The Ontario Securities Commission

OSC Bulletin

July 1, 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 **5645**
1.1 Notices **5645**
1.1.1 Current Proceedings Before The Ontario Securities Commission 5645
1.1.2 Request for Comment - Proposed OSC Rule 62-503 Financing of Take-over Bids and Issuer Bids 5647
1.2 Notices of Hearing .... **(nil)**
1.3 News Releases **5647**
1.3.1 OSC News Release - David Brown welcomes nomination of David Wilson as OSC Chair 5647
1.3.2 OSC News Release - OSC Proceeding in Relation to Hollinger Inc., Conrad Black, F. David Radler, John A. Boultbee, and Peter Y. Atkinson 5648
1.3.3 CSA News Release - National Cease Trade Order Database finds new home 5648
1.4 Notices from the Office of the Secretary .... **(nil)**

Chapter 2 Decisions, Orders and Rulings **5651**
2.1 Decisions **5651**
2.1.1 TVA Group Inc. - MRRS Decision 5651
2.1.2 KPMG Management Services LP - MRRS Decision 5656
2.1.3 Immuno Research Inc. - MRRS Decision 5660
2.1.4 Immuno Research Inc. - s. 140(2) 5661
2.1.5 Lawrence Conservative Payout Ratio Trust - MRRS Decision 5663
2.1.6 USA REIT Fund LLC - s. 83 5667
2.1.7 CI Mutual Funds, Clarica Mutual Funds and Signature Income & Growth Corporate Class - NI 81-102 Mutual Funds, ss. 2.6(a), (c), 6.1(1) and 19.1 5668
2.1.8 Chamaelo Energy Inc. - MRRS Decision 5674
2.1.9 Resolute Energy Inc. - s. 83 5679
2.2 Orders **5680**
2.2.1 CrossOff Incorporated - s. 104(2)(c) 5680
2.2.2 Stone Mountain Holdings Inc. - s. 144 5682
2.3 Rulings .... **(nil)**

Chapter 3 Reasons: Decisions, Orders and Rulings **5683**
3.1 OSC Decisions, Orders and Rulings **5683**
3.1.1 Gregory Hryniw and Walter Hryniw 5683
3.2 Court Decisions, Order and Rulings .... **(nil)**

Chapter 4 Cease Trading Orders **5687**
4.1.1 Temporary, Extending & Rescinding Cease Trading Orders 5687
4.2.1 Management & Insider Cease Trading Orders 5687

Chapter 5 Rules and Policies .... **(nil)**

Chapter 6 Request for Comments **5689**
6.1.1 Proposed OSC Rule 62-503 Financing of Take-Over Bids and Issuer Bids 5689

Chapter 7 Insider Reporting **5693**

Chapter 8 Notice of Exempt Financings **5769**
Reports of Trades Submitted on Form 45-501F1 5769

Chapter 9 Legislation .... **(nil)**

Chapter 11 IPOs, New Issues and Secondary Financings **5775**

Chapter 12 Registrations **5783**
12.1.1 Registrants 5783

Chapter 13 SRO Notices and Disciplinary Proceedings **5785**
13.1.1 MFDA News Release - MFDA Issues Notice of Hearing regarding Robin Andersen 5785
13.1.2 MFDA Notice of Hearing - Re Robin Andersen 5786

Chapter 25 Other Information **5791**
25.1 Approvals **5791**
25.1.1 Sentry Select Capital Corp. -s. 213(3)(b) 5791
25.2 Consents **5791**
25.2.1 Atlantic Power Corporation -- s. 4(b) of the Regulation 5791
25.2.2 Biovail Corporation - s. 4(b) of the Regulation 5793

Index **5795**

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 1, 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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20 Queen Street West
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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
July 6, 2005 10:00 a.m.	**Ron Carter Hew** s.127 M. Mackewn in attendance for Staff Panel: TBA
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
July 26, 2005 2:30 p.m.	**Jose L. Castenada** s.127 T. Hodgson in attendance for Staff Panel: TBA
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
October 4, 2005 2:30 p.m.	**Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison and Malcolm Rogers** s. 127 and 127.1 P. Foy in attendance for Staff Panel: TBA
October 11, 2005 10:00 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
November 2005	**Andrew Currah, Colin Halanen, 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

1.1.2 Request for Comment - Proposed OSC Rule 62-503 Financing of Take-over Bids and Issuer Bids

NOTICE OF REQUEST FOR COMMENTS

PROPOSED ONTARIO SECURITIES COMMISSION RULE 62-503 - FINANCING OF TAKE-OVER BIDS AND ISSUER BIDS

The Commission is publishing for comment in today's Bulletin proposed Rule 62-503 – *Financing of Take-over Bids and Issuer Bids*.

The proposed rule is intended to clarify the bid financing requirement that is set out in section 96 of the *Securities Act* (Ontario). Some uncertainty has arisen regarding the law relating to bid financing conditions as a result of the judgment of the Ontario Superior Court of Justice in *BNY Capital Corp. v. Katotakis*, reported at [2005] O.J. No. 813. The proposed rule addresses this uncertainty by confirming the extent to which conditionality in a bid financing arrangement is acceptable. The proposed rule reflects Commission staff's current view on this subject.

The proposed rule is published in Chapter 6 of this Bulletin.

1.3 News Releases

1.3.1 OSC News Release - David Brown welcomes nomination of David Wilson as OSC Chair

FOR IMMEDIATE RELEASE
June 22, 2005

DAVID BROWN WELCOMES NOMINATION OF DAVID WILSON AS OSC CHAIR

TORONTO – Ontario Securities Commission (OSC) Chair David Brown said today that David Wilson is an excellent leader who is well placed to guide the OSC through the challenges of regulating the province's capital markets over the next five years.

Brown made the statement after the Minister responsible for the OSC, Hon. Gerry Phillips, Chair of Management Board of Cabinet, announced that Wilson has been nominated as the new Chair of the Commission, subject to review by the Standing Committee on Government Agencies. If the Standing Committee concurs with this nomination, Wilson's appointment would take effect on November 1, 2005. In the interim, Susan Wolburgh Jenah, a Vice-Chair of the OSC, will be acting Chair, as chosen by the Commission.

Wilson is currently Vice-Chair of Scotiabank and Chair and CEO of Scotia Capital in Toronto. Wolburgh Jenah is a former OSC General Counsel and Director of International Affairs. Before becoming a Vice-Chair early last year, she had served as a member of the OSC staff for more than 20 years.

"The OSC is indeed fortunate to have someone with the experience and expertise of David Wilson willing to lead the Commission at such a dynamic time for capital markets," said Brown. "I welcome the nomination of David Wilson as incoming Chair and am confident that he is the right person to lead the Commission forward," added Brown, who is stepping down as OSC Chair after more than seven years.

For media inquiries about speaking to Mr. Wilson:

Wendy Dey
Director, Communications & Public Affairs
416-593-8120

Eric Pelletier
Manager, Media Relations
416-595-8913

1.3.2 OSC News Release - OSC Proceeding in Relation to Hollinger Inc., Conrad Black, F. David Radler, John A. Boultbee, and Peter Y. Atkinson

FOR IMMEDIATE RELEASE
June 24, 2005

OSC PROCEEDING IN RELATION TO HOLLINGER INC., CONRAD BLACK, F. DAVID RADLER,JOHN A. BOULTBEE, AND PETER Y. ATKINSON

TORONTO – The hearing before the Ontario Securities Commission in relation to Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee, and Peter Y. Atkinson is adjourned from June 27, 2005 to Tuesday October 11, 2005 at 9:00 a.m. on consent of Staff of the Commission and counsel for the respondents.

A copy of the Notice of Hearing issued on March 18, 2005 and Statement of Allegations are available on the Commission's website (**www.osc.gov.on.ca**).

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

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

1.3.3 CSA News Release - National Cease Trade Order Database finds new home

FOR IMMEDIATE RELEASE

NATIONAL CEASE TRADE ORDER DATABASE FINDS NEW HOME

June 27, 2005 – Vancouver - Investors and industry wanting information about public companies and individuals that have been ordered to cease trading securities in Canada now can find it on a website run by Canada's securities regulators.

The National Cease Trade Order Database is a repository of orders issued by provincial securities regulators against public companies, management, and individuals. It is the authoritative source of cease trade orders in Canada including orders from British Columbia, Alberta, Manitoba, Ontario, and Québec.

Other provincial securities regulators will soon include their issuer and non-issuer cease trade orders in the database as well.

Starting today, the database will be accessible at **www.csa-acvm.ca**, a website administered by the Canadian Securities Administrators (CSA), the council of the securities regulators of Canada's provinces and territories that coordinates and harmonizes regulation for the Canadian capital markets.

The database was a joint initiative of the CSA and Market Regulation Services Inc. (RS), the independent regulation services provider for Canadian equity markets, in February 2003. The database quickly became an indispensable tool for compliance by investment dealers and for the public.

RS will continue to provide a link from its website to the cease trade order database's new location.

The cease trade order database will continue to provide subscribers with near real-time e-mail notification of new cease trade orders as they are posted by participating securities regulators.

For more information:

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Alberta Securities Commission
403-297-4481

Ainsley Cunningham
Manitoba Securities Commission
204-945-4733

Eric Pelletier
Ontario Securities Commission
416-595-8913

Philippe Roy
Autorité des marchés financiers
514-940-2176

Andrew Poon
British Columbia Securities Commission
604-899-6880

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 TVA Group Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – modified dutch auction issuer bid with respect to securities tendered at or below clearing price – circular contain certains disclosure including information regarding take up – offeror exempt from requirement to take up and pay for securities proportionately according to number of securities deposited by each shareholder –proration procedures will give preference to odd lot holders and will be adjusted to avoid the creation of odd lots as a result of the proration – offeror also exempt from the associated disclosure requirement.

Applicable Statutory Provision

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95(7), 104(2)(c).

Applicable Regulatory Provision

Ontario Regulation 1015 – General Regulation made under the Securities Act, R.R.O. 1990, Reg. 1015, as am., s. 189(b).

Citation: TVA Group Inc., 2005 ABASC 496

June 10, 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
TVA GROUP INC. (THE FILER)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that, in connection with the proposed purchase by the Filer of a portion of its outstanding participating Class B non-voting shares without par value (the Shares) by way of an issuer bid (the Offer), the Filer be exempt from the following requirements in the Legislation (the Requested Relief):

    1.1 to take up and pay for Shares on a pro rata basis according to the number of securities deposited by each shareholder,

    1.2 to provide disclosure in the issuer bid circular (the Circular) of the proportionate take up and payment, and

    1.3 except in Ontario and Québec, to obtain a formal valuation of the Shares.

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

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

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

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 presented by the Filer:

   4.1 The Filer is a company governed by Part IA of the Companies Act (Quebec).

   4.2 The Filer's head office and registered office is located in Montreal, Quebec.

   4.3 The authorized share capital of the Filer consists of:

      4.3.1 an unlimited number of Class A common voting shares (the Class A Shares), without par value,

      4.3.2 an unlimited number of Shares, without par value, and

      4.3.3 an unlimited number of preferred shares, with a par value of $10, each issuable in series.

   4.4 The Filer has the following securities issued and outstanding:

      4.4.1 4,320,000 Class A Shares, and

      4.4.2 26,203,647 Shares.

   4.5 The Shares are listed on the Toronto Stock Exchange (the TSX). On May 18, 2005, the closing price of the Shares on the TSX was $19.50 per Share. Based upon such closing price, the Shares had an aggregate market value of approximately $511 million on such date.

   4.6 The Filer is a reporting issuer or the equivalent in each of the Jurisdictions, is not in default of any requirement of the Legislation and is not on the list of defaulting reporting issuers maintained pursuant to such Legislation, where applicable.

   4.7 To the knowledge of the Filer, no person or company beneficially owns or exercises control or direction over more than 10% of any class of voting shares of the Company other than Quebecor Media Inc (Quebecor Media) which owns 4,316,034 Class A Shares, representing 99.92% of all outstanding Class A Shares, as well as 7,910,583 Shares, representing 30.19% of all issued and outstanding Shares.

   4.8 The Filer has been informed by Quebecor Media that it does not intend to deposit any of its Shares pursuant to the Offer.

   4.9 The Filer proposes to acquire up to 3,500,000 Shares under the Offer (the Specified Number of Shares), representing approximately 13.36% of the outstanding Shares.

   4.10 The Offer will be made pursuant to a modified "Dutch auction" procedure (the Procedure) as follows:

      4.10.1 the Filer will offer to purchase up to the Specified Number of Shares,

      4.10.2 the price per Share (the Clearing Price) to be paid to holders of Shares (the Shareholders) will be anywhere from $19.50 to $22.00 per Share, being the range of prices (the Range) specified in the Circular,

      4.10.3 Shareholders wishing to deposit Shares under the Offer will have the right to either:

4.10.3.1.1 specify the lowest price within the Range that they are willing to sell all or a portion of their Shares (an Auction Tender), or

4.10.3.1.2 elect to be deemed to have deposited some or all of their Shares at the Clearing Price determined in accordance with subparagraph 4.10.5 below (a Purchase Price Tender),

4.10.4 all Shares deposited by Shareholders who fail to specify any deposit price for such deposited Shares and fail to indicate that they have deposited such Shares pursuant to a Purchase Price Tender will be considered to have been deposited pursuant to a Purchase Price Tender,

4.10.5 the Clearing Price will be the lowest price that will enable the Filer to purchase the Specified Number of Shares and will be determined based upon the number of Shares deposited and not withdrawn pursuant to an Auction Tender at each price within the Range and deposited and not withdrawn pursuant to a Purchase Price Tender, with each Purchase Price Tender being considered a deposit at the lowest price within the Range for the purpose of calculating the Clearing Price,

4.10.6 the aggregate amount that the Filer will expend pursuant to the Offer will not be ascertained until the Clearing Price is determined,

4.10.7 the Filer will take up and pay for all Shares tendered at or below the Clearing Price at the Clearing Price, calculated to the nearest whole Share so as to avoid the creation of fractional Shares and subject to proration as described in paragraph 4.10.10 below if the number of Shares tendered at or below the Clearing Price exceeds the Specified Number of Shares,

4.10.8 all Shares deposited and not withdrawn at prices above the Clearing Price will be returned to the depositing Shareholders,

4.10.9 if the number of Shares tendered at or below the Clearing Price is greater than the Specified Number of Shares, the Filer will purchase Shares tendered at or below the Clearing Price on a pro rata basis, except that:

4.10.9.1.1 the Filer intends to first accept Shares deposited by any Shareholder who owns in the aggregate less than 100 Shares as at the close of business on the expiration date of the Offer (the Expiration Date) fewer than 100 Shares (an Odd Lot), who deposits all of the Shareholder's Shares at or below the Clearing Price, and who checks the Odd Lots box in the letter of transmittal or the notice of guaranteed delivery accompanying the Circular, and

4.10.9.1.2 the proration will be adjusted without further action by a Shareholder in order to avoid creating Odd Lots as a result of proration, by increasing the number of Shares purchased by the Filer from each Shareholder so that Shares returned as a result of proration will only be returned in whole multiples of 100 Shares or, if proration would result in the return of less than 100 Shares, the Filer will purchase all the Shareholder's tendered Shares at the Clearing Price,

4.10.10 multiple tenders of Shares at or below the Clearing Price by the same Shareholder will be aggregated for the purposes of paragraph 4.10.9,

4.10.11 all Shares deposited and not withdrawn by Shareholders who specify a deposit price for such deposited Shares that falls outside the Range will be considered to have been improperly deposited, will be excluded from the determination of the Clearing Price, will not be purchased by the Filer and will be returned to the depositing Shareholders,

4.10.12 depositing Shareholders who make either an Auction Tender or a Purchase Price Tender but fail to specify the number of Shares that they may wish to deposit to the Offer will be considered to have deposited all Shares held by such Shareholder, and

4.10.13 if the aggregate number of Shares validly deposited, or deemed to have been deposited, under the Offer at or below the Clearing Price and not withdrawn is less than or equal to the Specified Number of Shares, the Filer will purchase all Shares so deposited.

4.11 Prior to the Expiration Date, all information regarding the number of Shares deposited and the prices at which such Shares are deposited will be kept confidential, and the depositary under the Offer will be directed by the Filer to maintain such confidentiality until the Clearing Price is determined.

4.12 Since the Offer is for less than all the Shares, if the number of Shares deposited to the Offer at or below the Clearing Price and not withdrawn exceeds the Specified Number of Shares, the Legislation would require the Filer

4.12.1 to take up and pay for deposited Shares proportionately, according to the number of Shares deposited by each Shareholder, and

4.12.2 disclose in the Circular that the Filer will take up Shares deposited proportionately according to the number of Shares deposited by each Shareholder to the Offer if the number of Shares deposited to the Offer exceeded the Specified Number of Shares.

4,13 During the 12 months ended May 18, 2005:

4.13.1 the number of outstanding Shares was at all times at least 5,000,000, excluding Shares that either were beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties to TVA Group or were not freely tradeable,

4.13.2 the aggregate trading volume of the Shares on the TSX was at least 1,000,000, Shares,

4.13.3 there were at least 1,000 trades in Shares on the TSX, and

4.13.4 the aggregate trading value based on the price of the trades referred to in paragraph 4.13.3 above was at least $15,000,000.

4.14 The market value of the Shares on the TSX, as determined in accordance with Ontario Securities Commission Rule 61-501 (61-501) and Quebec Local Policy Statement Q-27 (Q-27), was at least $75,000,000 for the month of April 2005.

4.15 As a result of the information contained in subsections 4.13 and 4.14 above and because it is reasonable to conclude that, following completion of the Offer, there will be a market for the beneficial owners of Shares who do not tender to the Offer that is not materially less liquid than the market that exists at the time the Offer is made, the Filer intends to rely upon the exemptions from the Valuation Requirement contained in subsection 3.4(3) of both Q-27 and 61-501 (the Presumption of Liquid Market Exemptions).

4.16 The Circular:

4.16.1 specifies that the number of Shares that the Filer intends to purchase under the Offer will be up to the Specified Number of Shares,

4.16.2 discloses the mechanics of the take-up and payment for, or return of, Shares as described in section 4.l1 above,

4.16.3 explains that, by depositing Shares at the lowest price in the Range or pursuant to a Purchase Price Tender, a Shareholder can reasonably expect that Shares so deposited will be purchased at the Clearing Price, subject to proration as described in section 4.10 above,

4.16.4 describes the effect that the Offer, if successful, will have on the direct or indirect voting and equity interests of Quebecor Media in the Filer,

4.16.5 discloses the facts supporting the Filer's reliance on the Presumption of Liquid Market Exemptions, calculated with reference to the date of the announcement of the Offer, and

4.16.6 except to the extent exemptive relief is granted by this decision, contains the disclosure prescribed by the Legislation for issuer bids.

Decision

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

6. The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that Shares deposited under the Offer and not withdrawn are taken up and paid for, or returned to Shareholders, in accordance with the Procedure.

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

"Stephen R. Murison"
Vice-Chair
Alberta Securities Commission

2.1.2 KPMG Management Services LP - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – application by a management services partnership that provides management and administrative services to a partnership of chartered accountants for relief from the registration and prospectus requirements in connection with certain trades in securities that are contemplated by a retirement planning arrangement that the accounting partnership intends to establish for its partners – management services partnership seeking to distribute partnership units to qualified persons (generally accounting partners and family trusts established by such persons) – in addition, a separate fund (the K Fund) and a subsidiary of the fund to be established as a means to permit certain qualified persons to indirectly invest in and loan money to the management services partnership – relief granted subject to certain terms and conditions, including resale restrictions, a requirement that a disclosure statement be distributed with the partnership units and an offering document that contains prospectus-level disclosure and rights of rescission be distributed in connection with the distribution of K Fund units.

Ontario Statutes

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

June 22, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC, NOVA SCOTIA, NEW BRUNSWICK, PRINCE EDWARD ISLAND 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
KPMG MANAGEMENT SERVICES LP, K FUND AND K SUB-TRUST
(collectively the Filers)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from KPMG Management Services LP (KPMG MSLP), K Fund and K Sub-Trust for decisions pursuant to the securities legislation of the Jurisdictions (the Legislation) that:

a) the distribution of units of KPMG MSLP (LP Units) and units of K Fund (K Fund Units) to Specified Investors (as defined below) will not be subject to the dealer registration and prospectus requirements contained in the Legislation (the Prospectus and Registration Requirements) (the Specified Investor Requested Relief); and

b) in Ontario, the distribution of units of K Sub-Trust (K Sub-Trust Units) and promissory notes of K Sub-Trust (Promissory Notes) to K Fund by K Sub-Trust will not be subject to the Prospectus and Registration Requirements, (the K Sub-Trust Requested Relief);

subject to certain terms and conditions.

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.

In this decision, the term Specified Investor means

a) in the case of the distribution of LP Units by KPMG MSLP, a Qualified Person, as defined in paragraph 9; and

b) in the case of the distribution of K Fund Units by K Fund, the persons and companies described in paragraph 22.

Representations

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

1. KPMG LLP is a limited liability partnership established under the laws of Ontario with 34 offices located in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia.

2. The partners of KPMG LLP (KPMG LLP Partners) are approximately 400 chartered accountants or their Professional Corporations (as defined below).

3. A Professional Corporation is a corporation incorporated or continued under the laws of one of the provinces of Canada in which an individual practices, which holds, where required, a valid permit or license to practice its profession in such province and all of the shares of which are owned by and the only director of which is the individual.

4. KPMG Canada is a general partnership established under the laws of Ontario.

5. The partners of KPMG Canada (KPMG Canada Partners) include (i) all of the KPMG LLP Partners and (ii) additional professionals who do not have the chartered accountant designation or their Professional Corporations. There are approximately 430 KPMG Canada Partners. In the balance of these representations, a reference to a KPMG Canada Partner in relation to a Professional Corporation of an individual shall include such individual.

6. KPMG MSLP is a limited partnership established under the laws of Ontario which carries on the business of providing management and administrative services to KPMG LLP and KPMG Canada and any other entity associated with either or both of KPMG LLP or KPMG Canada. These services are provided pursuant to services agreements entered into by KPMG MSLP, KPMG LLP and KPMG Canada. KPMG MSLP may also make interest-bearing loans to KPMG LLP.

7. KPMG MSLP is not and has no present intention of becoming a reporting issuer in any of the Jurisdictions.

8. The general partner of KPMG MSLP is KPMG Management Services Inc. (General Partner), a corporation incorporated under the *Canada Business Corporations Act*, all of the issued and outstanding shares of which are beneficially owned by KPMG LLP.

9. KPMG MSLP will issue LP Units from time to time to any of the following persons or companies (collectively, the Qualified Persons and individually, a Qualified Person):

   a) a KPMG Canada Partner; or

   b) a family trust, the beneficiary or beneficiaries of which are any one or more of:

      i) a KPMG Canada Partner;

      ii) the spouse or common-law partner of an individual named in (i);

      iii) the issue of an individual named in (i);

      iv) the issue of an individual named in (ii); and

      v) the parent, spouse or common-law partner of a parent, grandparent, sibling, half-sibling, issue of a sibling, uncle, aunt and children of an uncle or aunt of an individual named in (i) or (ii),

   each, a Family Trust; or

   c) a trust, the indirect beneficiaries of which are any one or more of a KPMG Canada Partner, the spouse or common-law partner of a KPMG Canada Partner, the RRSP or RRIF of a KPMG Canada Partner or of the spouse or common-law partner of a KPMG Canada Partner.

10. No Qualified Person that holds an LP Unit (Limited Partner) may sell, transfer, assign, gift, exchange, mortgage, pledge, charge or otherwise dispose of or encumber or deal with any LP Unit held by such Limited Partner, except upon substitution of the Trustee of a Limited Partner with a new Trustee or upon cancellation of the LP Unit.

11. As the LP Units are not transferable, except as described above, no market has developed or will develop for the LP Units.

12. If (i) a Limited Partner ceases to be a Qualified Person, (ii) the KPMG Canada Partner who, or whose Family Trust, is the Limited Partner ceases to be a KPMG Canada Partner for any reason, (iii) the Limited Partner purports to sell, transfer, assign, gift, exchange, mortgage, pledge, charge or otherwise dispose of or encumber or deal with his, her or its LP Units, or (iv) such Limited Partner becomes insolvent or bankrupt or makes a filing or gives a notice of intention to make a proposal or assignment, such Limited Partner will cease to be a Limited Partner and will be entitled to receive from KPMG MSLP, the amount of $100 in respect of each LP Unit held and the amount of all allocations on such LP Unit to the end of the month in which the partnership terminates as to such Limited Partner.

13. Profits and losses of KPMG MSLP are currently allocated as follows: 0.01% to the General Partner and 99.99% to the Limited Partners.

14. Within 120 days of the end of every financial year, the General Partner will prepare and submit, or cause to be prepared and submitted, to the Limited Partners financial statements (unaudited) comprised of a balance sheet as at the financial year end and a statement of income and a statement of cash flow of KPMG MSLP for the year then ended.

15. No beneficiary of a Family Trust, other than the KPMG Canada Partner, will directly or indirectly contribute money or other assets to the Family Trust in order to finance the acquisition of LP Units, or will be liable for any loan or other financing obtained by the Family Trust for that

purpose. No beneficiary of a Family Trust, other than the KPMG Canada Partner and any other beneficiary who is also a trustee, will be involved in the making of any investment decision of the Family Trust.

16. KPMG Canada Partners have not been and will not be induced to purchase LP Units by expectation of status or continued status as a partner of KPMG Canada or KPMG LLP.

17. In addition to directly investing in LP Units as described above, a KPMG Canada Partner, the spouse or common law partner of a KPMG Canada Partner, the RRSP or RRIF of a KPMG Canada Partner and the RRSP or RRIF of his or her spouse or common-law partner will be permitted to indirectly invest in LP Units through a series of trusts and to indirectly loan money to KPMG MSLP and KPMG LLP as described below.

18. KPMG Canada Partners, the spouse or common-law partner of a KPMG Canada Partner, the RRSP or RRIF of a KPMG Canada Partner and the RRSP or RRIF of his or her spouse or common-law partner may choose to purchase K Fund Units.

19. K Fund will be a trust established by a trust indenture under the laws of the Province of Ontario.

20. K Fund will not be a reporting issuer and it will not offer securities under a simplified prospectus.

21. The trustees of K Fund will be three KPMG Canada Partners.

22. The unitholders of K Fund (K Fund Unitholders) will consist entirely of (i) KPMG Canada Partners, (ii) the spouses or common law partners of KPMG Canada Partners, (iii) RRSPs or RRIFs of KPMG Canada Partners and (iii) the RRSPs or RRIFs of spouses or common-law partners of KPMG Canada Partners.

23. K Fund Units will be purchased by K Fund Unitholders for cash, at an initial price of $100 per K Fund Unit, payable on an instalment basis.

24. Each K Fund Unit is a voting unit which represents an undivided beneficial interest in K Fund. Pursuant to the trust indenture, K Fund Units will be redeemable at the demand of the holder and K Fund can purchase K Fund Units for cancellation. K Fund will redeem the K Fund Units of a KPMG Canada Partner upon the retirement or withdrawal of such KPMG Canada Partner.

24. Each prospective K Fund Unitholder will be provided with an offering document containing prospectus-level disclosure relating to an investment in K Fund (the “Offering Document”).

25. No one to whom an Offering Document is delivered will be under any obligation to make an investment in K Fund Units.

26. K Fund will use the proceeds received from the issuance of K Fund Units to purchase K Sub-Trust Units and make loans to K-Sub Trust which will be evidenced by Promissory Notes.

27. K Fund will make distributions to K Fund Unitholders in the form of cash or additional K Fund Units.

28. As the K Fund Units will not be transferable other than between a KPMG Canada Partner and the spouse or common-law partner of such KPMG Canada Partner and their respective RRSPs and RRIFs (Permitted Transferees), no market will develop for the K Fund Units.

29. K Fund will own 100% of the K Sub-Trust Units and all of the promissory notes issued by K Sub-Trust.

30. K Sub-Trust will be a trust established under the laws of Ontario.

31. K Sub-Trust will not be a reporting issuer and it will not offer securities under a simplified prospectus.

32. The trustees of K Sub-Trust will be three KPMG Canada Partners (who will not be the same persons as the trustees of K Fund).

33. K Sub-Trust will receive cash from K Fund and use the cash to purchase LP Units and indirectly make loans to KPMG LLP and KPMG MSLP through other trusts, corporations and partnerships.

34. K Sub-Trust will own approximately 50% of the LP Units. K-Sub Trust will not purchase or otherwise acquire securities other than

    a) The LP Units, and

    b) securities relating to direct or indirect loans to KPMG LLP and KPMG MSLP.

35. K Sub-Trust may issue additional Promissory Notes to K Fund from time to time for various purposes, including in payment of income distributions.

36. As the K Sub-Trust Units and Promissory Notes will not be transferable, other than for cancellation, no market will develop for the K Sub-Trust Units or Promissory Notes.

37. The primary purpose of the offering structure is to facilitate retirement planning for KPMG Partners.

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

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

Decision

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

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

a) Prior to the issuance of LP Units and K Fund Units to Specified Investors, the Filers will obtain a written statement (a “Statement”) from the Specified Investor acknowledging receipt of a copy of the Decision Document and further acknowledging the subscriber’s understanding that the right to receive continuous disclosure is not available to the Specified Investor in respect of the LP Units and K Fund Units;

b) Prior to the issuance of K Fund Units to a prospective K Fund investor, the Filers will ensure that

i) the prospective K Fund investor has received a copy of the Offering Document (and any amendment or replacement Offering Document), and

ii) a copy of the Offering Document (and any amendment or replacement Offering Document) has been delivered to each of the Decision Makers;

c) with respect to distributions of LP Units and K Fund Units to Specified Investors, the first trade in an LP Unit or a K Fund Unit that is not

i) a redemption or cancellation of the LP Unit or the K Fund Unit in each case in accordance with its terms,

ii) a transfer to a new trustee where there is a substitution of a trustee of a Limited Partner with a new trustee, or

iii) a transfer of K Fund Units among Permitted Transferees,

shall be deemed to be a distribution or primary distribution to the public.

It is further the decision of the Decision Maker in Ontario under the Legislation that the K Sub-Trust Requested Relief is granted provided that, with respect to distributions of K Sub-Trust Units and Promissory Notes by K Sub-Trust to K Fund, the first trade in such K Sub-Trust Units or Promissory Notes other than for redemption or cancellation shall be deemed to be a distribution.

"Paul M. Moore"

"Robert L. Shirriff"

2.1.3 Immuno Research Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Portions of a material contract filed in connection with a prospectus to be kept confidential. Issuer to file a redacted version of the material contract on SEDAR. Disclosure of the confidential information would be detrimental to the person affected by having it disclosed. Issuers should request confidentiality of information contained in material contracts during the prospectus review period.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 140(2).

June 9, 2005

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

AND

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

AND

IN THE MATTER OF
IMMUNO RESEARCH INC. (THE FILER)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that certain portions of a particular material contract filed by the Filer in connection with a final long form prospectus dated April 27, 2005 (the Final Prospectus) be held in confidence by the Decision Makers (the Requested Relief).

   Under the Mutual Reliance Review System for Exemptive Relief Applications,

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

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

Interpretation

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

Representations

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

   1. the Filer is a reporting issuer in each of the Jurisdictions, and is not in default of any of its obligations under the Legislation as a reporting issuer;

   2. the Filer's head office is in British Columbia;

   3. on April 27, 2005, the Filer filed the Final Prospectus with each of the Jurisdictions;

   4. on April 28, 2005, a receipt for the Final Prospectus was issued;

   5. under the Legislation, the Filer was required to file copies of all material contracts with the Final Prospectus on SEDAR and is required to make such contracts available for inspection during the distribution of the securities offered under the Final Prospectus;

   6. in connection with the filing of the Final Prospectus, the Filer filed a Resin Supply Agreement (the Resin Agreement) dated for reference April 27, 2005 between the Filer and its European supplier of adsorbent media with the Decision Makers as a material contract;

   7. the Filer believes that disclosure of certain provisions of the Resin Agreement required to be filed would be prejudicial to the interests of the Filer (the Confidential Information) and would violate confidentiality/non-disclosure provisions;

   8. the Resin Agreement contains financial information, pricing information as well as certain intellectual property information and the Filer believes that maintaining the confidentiality of such information is important with respect to supplier relations and the Filer's ability to negotiate contracts with potential suppliers; and

   9. the Filer has provided the Decision Makers with a copy of the Resin Agreement with the Confidential

Information (including the identity of the supplier and certain pricing and intellectual property information) marked so as to be unreadable (the Redacted Agreement).

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 by the Decision Makers under the Legislation is that the Requested Relief is granted, provided that the Filer files on the System for Electronic Document Analysis and Retrieval a copy of the Redacted Agreement that will be made public by the Decision Makers and posted on www.sedar.com.

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

2.1.4 Immuno Research Inc. - s. 140(2)

Headnote

Issuer filed an application under the Mutual Reliance Review System for Exemptive Relief Applications (MRRS) requesting that portions of a material contract filed in connection with a prospectus be kept confidential. Issuer filed a separate application in Ontario for an exemption from the requirement to pay an activity fee of $5,500 in respect of the MRRS application. No activity fee would have been payable if the issuer had requested the confidential treatment during the prospectus review period. Issuers should request confidentiality of information contained in material contracts during the prospectus review period.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 140(2).

Applicable Ontario Rules

OSC Rule 13-502 – Fees, sections 4.1 and 6.1; items F.1, F.2(e), and F.3 of Appendix C.

June 9, 2005

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

AND

IN THE MATTER OF
ONTARIO SECURITIES COMMISSION RULE 13-502
FEES (the "Fees Rule")

AND

IN THE MATTER OF
IMMUNO RESEARCH INC. (the "Filer")

DECISION

UPON the application (the "MRRS Application") under the Mutual Reliance Review System for Exemptive Relief Applications (the "MRRS") by the Filer to the local securities regulatory authority or regulator (the "Decision Makers") in each of the provinces of Alberta, British Columbia and Ontario ("Jurisdictions") for a decision under the securities legislation of the Jurisdictions (the "Legislation"), including subsection 140(2) of the Act, that certain portions of a particular material contract filed by the Filer in connection with a final long form prospectus dated April 27, 2005 (the "Final Prospectus") be held in confidence by the Decision Makers (the "Requested Confidential Treatment");

AND UPON a separate application (the "Ontario Fee Relief Application") by the Filer to the Director under the Act for a decision of the Director, pursuant to section 6.1 of the Fees Rule, that the Filer be exempt from the

requirement in section 4.1 of the Fees Rule to pay an activity fee of $5,500 for the filing of the MRRS Application (the "Requested Ontario Fee Relief");

AND UPON considering the Ontario Fee Relief Application and the recommendation of the staff of the Commission;

AND UPON the Filer having represented to the Director that:

1. the Filer is a reporting issuer in each of the Jurisdictions, and is not in default of any of its obligations under the Legislation as a reporting issuer;

2. the Filer's head office is in British Columbia;

3. on April 27, 2005, the Filer filed the Final Prospectus with each of the Jurisdictions;

4. on April 28, 2005, a receipt for the Final Prospectus was issued;

5. under the Legislation, the Filer was required to file copies of all material contracts with the Final Prospectus on SEDAR and is required to make such contracts available for inspection during the distribution of the securities offered under the Final Prospectus.

6. in connection with the filing of the Final Prospectus, the Filer filed a Resin Supply Agreement (the "Resin Agreement") dated for reference April 27, 2005 between the Filer and its European supplier of adsorbent media with the Decision Makers as a material contract;

7. the Filer believes that disclosure of certain provisions of the Resin Agreement required to be filed would be prejudicial to the interests of the Filer (the "Confidential Information") and would violate confidentiality/non-disclosure provisions;

8. the Resin Agreement contains financial information, pricing information as well as certain intellectual property information and the Filer believes that maintaining the confidentiality of such information is important with respect to supplier relations and the Filer's ability to negotiate contracts with potential suppliers;

9. the Filer has provided the Decision Makers with a copy of the Resin Agreement with the Confidential Information (including the identity of the supplier and certain pricing and intellectual property information) marked so as to be unreadable (the "Redacted Agreement");

10. no activity fee under the Fees Rule would have been payable if the Filer had applied for the Requested Confidential Treatment and filed the Redacted Agreement in connection with the filing of the Final Prospectus and prior the issuance of a receipt for the Final Prospectus;

11. the Filer has paid the required activity fee of $1,500 under the Fees Rule for the Ontario Fee Relief Application and has submitted that no other fee should be payable given the particular circumstances;

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

IT IS THE DECISION of the Director that the Requested Ontario Fee Relief is granted.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.1.5 Lawrence Conservative Payout Ratio Trust - MRRS Decision

Headnote

Closed-end investment trust exempt from prospectus and registration requirements in connection with the issuance of units to existing unitholders pursuant to a distribution reinvestment plan whereby distributions of income are reinvested in additional units of the trust, subject to certain conditions – first trade in units acquired under the distribution reinvestment plan deemed a distribution unless made in compliance with MI 45-102.

Applicable Ontario Statutory Provisions

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

Multilateral Instrument Cited

Multilateral Instrument 45-102 Resale of Securities (2001), 24 OSCB 5522.

June 17, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO, QUÉBEC,
NOVA SCOTIA, NEW BRUNSWICK, PRINCE EDWARD ISLAND
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
LAWRENCE CONSERVATIVE PAYOUT RATIO TRUST

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland and Labrador has received an application from Lawrence Conservative Payout Ratio Trust (the "Filer") for a decision, pursuant to the securities legislation of the Jurisdictions (the "Legislation"), that the requirement contained in the Legislation to be registered to trade in a security (the "Registration Requirement") and to file and obtain a receipt for a preliminary and a final prospectus (the "Prospectus Requirement") shall not apply to certain trades of units of the Trust ("Units") pursuant to a distribution reinvestment plan (the "Requested Relief");

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

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

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

Interpretation

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

Representations

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

1. The Filer is a trust established under the laws of the Province of Ontario and governed by a declaration of trust dated February 25, 2005.

2. Each Unit represents an equal, undivided interest in the net assets of the Filer. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with all other Units with respect to any and all distributions made by the Filer.

3. The Filer filed a (final) prospectus dated February 25, 2005 (the "Prospectus") with the securities regulatory authorities in each of the Jurisdictions qualifying Units for distribution and became a reporting issuer or the equivalent thereof in the Jurisdictions on February 28, 2005 upon obtaining a receipt for the Prospectus. As of the date hereof, the Filer is not on the list of defaulting reporting issuers maintained by any of the Jurisdictions.

4. The Filer is not considered to be a "mutual fund" as defined in the Legislation because the holders of the Units (the "Unitholders") are not entitled to receive "on demand" an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer as contemplated in the definition of "mutual fund" in the Legislation. Redemptions only occur once per year (commencing in March 2006) at the net asset value of the Filer ("Net Asset Value") per Unit less any costs of funding the redemption, including commissions.

5. The Units are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the symbol "LCP.UN".

6. Lawrence Asset Management Inc. (the "Manager") is the manager, investment manager, trustee and the promoter of the Filer.

7. The Filer's investment objectives are to provide Unitholders with monthly cash distributions, and to preserve the Net Asset Value per Unit of the Filer by investing in an equally weighted, diversified portfolio of securities of 40 Canadian income trusts and funds that have the lowest payout ratios (as defined in the Prospectus) and that otherwise qualify for inclusion in the portfolio.

8. The Filer intends to adopt the distribution reinvestment plan (the "Plan") so that distributions will, if a Unitholder so elects, be automatically reinvested on such Unitholder's behalf in accordance with the provisions of the agreement governing the operation of the Plan (the "DRIP Agreement") entered into by the Manager, on behalf of the Filer, and Computershare Trust Company of Canada, as plan agent (the "Plan Agent").

9. Non-residents of Canada within the meaning of the *Income Tax Act* (Canada) (the "Tax Act") and partnerships (other than "Canadian partnerships" within the meaning of the Tax Act) are not eligible to participate in the Plan.

10. Pursuant to the terms of the Plan, a Unitholder may elect to become a participant in the Plan by notifying a participant in CDS (the "CDS Participant") through which the Unitholder holds his or her Units of the Unitholder's intention to participate in the Plan. If notice is not received prior to the applicable deadline, the Unitholder will not participate in the Plan for that month. The CDS Participant shall, on behalf of the Unitholder, provide notice to The Canadian Depository for Securities Limited ("CDS") of the Unitholder's participation in the Plan by delivering to CDS a completed authorization form in the manner and within the time limitations prescribed by CDS from time to time. CDS shall, in turn, notify the Plan Agent no later than 12:00 p.m. on the last business day of each relevant calendar month commencing with the last business day of the third month following the month in which the closing of the initial public offering of the Units occurs in respect of the next expected distribution in which the Unitholder intends to participate.

11. Distributions due to Unitholders who have elected to participate in the Plan (the "Plan Participants") will automatically be reinvested on their behalf by the Plan Agent to purchase Units ("Plan Units") in accordance with the following terms and conditions:

    (a) if the market price (which includes applicable commissions and brokerage charges on a per Unit basis) on the relevant distribution date is less than the Net Asset Value per Unit on the distribution date, the Plan Agent shall apply the distributions otherwise payable in cash by the Filer on the Units beneficially held by such Plan Participants on such distribution date (the "Distributions") to purchase Plan Units in the market or from treasury as set out below;

    (b) purchases of Plan Units described above will be made in the market by the Plan Agent during the five trading day period following the distribution date and the price paid for those Plan Units will not exceed 115% of the market price of the Units on the relevant distribution date. On the expiry of such five day period, the unused part, if any, of the Distributions will be used to purchase Plan Units from the Filer at a purchase price equal to the higher of: (A) the Net Asset Value per Unit on the relevant distribution date; and (B) 95% of the market price on the relevant distribution date; and

    (c) if the market price (which includes applicable commissions and brokerage charges on a per Unit basis) on the relevant distribution date is equal to or greater than the Net Asset Value per Unit on such distribution date, the Plan Agent shall apply the Distributions to purchase Plan Units from the Filer through the issue of new Units at a purchase price equal to the higher of: (A) the Net Asset Value per Unit on the relevant distribution date; and (B) 95% of the market price on the relevant distribution date.

12. Plan Units purchased under the Plan will be registered in the name of CDS & Co. and credited by CDS to the account of the CDS Participant through whom a Plan Participant holds Units.

13. The Plan does not provide for the purchase of additional Units with cash payments. Only Distributions made to Unitholders may be applied to purchase Units under the Plan.

14. No fractional Units will be issued under the Plan. A cheque for any fractional Units will be paid by the Plan Agent to CDS on a monthly basis to be credited to the Plan Participant via the applicable CDS Participant at a price equal to the lesser of (i) the arithmetic average of the daily volume weighted average trading prices of the Units on the Toronto Stock Exchange during 5 trading days period following the Distribution Date; and (ii) 115% of the Market Price of the Units on the relevant Distribution Date per Unit.

15. The Plan Agent will purchase Plan Units from the Filer only in accordance with mechanics described in the Plan and, accordingly, there is no opportunity for a Plan Participant or the Plan Agent to speculate with respect to changes in the Net Asset Value per Unit.

16. The Plan is open for participation by all Unitholders (other than non-residents of Canada and partnerships (other than "Canadian partnerships" as defined in the Tax Act)), so that such Unitholders can ensure protection against potential dilution, albeit insignificant, by electing to participate in the Plan.

17. The Filer will invest in securities with the objective of providing Unitholders with a high level of sustainable income as well as a cost-effective method of reducing the risk of investing in such securities through diversification. In addition, the Net Asset Value per Unit should be less volatile than that of a typical equity fund based on historical data. As a result, the potential for significant changes in the Net Asset Value per Unit over short periods of time is expected to be moderate.

18. The amount of Distributions that may be reinvested in Plan Units issued from treasury is small relative to the Unitholders' equity in the Filer. The potential for dilution arising from the issuance of Plan Units by the Filer at the Net Asset Value per Unit on a relevant distribution date is not significant.

19. The Plan Agent will not issue certificates representing Plan Units to Plan Participants but may issue certificates to CDS to evidence additional book-entry only Units being issued.

20. The Plan Agent's charges for administering the Plan will be paid by the Filer out of the assets of the Filer.

21. The Manager may terminate the Plan at any time, in its sole discretion, upon not less than 30 days' notice to the Plan Participants, via the applicable CDS Participant, to the Plan Agent and to the TSX.

22. The Manager also reserves the right in its sole discretion to suspend the Plan at any time, in which case the Manager must give, or must cause to be given, written notice of the suspension to all Plan Participants via the applicable CDS Participant, the Plan Agent and the TSX.

23. The Manager may, in consultation with the Plan Agent, adopt additional rules and regulations to facilitate the administration of the Plan, which shall, once adopted, be deemed to form part of the DRIP Agreement, subject to the approval of the TSX.

24. The Manager may also amend the Plan or the DRIP Agreement at any time, in its sole discretion, provided that: (i) if the amendment is material to Plan Participants, at least 30 days' notice thereof shall be given to Plan Participants via the applicable CDS Participant and to the Plan Agent; and (ii) if the amendment is not material to Plan Participants, notice thereof may be given to Plan Participants and to the Plan Agent after effecting the amendment. No material amendment will be effective until it has been approved by the TSX (if required) nor will any amendment have the effect of modifying any duties or responsibilities of the Plan Agent without the Plan Agent's prior written consent.

25. The Manager may, upon 90 days' written notice to the Plan Agent, and upon payment to the Plan Agent of all outstanding fees payable thereunder, remove the Plan Agent and appoint a new agent as the agent under the Plan.

26. The distribution of the Plan Units by the Filer pursuant to the Plan cannot be made in reliance on certain registration and prospectus exemptions contained in the Legislation as the Plan involves the reinvestment of distributable income distributed by the Filer and not the reinvestment of dividends or interest of the Filer.

27. The distribution of the Plan Units by the Filer pursuant to the Plan cannot be made in reliance on registration and prospectus exemptions contained in the Legislation for distribution reinvestment plans of mutual funds, as the Filer is not considered to be a "mutual fund" as defined in the Legislation because the Unitholders are not entitled to receive "on demand" an amount computed by reference to the value of a proportionate interest in the whole or in a portion of the net assets of the Filer.

28. The Filer has an exemption from the Prospectus Requirement and the Registration Requirement under the Legislation in Alberta and Saskatchewan.

29. It will not be prejudicial to the public interest for the Decision Maker to grant the Requested Relief.

Decision

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

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

1. in British Columbia, Manitoba, Ontario, Québec, Nova Scotia, Prince Edward Island and New-

foundland and Labrador, trades or distributions by the Filer or by an administrator or agent of the Filer of Plan Units for the account of Plan Participants pursuant to the Plan shall not be subject to the Registration Requirement and the Prospectus Requirement, provided that:

(a) at the time of the trade, the Filer is a reporting issuer or the equivalent under the Legislation and is not in default of any requirements of the Legislation;

(b) no commission or brokerage charge is payable by the Unitholder in connection with the trade;

(c) the Filer has caused to be sent to the person or company to whom the Plan Units are traded, not more than 12 months before the trade, a copy of the Plan which contains statements describing:

(i) their right to elect to participate in the Plan on a monthly basis, to receive Plan Units instead of cash on the making of a distribution by the Filer ("Participation Right"); and

(ii) instructions on how to exercise the Participation Right;

(d) the first trade of the Plan Units acquired under the Decision shall be deemed to be a distribution or a primary distribution to the public;

2. in each of the Jurisdictions, the Prospectus Requirement contained in the Legislation shall not apply to the first trade (alienation) of Plan Units acquired pursuant to the Plan, provided that:

(a) in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador, the conditions set out in paragraphs 2 through 5 of subsection 2.6(3) of Multilateral Instrument 45-102 are satisfied; and

(b) in Québec:

(i) at the time of the first trade (alienation), the Filer is a reporting issuer in Québec and is not in default of any of the requirements of securities legislation in Québec;

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

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

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

"Paul Moore"
Vice-Chair
Ontario Securities Commission

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

2.1.6 USA REIT Fund LLC - s. 83

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – A mutual fund is deemed to have ceased being a reporting issuer, provided it meets the requirements set out in CSA Notice 12-307.

Applicable Ontario Statutory Provisions, Rules and Notices

Securities Act R.S.O. 1990, c.s.5, as am., s. 83.
CSA Staff Notice 12-307 - Ceasing to be a Reporting Issuer under the Mutual Reliance Review System for Exemptive Relief Applications. (2003) 26 OSCB 6348.

June 22, 2005

USA REIT Fund LLC
Suite 2930, P.O. Box 793
Bay Wellington Tower
BCE Place
181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Moyra MacKay

Dear Ms. MacKay:

Re: USA REIT Fund LLC (the "Applicant")

Application to cease to be a reporting issuer under the securities legislation of the provinces of Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, and Newfoundland and Labrador (collectively, 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.

"Leslie Byberg"
Manager, Investment Funds

2.1.7 CI Mutual Funds, Clarica Mutual Funds and Signature Income & Growth Corporate Class - NI 81-102 Mutual Funds, ss. 2.6(a), (c), 6.1(1) and 19.1

Headnote

Certain mutual funds exempted from the short selling prohibition in National Instrument 81-102 Mutual Funds to engage in short selling of securities up to 10% of net assets, subject to certain conditions and requirements.

Rules Cited

National Instrument 81-102 *Mutual Funds*, subsections 2.6(a) and (c), 6.1(1) and section 19.1.

IN THE MATTER OF
NATIONAL INSTRUMENT 81-102 – MUTUAL FUNDS

AND

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

AND

IN THE MATTER OF
CI MUTUAL FUNDS, CLARICA MUTUAL FUNDS AND SIGNATURE INCOME & GROWTH CORPORATE CLASS

June 20, 2005

McCarthy Tétrault LLP
Box 48, Suite 4700
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

Attention: Katherine Gurney

Dear Sirs/Mesdames:

Re: CI Mutual Funds
Clarica Mutual Funds
Signature Income & Growth Corporate Class
MRRS Application pursuant to Section 19.1 of National Instrument 81-102 ("NI 81-102") for Exemptions from Sections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102
SEDAR Project No. 748587
Application #175/05

By letter dated March 10, 2005 and supplemented by letter dated April 8, 2005 (together the "Application"), CI Mutual Funds Inc. (the "Manager") applied to the regulator or the securities regulatory authority in each province and territory of Canada (collectively, the "Decision Makers") on behalf of:

(a) each of the funds listed at Appendix "A" hereto (the "Existing CI Funds"),

(b) the funds listed at Appendix "B" hereto (the "Existing Clarica Funds"),

(c) the Signature Income & Growth Corporate Class (the "Signature Fund") to be established pursuant to a simplified prospectus filed on March 4, 2005,

(d) each mutual fund hereinafter created and managed by the Manager or an affiliate of the Manager (the "Future Funds" and together with the Existing Funds and the Signature Fund, the "Funds" and individually, a "Fund"), and

(e) the funds listed at Appendix "C" hereto (the "Prior Funds") in respect of which the Decision Makers issued a decision on June 30, 2004 (the "Prior Decision")

for a decision of the Decision Makers that: (i) notwithstanding sections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102, each Fund be permitted to sell securities short, provide a security interest over the Fund assets in connection with short sales and deposit fund assets with Borrowing Agents (as defined below) as security for such transactions, subject to the conditions set out herein; and (ii) the Prior Decision (defined below) in respect of the Prior Funds be amended to reflect the representations set out in subparagraphs 7(d) and 7(e) herein.

The Manager has represented to the Decision Makers that:

1. Each Fund is or will be an open-end mutual fund trust or a class of shares of a mutual fund corporation established under the laws of Ontario of which the Manager (or an affiliate of the Manager) is the manager and, in the case of the mutual fund trusts, the trustee. Each Fund is currently or will be a reporting issuer in all of the provinces and territories of Canada.

2. The investment practices of each Fund comply or will comply in all respects with the requirements of Part 2 of NI 81-102, except to the extent that the Funds have received permission from the Decision Makers to deviate therefrom.

3. On June 30, 2004, the Decision Makers issued a decision in respect of the Prior Funds granting the Prior Funds permission to engage in a limited amount of short selling, subject to the conditions set out in the Prior Decision. The Prior Funds would like the Prior Decision amended to provide more flexibility when engaging in short selling as further described below in paragraph 7.

4. The Manager proposes that, in addition to the Existing Funds, each Future Fund be authorized to engage in a limited, prudent and disciplined amount of short selling. The Manager is of the view that the Future Funds could benefit from the implementation and execution of a controlled and

limited short selling strategy. This strategy would operate as a complement to the Future Funds' primary discipline of buying securities with the expectation that they will appreciate in market value.

5. Any short sales made by a Fund will be subject to compliance with the investment objectives of such Fund.

6. In order to effect a short sale, a Fund would borrow securities from either its custodian or a dealer (in either case, the "Borrowing Agent"), which Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities.

7. Each Fund will implement the following controls when conducting a short sale:

   (a) securities will be sold short for cash, with the Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;

   (b) the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;

   (c) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;

   (d) the securities sold short will be liquid securities that:

      (i) are listed and posted for trading on a stock exchange, and

         A. the issuer of the security has a market capitalization of not less than CDN$300 million, or the equi-alent thereof, of such security at the time the short sale is effected; or

         B. the investment advisor has pre-arranged to borrow for the pur-oses of such short sale;

      or

      (ii) are bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America;

   (e) at the time securities of a particular issuer are sold short:

      (i) the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 2% of the total net assets of the Fund; and

      (ii) the Fund will place a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 115% (or such lesser percentage as the Manager may determine) of the price at which the securities were sold short;

   (f) the Fund will deposit Fund assets with the Borrowing Agent as security in connection with the short sale transaction;

   (g) the Fund will keep proper books and records of all short sales and Fund assets deposited with Borrowing Agents as security;

   (h) the Fund will develop written policies and procedures for the conduct of short sales prior to conducting any short sales; and

   (i) the Fund will provide disclosure in its simplified prospectus of the short selling strategies and the details of this exemptive relief prior to implementing the short selling strategy.

This letter confirms that, based on the information and representations contained in the Application and in this letter, and for the purposes described in the Application, the Decision Makers hereby:

(i) exempt each Fund from the requirements in subsections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102 to permit each Fund to sell securities short, provide a security interest over the Fund assets in connection with short sales and deposit fund assets with Borrowing Agents as security for such transactions, subject to the conditions set out in paragraph 7 above; and

(ii) amend the Prior Decision in respect of the Prior Funds to reflect the conditions set out in subparagraphs 7 (d) and (e) above,

provided that:

1. the aggregate market value of all securities sold short by the Fund does not exceed 10% of the total net assets of the Fund on a daily marked-to-market basis;

2. the Fund holds "cash cover" (as defined in NI 81-102) in an amount, including the Fund assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;

3. no proceeds from short sales by the Fund are used by the Fund to purchase long positions in securities other than cash cover;

4. the Fund maintains appropriate internal controls regarding its short sales including written policies and procedures, risk management controls and proper books and records;

5. any short sales made by a Future Fund will be subject to compliance with the investment objectives of the Future Fund;

6. the short selling relief will not apply to a Future Fund that is classified as a money market fund or a short-term income fund;

7. for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;

8. for short sale transactions outside of Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall:

   (a) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and

   (b) have a net worth in excess of the equivalent of $50 million determined from its most recent audited financial statements that have been made public;

9. except where the Borrowing Agent is the Fund's custodian, when the Fund deposits Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the total net assets of the Fund, taken at market value as at the time of the deposit;

10. the security interest provided by a Fund over any of its assets that is required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;

11. prior to conducting any short sales, the Fund discloses in its simplified prospectus or an amendment thereto a description of: (a) short selling, (b) how the Fund intends to engage in short selling, (c) the risks associated with short selling, and (d) in the Investment Strategy section of the simplified prospectus, the Fund's strategy and this exemptive relief;

12. prior to conducting any short sales, the Fund discloses in its annual information form or an amendment thereto the following information:

    (i) whether there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;

    (ii) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;

    (iii) whether there are trading limits or other controls on short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;

    (iv) whether there are individuals or groups that monitor the risks independent of those who trade; and

    (v) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;

13. prior to conducting any short sales, each Fund has provided to its securityholders not less than 60 days' written notice that discloses the Fund's intent to begin short selling transactions and the disclosure required in the Fund's simplified prospectus and annual information form as outlined in paragraphs 11 and 12 above;

14. whenever the top ten holdings are disclosed in the simplified prospectus for a Fund, the top ten long holdings and the top ten short holdings are shown separately, provided that only short positions with a market exposure exceeding 1% of the net asset value of the Fund need be disclosed;

15. whenever a Fund prepares financial statements, the following information is included:

    (i) the Statement of Net Assets of the Fund records the securities sold short as a liability with the Fund's assets deposited as security with Borrowing Agents for securities sold short recorded as an asset;

    (ii) the dividends and other income received on borrowed securities in connection with securities sold short are shown as an expense on the Statement of Operations of the Fund; and

    (iii) the Statement of Investment Portfolio of the Fund records the long portfolio separate from the short portfolio.

16. This relief shall terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in subsections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102.

Yours truly,

"Leslie Byberg"
Manager, Investment Funds

Appendix "A"

CI Mutual Funds

Equity Funds

BPI American Equity Fund
BPI American Equity Corporate Class
BPI Global Equity Fund
BPI Global Equity Corporate Class
BPI International Equity Fund
BPI International Equity Corporate Class
CI Alpine Growth Equity Fund (*formerly Clarica Alpine Growth Equity Fund*)
CI American Managers™ Corporate Class
CI American Small Companies Fund
CI American Small Companies Corporate Class
CI American Value Fund
CI American Value Corporate Class
CI Asian Dynasty Fund
CI Canadian Investment Fund
CI Canadian Investment Corporate Class
CI Canadian Small Cap Fund
CI Canadian Small/Mid Cap Fund (*formerly Clarica Small/Mid Cap Fund*)
CI Emerging Markets Fund
CI Emerging Markets Corporate Class
CI European Fund
CI European Corporate Class
CI Explorer Fund
CI Explorer Corporate Class
CI Global Fund
CI Global Corporate Class
CI Global Biotechnology Corporate Class
CI Global Consumer Products Corporate Class
CI Global Energy Corporate Class
CI Global Financial Services Corporate Class
CI Global Health Sciences Corporate Class
CI Global Managers® Corporate Class
CI Global Small Companies Fund
CI Global Small Companies Corporate Class
CI Global Science & Technology Corporate Class
CI Global Value Fund
CI Global Value Corporate Class
CI International Fund
CI International Corporate Class
CI International Value Fund
CI International Value Corporate Class
CI Japanese Corporate Class
CI Pacific Fund
CI Pacific Corporate Class
CI Value Trust Corporate Class
Harbour Fund
Harbour Corporate Class
Harbour Foreign Equity Corporate Class
Signature Canadian Small Cap Class (formerly called Synergy Canadian Small Cap Class)
Synergy American Fund (formerly called Landmark American Fund)
Synergy American Corporate Class (formerly called Landmark American Sector Fund)
Synergy Canadian Corporate Class (formerly called Landmark Canadian Sector Fund)

Synergy Canadian Value Class
Synergy Extreme Canadian Equity Fund
Synergy Extreme Global Equity Fund
Synergy Global Corporate Class
Synergy Global Style Management Corporate Class

Balanced Funds

CI Canadian Asset Allocation Fund
CI Global Boomernomics® Corporate Class
CI International Balanced Fund
CI International Balanced Corporate Class
Harbour Foreign Growth & Income Corporate Class
Harbour Growth & Income Fund
Signature Canadian Income Fund

Income Funds

CI Canadian Bond Fund
CI Canadian Bond Corporate Class
CI Long-Term Bond Fund
CI Global Bond Fund
CI Global Bond Corporate Class
Signature Corporate Bond Fund
Signature Corporate Bond Corporate Class
Signature Dividend Fund
Signature Dividend Corporate Class
Signature High Income Fund
Signature High Income Corporate Class
Synergy Canadian Short-Term Income Class

Appendix "B"

Clarica Mutual Funds

Clarica Premier Bond Fund
Clarica Summit Growth and Income Fund
Clarica Canadian Equity Fund
Clarica Summit Canadian Equity Fund
Clarica Summit Dividend Growth Fund
Clarica Summit Foreign Equity Fund
Clarica Premier International Fund
Clarica US Small Cap Fund

Appendix "C"

Prior Funds

Clarica Alpine Canadian Resources Fund
Clarica Canadian Blue Chip Fund
Clarica Canadian Diversified Fund
Signature Canadian Resource Fund
Signature Canadian Resource Corporate Class
Signature Select Canadian Fund
Signature Select Canadian Corporate Class
Signature Canadian Balanced Fund
Signature Income and Growth Fund
Synergy Canadian Class *(formerly Synergy Canadian Momentum Class)*
Synergy Canadian Style Management Class
Synergy Canadian Tactical Asset Allocation Fund
Synergy Global Momentum Class
Synergy Global Style Management Class

2.1.8 Chamaelo Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the requirement to include certain financial statements in an information circular in respect of a restructuring transaction provided alternate disclosure is provided.

Rule / Instrument / Notice Cited

National Instrument 51-102, Continuous Disclosure Obligations.
Ontario Securities Commission Rule 41-501, General Prospectus Requirements.

May 24, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN,
ONTARIO, QUEBEC and NEW BRUNSWICK**

**AND
IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM
FOR EXEMPTIVE RELIEF APPLICATIONS
AND
IN THE MATTER OF
CHAMAELO ENERGY INC.**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the "Decision Maker") in each of Alberta, British Columbia, Saskatchewan, Ontario, Québec and New Brunswick (the "Jurisdictions") has received an application from Chamaelo Energy Inc. (the "Filer") for a decision under the securities legislation (the “Legislation”) of the Jurisdictions that the Filer be exempted, subject to certain conditions:

   1.1 from the requirements to provide audited statements of income, retained earnings and cash flow and a full pro forma income statement and a balance sheet in respect of certain acquisitions made by the Filer within the last three financial years and certain probable acquisitions to be made by the Filer and ExploreCo (as defined and referred to below), each of which would be considered to be a “significant acquisition” to the Filer and ExploreCo as applicable, as required by the Legislation; and

   1.2 in Québec, by a revision of the general order that will provide the same result as the relief requested above

   (collectively, the “Disclosure Requirements”).

2. Under Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Alberta Securities Commission is the principal regulator of this application.

3. Under the System, this MRRS Decision Document evidences the decision of each Decision Maker (the "Decision").

Interpretation

4. Unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions*.

Representations

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

   5.1 The Filer is an oil and gas company incorporated as 1100974 Alberta Inc. under the *Business Corporations Act* (Alberta) (the "ABCA") on April 5, 2004. Pursuant to a Certificate of Amendment dated April 21, 2004, it

changed its name to Chamaelo Energy Inc. Pursuant to Articles of Arrangement dated June 1, 2004, the Filer was arranged pursuant to the Viracocha Arrangement (as defined in 5.13 below).

5.2 The authorized capital of the Filer consists of an unlimited number of common shares (the "Chamaelo Shares") and an unlimited number of preferred shares issuable in series.

5.3 The Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Ontario and New Brunswick.

5.4 The Chamaelo Shares are listed on the Toronto Stock Exchange (the "TSX").

5.5 The Filer intends to reorganize its corporate structure, pursuant to a plan of arrangement (the "Arrangement") under the ABCA, into Vault Energy Trust (the "Trust") and a public exploration-focused oil and gas company ("ExploreCo").

5.6 At the date on which the Arrangement becomes effective under the ABCA (the "Effective Date"), the Arrangement will result in holders of Chamaelo Shares ("Chamaelo Shareholders") exchanging each of their Chamaelo Shares for, at their election where eligible, either 0.50 of one trust unit (a "Trust Unit") of the Trust or 0.50 of one share exchangeable into a Trust Unit (an "Exchangeable Share"), and 0.20 of one common share of ExploreCo (an "ExploreCo Share").

5.7 The information circular (the "Information Circular") with respect to the annual general and special meeting of Chamaelo Shareholders and the holders of outstanding warrants of the Filer (collectively, “Chamaelo Securityholders”) to be held on or about June 20, 2005 for the purpose of approving the Arrangement (the "Meeting") will contain (or to the extent permitted, will incorporate by reference) prospectus-level disclosure in respect of the Filer, the Trust and ExploreCo and a detailed description of the Arrangement.

5.8 The Trust will be an oil and gas royalty trust created under the laws of the Province of Alberta pursuant to a trust indenture to be entered into prior to the mailing of the Information Circular.

5.9 The Trust will become a reporting issuer in at least one of the Jurisdictions and will apply to list the Trust Units on the TSX.

5.10 Pursuant to the terms of an assignment and assumption agreement (the "Come-Along Agreement") to be entered into before the mailing of the Information Circular between, among others, the Filer, the Trust and Orbus Pharma Inc. ("Orbus"), if certain conditions are satisfied, Orbus will participate in the Arrangement, and it will become thereby, ExploreCo.

5.11 In the event that the conditions contained in the Come-Along Agreement are not satisfied, Chamaelo will proceed with 1166554 Alberta Inc. ("1166554") as ExploreCo.

5.12 Orbus is a corporation incorporated under the ABCA and a reporting issuer in Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec and Nova Scotia, and the Orbus Shares are listed on the TSX and the Frankfurt Stock Exchange.

5.13 1166554 is a corporation incorporated under the ABCA.

5.14 1166554 will become a reporting issuer in at least one of the Jurisdictions and will apply to list the ExploreCo Shares on the TSX.

5.15 Pursuant to item 14.2 of Form 51-102F5 of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102"), the Filer is required to provide disclosure (including financial statement disclosure) in the Information Circular for each entity, securities of which are being changed, exchanged, issued or distributed, and for each entity that would result from the significant acquisition or restructuring transaction, prescribed by the form of prospectus that the entity would be eligible to use for a distribution of securities in the Jurisdictions which, in this case, disclosure for the Filer, the Trust and ExploreCo is prescribed by Part 6 of OSC Rule 41-501 *General Prospectus Requirements* (“OSC Rule 41-501”).

5.16 On May 27, 2004, pursuant to a plan of arrangement (the ""Viracocha Arrangement"), the Filer acquired certain oil and gas exploration assets (the "Viracocha Assets") previously owned by Viracocha Energy Inc.

5.17 The information circular of Viracocha dated April 27, 2004 with respect to the Viracocha Arrangement contained, among other things, the statements of revenues and operating expenses of the Viracocha Assets for the financial years ended December 31, 2003, 2002 and 2001 which were audited by KPMG LLP.

5.18 The acquisition of the Viracocha Assets was a "significant acquisition" for the Filer under OSC Rule 41-501. The acquisition was in excess of 50% on the asset test and in excess of 50% on the income test.

5.19 On November 30, 2004, the Filer acquired certain oil and natural gas properties (the "CFOL Assets") from Canadian Forest Oil Ltd.

5.20 On February 11, 2005, the Filer filed a business acquisition report (the "CFOL BAR") under Part 8 of NI 51-102 announcing that it had completed its acquisition of the CFOL Assets.

5.21 The CFOL BAR contained unaudited pro forma consolidated financial statements of the Filer, audited statements of revenue and operating expenses of the CFOL Assets for the two years ended December 31, 2003 and 2002, and the unaudited interim statements of revenue and operating expenses of the CFOL Assets for the nine-month period ended September 30, 2004 and 2003.

5.22 The acquisition of the CFOL Assets was a "significant acquisition" for the Filer under OSC Rule 41-501. The acquisition was in excess of 50% on the asset test and in excess of 50% on the income test.

5.23 Pursuant to a purchase and sale agreement to be entered into between the Filer and a senior oil and gas producer (the "Vendor"), the Filer will acquire, in conjunction with the Arrangement, certain oil and gas properties (the "Vendor Assets") from the Vendor.

5.24 The proposed acquisition of the Vendor Assets is a "significant probable acquisition" for the Filer under OSC Rule 41-501. The acquisition will be in excess of 50% on the asset test and in excess of 50% on the income test.

5.25 The Vendor will not be in a position to provide the requisite financial information pertaining to the Vendor Assets to the Filer before the mailing date of the Information Circular, as the Vendor is not the operator of the Vendor Assets and depends on third parties to supply the relevant information.

5.26 Pursuant to a petroleum, natural gas and general rights conveyance agreement to be entered into between the Filer and ExploreCo, ExploreCo will acquire, in conjunction with the Arrangement, certain of the Filer's oil and gas properties (the "ExploreCo Assets") from the Filer.

5.27 The proposed acquisition of the ExploreCo Assets is a "significant probable acquisition" for ExploreCo under OSC Rule 41-501. The acquisition will be in excess of 50% on the asset test and in excess of 50% on the income test for ExploreCo.

5.28 Under the applicable prospectus requirements, the Filer would be required to include three years of audited financial statements of income, retained earnings and cash flow and a full pro forma income statement and a balance sheet in respect of the Viracocha Assets, CFOL Assets, Vendor Assets and ExploreCo Assets, as the case may be, as well as certain unaudited financial statements, in the Information Circular (and in the case of the ExploreCo Assets, with respect to the significant acquisition thereof by ExploreCo).

5.29 The Filer proposes to include the following financial disclosure in the Information Circular:

5.29.1 with respect to the acquisition of the Viracocha Assets,

5.29.1.1 audited statements of revenue and operating expenses in respect of the Viracocha Assets for the years ended December 31, 2003, December 31, 2002 and December 31, 2001;

5.29.1.2 unaudited statements of revenue and operating expenses in respect of the Viracocha Assets for the three-month periods ending March 31, 2004 and March 31, 2003;

5.29.1.3 a pro forma income statement for the Trust for the year ended December 31, 2004 combining the Viracocha Assets;

5.29.1.4 pro forma earnings per share based upon the statement referred to in 5.29.1.3 directly above; and

5.29.1.5 information with respect to reserve estimates of future net revenue and production volumes and other relevant material information relating to the Viracocha Assets;

5.29.2 with respect to the acquisition of the CFOL Assets,

5.29.2.1 audited statements of revenue and operating expenses in respect of the CFOL Assets for the years ended December 31, 2003, December 31, 2002 and December 31, 2001;

5.29.2.2 unaudited statements of revenue and operating expenses in respect of the CFOL Assets for the nine-month periods ending September 30, 2004 and September 30, 2003;

5.29.2.3 a pro forma income statement for the Trust for the year ended December 31, 2004 combining the CFOL Assets;

5.29.2.4 pro forma earnings per share based upon the statement referred to in 5.29.2.3 directly above; and

5.29.2.5 information with respect to reserve estimates of future net revenue and production volumes and other relevant material information relating to the CFOL Assets;

5.29.3 with respect to the acquisition of the Vendor Assets:

5.29.3.1 audited statements of revenue and operating expenses in respect of the Vendor Assets for the years ended December 31, 2004, December 31, 2003 and December 31, 2002;

5.29.3.2 a pro forma income statement for the Trust for the year ended December 31, 2004 combining the Vendor Assets;

5.29.3.3 pro forma earnings per share based upon the statement referred to in 5.29.3.2 directly above; and

5.29.3.4 information with respect to reserve estimates of future net revenue and production volumes and other relevant material information relating to the Vendor Assets; and

5.29.4 with respect to the acquisition of the ExploreCo Assets by ExploreCo:

5.29.4.1 audited statements of revenue and operating expenses in respect of the ExploreCo Assets for the years ended December 31, 2004, December 31, 2003 and December 31, 2002;

5.29.4.2 a pro forma income statement for ExploreCo for the year ended December 31, 2004 combining the ExploreCo Assets;

5.29.4.3 pro forma earnings per share based upon the statement referred to in 5.29.4.2 directly above; and

5.29.4.4 information with respect to reserve estimates of future net revenue and production volumes and other relevant material information relating to the ExploreCo Assets

(collectively, the "Alternative Financial Disclosure").

5.30 Each of the acquisitions referred to herein is an acquisition of interests in oil and gas properties constituting a business, as provided in the Companion Policy to OSC Rule 41-501.

5.31 Each of the acquisitions referred to herein has no separate historical audited financial statements exist in respect of the assets in question.

5.32 Each of the acquired and to-be-acquired assets referred to herein does not constitute a reportable segment for the relevant entity.

5.33 The Filer is not in default of any of the requirements under the Legislation.

Decision

6. 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.

7. The Decision of the Decision Makers under the Legislation is that the requirement contained in the Legislation to include financial statement disclosure in an information circular prepared in connection with a plan of arrangement, including audited and unaudited statements of income, retained earnings and cash flow and a full pro forma income statement and a balance sheet in respect to the Viracocha Assets, the CFOL Assets, the Vendor Assets and the ExploreCo Assets for a three-year period as required by the Disclosure Requirements, shall not apply to Chamaelo provided that the Alternative Financial Disclosure for Chamaelo, the Trust and ExploreCo, as applicable, is included in the Information Circular.

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

2.1.9 Resolute Energy Inc. - s. 83

Headnote

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

Applicable Ontario Statutory Provisions

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

June 16, 2005

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

Attention: John Piasta

Dear Sir:

Re: Resolute Energy Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta and Ontario (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;

2. no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

3. the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and

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

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

Relief requested granted on the 16th day of June, 2005.

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

2.2 Orders

2.2.1 CrossOff Incorporated - s. 104(2)(c)

Headnote

Relief from issuer bid requirements – Applicant issued 2,000,000 common shares to the shareholders of a private company as part consideration for all of the shares of the private company pursuant to the terms of a share purchase agreement – in settlement of claims or potential claims by the Applicant against the shareholders, the shareholders and a transferee agreed to return an aggregate of 1,641,666 common shares to the Applicant for cancellation – no consideration is being paid for the common shares other than releases.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 93(3), 95-98, 100, 104(2)(c).

June 7, 2005

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

AND

IN THE MATTER OF
CROSSOFF INCORPORATED

ORDER
(Clause 104(2)(c))

UPON the application of CrossOff Incorporated ("CrossOff") to the Ontario Securities Commission (the "Commission") for an order pursuant to clause 104(2)(c) of the Act exempting CrossOff from the requirements of sections 95 through 98 and 100 of the Act (the "Issuer Bid Requirements") in connection with the proposed acquisition by CrossOff of securities of its own issue from arm's length third parties in settlement of claims arising out of a share purchase agreement;

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

AND UPON CrossOff having represented to the Commission that:

1. CrossOff is a company incorporated on December 31, 1963 under the Companies Act of New Brunswick by letters patent and subsequently continued under the *Companies Act* (Nova Scotia).

2. CrossOff's head office is located in Sydney, Nova Scotia.

3. CrossOff is a reporting issuer in each of the Provinces of Canada and is not in default of any requirement of the securities legislation of such jurisdictions, including the Act.

4. The authorized capital of CrossOff consists of 500,000,000 common shares without nominal or par value (the "Common Shares"), of which 24,928,863 Common Shares were issued and outstanding as of May 31, 2005.

5. The Common Shares are listed on the Toronto Stock Exchange (the "TSX"). The closing price of the Common Shares of the TSX on May 31, 2005 was $0.33.

6. CrossOff is in the business of providing anti-counterfeiting and brand protection services and technology training and consulting services.

7. CrossOff entered into a share purchase agreement (the "Share Purchase Agreement"), dated May 1, 2002 with Orville F. Osborne, Susan A. Osborne and Christopher J. Mace (collectively, the "Vendors"), each at arm's length to CrossOff. The Share Purchase Agreement provided that CrossOff would acquire from the Vendors all of the outstanding shares of Remcorp Inc. ("Remcorp") in exchange for the issuance of 2,000,000 Common Shares (the "Subject Shares") and warrants entitling the holder to acquire 200,000 Common Shares at a price of $0.55 per share and the payment of promissory notes in the aggregate amount of $500,000 (the "Notes") and $1,000,000 cash.

8. Further to a direction to pay from Orville F. Osborne and Susan A. Osborne to CrossOff, 500,000 of the Subject Shares and $270,000 principal amount of Notes (the "Transferee Payment") were paid on closing to a third party (the "Transferee"). The Transferee had paid money to Remcorp in connection with a subscription for Remcorp shares, but had never been issued shares. It was a condition of the Share Purchase Agreement that the Vendors settle any dispute with the Transferee. This condition was satisfied by the Transferee Payment. The Transferee Payment effectively put the Transferee in the same position as if he had been a shareholder of Remcorp.

9. The Transferee has at all times been arm's length to CrossOff.

10. The Share Purchase Agreement included an indemnity by the Vendors with respect to any liabilities which CrossOff may incur by the non-performance or non-fulfillment of any covenant or agreement contained in the Share Purchase Agreement, or any misrepresentation or warranty made by the Vendors contained in the Share Purchase Agreement.

11. In settlement of claims or potential claims by CrossOff under the Share Purchase Agreement, CrossOff entered into a settlement agreement dated November 13, 2003 with Orville F. Osborne, Susan A. Osborne and Remcorp (the "Osborne Settlement") wherein the following was agreed:

    (a) Mr. Osborne will return 875,000 of the Subject Shares ("Orville's Shares") to CrossOff for cancellation; and

    (b) Ms. Osborne will return 600,000 of the Subject Shares ("Susan's Shares") to CrossOff for cancellation.

12. On the basis that the Transferee was effectively treated by the parties to the Share Purchase Agreement as a "Vendor" thereunder, CrossOff entered into a settlement agreement with the Transferee on March 31, 2005 dated as of January 31, 2005 (the "Transferee Settlement" and, together with the Osborne Settlement, the "Settlement Agreements").

13. Under the Transferee Settlement, the Transferee agreed to return 166,666 of the Subject Shares (collectively with Orville's Shares and Susan's Shares, the "Settlement Shares") to CrossOff for cancellation upon payment in full by CrossOff of the promissory note held by the Transferee.

14. Each of Orville F. Osborne, Susan A. Osborne and the Transferee are resident in Ontario, and has obtained independent legal advice prior to entering into the Settlement Agreements.

15. No consideration is being paid for the Settlement Shares other than releases which will be provided as part of the Settlement Agreements. The Settlement Shares will immediately be cancelled upon being acquired by CrossOff.

16. In approving the Settlement Agreements, the Board of Directors of CrossOff concluded that the value to CrossOff of any potential claims under the indemnity provisions of the Share Purchase Agreement or otherwise did not exceed the market value of the Settlement Shares at the time of the Settlement Agreements, and that it is in the best interest of CrossOff and its shareholders to acquire the Settlement Shares pursuant to the Settlement Agreements. In reaching this conclusion, the Board of Directors of CrossOff considered:

    (a) the merits of any such claim;

    (b) the cost of pursuing any such claim, including both management time and external advisors; and

    (c) the ability to collect on any judgement.

17. The acquisition of the Settlement Shares pursuant to the Settlement Agreements is an issuer bid as defined in subsection 89(1) of the Act and is not an exempt issuer bid under subsection 93(3) of the Act.

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that CrossOff is exempt from the Issuer Bid Requirements of the Act in connection with the acquisition by CrossOff of the Settlement Shares pursuant to the Settlement Agreements.

"Paul M. Moore"

"Carol S. Perry"

2.2.2 Stone Mountain Holdings Inc. - s. 144

Headnote

Section 144 – Revocation of cease trade order – Issuer subject to cease trade order as a result of its failure to file annual and interim financial statements – Issuer has brought filings up to date and is otherwise not in default of Ontario securities law.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1)2, 127(5), 127(8), 144.

June 23, 2005

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

AND

IN THE MATTER OF
STONE MOUNTAIN HOLDINGS INC.

ORDER
(Section 144)

WHEREAS the securities of Stone Mountain Holdings Inc. (Stone Mountain) are subject to a Temporary Order of the Director dated February 2, 2005 under paragraph 127(1)2 and subsection 127(5) of the Act, as extended by an Order of the Director dated February 14, 2005 under subsection 127(8) of the Act (together, the Cease Trade Order) directing that trading in the securities of Stone Mountain cease;

AND WHEREAS Stone Mountain has applied to the Ontario Securities Commission (the Commission) for revocation of the Cease Trade Order pursuant to section 144 of the Act;

AND UPON Stone Mountain having represented to the Commission that:

1. Stone Mountain is a company existing under the *Business Corporations Act* (British Columbia) and was incorporated on August 8, 2003. The head office of Stone Mountain is located in Abbotsford, British Columbia.

2. Stone Mountain is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia and Newfoundland and Labrador.

3. The authorized capital of Stone Mountain consists of 100,000,000 common shares without par value, of which 13,820,100 common shares are issued and outstanding at the date hereof.

4. Stone Mountain's securities are listed for trading on the TSX Venture Exchange under the symbol “SMO”, but are currently suspended from trading on the TSX Venture Exchange because of the Cease Trade Order and cease trade orders issued against Stone Mountain by the securities commissions of British Columbia, Alberta and Manitoba.

5. The Cease Trade Order was issued as a result of the failure of Stone Mountain to file its audited annual financial statements for the year ended August 31, 2004 (the Annual Financial Statements) and interim statements for the three-month period ended November 30, 2004 (the November Statements) as required by Ontario securities law.

6. Subsequently, Stone Mountain failed to file unaudited interim financial statements for the period ended February 28, 2005 (together with the November Statements, the Interim Financial Statements) as required by Ontario securities law.

7. The Annual Financial Statements and the Interim Financial Statements were filed with the Commission via SEDAR on May 25, 2005.

8. Stone Mountain has delivered its Annual Financial Statements and its Interim Financial Statements to its securityholders in Ontario as required by Ontario securities law.

9. Stone Mountain has now brought its continuous disclosure filings up to date.

10. Except for the Cease Trade Order, Stone Mountain is not otherwise in default of any requirement of Ontario securities law.

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

AND UPON the Commission being satisfied that it would not be prejudicial to the public interest to revoke the Cease Trade Order;

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be revoked.

"Charlie MacCready"
Assistant Manager, Corporate Finance
Ontario Securities Commission

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Gregory Hryniw and Walter Hryniw

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

AND

THE SETTLEMENT AGREEMENTS WITH
GREGORY HRYNIW AND WALTER HRYNIW

REASONS FOR THE DECISIONS OF THE
ONTARIO SECURITIES COMMISSION

Hearing: **Thursday, June 16, 2005**

Panel:	**Paul M. Moore, Q.C.**	**-**	**Vice-Chair (Chair of the Panel)**
	David L. Knight	**-**	**Commissioner**
Counsel:	**Kate Wootton** **Colin McCann**	**-**	**For Staff of the** **Ontario Securities Commission**
	Gregory Hryniw	**-**	**self-represented (via teleconference)**
	Walter Hryniw	**-**	**Self-represented (via teleconference)**

The following statement has been prepared for purposes of publication in the Ontario Securities Commission Bulletin (the "Bulletin") and is based on the transcript of the hearing, including oral reasons delivered at the hearing on the settlement agreement between staff of the Commission and Gregory Hryniw, and another settlement agreement between staff of the Commission and Walter Hryniw (the "Settlement Agreements"), in the matter of Gregory Hryniw and Walter Hryniw. The transcript has been edited, supplemented and approved by the chair of the panel for the purpose of providing a public record of the decisions. This extract should be read together with the Settlement Agreements and the orders signed by the panel.

The hearing was conducted *in camera* until the oral decisions and reasons were delivered by Vice-Chair Moore.

From the Transcript:

Vice-Chair Moore:

[1] This is a hearing under section 127 of the *Securities Act,* R.S.O 1990, c. S.5 as amended (the "Act"), for the Ontario Securities Commission to consider whether it is in the public interest to approve the proposed Settlement Agreements between staff and Gregory Hryniw, and between staff and Walter Hryniw, and to make orders approving the sanctions agreed to by staff and the respondents in relation to the respondents' conduct of providing false and misleading statements to staff.

[2] As mentioned by counsel, this is not an insider trading case, because staff is not proceeding against the respondents in respect of insider trading allegations set out in paragraphs 5 to 9 of the amended statement of allegations.

Facts

[3] Golden Hope Mines Limited ("Golden Hope") is a reporting issuer in the Province of Ontario. The shares of Golden Hope were, at the material time, listed and posted for trading on the Canadian Dealing Network.

[4] Gregory Hryniw is a resident in the City of Montréal in the Province of Québec. At the material time, Gregory Hryniw was a 27 year old geologist and was a director of Golden Hope.

[5] Walter Hryniw is Gregory Hryniw's father and is a resident of the City of Montréal in the Province of Québec.

[6] In or around May 8, 1998, staff commenced an investigation with respect to trades that were made in shares of Golden Hope immediately prior to a favourable public announcement on June 3, 1997 concerning Golden Hope's participation in a private placement.

[7] In particular, staff was investigating the purchase of 585,000 Golden Hope shares through an account held at The Bank of N.T. Butterfield & Sons Limited ("Butterfield Bank") in Hamilton, Bermuda (the "Bermuda Account").

[8] During the course of staff's investigation of this matter, the respondents were contacted by staff during the summer of 2002 and asked whether they had traded any Golden Hope shares, either in the Bermuda Account or through a nominee account during June and/or July, 1997. Walter Hryniw responded by letter dated August 20, 2002, and advised that he had not. Gregory Hryniw advised that to his knowledge they did not, and that he had not heard of the Butterfield Bank.

[9] Pursuant to an application to the Attorney General of Bermuda by staff, staff obtained documentation from the Butterfield Bank which revealed that the Bermuda Account was in the names of Walter Hryniw and Gregory Hryniw, and which confirmed the trading in Golden Hope shares in the Bermuda Account in June, 1997. The documentation included copies of the passports of both Gregory Hryniw and Walter Hryniw, account statements, security transaction forms and a custody agreement signed by Gregory Hryniw.

[10] The respondents admit that the representations made to staff were false and misleading.

Action Contrary to the Public Interest

[11] The respondents' conduct, as described above, constituted a contravention of section 122 of the Act and was contrary to the public interest.

Sanctions

[12] The Settlement Agreements contain a representation by Walter Hryniw that he was the only person that opened, operated and traded in the Bermuda Account.

[13] Both respondents further represent that they do not currently hold any positions as an officer or director of any issuer.

[14] The proposed sanctions are included in Part VI of the Settlement Agreements and are set out in the draft orders, attached to the Settlement Agreements as Schedule A, as follows:

a) each respondent will cease trading in securities for a period of three years effective from the date of the orders of the Commission approving the Settlement Agreements;

b) the exemptions contained in Ontario securities law do not apply to the respondents for a period of three years effective from the date of the orders of the Commission approving the Settlement Agreements;

c) the respondents will not act as an officer or director of any issuer for a period of three years effective form the date of the orders of the Commission approving the Settlement Agreements;

d) the respondents will be reprimanded by the Commission;

e) the respondents agree to attend the hearing by telephone on June 16, 2005 or such other date as may be agreed to by the parties; and

f) the respondents will each make a total payment of $2,500.00 to the Commission in respect of a portion of the Commission's costs with respect to this, such payment to be payable in the amounts of $500.00 each upon approval of the Settlement Agreements, and $500.00 each, per month, payable on July 31, 2005, August 31, 2005, September 30, 2005 and October 31, 2005.

Appropriate Factors for Sanctioning

[15] We have weighed the proposed sanctions with the factors outlined in *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at pp. 7743-7746, and *Re M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B 1133, at p. 1136.

[16] We have also kept in mind the prophylactic purpose of sanctions that will deter conduct by others that is likely to be prejudicial to the public interest.

Acceptability of Agreed Sanctions

[17] We have considered the sanctions and believe they fall within acceptable parameters as outlined in *Re Sohan Singh Koonar* (2002), 25 O.S.C.B. 2691, at p. 2692.

[18] As I previously mentioned, the sanctions proposed in the Settlement Agreements are in the public interest. The respondents have admitted that they provided false and misleading information to staff and that such conduct constitutes a breach of section 122 of the Act and is contrary to the public interest.

[19] Accordingly, they have accepted sanctions which include a temporary prohibition from trading in the capital markets and a temporary prohibition from acting as an officer or director of any issuer.

[20] They have also agreed to pay a portion of the Commission's costs in relation to the investigation of the misleading allegations, in recognition that not all of the costs should be borne by the Commission or subsidized by other participants in the capital markets.

[21] The respondents provided false and misleading statements to staff during the course of an investigation. In regard to Gregory Hryniw, he failed to take the appropriate degree of care in his dealings with the regulator and breached the Act's requirements of responsible conduct by market participants.

[22] The type of conduct in these two matters demonstrates a complete disregard for the authority of the Commission, for compliance with Ontario securities law, and the obligation to provide full and accurate information to the Commission and its staff.

[23] The Commission and its staff perform a crucial role in maintaining the integrity of our capital markets. The respondents' conduct undermines the ability of staff to fulfill that statutory mandate.

[24] The conduct established a serious threat of future misconduct and also constitutes a threat to the integrity of the capital markets.

[25] The proposed Settlement Agreements and sanctions recognize the threat of future misconduct by the respondents and also the threat to the integrity of the capital markets, by temporarily removing the respondents from those capital markets, and temporarily preventing them from acting as an officer or director of any issuers.

[26] The proposed sanctions will send a clear message to the respondents and to all other participants in the capital markets that conduct of this nature will not be tolerated and will be treated very seriously by the Commission.

Electronic Hearing via Telephone Conference

[27] A pre-hearing application was brought to allow this hearing to be held as an electronic hearing via telephone conference. This was a joint application by staff of the Commission and the respondents pursuant to Rule 4.2 of the Ontario Securities Commission *Rules of Practice* (the "Rules").

[28] As a result, the respondents have been on the phone by telephone while the staff and others are here in the hearing room.

[29] Additional relevant facts, besides those relating to the matter itself, are that the respondents have advised that they do not have the financial resources to pay for the costs associated with attending the settlement hearings in Ontario. In addition, the former counsel representing them has withdrawn because they were unpaid, and as a result, the respondents are now unrepresented by counsel.

[30] We had no difficulty in granting the request for the electronic hearing, except for the fact that one of the sanctions requested by staff and agreed to in the Settlement Agreements is a reprimand.

[31] Section 1(i) of the *Statutory Powers Procedures Act*, R.S.O. 1990, c. S.22, as amended (the "SPPA"), defines an electronic hearing as a hearing held by conference telephone or some other form of electronic technology allowing persons to hear one another. Section 5.2 of the SPPA has further provisions.

[32] We are satisfied that since no live evidence was required in this hearing and since it was really a narrow hearing to determine whether the Settlement Agreements were in the public interest, and the hearings are not contested, that this would be an appropriate case for an electronic hearing.

[33] The practice guidelines of Rule 4 of the Rules set out the factors to consider in determining whether to hold an electronic hearing. I won't mention all of the factors, but the important factor in our case is the suitability of the electronic technology for the subject matter of the hearing.

[34] As I mentioned, the one concern we had is the fact that the sanctions called for include a reprimand.

[35] The Commission has power, pursuant to section 127.1(6) of the Act, to make an order that a person or company be reprimanded if, in its opinion, it is in the public interest to do so. A reprimand is a statutory sanction which will be reflected in a final order made against a person or company, and will, therefore, have a permanent effect upon the respondent's disciplinary history with the Commission.

[36] The reprimand power is used as a sanction primarily where the Commission determines that the penalties of suspension, restriction or termination of registration are too severe in the circumstance of the case. The reprimand power is also an effective sanction against directors, officers and others for activity considered below the standard expected by the Commission in the capital markets.

[37] There is no legal authority directly on point, although there are some precedents of whether it is appropriate for a reprimand to be administered without the respondents physically present.

[38] Our practice in the past has been to insist that a respondent appear before us to receive, in open hearing room, a reprimand from the Commission. We do not have the authority to require the presence of a respondent in a contested hearing. However, we have made it a practice that we would not favourably consider a settlement agreement providing for a reprimand without the respondent physically present.

[39] This has not been an ironclad practice. There have been instances in the past where the facts at hand made it advisable not to insist upon the presence of the respondent. We considered that the facts of this case justify us in departing from our preferred course of action.

[40] The respondents are out of province. The respondents are impecunious, as evidenced by the fact that they have not been able to pay their counsel. And the subject matter at hand is such that we feel it is appropriate, although not preferable, to proceed with this hearing with the respondents available by telephone.

[41] Accordingly, we had weighed the disadvantages against the considerations: the out-of-province residency, the poverty of the respondents, the lack of financial resources and the costs associated with attending the hearing in Ontario. And we weigh that against the delay that would be associated with adjourning the hearing to allow the respondents sufficient time to gather the resources to pay for their costs in connection with attending the meeting. We've also taken comfort from the fact that the final orders will be in writing and will be posted in the Bulletin.

[42] Therefore, we recognize that the Commission can administer its reprimand in writing as part of its reasons and also through an order. Taking all of that into consideration, we agreed with the parties and advised them, prior to the commencement of this hearing, that an electronic hearing would be permissible.

[43] That is the conclusion of our reasons. Now, because of technological difficulties, one of the two respondents, Gregory Hryniw, was disconnected from the hearing after we had announced our decision, but before I completed giving the reasons and before I administered the reprimand. We have just been advised by counsel for staff that Gregory Hryniw has called in to the switchboard, but hasn't been able to get through to the hearing room because of ID numbers.

[44] It is appropriate, in the circumstances, for me to conclude this matter by saying to Walter Hryniw, and have it conveyed to Gregory Hryniw, that, you have admitted that your conduct has been reprehensible, that it is not in the public interest, and we're satisfied that you will learn from your lesson. You are hereby reprimanded, and this will be repeated in the written orders.

Approved by the Chair of the Panel on June 16, 2005.

"Paul M. Moore"
Vice-Chair

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
GDI Global Data Inc.	14 Jun 05	24 Jun 05	24 Jun 05	
The Streetwear Corporation	14 Jun 05	24 Jun 05	24 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		
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 6

Request for Comments

6.1.1 Request for Comment - Proposed OSC Rule 62-503 Financing of Take-over Bids and Issuer Bids

PROPOSED ONTARIO SECURITIES COMMISSION
RULE 62-503 - FINANCING OF TAKE-OVER BIDS AND ISSUER BIDS

Substance and Purpose of Proposed Rule

The Commission is publishing for comment proposed Rule 62-503 – *Financing of Take-over Bids and Issuer Bids*.

Section 96 of the *Securities Act* (Ontario) (the "Act") provides as follows:

> **96. Financing of bid –** Where a take-over bid or issuer bid provides that the consideration for the securities deposited pursuant to the bid is to be paid in cash or partly in cash, the offeror shall make adequate arrangements prior to the bid to ensure that the required funds are available to effect payment in full for all securities that the offeror has offered to acquire.

The judgment of the Ontario Superior Court of Justice earlier this year in *BNY Capital Corp. v. Katotakis*, reported at [2005] O.J. No. 813, has created some uncertainty regarding the scope of the financing requirement under section 96. The court's judgment included the following statement (at para. 5):

> "Adequate arrangements" has been interpreted to mean that there must be accurate, clear and unequivocal assurance that the financing is in place in the sense that a public shareholder contemplating tendering his or her shares to the bid can be unequivocally assured that the funds are available to complete the purchase.

Staff of the Commission has previously taken the position that some conditionality in bid financing arrangements is acceptable, provided that the conditions are customary and minimal. While staff continues to hold this view, a rule is considered necessary to clarify the law in this area in light of the *BNY* judgment.

The proposed rule provides that the financing arrangements may be subject to conditions if, at the time the bid is commenced, the offeror reasonably believes the possibility to be remote that the offeror will be unable to pay for securities deposited under the bid solely due to a financing condition not being satisfied.

In the Commission's view, the proposed rule reflects the general understanding in the legal community as to how section 96 of the Act has been applied in practice. The Commission considered whether to accompany the rule with a companion policy listing the types of financing conditions that likely would be or not be acceptable. The Commission decided against this approach because conditions that may comply with the rule in one factual context may not be suitable in others. The rule is intended to enable the policy objectives of section 96 to be met in a flexible manner, as bidders and lenders will be able to tailor their conditions to the specific circumstances of the transaction.

Authority for the Proposed Rule

Subsection 143(1) of the Act provides the Commission with the authority to make rules regulating take-over bids and issuer bids. Clause 143(1)(iii) explicitly authorizes the making of rules to vary the requirements set out in section 96 of the Act, although the Commission considers the proposed rule to be primarily a clarification of an existing requirement.

Unpublished Materials

In proposing the rule, the Commission has not relied on any significant unpublished study, report or other materials.

Anticipated Costs and Benefits

The Commission believes that market participants, including bidders, lenders and target security holders, will benefit from the removal of the current uncertainty in the area of bid financing. Greater efficiencies will be achieved through reduced transaction costs, including potential costs associated with applications for exemptive relief and legal challenges to bids.

Comments

Interested parties are invited to make written submissions with respect to the proposed rule. Submissions received by October 3, 2005 will be considered.

Submissions should be made to:

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
jstevenson@osc.gov.on.ca

A diskette containing the submission in Word format should also be submitted. As the Act requires that a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions may be referred to:

Naizam Kanji
Senior Legal Counsel, Take-over/Issuer Bids, Mergers & Acquisitions
416-593-8060

or

Ralph Shay
Director, Take-over/Issuer Bids, Mergers & Acquisitions
416-593-2345

Text of the Proposed Rule

The text of the proposed rule follows.

July 1, 2005

ONTARIO SECURITIES COMMISSION RULE 62-503 – FINANCING OF TAKE-OVER BIDS AND ISSUER BIDS

1.1 **Financing of Bid -** For the purposes of section 96 of the Act, the financing arrangements required to be made by the offeror prior to a bid may be subject to conditions if, at the time the bid is commenced, the offeror reasonably believes the possibility to be remote that the offeror will be unable to pay for securities deposited under the bid solely due to a financing condition not being satisfied.

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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 45-501F1

Transaction Date	Purchaser	Security	Total Pur. Price ($)	No. of Securities
01-Jun-2005	Alfred A. Guglielmin	970198 Alberta Ltd. - Common Shares	10,000.00	25,000.00
14-Jun-2005	36 Purchasers	Accrete Energy Inc. - Common Shares	13,782,250.00	1,901,000.00
20-Jun-2005	Peter Heyerdahl	Airesurf Networks Holdings Inc. - Units	5,000.00	50,000.00
20-Jun-2005	3 Purchasers	Altek Power Corporation - Units	31,000.00	155,000.00
17-Jun-2005	RAB Special Situations (Master) Fund Limited	Anderson Gold Corporation - Convertible Debentures	750,000.00	1.00
15-Jun-2005	David Lurie Peter Von Schilling	BearCub Investments Inc. - Units	116,756.00	80.00
16-Jun-2005	6 Purchasers	Beartooth Platinum Corporation - Units	310,000.00	3,100,000.00
23-Jun-2005	UBS Securities Canada Inc.	Bourse de Montreal Inc. - Common Shares	1,365,600.00	80,000.00
16-Jun-2005	4 Purchasers	Call Genie Inc. - Common Shares	195,000.00	390,000.00
20-Jun-2005	8 Purchasers	CareVest Blended Mortgage Investment Corporation - Preferred Shares	467,742.00	461,742.00
20-Jun-2005	11 Purchasers	CareVest First Mortgage Investment Corporation - Preferred Shares	869,243.00	869,243.00
08-Jun-2005	Inter-Canadian Capital Strategies Inc.	Catalina Energy Corp. - Common Shares	11,874.00	148,425.00
10-Jun-2005	3 Purchasers	Commercial Solutions Inc. - Common Shares	675,000.00	270,000.00
13-Jun-2005	22 Purchasers	Cornerstone Capital Resources Inc. - Flow-Through Shares	640,325.00	1,829,500.00
13-Jun-2005	Glenn McHarg Jean-Pierre Lefebvre	Cornerstone Capital Resources Inc. - Non-Flow-Though Shares	31,500.00	105,000.00
31-May-2005	779825 Ontario Inc.	Creststreet Energy Hedge Fund L.P. - Limited Partnership Units	125,000.00	12,340.00
08-Jun-2005 to 17-Jun-2005	10 Purchasers	Crowflight Minerals Inc. - Units	2,801,250.00	11,205,000.00

20-Jun-2005	Kinross Gold Corporation	Crown Resources Corporation - Convertible Debentures	12,355,000.00	12,355,000.00
10-Jun-2005	Jane Gibson	Deans Knight Equity Growth Fund - Units	343,000.00	172.00
23-Jun-2005	12 Purchasers	DNA Genotek Inc. - Common Shares	1,478,504.90	2,824,700.00
20-Jun-2005	CI Mutual Funds Inc.	Dollar Financial Group, Inc. - Notes	16,629,682.99	13,000,000.00
07-Jun-2005	Venture Coaches Fund L.P.	DragonWave Inc. - Common Shares	1,098,621.00	1,098,621.00
16-Jun-2005	Royal Bank of Canada	ev3 Inc. - Shares	86,156.00	5,000.00
14-Jun-2005	Pele Gold Corporation	East West Resource Corporation - Common Shares	20,000.00	100,000.00
16-Jun-2005	3 Purchasers	Emmis Communications Corporation - Notes	6,172,500.00	5,000.00
21-Jun-2005	The Bank of Nova Scotia	First Trust/Highland Capital Senior Loan Trust - Trust Units	5,077,500.00	5,077,500.00
16-Jun-2005	RBC Dominion Securities Inc. Hospitals of Ontario Pension Plan	Ford Credit Canada Limited - Notes	199,822,000.00	200,000,000.00
25-May-2005	13 Purchasers	Glentel Inc. - Common Shares	8,470,000.00	1,540,000.00
17-Jun-2005	ITW Canada	GMO Developed World Equity Investment Fund PLC - Units	68,574.25	2,403.00
21-Jun-2005	Canada Dominion Resources 2005 LP CMP 2005 Resource LP	Gold Canyon Resources Inc. - Flow-Through Shares	499,999.80	833,333.00
14-Jun-2005	John Seaman	Gold Point Energy Corp. - Units	10,000.00	25,000.00
11-Apr-2005 to 21-Jun-2005	19 Purchasers	Goldentech Entertainment Software Inc. - Shares	128,150.00	116,500.00
16-Jun-2005	Lawrence Enterprise Fund Inc.	Hallcon Corporation - Debentures	250,000.00	250,000.00
15-Jun-2005	Jevco Insurance Co.	Imperial Metals Corporation - Debentures	1,500,000.00	41,431.00
16-Jun-2005	4 Purchasers	Intelligauge Inc. - Debentures	400,000.00	400,000.00
16-Jun-2005	4 Purchasers	Intelligauge Inc. - Warrants	0.00	371,917.00
16-Jun-2005	Strategic Advisors Corp.	Interex Oilfield Services Ltd. - Special Warrants	7,475.00	11,500.00
17-Jun-2005 to 20-Jun-2005	3 Purchasers	IsoRay Medical Inc. - Convertible Debentures	104,928.25	95,000.00
15-Jun-2005	3 Purchasers	Kingwest U.S. Equity Portfolio - Units	47,100.00	3,688.00

16-Jun-2005	Strategic Advisors Corp.	Kodiak Oil & Gas Corp. - Common Share Purchase Warrant	3.83	3,825.00
16-Jun-2005	Strategic Advisors Corp.	Kodiak Oil & Gas Corp. - Common Shares	2,160.00	2,700.00
31-May-2005	Lancaster Balanced Fund II	Lancaster Canadian Equity Fund - Trust Units	2,193,496.10	135,658.00
31-May-2005	AIG Life Canada	Lancaster Fixed Income Fund II - Trust Units	118.72	9.00
31-May-2005	912034 Alberta Ltd.	Lancaster Fixed Income Fund II - Trust Units	45,117,893.28	3,506,945.00
31-May-2005	Computershare in Trust for DOGRIB	Lancaster Short Bond Fund - Trust Units	10,175.49	991.00
16-Jun-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Share Purchase Warrant	500.00	1,000.00
16-Jun-2005	Strategic Advisors Corp.	Leader Energy Services Ltd. - Common Shares	4,360.00	2,000.00
31-May-2005	5 Purchasers	Long View Resources Corporation - Flow-Through Shares	1,320,250.00	3,415,000.00
15-Jun-2005	3 Purchasers	Longbow Capital Limited Partnership #11 - Limited Partnership Units	175,000.00	175.00
14-Jun-2005	3 Purchasers	Lusight Limited - Shares	351,313.00	27,619.00
10-Jun-2005	3 Purchasers	Magenta II Mortgage Investment Corporation - Shares	100,000.00	1,000,000.00
16-Jun-2005	Strategic Advisors Corp.	Magnifoam Technology International Inc. - Common Shares	4,515.00	2,100.00
15-Jun-2005	Biotech Breakthrough Fund (I) Inc.	Matregen Corp. - Convertible Debentures	500,000.00	1.00
20-Jun-2005	Biotech Breakthrough Fund (I) Inc.	Matregen Corp. - Convertible Debentures	500,000.00	1.00
15-Jun-2005	RBC Dominion Securities Inc.	MBS Trust - Trust Units	22,052,862.32	1,740,008.00
13-Jun-2005	10 Purchasers	Medical Ventures Corp. - Common Shares	1,037,500.00	4,150,000.00
15-Jun-2005	BMO Nesbitt Burns Inc.	MetLife Inc. - Units	500,000.00	20,000.00
13-Jun-2005	Canada Mortgage and Housing Corporation Pension Fund	Montez Retail Fund Inc. - Common Shares	1,174,297.60	1,174,298.00
13-Jun-2005	Canada Mortgage and Housing Corporation Pension Fund	Montez Retail Fund Inc. - Common Shares	1,171,233.10	1,171,233.00
13-Jun-2005	3 Purchasers	Montez Retail Fund Inc. - Common Shares	436,361.00	436,361.00

13-Jun-2005	Canada Mortgage and Housing Corporation Pension Fund	Montez Retail Fund Inc. - Common Shares	234,859.52	234,860.00
16-Jun-2005	3 Purchasers	Mystique Energy Inc. - Common Shares	3,135,000.00	3,918,750.00
22-Oct-2004	Pierre & Yolaine Matteau	NGRAIN (Canada) Corporation - Common Shares	100,000.00	50,000.00
16-Mar-2005	3 Purchasers	NGRAIN (Canada) Corporation - Common Shares	102,000.00	51,000.00
15-Jun-2005	3 Purchasers	Oilsands Quest Inc. - Flow-Through Shares	90,750.00	49,000.00
10-Jun-2005	10 Purchasers	OPTI Canada Inc. - Units	107,984,750.00	3,660,500.00
22-Jun-2005	13 Purchasers	Pacific Comox Resources Ltd. - Flow-Through Shares	130,956.00	2,182,600.00
22-Jun-2005	11 Purchasers	Pacific Comox Resources Ltd. - Non-Flow-Though Shares	45,696.00	761,600.00
22-Dec-2004	YTW	Palos Capital Pool L.P. - Units	150,000.00	15,000.00
03-May-2005	4 Purchasers	Palos Capital Pool L.P. - Units	600,000.00	60,000.00
21-Jun-2005	Chris Robert Skillen	Polar Resources Corporation - Units	7,500.00	50,000.00
17-Jun-2005	Vengrowth II Investment Fund Inc.	Potentia Semiconductor Corporation - Preferred Shares	1,011,587.35	7,408,959.00
12-Nov-2004	Vengrowth I Investment Fund Inc.	Potentia Semiconductor Inc. - Option	1.23	1.00
12-Nov-2004	3 Purchasers	Potentia Semiconductor Inc. - Preferred Shares	1,124,837.00	8,238,421.00
17-Jun-2005	Nursing Homes and Related Industries Pension Plan	Real Assets US Social Equity Index Fund - Units	1,760.97	242.00
14-Jun-2005	3 Purchasers	Rimfire Minerals Corporation - Flow-Through Shares	500,000.00	400,000.00
21-Jun-2005	David J. Stenason	Rockyview Energy Inc. - Units	25,000.00	5,708.00
10-Jun-2005	Fundeco Inc.	Royal Devco Inc. - Common Shares	1,000,000.00	3,600.00
09-Jun-2005	46 Purchasers	Run of River Power Inc. - Units	1,729,099.00	2,881,831.00
17-Jun-2005	William Linton	Seafield Resources Ltd. - Common Share Purchase Warrant	40,000.00	200,000.00
10-Jun-2005	Credit Risk Advisors Bank of Montreal	Service Corporation International (Canada) Limited - Notes	1,855,266.72	1,500.00
09-Jun-2005	14 Purchasers	Sherwood Mining Corporation - Flow-Through Shares	6,045,000.00	1,511,250.00

07-Jun-2005	20 Purchasers	Sherwood Mining Corporation - Special Warrants	13,460,000.00	3,365,000.00
17-Jun-2005	4 Purchasers	Sherwood Mining Corporation - Units	353,000.00	88,250.00
26-May-2005	8 Purchasers	South Pacific Minerals Corp. - Units	153,600.00	384,000.00
10-Jun-2005	Richard Nixon	Tea Olive Productions LLP - Units	5,025,432.40	5,025.00
15-Jun-2005	5 Purchasers	The Halifax Film Company Limited - Preferred Shares	3,763,300.00	2,034,216.00
13-Jun-2005	Benson Van Laer & Co. Inc.	The Jenex Corporation - Common Shares	50,000.00	250,000.00
16-Jun-2005	LLBC	Trafalgar Trading Limited - Units	25,000,000.00	25,000,000.00
16-Jun-2005	6 Purchasers	Vaaldiam Resources Ltd. - Flow-Through Shares	1,253,720.00	1,923,800.00
16-Jun-2005	36 Purchasers	Vaaldiam Resources Ltd. - Units	4,558,200.00	7,597,000.00
13-Jun-2005	7 Purchasers	Vault Minerals Inc. - Units	300,000.00	2,000,000.00
31-Mar-2005	3 Purchasers	Waterfall Tipping Point L.P. - Limited Partnership Units	175,000.00	175.00
31-May-2005	Mikado Investments Limited C. Roderwick Wilmore	Waterfall Tipping Point L.P. - Limited Partnership Units	200,000.00	200.00
28-Feb-2005	6 Purchasers	Waterfall Vanilla L.P. - Limited Partnership Units	1,230,000.00	1,230.00
31-Mar-2005	15 Purchasers	Waterfall Vanilla L.P. - Limited Partnership Units	6,305,000.00	6,305.00
30-Apr-2005	9 Purchasers	Waterfall Vanilla L.P. - Limited Partnership Units	8,000,000.00	8,000.00
31-May-2005	5 Purchasers	Waterfall Vanilla L.P. - Limited Partnership Units	1,790,000.00	1,790.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Ascendant Copper Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Haywoood Securities Inc.
Canaccord Capital Corporation
Promoter(s):
Paul Grist
William Jurika
Project #800714

Issuer Name:
Clear Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
$17,632,500.00 - 1,850,000 Common Shares; 1,450,000 Flow-Through Common Shares Price: $4.75 per Common Share $6.10 per Flow-Through Common Share
Underwriter(s) or Distributor(s):
Tristone Capital Inc.
FirstEnergy Capital Corp.
GMP Securities Ltd.
Canaccord Capital Corporation
Salman Partners Inc.
TD Securities Inc.
Promoter(s):
-
Project #800396

Issuer Name:
Colibri Resource Corporation
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Prospectus dated June 10th, 2005
Mutual Reliance Review System Receipt dated June 22nd, 2005
Offering Price and Description:
Maximum Offering: 10,000,000 Units to Raise $2,500,000.00; Minimum Offering: 6,000,000 Units to Raise $1,500,000 at $0.25 per Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #753431

Issuer Name:
Easton Drilling Fund 2005 Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 22, 2005
Mutual Reliance Review System Receipt dated June 24, 2005
Offering Price and Description:
$50,000,000.00 (Maximum Offering) 5,000,000 Limited Partnership Units; $15,000,000.00 (Minimum Offering); 1,500,000 Limited Partnership Units PRICE: $10.00 MINIMUM PURCHASE: 500 Units
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
First Associates Investments Inc.
TD Securities Inc.
Dundee Securities Corporation
GMP Securities Ltd.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
MGI Securities Inc.
Richardson Partners Financial Ltd.
Promoter(s):
EDF 2005 GP Inc.
CC Capital Structured Products Inc.
Project #800275

Issuer Name:
High Arctic Energy Services Trust
Principal Regulator - Alberta
Type and Date:
Amended and Restated Preliminary Prospectus dated June 24, 2005
Mutual Reliance Review System Receipt dated June 24, 2005
Offering Price and Description:
$ * - * Trust Units; Price: $ * per Trust Unit
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Sprott Securities Inc.
Lightyear Capital Inc.
J.F. MacKie & Company Ltd.
Haywood Securities Inc.
Wellington West Capital Markets Inc.
Promoter(s):
High Arctic Energy Services Inc.
Project #797083

Issuer Name:
Isotechnika Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 22, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
$15,750,000.00 - 7,000,000 Common Shares Price: $2.25 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
Canaccord Capital Corporation
National Bank Financial Inc.
TD Securities Inc.
Promoter(s):
-
Project #799839

Issuer Name:
Lifeco Split Corporation Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
$ * - * Class C Preferred Shares Price: $ * per Class C Preferred Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
Promoter(s):
-
Project #800255

Issuer Name:
Lindsey Morden Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated June 22, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
OF RIGHTS TO SUBSCRIBE FOR UP TO 9,534,056 SUBORDINATE VOTING SHARES AT A PRICE OF $4.25 PER SHARE Exercise Price: $4.25 per subordinate voting share (upon the exercise of 1.5 Rights)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #800100

Issuer Name:
Mahalo Energy Ltd
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated June 21, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
$30,000,000.00 (Maximum Offering); $22,000,000.00 (Minimum Offering); A Minimum of * and a Maximum of * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
Canaccord Capital Corporation
Raymond James Ltd.
First Associates Investments Inc.
Orion Securities Inc.
Acumen Capital Finance Partners Limited
Promoter(s):
Duncan Chisholm
Project #799789

Issuer Name:
Naples Capital Corp.
Principal Regulator - Alberta
Type and Date:
Preliminary CPC Prospectus dated June 24, 2005
Mutual Reliance Review System Receipt dated June 24, 2005
Offering Price and Description:
$300,000.00 - 1,500,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
First Associates Investments Inc.
Promoter(s):
Michael G. Thomson
Project #800711

Issuer Name:
Premium Brands Income Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
$ * - Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Raymond James Ltd.
TD Securities Inc.
Promoter(s):
Premium Brands Inc.
Project #800278

Issuer Name:
Retrocom Mid-Market Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Promoter(s):
Retrocom Investments Management Inc.
Project #800232

Issuer Name:
Royster-Clark Ltd.
Royster-Clark ULC
Principal Regulator - Ontario
Type and Date:
Amended and Restated to Preliminary Prospectus dated June 21, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
$ * - * Income Deposit Securities Price: $ * per Income Deposit Securities
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
TD Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Promoter(s):
-
Project #798036/798035

Issuer Name:
Sentry Select Balanced Fund
Sentry Select Canadian Energy Growth Fund
Sentry Select Canadian Income Fund
Sentry Select Diversified Total Return Fund
Sentry Select Focused 50 Income Fund
Sentry Select Focused Wealth Management Fund
Sentry Select Money Market Fund
Sentry Select Precious Metals Growth Fund
Sentry Select REIT Fund
Sentry Select Small Cap Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 20, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
Series A and F Units
Underwriter(s) or Distributor(s):
NCE Financial Corporation
Sentry Select Capital Corp.
Promoter(s):
-
Project #799528

Issuer Name:
TerraVest Income Fund
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
$30,250,000.00 - (2,200,000 Units) Price: $13.75 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Clarus Securities Inc.
Raymond James Ltd.
Scotia Capital Inc.
Wellington West Capital Markets Inc.
Sprott Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #800285

Issuer Name:
THESEUS CAPITAL INC.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
Minimum Offering: $750,000.00 or 3,750,000 Common Shares; Maximum Offering: $1,100,000 or 5,500,000 Common Shares - Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Investpro Securities Inc.
Laurentian Bank Securities Inc.
Promoter(s):
Richard Belanger
Jean-Yves Germain
Project #800452

Issuer Name:
Viceroy Exploration Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated June 21, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
$16,250,000.00 - 5,000,000 Common Shares Price: $3.25 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Orion Securities Inc.
National Bank Financial Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #799692

Issuer Name:
Aeroplan Income Fund
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated June 22, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
$250,000,000.00 - 25,000,000 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Genuity Capital Markets
BMO Nesbitt Burns Inc.
TD Securities Inc.
Scotia Capital Inc.
Goldman Sachs Canada Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Orion Securities Inc.
Raymond James Ltd.
Research Capital Corporation
Versant Partners Inc.
Westwind Partners inc.
Promoter(s):
Aeroplan Limited Partnership
Project #786417

Issuer Name:
AIC Advantage Fund
AIC Advantage Fund II
AIC American Advantage Fund
AIC RSP American Advantage Fund
AIC Global Advantage Fund
AIC RSP Global Advantage Fund
AIC Diversified Canada Fund
AIC Value Fund
AIC RSP Value Fund
AIC World Equity Fund
AIC RSP World Equity Fund
AIC Global Diversified Fund
AIC RSP Global Diversified Fund
AIC Diversified Science & Technology Fund
AIC RSP Diversified Science & Technology Fund
AIC Canadian Focused Fund
AIC American Focused Fund
AIC RSP American Focused Fund
AIC Global Focused Fund
AIC Canadian Balanced Fund
AIC American Balanced Fund
AIC RSP American Balanced Fund
AIC Global Balanced Fund
AIC RSP Global Balanced Fund
AIC Dividend Income Fund
AIC Bond Fund
AIC Global Bond Fund
AIC Money Market Fund
AIC U.S. Money Market Fund
AIC Diversified Income Portfolio Fund
AIC Balanced Income Portfolio Fund
AIC Balanced Growth Portfolio Fund
AIC Core Growth Portfolio Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 20, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
Mutual Fund Units and Class F Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #784840

Issuer Name:
AIC Advantage II Corporate Class
AIC American Advantage Corporate Class
AIC Global Advantage Corporate Class
AIC Diversified Canada Corporate Class
AIC Value Corporate Class
AIC World Equity Corporate Class
AIC Global Diversified Corporate Class
AIC Diversified Science & Technology Corporate Class
AIC Canadian Focused Corporate Class
AIC American Focused Corporate Class
AIC Global Focused Corporate Class
AIC Canadian Balanced Corporate Class
AIC American Balanced Corporate Class
AIC Total Yield Corporate Class
AIC Money Market Corporate Class
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 20, 2005 to Simplified Prospectuses and Annual Information Forms dated March 29, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
Mutual Fund Shares and Class F Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #738718

Issuer Name:
AIC Private Portfolio Counsel Canadian Pool
AIC Private Portfolio Counsel Global Pool
AIC Private Portfolio Counsel RSP Global Pool
AIC Private Portfolio Counsel Bond Pool
AIC Private Portfolio Counsel Income Pool
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 20, 2005 to Simplified Prospectuses and Annual Information Forms dated February 16, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIC Limited
Project #722234

Issuer Name:
Brandes Global Equity Fund
Brandes Global Balanced Fund
Brandes International Equity Fund
Brandes Global Small Cap Equity Fund
Brandes Emerging Markets Equity Fund
Brandes U.S. Equity Fund
Brandes U.S. Small Cap Equity Fund
Brandes Canadian Equity Fund
Brandes Canadian Balanced Fund
Brandes Canadian Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 15, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
Class A Units, Class F Units, Class M Units and Class I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investment Partners & Co;
Project #779243

Issuer Name:
Brandes RSP Global Equity Fund
Brandes RSP Global Balanced Fund
Brandes RSP International Equity Fund
Brandes RSP U.S. Equity Fund
Principal Regulator - Ontario
Type and Date:
Simplified Prospectuses dated June 15, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
Class A Units, Class F Units, Class L Units, Class M Units and Class I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investment Partners & Co;
Project #779226

Issuer Name:
Canadian Scholarship Trust Group Savings Plan
Canadian Scholarship Trust Individual Savings Plan
Canadian Scholarship Trust Family Savings Plan
Principal Regulator - Ontario
Type and Date:
Final Prospectuses dated June 20, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #782895/782417/782699

Issuer Name:
DEER CREEK ENERGY LIMITED
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 23, 2005
Mutual Reliance Review System Receipt dated June 23, 2005
Offering Price and Description:
$40,800,000.00 - 3,000,000 Common Shares
Underwriter(s) or Distributor(s):
Peters & Co. Limited
RBC Dominion Securities Inc.
Merrill Lynch Canada Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Raymond James Ltd.
Salman Partners Inc.
Promoter(s):
-
Project #797843

Issuer Name:
Disciplined Leadership Canadian Equity Fund
Disciplined Leadership U.S. Equity Fund
Disciplined Leadership High Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 17, 2005
Mutual Reliance Review System Receipt dated June 22, 2005
Offering Price and Description:
Series A, F and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
KBSH Capital Management Inc.
Project #784663

Issuer Name:
Halcyon Hirsch Opportunistic Canadian Fund
Halcyon Hirsch Opportunistic Tactical Allocation Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 9, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
Mutual Fund Units @ Net Asset Value
Underwriter(s) or Distributor(s):
Burgeonvest Securities Limited
Promoter(s):
-
Project #780023

Issuer Name:
Hydro One Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated June 24, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
$2,500,000,000.00 - Medium Term Notes - (unsecured)
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
HSBC Securities (Canada) Inc.
Laurentian Bank Securities Inc.
National Bank Financial Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #795984

Issuer Name:
Pizza Pizza Royalty Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 24, 2005
Mutual Reliance Review System Receipt dated June 27, 2005
Offering Price and Description:
$168,300,000.00 - 16,830,000 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Promoter(s):
Pizza Pizza Limited
Project #790114

Issuer Name:
EP Advantage Trust
SP Advantage Trust
YP Advantage Trust
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated April 1st, 2005
Withdrawn on June 27th, 2005
Offering Price and Description:
$ * - Maximum (* Units) Price: $10.00 per Unit Minimum Purchase : 100 Units
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
First Associates Investments Inc.
McFarlane Gordon Inc.
Wellington West Capital Inc.
Promoter(s):
AGF Funds Inc.
Project #760736/760759/760790

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change in Category	Prudential Equity Group, LLC	From: International Dealer and International Adviser To: International Dealer	June 22, 2005
Change of Name	From: GM Partners I, LLC To: Performance Equity Management, LLC	Non-Canadian Investment Counsel and Portfolio Manager	June 21, 2005
Change of Name	From: CI Mutual Funds Inc. To: CI Investments Inc.	Investment Counsel and Portfolio Manager, Commodity Trading Counsel and Commodity Trading Manager	June 16, 2005
Surrender of Registration	Integral Wealth Financial Limited	Mutual Fund Dealer	June 27, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA News Release - MFDA Issues Notice of Hearing regarding Robin Andersen

FOR IMMEDIATE RELEASE

MFDA ISSUES NOTICE OF HEARING REGARDING ROBIN ANDERSEN

June 27, 2005 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") today announced that it has commenced disciplinary proceedings against Robin Andersen (the "Respondent").

MFDA staff alleges in its Notice of Hearing that Robin Andersen engaged in the following conduct contrary to the By-laws, Rules or Policies of the MFDA.

Allegation #1: Between July 1998 and November 2003, Andersen failed to deal fairly, honestly and in good faith with certain of his clients by misappropriating from them the total amount of approximately $362,000 and failing to repay or otherwise account for the funds, contrary to MFDA Rule 2.1.1.

Allegation #2: Between July and November 2003, Andersen processed four redemptions for clients without obtaining instructions or authorization from the clients, contrary to MFDA Rules 2.1.1 and 2.3.4 and his registration as a mutual fund salesperson.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the Regional Council of the Prairie Region of the MFDA in the Hearing Room located at #2330, 355 – 4th Avenue, S.W., Calgary, Alberta on Tuesday, August 16, 2005 at 10:00 a.m. (MST) or as soon thereafter as can be held.

The purpose of the first appearance is to schedule the date for the commencement of the hearing on its merits and to schedule any other procedural matters.

The hearing is open to the public, except as may be required for the protection of confidential matters. Members of the public attending the hearing will be able to listen to the proceeding by teleconference.

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:

Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

13.1.2 MFDA Notice of Hearing - Re Robin Andersen

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

RE: ROBIN ANDERSEN

NOTICE OF HEARING

NOTICE is hereby given that a first appearance will take place before a Hearing Panel (the "Hearing Panel") of the Regional Council of the Prairie Region of the Mutual Fund Dealers Association of Canada (the "MFDA"), in the hearing room located at #2330, 355 – 4th Avenue, S.W., Calgary, Alberta on Tuesday, August 16, 2005 at 10:00 a.m. (MST) or as soon thereafter as the hearing can be held, concerning a disciplinary proceeding commenced by the MFDA against Robin Andersen (the "Respondent").

DATED at Toronto, Ontario this 21st day of June, 2005.

"Gregory J. Ljubic"
Corporate Secretary

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

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

Allegation #1: Between July 1998 and November 2003, the Respondent failed to deal fairly, honestly and in good faith with his clients JH, LH, MS, PW, RG, NML and PP by misappropriating from them the total amount of approximately $362,000 and failing to repay or otherwise account for the funds, contrary to MFDA Rule 2.1.1.

Allegation #2: Between July and November 2003, the Respondent processed four redemptions for clients without obtaining instructions or authorization from the clients, contrary to MFDA Rules 2.1.1 and 2.3.4 and the Respondent's registration as a mutual fund salesperson.

PARTICULARS

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

Registration History

1. From December 8, 1992 to January 7, 2004, the Respondent was registered in Alberta as a mutual fund salesperson for Investors Group Financial Services Inc. ("IG"). The Respondent worked at the Edmonton Metro Region Office of IG except during a period from mid-1997 to April, 2001 when the Respondent worked at the St. Albert's sub-branch of IG. On January 7, 2004, the Respondent was terminated for cause as a result of the matters described herein. Since January 7, 2004, the Respondent has not been registered in the securities industry in any capacity.

2. IG has been a Member of the MFDA since March 7, 2002.

The Respondent's Conduct

3. As described in greater detail below, between July 1998 and November 2003, the Respondent misappropriated approximately $362,000 from clients by means of the following methods:

   (a) he redeemed mutual fund investments without authorization from the clients and directed that the redemption cheques be delivered to the Respondent's branch office. The Respondent forged the signature of the clients on the redemption cheques and deposited the redemption cheques into the bank account of his corporation, 765398 Alberta Ltd. (the "Corporate Account");

   (b) he informed clients that redemption orders had been processed in their accounts in error and then directed the clients to send cheques to him to enable him to purchase mutual fund investments to replace the investments that had been redeemed in error. The Respondent deposited the cheques sent by clients into the Corporate Account and did not use the funds to purchase mutual fund investments for the clients; and

   (c) he solicited and accepted $125,000 from a client purportedly for the purpose of purchasing investment products that were not approved for sale by the Member and upon receipt of the money, the Respondent deposited the money into the Corporate Account and did not purchase the said investments.

4. The Respondent has failed to repay or otherwise account for any of the misappropriated funds.

Clients JH and LH

5. JH and LH were elderly clients of the Respondent. JH is now 81 years old and LH is now deceased.

6. Between July 23, 1998 and September 30, 1999, the Respondent processed four redemptions from mutual fund accounts of JH and LH on the dates

and in the amounts set out below, without obtaining instructions, authorization or approval from JH or LH:

Date	Client	Amount
July 23, 1998	JH & LH	$5,063.06
November 24, 1998	JH	$5,000
September 3, 1999	JH	$5,000
September 29, 1999	LH	$5,000
	Total	$20,063.06

7. After taxes and fees associated with the redemption transactions were deducted, cheques were issued in the following amounts:

Date	Payee	Amount
July 23, 1998	JH &LH	$5,000
November 24, 1998	JH	$4,365
September 3, 1999	JH	$4,500
September 29, 1999	LH	$4,500
	Total	$18,365

8. The Respondent prepared the IG investment instruction form in each case and included a direction to have the redemption cheque delivered to him at the Regional office.

9. Without the knowledge, authorization or approval of JH or LH, the Respondent forged the signatures of JH and LH on the four cheques that comprised the proceeds of the redemptions and deposited the cheques into the Corporate Account, thereby misappropriating the funds. The Respondent has not repaid or otherwise accounted for these misappropriated funds.

10. By processing the redemptions without obtaining instructions, authorization or approval from JH and LH, the Respondent engaged in discretionary trading contrary to his registration as a mutual fund salesperson.

11. On or about October 19, 1999, JH provided the Respondent with a cheque in the amount of $8,500 payable to the Respondent to be applied towards the purchase of mutual fund investments for the benefit of JH. The Respondent deposited the cheque into the Corporate Account, thereby misappropriating the funds. The Respondent did not purchase any mutual fund investments for the benefit of JH and has not repaid the $8,500 or otherwise accounted for it.

Client MS

12. MS was a client of the Respondent. MS is a mechanic and is now 35 years old. He frequently works and travels overseas.

13. Between August 2, 2000 and April 6, 2001, the Respondent processed four redemptions from mutual fund accounts of MS on the dates and in the amounts set out below, without obtaining instructions, authorization or approval from MS:

Date	Amount
Aug 2, 2000	$25,503.76
November 16, 2000	$25,503.45
February 5, 2001	$25,504.98
April 6, 2001	$20,384.92
Total	$96,897.11

14. After taxes and fees associated with the redemption transactions were deducted, cheques were issued to MS in the following amounts:

Date	Amount
Aug 2, 2000	$25,000
November 16, 2000	$25,000
February 5, 2001	$25,000
April 6, 2001	$20,000
Total	$95,000

15. The Respondent prepared the IG investment instruction form in each case and included a direction to have the redemption cheque delivered to him at the Regional office.

16. \By processing the redemptions without obtaining instructions, authorization or approval from MS, the Respondent engaged in discretionary trading contrary to his registration as a mutual fund salesperson.

17. Without the knowledge, authorization or approval of MS, the Respondent forged the signature of MS on the four redemption cheques issued between August 2, 2000 and April 6, 2001 and deposited those cheques into the Corporate Account, thereby misappropriating the funds. The

Respondent has not repaid MS or otherwise accounted for these misappropriated funds.

18. Between November 12, 1999 and March 2002, the Respondent solicited and accepted an additional $125,000 from MS for the purchase of investments that were not approved for sale by IG. Upon receipt of the funds, the money was misappropriated. This money was not used to purchase any investments for the benefit of MS and has not been repaid to MS or otherwise accounted for. Specifically:

(a) On or about November 12, 1999, the Respondent advised MS to redeem mutual fund investments in the amount of $25,426.66 that had previously been purchased through IG and apply the proceeds towards an investment that was not approved for sale by the Member. Of the total amount redeemed, $426.66 was deducted and applied towards taxes and fees associated with the redemption transaction. The Respondent then solicited and accepted a cheque from MS, dated November 12, 1999, in the amount of $25,000 and payable to the Respondent and deposited the cheque into the Corporate Account, thereby misappropriating the funds.

(b) On or about November 14, 2001, the Respondent advised MS to redeem mutual fund investments in the amount of $50,000 that had previously been purchased through IG and apply the proceeds towards an investment that was not approved by the Member. The Respondent then solicited and accepted a cheque, dated November 16, 2001, in the amount of $50,000 payable to Investors Group 765398 Alberta Ltd. and deposited the cheque into the Corporate Account, thereby misappropriating the funds.

(c) On or about February 28, 2002, the Respondent advised MS to redeem additional mutual fund investments in the amount of $48,873.54 that had previously been purchased through IG and apply the proceeds towards a second investment that was not approved by the Member. The Respondent then solicited and accepted a cheque from MS, dated March 3, 2002, in the amount of $50,000 payable to the Respondent's corporation, 765398 Alberta Ltd. and deposited the cheque into the Corporate Account, thereby misappropriating the funds.

Client PP

19. PP was a client of the Respondent from approximately 1994 until the Respondent's employment with IG was terminated in January, 2004. He is now 33 years old. PP resides and works in Taiwan.

20. On or about August 28, 2002, PP gave $10,000 to the Respondent to be deposited into PP's mutual fund investment account at IG. The Respondent provided PP with a receipt for the $10,000 and an IG investment instructions form identifying the mutual fund investments that PP expected the Respondent to purchase on his behalf with the $10,000. Contrary to PP's instructions, the Respondent did not deposit the $10,000 into PP's mutual fund investment account or use the money to purchase any mutual fund investments for the benefit of PP. The Respondent has not repaid the $10,000 to PP or otherwise accounted for it.

21. In October 2003, PP gave the Respondent a cheque drawn on his personal bank account in the amount of $15,000 for the purpose of purchasing mutual fund investments. No payee was identified on the cheque. The Respondent cashed the cheque on October 23, 2003. The Respondent did not deposit the $15,000 into PP's mutual fund investment account or use the money to purchase any mutual fund investments for the benefit of PP. The Respondent has not repaid the $15,000 to PP or otherwise accounted for it.

Clients RG and NML

22. RG was a client of the Respondent. He is now 52 years old and operates his own trucking business called NML. RG maintained mutual fund investment accounts with IG in his own name and in the name of NML.

23. On July 7, 2003, the Respondent processed a redemption from RG's mutual fund investment account in the total amount of $29,876.26 without obtaining instructions, authorization or approval from RG. Of this amount, $869.06 was deducted for taxes and fees associated with the transaction. On July 9, 2003, $29,047.18 was deposited into RG's personal bank account by electronic funds transfer.

24. On July 7, 2003, the Respondent also processed a redemption from the mutual fund investment account of NML in the total amount of $23,470.85 without obtaining instructions, authorization or approval from RG. Of this amount, $683.06 was deducted for taxes and fees associated with the transaction. On July 9, 2003, $22,831.18 was deposited into NML's bank account by electronic funds transfer.

25. By processing the redemptions without obtaining instructions, authorization or approval from RG and NML, the Respondent engaged in discretionary trading contrary to his registration as a mutual fund salesperson and MFDA Rules 2.1.1 and 2.3.4.

26. On July 9, 2003, the Respondent contacted RG and led him to believe that the redemption transactions in his personal and corporate mutual fund accounts had been processed in error. The Respondent persuaded RG to send him cheques, purportedly for the purpose of enabling the Respondent to purchase mutual fund investments for the benefit of RG and NML to replace the investments that had been redeemed.

27. On July 10, 2003, RG sent the Respondent a cheque drawn on his personal bank account and payable to IG in the amount of $29,047.18 and a cheque drawn on the bank account of NML payable to IG in the amount of $22,831.18. The Respondent deposited both cheques into the Corporate Account, thereby misappropriating the funds. The Respondent did not purchase any mutual fund investments for the benefit of RG or NML and has not repaid RG or otherwise accounted for these misappropriated funds.

28. On August 11, 2003, the Respondent processed a redemption from the mutual fund investment account of RG in the total amount of $2,060.15 without obtaining instructions, authorization or approval from RG. Of this amount, $60.15 was deducted for taxes and fees associated with the transaction. On August 11, 2003, $2,000 was deposited into RG's bank account by electronic funds transfer.

29. By processing this redemption without obtaining instructions, authorization or approval from RG, the Respondent engaged in discretionary trading contrary to his registration as a mutual fund salesperson and MFDA Rules 2.1.1 and 2.3.4.

Client PW

30. PW became a client of the Respondent in the fall of 1997. He resides in Barrhead, Alberta. He is a chef who works in a hotel and is now 37 years old.

31. On or about October 31, 2003, the Respondent contacted PW and recommended that changes be made to the selection of mutual funds held in his account. The Respondent did not identify which funds should be sold and purchased, nor did he specify the quantities or prices associated with any proposed transaction. Later the same day, the Respondent processed a redemption from PW's mutual fund account in the total amount of $37,526.44. Of this amount, $877.98 was deducted for taxes and fees associated with the transaction. The net proceeds of the redemption in the amount of $36,648.46 were deposited into PW's personal bank account by electronic funds transfer.

32. By processing the redemption without obtaining instructions, authorization or approval from PW as to any of the elements of the trade, the Respondent engaged in discretionary trading contrary to his registration as a mutual fund salesperson and MFDA Rules 2.1.1 and 2.3.4.

33. On or about November 5, 2003, the Respondent led PW to believe that the redemption had been processed in error. The Respondent persuaded PW to provide the Respondent with a cheque payable to IG in the amount of $36,648.48, purportedly for the purpose of enabling the Respondent to purchase mutual fund investments for the benefit of PW to replace the investments that had been redeemed.

34. PW sent the Respondent a cheque in the amount of $36,648.48 payable to IG which was dated November 6, 2003. The Respondent deposited the cheque into the Corporate Account, thereby misappropriating the funds. The Respondent did not purchase any mutual fund investments for the benefit of PW and has not repaid to PW or otherwise accounted for these misappropriated funds.

The Response Of The Member

35. In January 2004, IG was informed of the Respondent's misconduct. IG terminated the Respondent's employment and conducted an internal investigation to determine the nature and extent of the Respondent's misconduct. IG has taken steps to arrange for compensation for the clients affected by the Respondent's misconduct. The Respondent still has not repaid or otherwise accounted for any of the misappropriated funds.

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

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

- has failed to carry out any agreement with the MFDA;

- has failed to comply with or carry out the provisions of any federal or provincial statute relating to the business of the Member or of any regulation or policy made pursuant thereto;

- has failed to comply with the provisions of any By-law, Rule or Policy of the MFDA;
- has engaged in any business conduct or practice which such Regional Council in its discretion considers unbecoming or not in the public interest; or
- is otherwise not qualified whether by integrity, solvency, training or experience,

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

(a) a reprimand;

(b) a fine not exceeding the greater of:

(i) $5,000,000.00 per offence; and

(ii) an amount equal to three times the profit obtained or loss avoided by such person as a result of committing the violation;

(c) suspension of the authority of the person to conduct securities related business for such specified period and upon such terms as the Hearing Panel may determine;

(d) revocation of the authority of such person to conduct securities related business;

(e) prohibition of the authority of the person to conduct securities related business in any capacity for any period of time;

(f) such conditions of authority to conduct securities related business as may be considered appropriate by the Hearing Panel;

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

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

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

A **Reply** may either:

(i) specifically deny (with a summary of the facts alleged and intended to be relied upon by the Respondent, and the conclusions drawn by the Respondent based on the alleged facts) any or all of the facts alleged or the conclusions drawn by the MFDA in the Notice of Hearing; or

(ii) admit the facts alleged and conclusions drawn by the MFDA in the Notice of Hearing and plead circumstances in mitigation of any penalty to be assessed.

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

NOTICE is further given that if the Respondent fails:

(a) to serve a Reply; or

(b) attend at the hearing specified in the Notice of Hearing, notwithstanding that a Reply may have been served,

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

Chapter 25

Other Information

25.1 Approvals

25.1.1 Sentry Select Capital Corp. -s. 213(3)(b)

Headnote

Approval under clause 213(3)(b) of the Loan and Trust Corporations Act – Manager of trust unable to rely upon Approval 81-901 – Approval of Trustees of Mutual Fund Trusts as units to be sold pursuant to dealer registration and prospectus exemptions – trust created for tax purposes to facilitate public offering by another trust – each trusts' portfolio linked to the other through forward agreement - manager approved to act as trustee.

Statutes Cited

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

June 24, 2005

Borden Ladner Gervais
Scotia Plaza, 40 King St. West
Toronto, Ontario
M5H 3Y4

Attention: Andrew L. Peel

Dear Sirs/Mesdames:

Re: Sentry Select Capital Corp. (the "Applicant")Application for Approval to act as trustee of Commodities Investment Trust under c. 213(3)(b) of the Loan and Trust Corporations Act (Ontario) – App. No. 434/05

Further to an application (the "Application") dated June 17, 2005 filed on behalf of the Applicant and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the Applicant as trustee of Commodities Investment Trust.

"David L. Knight"

"Wendell S. Wigle"

25.2 Consents

25.2.1 Atlantic Power Corporation -- s. 4(b) of the Regulation

Headnote

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

Statutes Cited

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

Regulation Cited

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

June 28, 2005

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

AND

**IN THE MATTER OF
ATLANTIC POWER CORPORATION**

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

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

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

AND UPON the Corporation representing to the Commission that:

1. The Corporation was incorporated under the OBCA by certificate of incorporation on June 18, 2004 under the name 2048921 Ontario Limited. By articles of amendment dated September 13, 2004, the name of the Corporation was changed to Atlantic Power Corporation.

2. The Corporation's head office is located at 250 Yonge Street, Toronto, Ontario, M5B 2M6. Following completion of the Proposed Continuance, the registered office of the Corporation will be located at 355 Burrard Street, Vancouver, British Columbia, V6C 2G8.

3. The Corporation proposes to make an application to the Director under the OBCA pursuant to Section 181 of the OBCA (the "**Application for Continuance**") for authorization to continue as a corporation under the Business Corporations Act (British Columbia), S.B.C. 2002, c. 57 (the "**BCBCA**").

4. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, the Application for Continuance must be accompanied by a consent from the Commission.

5. The Corporation is an offering corporation under the OBCA.

6. The Corporation's subsidiaries primarily conduct business in the United States.

7. Following the Proposed Continuance, the registered office of the Corporation will be located in Vancouver, British Columbia.

8. The annual and special meeting (the "**Meeting**") of the holders of common shares (the "**Shareholders**") of the Corporation (the "**Common Shares**") called to, among other things, consider the continuance of the Corporation from the OBCA to the BCBCA (the "**Proposed Continuance**") took place on June 8, 2005. The Shareholders approved the Proposed Continuance and consequently, assuming receipt of the requested consent, the Application for Continuance will be made, articles of continuance will be filed under the BCBCA and the Proposed Continuance will become effective.

9. The Corporation is, and has been since November 10, 2004, a reporting issuer under the *Securities Act* (Ontario), R.S.O. 1990, c. S.5, as amended (the "**Act**") and the securities legislation of each of the other provinces and territories of Canada that have a reporting issuer concept, (collectively, the "**Legislation**") and to the best of its knowledge, is not in default of any requirement under the Act or the Legislation.

10. The management information circular describing the Proposed Continuance (the "**Information Circular**"), which is dated May 9, 2005, has been printed and mailed to the Shareholders and was filed on the System for Electronic Document Analysis and Retrieval on May 13, 2005.

11. The authorized share capital of the Corporation consists of an unlimited number of Common Shares, of which, as at May 9, 2005, there were 36,800,000 Common Shares outstanding.

12. All of the issued and outstanding Common Shares of the Corporation are represented by income participating securities of the Corporation which are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "ATP.UN".

13. The Corporation is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act or the Legislation.

14. Full disclosure of the reasons for and implications of the Proposed Continuance is included on pages 4 and 5 of the Information Circular.

15. The material rights, duties and obligations of a corporation governed by the BCBCA are generally similar to those of a corporation governed by the OBCA. A table summarizing certain differences between the two statutes, which is not intended to be exhaustive, is included as Schedule "A" to the Information Circular.

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

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

"Paul M. Moore" Q.C."
Vice-Chair

"Harold P. Hands" L.L.B.
Commissioner

25.2.2 Biovail Corporation - s. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the Business Corporations Act (Ontario) to continue under the Canada Business Corporations Act.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181
Canada Business Corporations Act, R.S.C. 1985, c. C-144, as am.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

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

June 28, 2005

IN THE MATTER OF
THE REGULATION MADE UNDER THE
BUSINESS CORPORATIONS ACT,
R.S.O. 1990, C. B.16, AS AMENDED (the "OBCA")

R.R.O. 1990, REGULATION 289/00 (the "Regulation")

AND

IN THE MATTER OF
BIOVAIL CORPORATION

CONSENT
(Clause 4(b) of the Regulation)

UPON the application (the "Application") of Biovail Corporation (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting a consent from the Commission to continue the Applicant into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. the Applicant is proposing to submit an application to the Director under the OBCA for authorization to continue under the *Canada Business Corporations Act* ("CBCA") pursuant to section 181 of the OBCA (the "Application for Continuance");

2. pursuant to clause 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent from the Commission;

3. the Applicant 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");

4. the authorized capital of the Applicant consists of an unlimited number of Class A Special shares of which none are outstanding and an unlimited number of common shares of which approximately 159,404,404 are outstanding (all figures current to the close of business on Friday, June 16, 2005);

5. the Applicant's issued and outstanding common shares are listed for trading on the Toronto Stock Exchange and the New York Stock Exchange;

6. the Applicant is not in default of any of the provisions of the Act or the regulation made under the Act;

7. the Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding, under the Act;

8. the Applicant currently intends to continue to be a reporting issuer under the Act;

9. the continuance of the Applicant under the CBCA is to be approved at the annual and special meeting of the shareholders of the Applicant on June 28, 2005;

10. the continuance of the Applicant under the CBCA has been proposed so that the Applicant may conduct its affairs in accordance with the CBCA and, among other things, take advantage of the more flexible director residency requirements of the CBCA; and

11. the material rights, duties and obligations of a corporation incorporated under the CBCA are substantially similar to those of a corporation incorporated under 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 Biovail Corporation as a corporation under the laws of the CBCA.

“Paul M. Moore” Q.C.
Vice-Chair

“Harold P. Hands” L.L.B.
Commissioner

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Index

Andersen, Robin
SRO Notices and Disciplinary Proceedings 5785
SRO Notices and Disciplinary Proceedings 5786

Argus Corporation Limited
Cease Trading Order 5687

Atkinson, Peter Y.
News Release 5648

Atlantic Power Corporation
Consent -- s. 4(b) of the Regulation 5791

Biovail Corporation
Consent - s. 4(b) of the Regulation 5793

Black, Conrad
News Release 5648

Boultbee, John A.
News Release 5648

Brainhunter Inc.
Cease Trading Order 5687

Brown, David
Notice 5647

CI Investments Inc.
Change of Name 5783

CI Mutual Funds Inc.
Change of Name 5783

CI Mutual Funds
Decision - NI 81-102 Mutual Funds,
ss. 2.6(a), (c), 6.1(1) and 19.1 5668

Cimatec Environmental Engineering
Cease Trading Order 5687

Clarica Mutual Funds
Decision - NI 81-102 Mutual Funds,
ss. 2.6(a), (c), 6.1(1) and 19.1 5668

CrossOff Incorporated
Order - s. 104(2)(c) 5680

Foccini International Inc.
Cease Trading Order 5687

GDI Global Data Inc.
Cease Trading Order 5687

GM Partners I, LLC
Change of Name 5783

Hollinger Canadian Newspapers, Limited Partnership
Cease Trading Order 5687

Hollinger Inc.
News Release 5648
Cease Trading Order 5687

Hollinger International Inc.
Cease Trading Order 5687

How To Web Tv Inc.
Cease Trading Order 5687

Hryniw, Gregory
Reasons for Decision 5683

Hryniw, Walter
Reasons for Decision 5683

Immuno Research Inc.
MRRS Decision 5660
Decision- s. 140(2) 5661

Integral Wealth Financial Limited
Surrender of Registration 5783

Kinross Gold Corporation
Cease Trading Order 5687

KPMG Management Services LP
MRRS Decision 5656

Lawrence Conservative Payout Ratio Trust
MRRS Decision 5663

Lucid Entertainment Inc.
Cease Trading Order 5687

Mamma.Com Inc.
Cease Trading Order 5687

Performance Equity Management, LLC
Change of Name 5783

Proposed OSC Rule 62-503 Financing of Take-over Bids and Issuer Bids
Notice 5647
Request for Comment 5689

Prudential Equity Group, LLC
Change in Category 5783

Radler, F. David
News Release 5648

Resolute Energy Inc.
Decision - s. 83 5679

Sargold Resources Corporation
Cease Trading Order 5687

Sentry Select Capital Corp.
Approval -s. 213(3)(b) 5791

Signature Income & Growth Corporate Class
Decision - NI 81-102 Mutual Funds,
ss. 2.6(a), (c), 6.1(1) and 19.1............................... 5668

Stone Mountain Holdings Inc.
Order - s. 144... 5682

The Streetwear Corporation
Cease Trading Order 5687

Thistle Mining Inc.
Cease Trading Order 5687

TVA Group Inc.
MRRS Decision... 5651

USA REIT Fund LLC
Decision - s. 83 5667

Wilson, David
Notice... 5647