IN THE MATTER OF
KING PRODUCTS INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of King Products Inc. ("**King**" or the "**Corporation**") to the Ontario Securities Commission (the "**Commission**") requesting a consent from the Commission for King to continue in another jurisdiction pursuant to subsection 4(b) of the Regulation;

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

AND UPON King having represented to the Commission that:

1. King is proposing to submit an application to the Director under the Business Corporations Act (Ontario) (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) (the "**BCBCA**").

2. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must by accompanied by a consent from the Commission.

3. The Corporation was amalgamated under the OBCA on January 1, 2000. The predecessor company was incorporated under the laws of the Province of Ontario by articles of incorporation dated March 11, 1988. Prior to February 1, 1994, the Corporation operated under the name Wizard Lake Petroleum Corp. On February 1, 1994, articles of amendment were filed to change the Corporation's name and to consolidate its issued and outstanding common shares.

4. The Corporation's authorized capital consists of an unlimited number of common shares (the "**Common Shares**"), an unlimited number of non-participating, voting Class B preference shares (the "**Class B Shares**") and an unlimited number of voting Class C preference shares (the "**Class C Shares**"), of which approximately 53,593,270 Common Shares, nil Class B Shares and nil Class C Shares are issued and outstanding.

5. King is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. s. 5, as amended (the "**Act**"). King is also a reporting issuer under the securities legislation of each of the provinces of British Columbia, Alberta and Nova Scotia. King will remain a reporting issuer in Ontario and in the other jurisdictions where it is a reporting issuer.

6. King is not in default under any provision of the Act or the regulations or rules made under the Act and is not in default under the securities legislation of any other jurisdiction where it is a reporting issuer.

7. King is not a party to any proceeding nor, to the best of its knowledge, information and belief, any pending proceeding under the Act.

8. The Application for Continuance of King is to be approved by the shareholders of King by special resolution at the annual and special meeting of shareholders (the "**Meeting**") to be held on May 18, 2005.

9. Pursuant to the Section 185 of the OBCA, all shareholders of record as of the record date for the Meeting are entitled to dissent rights with respect to the Application for Continuance (the "**Dissent Rights**").

10. The management information circular dated April 20, 2005 (the "**Circular**") provided to all shareholders in connection with the Meeting advised the holders of Common Shares of King of their Dissent Rights.

11. The Application for Continuance is being made in connection with the proposed business combination of King with Moto Goldmines Limited ("**Moto**") of Western Australia, by way of a scheme of arrangement under Australian law (the "**Merger**"). It is a condition of the Merger that King be continued as a corporation under the laws of British Columbia. King also believes that continuance under the BCBCA will provide King with greater flexibility in carrying on the business of Moto pursuant to the Merger more particularly described in the Circular. Due to the international nature of Moto's business, as more particularly described in the Circular, management believes that having British Columbia company status is in the interest of King to be able to elect or appoint directors and to conduct its affairs in accordance with the provisions of the BCBCA.

12. The material rights, duties and obligations of a corporation governed by the BCBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of King as a corporation under the *Business Corporation Act* (British Columbia).

"Paul M. Moore" Q.C.
Vice-Chair
Ontario Securities Commission

"Wendell S. Wigle" Q.C.
Commissioner
Ontario Securities Commission

Index