

The Ontario Securities Commission

OSC Bulletin

January 6, 2006

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1	Notices		<u>SCHEDULED OSC HEARINGS</u>																																								
1.1.1	<p>Current Proceedings Before The Ontario Securities Commission</p> <p style="text-align: center;">JANUARY 6, 2006</p> <p style="text-align: center;">CURRENT PROCEEDINGS</p> <p style="text-align: center;">BEFORE</p> <p style="text-align: center;">ONTARIO SECURITIES COMMISSION</p> <p style="text-align: center;">-----</p> <p>Unless otherwise indicated in the date column, all hearings will take place at the following location:</p> <p style="margin-left: 40px;">The Harry S. Bray Hearing Room Ontario Securities Commission Cadillac Fairview Tower Suite 1700, Box 55 20 Queen Street West Toronto, Ontario M5H 3S8</p> <p>Telephone: 416-597-0681 Telecopier: 416-593-8348</p> <p>CDS TDX 76</p> <p>Late Mail depository on the 19th Floor until 6:00 p.m.</p> <p style="text-align: center;">-----</p> <p style="text-align: center;"><u>THE COMMISSIONERS</u></p> <table border="0" style="width: 100%; margin-left: 40px;"> <tr><td>W. David Wilson, Chair</td><td style="text-align: center;">—</td><td>WDW</td></tr> <tr><td>Paul M. Moore, Q.C., Vice-Chair</td><td style="text-align: center;">—</td><td>PMM</td></tr> <tr><td>Susan Wolburgh Jenah, Vice-Chair</td><td style="text-align: center;">—</td><td>SWJ</td></tr> <tr><td>Paul K. Bates</td><td style="text-align: center;">—</td><td>PKB</td></tr> <tr><td>Robert W. Davis, FCA</td><td style="text-align: center;">—</td><td>RWD</td></tr> <tr><td>Harold P. Hands</td><td style="text-align: center;">—</td><td>HPH</td></tr> <tr><td>David L. Knight, FCA</td><td style="text-align: center;">—</td><td>DLK</td></tr> <tr><td>Patrick J. LeSage</td><td style="text-align: center;">—</td><td>PJL</td></tr> <tr><td>Mary Theresa McLeod</td><td style="text-align: center;">—</td><td>MTM</td></tr> <tr><td>Carol S. Perry</td><td style="text-align: center;">—</td><td>CSP</td></tr> <tr><td>Robert L. Shirriff, Q.C.</td><td style="text-align: center;">—</td><td>RLS</td></tr> <tr><td>Suresh Thakrar, FIBC</td><td style="text-align: center;">—</td><td>ST</td></tr> <tr><td>Wendell S. Wigle, Q.C.</td><td style="text-align: center;">—</td><td>WSW</td></tr> </table>	W. David Wilson, Chair	—	WDW	Paul M. Moore, Q.C., Vice-Chair	—	PMM	Susan Wolburgh Jenah, Vice-Chair	—	SWJ	Paul K. Bates	—	PKB	Robert W. Davis, FCA	—	RWD	Harold P. Hands	—	HPH	David L. Knight, FCA	—	DLK	Patrick J. LeSage	—	PJL	Mary Theresa McLeod	—	MTM	Carol S. Perry	—	CSP	Robert L. Shirriff, Q.C.	—	RLS	Suresh Thakrar, FIBC	—	ST	Wendell S. Wigle, Q.C.	—	WSW	TBA	Yama Abdullah Yaqeen	<p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p>
W. David Wilson, Chair	—	WDW																																									
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Wendell S. Wigle, Q.C.	—	WSW																																									
		TBA	Cornwall <i>et al</i>	<p>s. 127</p> <p>K. Manarin in attendance for Staff</p> <p>Panel: TBA</p>																																							
		TBA	Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig	<p>s. 127</p> <p>J. Waechter in attendance for Staff</p> <p>Panel: TBA</p>																																							
		TBA	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir	<p>S. 127 & 127.1</p> <p>K. Manarin in attendance for Staff</p> <p>Panel: TBA</p>																																							
		TBA	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson	<p>s.127</p> <p>J. Superina in attendance for Staff</p> <p>Panel: SWJ/RWD/MTM</p>																																							

TBA	James Patrick Boyle, Lawrence Melnick and John Michael Malone s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA	February 6 to March 10, 2006 (except Tuesdays)	Philip Services Corp. et al s. 127 K. Manarin in attendance for Staff Panel: PMM/RWD/DLK
January 9, 2006 1:30 p.m.	Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir s.127 J. Waechter in attendance for Staff Panel: RLS/ST/DLK	April 10, 2006 to April 28, 2006 (except Tuesdays and not Good Friday April 14)	
January 11, 2006 10:00 a.m.	Jose L. Castaneda s.127 T. Hodgson in attendance for Staff Panel: WSW	May 1 to May 19; May 24 to May 26, 2006 (except Tuesdays)	
January 17, 2006 10:00 a.m.	Portus Alternative Asset Management Inc., Portus Asset Management Inc. Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg s.127 & 127.1 M. MacKewn in attendance for Staff Panel: TBA	June 12 to June 30, 2006 (except Tuesdays)	
January 31, 2006 10:00 a.m.	Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited S. 127 T. Hodgson in attendance for Staff Panel: TBA	February 21, 2006 2:30 p.m.	Fulcrum Financial Group Inc., Secured Life Ventures Inc., Zephyr Alternative Power Inc., Troy Van Dyk and William L. Rogers s. 127 and 127.1 G. Mackenzie in attendance for Staff Panel: TBA
January 31, 2006 10:00 a.m.	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton s. 127 J. Cotte in attendance for Staff Panel: TBA	March 1 and 2, 2006 10:00 a.m.	Richard Ochnik and 1464210 Ontario Inc. s. 127 and 127.1 M. Britton in attendance for Staff Panel: TBA
		March 2 & 3, 2006 10:00 a.m.	Christopher Freeman s. 127 and 127.1 P. Foy in attendance for Staff Panel: TBA
		March 3, 2006 10:00 a.m.	Jack Banks s. 127 K. Manarin in attendance for Staff Panel: SWJ/CSP

March 7, 2006 **Olympus United Group Inc.**
2:30 p.m. s.127

M. MacKewn in attendance for Staff

Panel: TBA

1.1.2 Notice of Commission Order - Application to Amend Recognition Order of TSX Group Inc. and TSX Inc.

**APPLICATION TO AMEND
RECOGNITION ORDER OF
TSX GROUP INC. AND TSX INC.**

March 7, 2006 **Norshield Asset Management (Canada) Ltd.**
2:30 p.m. s.127

M. MacKewn in attendance for Staff

Panel: TBA

NOTICE OF COMMISSION ORDER

On December 16, 2005, the Commission issued an order (Variation Order) pursuant to section 144 of the *Securities Act* (Ontario) to vary an order dated August 12, 2005 recognizing TSX Group and TSX Inc. as a stock exchange (Recognition Order). The Variation Order revises the financial viability and financial statement terms and conditions in paragraphs 4, 12 and 17.

April 3 to 7, 2006 **Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison and Malcolm Rogers**
10:00 a.m. s. 127 and 127.1

P. Foy in attendance for Staff

Panel: TBA

TSX Group and its subsidiaries recently changed their accounting policy for recognition of revenue for initial and additional listings fees. This accounting change affects the financial ratios in the Recognition Order. The purpose of the Variation Order is to adjust the financial ratios to reflect the new accounting policy, and provide financial ratio tests consistent with those under the former accounting policy. Certain revisions have also been made to clarify and to simplify the financial tests.

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

A copy of the Variation Order is published in Chapter 2 of this bulletin.

**1.1.3 Notice of Ministerial Approval - Ontario
Amending Instrument Amending NI 45-106**

NOTICE OF MINISTERIAL APPROVAL

**ONTARIO AMENDING INSTRUMENT
AMENDING
NATIONAL INSTRUMENT 45-106
PROSPECTUS AND REGISTRATION EXEMPTIONS**

On December 22, 2005, the Minister responsible for the oversight of the Commission approved, pursuant to subsection 143.3(3) of the *Securities Act* (Ontario), an amendment instrument (the **Amendment Instrument**) that will amend National Instrument 45-106 *Prospectus and Registration Exemptions* in Ontario.

The Amendment Instrument was previously published in the Bulletin on December 9, 2005. **The Amendment Instrument will come into force in Ontario on January 6, 2006.**

The Amendment Instrument is published in Chapter 5 of the Bulletin.

1.1.4 Notice of Amendments to the Securities Act

NOTICE OF AMENDMENTS TO THE *SECURITIES ACT*

On December 15, 2005, amendments to the *Securities Act* contained in the Government's Fall 2005 Budget Bill, received Royal Assent. The amendments are included in the *Budget Measures Act, 2005 (No. 2)* (formerly Bill 18).

Many of the amendments are based on the recommendations contained in the March 2003 Final Report of the Minister of Finance's Five Year Review Committee (chaired by Purdy Crawford) and the October 2004 report of the Standing Committee on Finance and Economic Affairs which reviewed the priority recommendations of the Five Year Review Committee. Part of the Five Year Review Committee's mandate was to ensure that securities legislation in Ontario is up to date and enables the Commission to proactively enforce clear standards to protect investors and foster a fair and efficient marketplace.

Among the most significant changes made to the *Securities Act* are amendments to:

- Empower a standing or select committee of the Assembly to review the Commission's annual report and to report the committee's opinion and recommendations to the Assembly.
- Prohibit a person or company from carrying on business as a clearing agency unless recognized by the Commission.
- Give the Commission rulemaking authority to prescribe activities that are not included in the definition of "solicit" and "solicitation" for purposes of Part XIX of the *Securities Act – Proxies and Proxy Solicitation*.
- Give the Commission rulemaking authority to exempt persons or companies making a solicitation, otherwise than by or on behalf of management of a reporting issuer, from sending an information circular to security holders whose proxy is solicited.
- Give the Commission rulemaking authority to regulate the governance of reporting issuers more generally (e.g. prescribing requirements related to the composition of a reporting issuer's board of directors and qualifications for membership on the board; the establishment of board committees; the mandate, functioning and responsibilities of such committees, and the qualifications of committee members; and procedures to regulate conflicts of

interest of the reporting issuer and those of its directors and officers).

- Clarify the Commission's rulemaking authority to require investment funds to establish and maintain a body for the purposes of overseeing the activities of the investment fund manager and to prescribe the oversight body's powers and duties and requirements relating to the mandate and functioning of the body.
- Give the Commission the power to order that acquisitions of any securities by a particular person or company is prohibited, permanently or for such other period specified by the Commission.
- Give the Commission the power to order that a person resign as a director or officer of a registrant or an investment fund manager and order that a person is prohibited from becoming or acting as a director or officer of a registrant or an investment fund manager.
- Give the Commission the power to order that a person or company is prohibited from becoming or acting as a registrant, an investment fund manager or as a promoter.

All of the *Securities Act* amendments (with the exception of the amendment dealing with mandatory recognition of clearing agencies) came into force on December 15, 2005. The amendments dealing with mandatory recognition of clearing agencies will come into force on a day to be proclaimed by the Lieutenant Governor in Council.

The relevant portions of the *Budget Measures Act, 2005 (No.2)* are reprinted in Chapter 9 and may also be viewed on the Ontario Legislative Assembly's website at www.ontla.on.ca.

Questions may be referred to:

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1.3 News Releases

1.3.1 OSC Files Charges against Jose Castaneda

**FOR IMMEDIATE RELEASE
December 21, 2005**

OSC FILES CHARGES AGAINST JOSE CASTANEDA

TORONTO – Staff of the Ontario Securities Commission laid charges against Jose Castaneda yesterday under the Provincial Offences Act. The charges arise from the fact that Castaneda continued to trade in securities without registration for a period of over 3 years after he had been prohibited from further trading by order of the Ontario Securities Commission.

Castaneda's first court appearance is scheduled for Thursday, February 16, 2006, court room "C", 9 a.m., at the Old City Hall courthouse, 60 Queen Street West, Toronto.

The charges laid by the Commission are as follows:

1. On or between the 1st day of January, 1999 and the 30th day of June, 2003, at the City of Toronto and elsewhere in the Province of Ontario, JOSE CASTANEDA did trade in securities without being registered to trade in securities as required by section 25(1) of the *Securities Act*, and did thereby commit an offence pursuant to section 122(1)(c) of the *Securities Act*;

2. And further on or between the 1st day of January, 1999 and the 30th day of June, 2003, at the City of Toronto and elsewhere in the Province of Ontario, JOSE CASTANEDA did contravene Ontario Securities law by trading in securities at a time when he was prohibited from trading in securities by order of the Ontario Securities Commission, contrary to section 122(1)(c) of the *Securities Act*.

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1.3.2 CSA Launches This Is Your Life Campaign

**FOR IMMEDIATE RELEASE
3 January 2006**

CSA LAUNCHES THIS IS YOUR LIFE CAMPAIGN

Montreal – The Canadian Securities Administrators officially launched a new campaign that aims to educate Canadians about the importance of saving and investing, entitled *This Is Your Life*, that will run until December 2006.

Partnering with the well-loved Canadian comic strip *For Better or For Worse*®, by Lynn Johnston, the CSA is reaching out to consumers at key points in their lives. While traditionally CSA Investor Education campaigns have been demographically focused, the target groups for *This Is Your Life* include people experiencing life events including marriage/cohabitation, raising a family, pre-retirement and receiving a financial windfall. Research has shown consumers seek out financial information at these key points.

Canadians are encouraged to visit the educational website www.thisisyourlife.ca, where Lynn Johnston's familiar characters highlight each triggering event along with relevant and important investing information. Visitors can also enter a contest to win autographed *For Better or For Worse*® prints and a cash grand prize.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets. Their mandate is to protect investors from unfair or fraudulent practices through regulation of the securities industry. Part of this protection is educating investors about the risk, responsibilities and rewards of investing.

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1.4 Notices from the Office of the Secretary

**1.4.1 James Patrick Boyle, Lawrence Melnick and
John Michael Malone**

**FOR IMMEDIATE RELEASE
December 22, 2005**

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

AND

**IN THE MATTER OF
JAMES PATRICK BOYLE, LAWRENCE MELNICK
AND JOHN MICHAEL MALONE**

TORONTO – The Commission issued an Order today approving the Settlement Agreement reached between Staff of the Commission and John Michael Malone.

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

Office of the Secretary
John P. Stevenson
Secretary

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

1.4.2 Brian Peter Verbeek

**FOR IMMEDIATE RELEASE
December 22, 2005**

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

AND

**IN THE MATTER OF
BRIAN PETER VERBEEK**

TORONTO – The Commission issued its Decision and Reasons on Sanctions in the above noted matter.

The Commission ordered that:

- Brian Peter Verbeek's registration is terminated;
- he cease trading permanently, except that he may trade for the purposes of his own RRSP;
- exemptions available under Ontario securities law will not apply to him;
- Mr. Verbeek must resign as a Director or Officer of any issuer and is prohibited from holding such positions in the future;

- Mr. Verbeek is reprimanded; and
- Mr. Verbeek pay \$94,618.75 in costs, pursuant to section 127.1 of the *Securities Act*.

On July 26, 2005, the Commission found, after the hearing on the merits, that Mr. Verbeek was a registered representative whose conduct was contrary to the *Securities Act* and the public interest. The Commission found that Mr. Verbeek participated in a scheme in which holders of locked-in RRSPs purchased securities in Canadian Controlled Private Corporations (CCPCs) in exchange for loans from the CCPCs for 60% to 80% of the share purchase price. The holders were mainly low-income, unsophisticated investors having few investments beyond their locked-in RRSPs. The Commission found, among other things, that Mr. Verbeek failed to consider the holders' investment needs and the suitability of the high-risk CCPC securities.

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

Office of the Secretary
John P. Stevenson
Secretary

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Great Canadian Gaming Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted from the requirement to include certain financial statements in a business acquisition report – Issuer filed a prospectus that included the financial information for the acquisition as a probable significant acquisition – Financial information in the prospectus was for a period that ended not more than one interim period before the financial information that would be required under Part 8 of NI 51-102 – Issuer will include the financial information that was in the prospectus in the business acquisition report – A reasonable investor would not consider the acquired business to be the issuer's primary business – Issuer will not account for the acquired business as continuity of interests.

National Instruments Cited

National Instrument 51-102, ss. 8.4 and 13.1

December 16, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
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
GREAT CANADIAN GAMING CORPORATION (THE
FILER)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Filer from the requirement that certain financial statements prescribed by Section 8.4 of National Instrument 51-102 *Continuous Disclosure obligations* (NI

51-102) be filed with the business acquisition report to be prepared by the Filer in connection with the Filer's acquisition of Flamboro Downs Limited (Flamboro) (the Requested Relief).

Application of Principal Regulator System

Under Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the British Columbia Securities Commission is the principal regulator for the Filer,
- (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia, Newfoundland and Labrador (the MI 11-101 Jurisdictions), and
- (c) 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.

In this decision,

- (a) *Acquisition* means the purchase by the Filer of the issued and outstanding shares of Flamboro for a purchase price of approximately CDN\$50 million and US\$23.6 million,
- (b) *Equity Offering* means the offering of 3,703,704 special warrants for a total gross proceeds of CDN\$75,000,006, and
- (c) *NI 44-101* means National Instrument 44-101 *Short Form Prospectus Distributions*.

Representations

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

1. the Filer was incorporated under the predecessor legislation to the British Columbia *Business Corporations Act*,

Decisions, Orders and Rulings

2. the Filer's head office is in Richmond, British Columbia;
3. the Filer is a reporting issuer, or the equivalent, in each of the Jurisdictions and in the MI 11-101 Jurisdictions and, to the best of its knowledge, is currently not in default of any applicable requirements under the securities legislation in those jurisdictions;
4. on August 16, 2005, the shareholders of Ontario Racing Inc. (ORI), which amalgamated with Flamboro before the closing of the Acquisition, and the Filer agreed to complete the Acquisition;
5. on August 3, 2005, the Filer closed the Equity Offering;
6. on August 31, 2005, the Filer filed its final short form prospectus in British Columbia, Alberta, Saskatchewan, Ontario and Québec in connection with the Equity Offering;
7. proceeds from the Equity Offering were used to partially satisfy the purchase price for the Acquisition;
8. the Acquisition closed October 19, 2005;
9. NI 44-101 sets out the financial statements required to be included or incorporated by reference in a short form prospectus, including financial statements relating to "significant acquisitions";
10. under NI 44-101, the Filer's prospectus included the following financial statements:
 - (a) the unaudited *pro forma* consolidated balance sheet of the Filer as at June 30, 2005,
 - (b) the unaudited *pro forma* consolidated statement of income of the Filer for the six-month period ended June 30, 2005,
 - (c) the unaudited *pro forma* consolidated statement of income of the Filer for the year ended December 31, 2004,
 - (d) the compilation report on the unaudited *pro forma* consolidated financial statements of the Filer,
 - (e) the audited financial statements of ORI for the years ended December 31, 2004 and 2003,
 - (f) the unaudited financial statements of ORI for the six-month periods ended June 30, 2005 and 2004, and
- (g) the audit report on the audited financial statements of ORI for the years ended December 31, 2004 and 2003,
(the Prospectus Financial Statements);
11. the *pro forma* Prospectus Financial Statements reflect the consolidated results for both ORI and Flamboro;
12. the Acquisition is a "significant acquisition" for the Filer for the purposes of NI 51-102, so the Filer must file a business acquisition report by January 2, 2006;
13. the business acquisition report must include the following financial statements:
 - (a) the unaudited *pro forma* balance sheet of the Filer as at September 30, 2005,
 - (b) the unaudited *pro forma* statement of income of the Filer for the nine-month period ended September 30, 2005,
 - (c) the unaudited *pro forma* statement of income of the Filer for the year ended December 31, 2004,
 - (d) the compilation report on the unaudited *pro forma* financial statements of the Filer,
 - (e) the audited financial statements of ORI for the years ended December 31, 2004 and 2003,
 - (f) the unaudited financial statements of ORI for the nine-month periods ended September 30, 2005 and 2004, and
 - (g) the audit report on the audited financial statements of ORI for the years ended December 31, 2004 and 2003,
(the BAR Financial Statements);
14. the BAR Financial Statements would not be materially different from the Prospectus Financial Statements;
15. ORI is a private company and as a wholly-owned subsidiary of Magna Entertainment Corp., interim and annual financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles are not prepared for its operations as a matter of course;
16. a reasonable investor would not consider the Filer's primary business to be the Flamboro business;

17. the Filer is not accounting for the Acquisition as continuity of interests.

Decision

The Decision Makers being satisfied that each has the jurisdiction to make this decision and that the relevant test under the Legislation has been met.

The Requested Relief is granted provided that the Filer includes the Prospectus Financial Statements in its business acquisition report.

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

2.1.2 CP Ships Limited - ss. 83

Headnote

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

Ontario Statutes

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

December 28, 2005

Blake, Cassels & Graydon LLP

Box 25, Commerce Court West
199 Bay Street, Suite 2800
Toronto, Ontario
M5L 1A9

Attention: Helen Martin

Dear Sirs / Mesdames:

Re: CP Ships Limited (the “Applicant”)
Re: Application to cease to be a reporting issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”)

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

As the Applicant has represented to the Decision Makers that:

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 obligations under the Legislation as a reporting issuer,

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

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

2.1.3 Superior Plus Income Fund and Superior Plus Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Filers exempt from from the requirement to include certain financial statements in the Business Acquisition Report to be filed by the Filers in connection with an acquisition which was completed on October 19, 2005 on the condition that the Filers incorporate by reference the Prospectus Financial Statements in the BAR

Rules cited

National Instrument 51-102 Continuous Disclosure Obligations
National Instrument 44-101 Short Form Prospectus Distributions
Multilateral Instrument 11-101 Principal Regulator System

Citation: Superior Plus Income Fund and Superior Plus Inc., 2005 ABASC 991

December 16, 2005

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ALBERTA AND ONTARIO (THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
SUPERIOR PLUS INCOME FUND AND
SUPERIOR PLUS INC. (THE "FILERS")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the Filers from the requirement to include certain financial statements in the Business Acquisition Report (the "BAR") to be filed by the Filers in connection with an acquisition which was completed on October 19, 2005 on the condition that the Filers incorporate by reference the Prospectus Financial Statements (as hereinafter defined) in the BAR (the "Requested Relief").

Principal Regulator System

Under Multilateral Instrument 11-101 *Principal Regulator System* ("MI 11-101") and the Mutual Reliance Review System for Exemptive Relief Applications

- (a) the Alberta Securities Commission is the principal regulator for the Filers,
- (b) the Filers are relying on the exemption in Part 3 of MI 11-101 in all of the Provinces in Canada except Ontario, and
- (c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

The Applicants

The Fund

- 1. Superior Plus Income Fund (the "Fund") is a limited purpose, unincorporated trust established under the laws of the Province of Alberta by a Declaration of Trust made as of August 2, 1996, as amended and restated on October 7, 2003 with its head and registered office located in Calgary, Alberta.
- 2. The Fund does not conduct active business operations, but rather, it distributes to its unitholders the income it receives from Superior Plus Inc. ("Superior").
- 3. The Fund holds all of the outstanding equity securities of Superior.
- 4. The trust units of the Fund trade on the Toronto Stock Exchange (the "TSX") under the trading symbol "SPF.UN". The Fund also has Series 1 and Series 2, 8% Convertible Unsecured Subordinated Debentures outstanding, that trade on the TSX under the trading symbols "SPF.DB" and "SPF.DB.A", respectively, Series 1, 5.75% Convertible Unsecured Subordinated Debentures outstanding that trade on the TSX under the trading symbol "SPF.DB.B" and Series 1, 5.85% Convertible Unsecured Subordinated Debentures outstanding that trade on the TSX under the trading symbol "SPF.DB.C".
- 5. The Fund is a reporting issuer, where such status exists, in all of the provinces and territories of Canada.
- 6. To its knowledge, the Fund is not in default of any of the requirements of the applicable securities legislation in any of the provinces or territories in which it is a reporting issuer.

Superior

- 7. Superior was incorporated under the provisions of Part 1 of the Companies Act, 1934 by letter patent dated July 24, 1951 as Superior Propane Limited and was continued under the Canada Business Corporations Act on June 30, 1978.
- 8. Superior carries on business through five operating divisions: Superior Propane, a distributor of propane, related products and services; ERCO Worldwide, a supplier of chemicals and technology to the pulp and paper and water treatment industries; Winroc, a distributor of walls and ceilings construction products in North America; Superior Energy Management which provides natural gas supply services, predominantly to commercial and industrial markets in Ontario and Quebec, and JW Aluminum Company, a manufacturer of specialty, flat-rolled aluminum products, primarily serving the heating, ventilation and air-conditioning, building and construction and flexible packaging end-use markets.
- 9. Superior is authorized to issue an unlimited number of Class A common shares, Class B common shares and preferred shares. Currently there are 22.9 million Class A Common Shares, 22.9 million Class B Common Shares and no preferred shares issued and outstanding. All of the outstanding Common Shares of Superior are owned by the Fund.
- 10. Superior is also authorized to issue an unlimited amount of Shareholder Notes pursuant to an amended and restated note indenture between Superior and CIBC Mellon Trust Company of Canada dated October 7, 2003. Currently there is approximately \$1.469 billion aggregate principal amount of Shareholder Notes issued and outstanding, all registered in the name of the Fund.
- 11. Superior has undertaken to file all continuous disclosure documents as though it were a reporting issuer in all of the provinces of Canada that have such a concept, subject to certain exceptions, as part of an application under the Mutual Reliance Review System ("MRRS") for which an MRRS decision document was received on February 23, 2001. The decision document relieves Superior from the 12 month reporting issuer requirement under National Instrument 44-101 - Short Form Prospectus Distributions ("NI 44-101") and National Instrument 44-102 - Shelf Distributions.
- 12. To its knowledge, Superior is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it files such continuous disclosure documents.

13. As a consequence of Superior's undertaking, it is also required to file a BAR in connection with the Acquisition (as hereinafter defined).

The Acquisition

14. On October 19, 2005 the Fund completed the indirect acquisition of all of the issued and outstanding shares of JW Aluminum Holding Company ("JWA") through the Fund's indirect wholly-owned subsidiary Superior Plus US Holdings Inc. (the "Acquisition").

15. The Acquisition was partially financed by the Fund's public offering of 6,215,000 Subscription Receipts and \$75 million of 5.85% Extendible Convertible Unsecured Subordinated Debentures (the "Offering") made pursuant to a (final) short form prospectus dated October 7, 2005 (the "Prospectus").

16. After the Acquisition, JWA became one of the five operating divisions of Superior's business, operating under the division name JW Aluminum Company. The JW Aluminum Company division is not Superior's primary business.

The Prospectus Financial Statement Requirements

17. NI 44-101 sets forth the financial statements that are required to be included in a short form prospectus if an issuer is proposing to make a significant probable acquisition (the "Prospectus Financial Statement Requirements").

18. Using the significance tests set forth in Section 1.2 of NI 44-101, the Acquisition was determined to be significant at the 20-40% level.

19. In compliance with the requirements of Section 4.4 of NI 44-101, the Prospectus contained the following financial statements relating to the Acquisition:

(a) the audited consolidated financial statements of JWA for the year ended December 31, 2004 and the periods from December 5, 2003 through to December 31, 2003 and January 1, 2003 through to December 4, 2003 (the "Prospectus Annual Financial Statements");

(b) the unaudited consolidated financial statements of JWA as of June 30, 2005 and December 31, 2004 and the six months ended June 30, 2005 and 2004 (the "Prospectus Interim Financial Statements"); and

(c) the unaudited pro forma consolidated balance sheet of the Fund as at June 30, 2005 and the pro forma unaudited

consolidated statements of net earnings for the six months ended June 30, 2005 and for the year ended December 31, 2004 (the "Prospectus Pro Forma Financial Statements", the Prospectus Pro Forma Financial Statements, Prospectus Interim Financial Statements and the Prospectus Annual Financial Statements being collectively referred to herein as the "Prospectus Financial Statements").

20. All material facts in respect of JWA and the Acquisition at the time the Prospectus was filed, including the Prospectus Financial Statements, were provided in the Prospectus. To the knowledge of the Fund and Superior since the time the Prospectus was filed on October 7, 2005, there has not been any change in the business or affairs of JWA that is material and adverse to the Fund or Superior.

The Business Acquisition Report Financial Statement Requirements

21. Pursuant to the requirements of Part 8 of NI 51-102 the Fund and Superior are required to file a BAR relating to the Acquisition within 75 days after the date of the Acquisition.

22. Using the significance tests set forth in Section 8.3 of NI 51-102, the Acquisition was determined to be significant at the 20-40% level.

23. To comply with the requirements of Section 8.4 of NI 51-102, the Fund and Superior are required to include the following financial statements in the BAR:

(a) audited annual financial statements for the year ended December 31, 2004 prepared in compliance with Section 8.4(1) of NI 51-102 (the "BAR Annual Financial Statements");

(b) unaudited financial statements of JWA for the nine months ended September 30, 2005 and 2004 prepared in compliance with Section 8.4(2) of NI 51-102 (the "BAR Interim Financial Statements"); and

(c) an unaudited pro forma consolidated balance sheet of the Fund or Superior, as the case may be, as at September 30, 2005 and the pro forma unaudited consolidated statements of net earnings for the nine months ended September 30, 2005 and for the year ended December 31, 2004 prepared in compliance with Section 8.4(3) of NI 51-102 (the "BAR Pro Forma Financial Statements", the BAR Pro Forma

Financial Statements, BAR Interim Financial Statements and the BAR Annual Financial Statements being collectively referred to herein as the "BAR Financial Statements").

Decision

The Decision Makers being satisfied that they have the jurisdiction to make this decision and that the relevant test under the Legislation has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted, provided that the Filers incorporate by reference the Prospectus Financial Statements in the BAR and provided that Superior will not account for the Acquisition as continuity of interests.

"Mavis Legg, CA"
Manager, Corporate Finance
Alberta Securities Commission

2.1.4 Maverick Tube (Canada) Inc. - ss. 83

Headnote

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

Ontario Statutes

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

December 23, 2005

Bennett Jones LLP

4500 Bankers Hall East
855 - 2 Street SW
Calgary, AB T2P 4K7

Attention: Brandon D. Tigehelaar

Dear Sir:

Re: Maverick Tube (Canada) Inc.(the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Ontario, Québec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

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

As the Applicant has represented to the 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 23rd day of December, 2005.

“Blaine Young”
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.5 YEARS Financial Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption granted to an investment fund from the requirement in subsection 14.2(3)(b) of National Instrument 81-106 Investment Fund Continuous Disclosure to calculate its net asset value on a daily basis subject to certain conditions.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, subsection 14.2(3)(b) and section 17.1.

December 23, 200

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

AND

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

AND

IN THE MATTER OF
YEARS FINANCIAL TRUST (formerly YEARS Trust) (the
Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) revoking the decision previously granted to YEARS Trust (YEARS) pursuant to National Instrument 81-102 – Mutual Funds (NI 81-102) and issuing a decision in the name of YEARS Financial Trust (as the Filer has been renamed) for exemptive relief from section 14.2(3)(b) of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

1. The Filer is a mutual fund trust governed by the laws of Ontario.
2. The Filer completed its initial public offering on February 13, 2001 pursuant to a final prospectus dated January 29, 2001.
3. A proposal was submitted to the unitholders of the Filer and of YEARS U.S. Trust (YEARS US) to merge the two funds and make changes to the continuing fund, including changes to its investment objectives, in order to provide unitholders of both funds with the opportunity to continue their investment in a single fund that should be better positioned to provide a higher level of distributions and the opportunity for growth in net asset value (NAV) per unit.
4. Special meetings of the unitholders of each of the Filer and YEARS US were held on December 12, 2005 for the purposes of voting on the proposal, including without limitation the merger and changes to the manager, investment objectives, investment strategy, investment restrictions, redemption provisions and record date of the Filer, as the continuing fund.
5. A notice of special meetings and joint management information circular (the Circular) of YEARS and YEARS US relating to the proposal and the special meetings was mailed to unitholders and subsequently filed on SEDAR on November 11, 2005.
6. The merger was implemented on December 16, 2005.
7. Pursuant to the merger, the Filer acquired substantially all of the net assets of YEARS US, and the Filer issued to YEARS US additional units of the Filer in consideration for those assets. YEARS US then automatically redeemed all of its outstanding units, other than one unit held by Highstreet Asset Management Inc. (Highstreet), and transferred units of the Filer to unitholders of YEARS US in payment of the redemption price. As of December 16, 2005, former unitholders of YEARS US are unitholders of the Filer.
8. As of December 16, 2005, as part of the changes to the Filer, Brompton YTU Management Limited (Brompton) replaced Highstreet as the manager of

the Filer. Highstreet continues to act as the investment manager of the Filer.

9. Units of the Filer are redeemable at a price computed by reference to the value of a proportionate interest in the NAV of the Filer. As a result, the Filer will continue to be a "mutual fund" under applicable securities legislation, but will not have certain of the features of conventional mutual funds.
10. Units of the Filer are currently listed and traded on the Toronto Stock Exchange (TSX). Therefore, unitholders of the Filer have an additional source of liquidity for their investment and are not dependent on redemptions alone.
11. The investment objectives of the Filer are to provide unitholders (i) with a stable stream of monthly cash distributions initially targeted to be \$1.60 per unit per annum, which would represent a yield of approximately 7.5% per annum on the initial NAV of the Filer; and (ii) the opportunity for growth in NAV per unit. The target distributions for the Filer will be determined on an annual basis by the manager of the fund.
12. The Filer's investment strategy is to invest in a portfolio (the Portfolio) consisting of common shares and income trust units of issuers listed on the TSX and classified as falling within the "Financials Sector", within the meaning of the Global Industry Classification Standard or "GICS" maintained by Standard & Poor's and Morgan Stanley Capital International.
13. The Filer may, from time to time, hold a portion of its assets in cash equivalents, write call options and put options, utilize derivatives and engage in securities lending activities as permitted by NI 81-102 and the provisions of its trust agreement.
14. Effective January 1, 2006, (i) the redemption rights of units of the Filer will be changed so that redeeming unitholders of the Filer will be required to surrender their units for redemption at least 10 business days prior to the valuation date in order for their units to be redeemed the following month, (ii) the valuation date for each month will be the second last business day of the month instead of the last business day and (iii) in determining the redemption price, the costs associated with the redemption, including brokerage costs, will be deducted.
15. Other amendments to the trust agreement that governs the Filer were made in order to make certain provisions of the trust agreement consistent with the terms of the agreements relating to other funds managed by the Brompton Group of Companies. The amendments include changes to the record and payment dates for distributions of the Filer.

16. The Filer currently calculates its NAV on a weekly basis.

“Leslie Byberg”
Manager, Investment Funds Branch
Ontario Securities Commission

On January 31, 2001, the Filer was granted relief by the local securities regulatory authority or regulator in each of the provinces of Canada, except for Quebec and Manitoba, from the requirement to calculate NAV daily in then section 13.1 of NI 81-102, so as to permit the Filer to calculate its NAV on a weekly basis. This relief was subject to the condition that the prospectus disclose that the weekly NAV calculation and the NAV calculation performed upon the last day of each month be available to the public upon request, and that the prospectus also disclose a toll-free telephone number and website (if any) which the public can access for this purpose.

If the Requested Relief is granted, the Filer will calculate its NAV on a weekly basis and will ensure that its weekly NAV is available to the public upon request, and that its weekly NAV be made available on a website accessible to the public.

17. The Filer will only offer additional units pursuant to a non-simplified long-form or short-form prospectus or pursuant to an exemption from the prospectus requirements of securities legislation. For so long as the Filer is TSX-listed and calculates its NAV at least weekly, any future prospectus of the Filer will disclose:
- (a) that its weekly NAV is available to the public upon request; and
 - (b) that its weekly NAV is made available on a website accessible to the public.

Decision

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

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

- a) the weekly NAV is available to the public upon request; and
- b) the weekly NAV be made available on a website accessible to the public.

for so long as:

- c) the units are listed on the TSX; and
- d) the Filer calculates its NAV at least weekly.

2.1.6 Precision Drilling Corporation - ss. 83

Relief requested granted on the 14th day of December, 2005.

Headnote

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

“Blaine Young”
Associate Director, Corporate Finance
Alberta Securities Commission

Ontario Statutes

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

December 14, 2005

Borden Ladner Gervais

1000 Canterra Tower
400 - 3 Avenue SW
Calgary, AB T2P 4H2

Attention: Anthony S. Rasoulis

Dear Sir:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

2.1.7 YEARS Financial Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Revocation of exemptive relief previously granted to an exchange-traded fund from certain requirements of National Instrument 81-102 Mutual Funds (“NI 81-102”), and standard relief from certain requirements of NI 81-102 granted to an exchange-traded continuing fund in existence as a result of the recent merger of two exchange-traded funds.

Rules Cited

National Instrument 81-102 Mutual Funds, subsection 2.1(1), sections 10.3 & 10.4, subsection 12.1(1), section 14.1, and section 19.1

December 23, 2005

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

AND

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

AND

**IN THE MATTER OF
YEARS FINANCIAL TRUST (formerly YEARS Trust) (the
Filer)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) revoking the decision previously granted to YEARS Trust (YEARS) pursuant to National Instrument 81-102 *Mutual Funds* (“NI 81-102”) and issuing a decision in the name of YEARS Financial Trust (as the Filer has been renamed) for exemptive relief from sections 2.1(1), 10.3, 10.4, 12.1(1) and 14.1 of NI 81-102 (collectively, the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. The Filer is a mutual fund trust governed by the laws of Ontario.
2. The Filer completed its initial public offering on February 13, 2001 pursuant to a final prospectus dated January 29, 2001.
3. A proposal was submitted to the unitholders of the Filer and of YEARS U.S. Trust (YEARS US) to merge the two funds and make changes to the continuing fund, including changes to its investment objectives, in order to provide unitholders of both funds with the opportunity to continue their investment in a single fund that should be better positioned to provide a higher level of distributions and the opportunity for growth in net asset value (NAV) per unit.
4. Special meetings of the unitholders of each of the Filer and YEARS US were held on December 12, 2005 for the purposes of voting on the proposal, including without limitation the merger and changes to the manager, investment objectives, investment strategy, investment restrictions, redemption provisions and record date of the Filer, as the continuing fund.
5. A notice of special meetings and joint management information circular (the Circular) of YEARS and YEARS US relating to the proposal and the special meetings was mailed to unitholders and subsequently filed on SEDAR on November 11, 2005.
6. The merger was implemented on December 16, 2005.
7. Pursuant to the merger, the Filer acquired substantially all of the net assets of YEARS US, and the Filer issued to YEARS US additional units of the Filer in consideration for those assets. YEARS US then automatically redeemed all of its outstanding units, other than one unit held by Highstreet Asset Management Inc. (Highstreet), and transferred units of the Filer to unitholders of YEARS US in payment of the redemption price. As of December 16, 2005, former unitholders of YEARS US are unitholders of the Filer.

8. As of December 16, 2005, as part of the changes to the Filer, Brompton YTU Management Limited (Brompton) replaced Highstreet as the manager of the Filer. Highstreet continues to act as the investment manager of the Filer.
9. Units of the Filer are redeemable at a price computed by reference to the value of a proportionate interest in the NAV of the Filer. As a result, the Filer continues to be a "mutual fund" under applicable securities legislation, but will not have certain of the features of conventional mutual funds.
10. Units of the Filer are currently listed and traded on the Toronto Stock Exchange (TSX). Therefore, unitholders of the Filer have an additional source of liquidity for their investment and are not dependent on redemptions alone.
11. The investment objectives of the Filer are to provide unitholders (i) with a stable stream of monthly cash distributions initially targeted to be \$1.60 per unit per annum, which would represent a yield of approximately 7.5% per annum on the initial NAV of the Filer; and (ii) the opportunity for growth in NAV per unit. The target distributions for the Filer will be determined on an annual basis by the manager of the fund.
12. The Filer's investment strategy is to invest in a portfolio (the Portfolio) consisting of common shares and income trust units of issuers listed on the TSX and classified as falling within the "Financials Sector", within the meaning of the Global Industry Classification Standard or "GICS" maintained by Standard & Poor's and Morgan Stanley Capital International. This strategy may involve investment in the securities of any one issuer beyond 10% of NAV at any given time.
13. On January 31, 2001, the Filer was granted relief by the local securities regulatory authority or regulator in each of the provinces of Canada, except for Quebec and Manitoba, from the requirements of sections 10.3, 10.4 and 12.1(1) of NI 81-102. At that time the Filer did not require relief from the concentration restriction in section 2.1(1) of NI 81-102, however, given the new investment strategy of the Filer, the Requested Relief is now requested.
14. The Filer may, from time to time, hold a portion of its assets in cash equivalents, write call options and put options, utilize derivatives and engage in securities lending activities as permitted by NI 81-102 and the provisions of its trust agreement.
15. Effective January 1, 2006, (i) the redemption rights of units of the Filer will be changed so that redeeming unitholders of the Filer will be required to surrender their units for redemption at least 10 business days prior to the valuation date in order for their units to be redeemed the following month, (ii) the valuation date for each month will be the second last business day of the month instead of the last business day and (iii) in determining the redemption price, the costs associated with the redemption, including brokerage costs, will be deducted.
16. Since requests to redeem units of the Filer may be made at any time during the month but are subject to a cut-off date (10 business days prior to the valuation date), and since the NAV of the Filer will be calculated weekly, redemptions may not necessarily be implemented at a price equal to the NAV next determined after receipt of a redemption order from unitholders. Rather, redemptions could be executed at a later-calculated NAV if redemption orders are received after the cut-off date.
17. The redemption procedures of the Filer provide that shareholders will receive payment within 10 business days after the valuation date on which a unitholder's units are redeemed.
18. Other amendments to the trust agreement that governs the Filer were made in order to make certain provisions of the trust agreement consistent with the terms of the agreements relating to other funds managed by the Brompton Group of Companies. The amendments include changes to the record and payment dates for distributions of the Filer.
19. The Filer will only offer additional units pursuant to a non-simplified long-form or short-form prospectus or pursuant to an exemption from the prospectus requirements of securities legislation.

Decision

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

The decision of the Decision Makers is that relief is granted from the following requirements of NI 81-102:

- (a) section 2.1(1) – to enable the Filer to invest all of its net assets in the Portfolio;
- (b) section 10.3 – to permit the Filer to continue to calculate the redemption price for its units on the applicable redemption date according to the Filer's current practices, as modified in the manner disclosed in the Circular;
- (c) section 10.4 – to permit the Filer to continue to pay the redemption price for units according to the Filer's current

practices, as modified in the manner disclosed in the Circular;

- (d) section 12.1(1) – to continue to relieve the Filer from the requirement to file the prescribed compliance reports;
- (e) section 14.1 – to relieve the Filer from the requirement relating to the record date for the payment of dividends or other distributions, provided that it complies with the applicable requirements of the TSX.

“Leslie Byberg”
Manager, Investment Funds Branch
Ontario Securities Commission

2.1.8 Goodman & Company, Investment Counsel Ltd. - MRRS Decision

Headnote

Standard exemption from subsection 4.1(1) of National Instrument 81-102 Mutual Funds to allow the Dealer Managed Fund, as defined in section 1.1 of NI 81-102, to invest in the units of an issuer during the distribution period and the 60 days after the distribution period in which an affiliate of the Dealer Manager, as defined in section 1.1 of NI 81-102, has acted as an underwriter in connection with the distribution of the units of the issuer.

Rule Cited

National Instrument 81-102 Mutual Funds, subsection 4.1(1) and section 19.1.

December 19, 2005

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

AND

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

AND

**GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.
(the “Applicant” or “Dealer Manager”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Applicant, the portfolio adviser of the Dynamic Focus+ Small Business Fund (the “**Fund**” or “**Dealer Managed Fund**”) for a decision under section 19.1 of National Instrument 81-102 *Mutual Funds* (“**NI 81-102**”) for:

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Fund to invest in the units (the “**Units**”) of Futuremed HealthCare Income Fund (the “**Issuer**”) during the period of distribution for the Offering (as defined below) (the “**Distribution**”) and the 60-day period following the completion of the

Distribution (the “**60-Day Period**”) (the Distribution and the 60-Day Period together, the “**Prohibition Period**”) notwithstanding that an associate or affiliate of the Dealer Manager acts or has acted as an underwriter in connection with the offering (the “**Offering**”) of Units of the Issuer under a final prospectus (the “**Prospectus**”) that the Issuer will file in accordance with the securities legislation of the provinces of Canada (the “**Requested Relief**”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

It is the responsibility of each of the Decision Makers to make a global assessment of the risks involved in granting exemptive relief from subsection 4.1 of NI 81-102 in relation to the specific facts of each application.

Interpretation

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

Representations

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

1. The Dealer Manager is a “dealer manager” with respect to the Dealer Managed Fund, and the Dealer Managed Fund is a “dealer managed fund”, as such terms are defined in section 1.1 of NI 81-102.
2. The head office of the Dealer Manager is located in Toronto, Ontario.
3. The securities of the Dealer Managed Fund are qualified for distribution in all of the provinces and territories of Canada pursuant to a simplified prospectus that has been prepared and filed in accordance with the applicable securities legislation.
4. The Issuer filed an amended and restated preliminary prospectus (the “**Preliminary Prospectus**”) on December 2, 2005 with the Decision Makers in each of the provinces and territories of Canada for which an MRRS decision document evidencing receipt by the regulators in each of the provinces was issued on December 2, 2005.
5. The Offering is being underwritten, subject to certain terms, by a syndicate which the Preliminary Prospectus states will include Dundee Securities Corporation (the “**Related Underwriter**”), CIBC World Markets Inc., BMO Nesbitt Burns Inc, RBC Dominion Securities Inc., National Bank Financial Inc., TD Securities Inc., and Sprott Securities Inc. (the Related Underwriter and any other underwriters which are now or may become part of the syndicate prior to closing of the Offering, the “**Underwriters**”).
6. According to a term sheet dated November 29, 2005 (the “**Term Sheet**”) the gross proceeds of the Offering are expected to be approximately \$106 million (depending on yield). In addition, the Underwriters will be granted an over-allotment option (the “**Over-Allotment Option**”) to purchase up to 5% of the number of Units issued in the Offering which may be exercised within 30 days following the Closing Date (as defined below). If the Over-Allotment option is exercised in full, the gross proceeds of the Offering would be increased by 5% to approximately \$111.3 million. The closing will occur on a date to be included in the Prospectus.
7. As disclosed in the Preliminary Prospectus, the Issuer is an unincorporated, open-ended, limited purpose trust established under the laws of Ontario. The Issuer was created to indirectly acquire an interest in Futuremed Health Care Products Limited Partnership (“**Futuremed**”). According to the Preliminary Prospectus, Futuremed is Canada’s leading value-added distributor of consumable nursing supplies and specialized furniture and equipment to the long-term care facilities sector.
8. According to the Preliminary Prospectus, the Issuer will use the aggregate gross proceeds of the Offering to subscribe for trust units and series 1 notes of the Futuremed Healthcare Trust, which will, in turn subscribe for class A limited partnership units of Futuremed Holdings Limited Partnership (“**FHLP**”). The proceeds received by FHLP will be used, directly or indirectly to: (i) acquire all of the securities of Futuremed from existing investors in exchange for cash, Units, class B limited partnership units of FHLP and special voting units of the Issuer; (ii) repay Futuremed’s existing credit facilities; and (iii) pay the expenses of the Offering. If the Over-Allotment Option is exercised, the additional proceeds will be used by the Issuer to indirectly purchase additional interests in Futuremed from existing investors.
9. Pursuant to an underwriting agreement (the “**Underwriting Agreement**”) the Underwriters will enter into in respect of the Offering prior to the Issuer filing the Prospectus for the Offering, the Issuer will agree to sell to the Underwriters, and

- the Underwriters will agree to purchase, as principals, on the Closing Date all of the Units offered under the Offering.
10. According to the Term Sheet, the Issuer will apply to the TSX to have the Units listed on the TSX.
11. According to the Preliminary Prospectus, the Issuer may be a “connected issuer” of CIBC World Markets Inc. and BMO Nesbitt Burns Inc., as defined in National Instrument 33-105 – *Underwriting Conflicts* (“NI 33-105”). The Preliminary Prospectus does not disclose that the Issuer is a “related issuer” or “connected issuer” of the Related Underwriter.
12. Despite the affiliation between the Dealer Manager and the Related Underwriter, they operate independently of each other. In particular, the investment banking and related dealer activities of the Related Underwriter and the investment portfolio management activities of the Dealer Manager are separated by “ethical” walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:
- (a) in respect of compliance matters (for example, the Dealer Manager and the Related Underwriter may communicate to enable the Dealer Manager to maintain an up to date restricted-issuer list to ensure that the Dealer Manager complies with applicable securities laws); and
- (b) the Dealer Manager and the Related Underwriter may share general market information such as discussion on general economic conditions, bank rates, etc.
13. The Dealer Managed Fund is not required or obligated to purchase any Units during the Prohibition Period.
14. The Dealer Manager may cause the Dealer Managed Fund to invest in Units during the Prohibition Period. Any purchase of the Units will be consistent with the investment objectives of the Dealer Managed Fund and represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund or in fact be in the best interests of the Dealer Managed Fund.
15. To the extent that the same portfolio manager or team of portfolio managers of the Dealer Manager manages the Dealer Managed Fund and other client accounts that are managed on a discretionary basis (the “**Managed Accounts**”), the Units purchased for them will be allocated:
- (a) in accordance with the allocation factors or criteria stated in the written policies or procedures put in place by the Dealer Manager for the Dealer Managed Fund and Managed Accounts, and
- (b) taking into account the amount of cash available to each Dealer Managed Fund for investment.
16. There will be an independent committee (the “**Independent Committee**”) appointed in respect of the Dealer Managed Fund to review the Dealer Managed Fund’s investments in Units during the Prohibition Period.
17. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with its Dealer Manager, the Dealer Managed Fund, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member’s independent judgment regarding conflicts of interest facing the Dealer Manager.
18. The members of the Independent Committee will exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Fund and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
19. The Dealer Manager, in respect of the Dealer Managed Fund, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission, of the filing of the SEDAR Report (as defined below) on SEDAR, as soon as practicable after the filing of such report, and the notice shall include the SEDAR project number of the SEDAR Report and the date on which it was filed.
20. The Dealer Manager has not been involved in the work of the Related Underwriter and the Related Underwriter has not been and will not be involved in the decisions of the Dealer Manager as to whether the Dealer Managed Fund will purchase Units during the Prohibition Period.

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from subsection 4.1(1) of NI 81-102 and is satisfied that, at the time this Decision is granted, the potential risks are sufficiently mitigated.

Decisions, Orders and Rulings

Each of the Decision Makers is satisfied that the test contained in the NI 81-102 that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted, notwithstanding that the Related Underwriter acts or has acted as underwriter in the Offering provided that the following conditions are satisfied:

- I. At the time of each purchase (the **"Purchase"**) of Units by the Dealer Managed Fund pursuant to this Decision, the following conditions are satisfied:
 - (a) the Purchase
 - (i) represents the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or
 - (ii) is, in fact, in the best interests of the Dealer Managed Fund;
 - (b) the Purchase is consistent with, or is necessary to meet, the investment objective of the Dealer Managed Fund as disclosed in its simplified prospectus; and
 - (c) the Dealer Managed Fund does not place the order to purchase, on a principal or agency basis, with its Related Underwriter;
- II. Prior to effecting any Purchase pursuant to this Decision, the Dealer Managed Fund has in place written policies or procedures to ensure that,
 - (a) there is compliance with the conditions of this Decision; and
 - (b) in connection with any Purchase,
 - (i) there are stated factors or criteria for allocating the Units purchased for the Dealer Managed Fund and other Managed Accounts, and
 - (ii) there is full documentation of the reasons for any allocation to a Dealer Managed Fund or Managed Account that departs from the stated allocation factors or criteria;
- III. The Dealer Manager does not accept solicitation by its Related Underwriter for the Purchase of Units for the Dealer Managed Fund;
- IV. The Related Underwriter does not purchase Units in the Offering for its own account except Units sold by the Related Underwriter on Closing;
- V. The Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's investments in Units during the Prohibition Period;
- VI. The Independent Committee has a written mandate describing its duties and standard of care which, as a minimum, sets out the conditions of this Decision;
- VII. The members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Fund and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;
- VIII. The Dealer Managed Fund does not relieve the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above;
- IX. The Dealer Managed Fund does not incur the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above;
- X. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Fund, or any associate or affiliate of the Dealer Manager or any portfolio manager of the Dealer Managed Fund to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph VII above is not paid either directly or indirectly by the Dealer Managed Fund;
- XI. The Dealer Manager files a certified report on SEDAR (the **"SEDAR Report"**) no later than 30 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:
 - (a) the following particulars of each Purchase:
 - (i) the number of Units purchased by the Dealer Managed Fund;
 - (ii) the date of the Purchase and purchase price;
 - (iii) whether it is known whether any Underwriter or syndicate

- member has engaged in market stabilization activities in respect of the Units;
- (iv) if Units were purchased for the Dealer Managed Fund and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to the Dealer Managed Fund; and
 - (v) the dealer from whom the Dealer Managed Fund purchased the Units and the fees or commissions, if any, paid by the Dealer Managed Fund in respect of such Purchase;
- (b) a certification by the Dealer Manager that the Purchase:
- (i) was made free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and
 - (ii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interest of the Dealer Managed Fund, or
 - (iii) was, in fact, in the best interests of the Dealer Managed Fund;
- (c) confirmation of the existence of the Independent Committee to review the Purchase of the Units by the Dealer Managed Fund, the names of the members of the Independent Committee, the fact that they meet the independence requirements set forth in this Decision, and whether and how they were compensated for their review;
- (d) a certification by each member of the Independent Committee that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in Condition II(a) above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of the Dealer Managed Fund by the Dealer Manager to purchase Units for the Dealer
- Managed Fund and each Purchase by the Dealer Managed Fund:
- (i) was made in compliance with the conditions of this Decision;
 - (ii) was made by the Dealer Manager free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and
 - (iii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or
 - (iv) was, in fact, in the best interests of the Dealer Managed Fund.
- XII. The Independent Committee advises the Decision Makers in writing of:
- (a) any determination by it that the condition set out in paragraph XI(d) has not been satisfied with respect to any Purchase of the Units by the Dealer Managed Fund;
 - (b) any determination by it that any other condition of this Decision has not been satisfied;
 - (c) any action it has taken or proposes to take following the determinations referred to above; and
 - (d) any action taken, or proposed to be taken, by the Dealer Manager or a portfolio manager of the Dealer Managed Fund, in response to the determinations referred to above.
- XIII. For Purchases of Units during the Distribution only, the Dealer Manager:
- (a) expresses an interest to purchase on behalf of the Dealer Managed Fund and Managed Accounts a fixed number of Units (the "Fixed Number") to an Underwriter other than its Related Underwriter;
 - (b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Manager no more than five (5) business days after the final prospectus has been filed;

(c) does not place an order with an Underwriter of the Offering to purchase an additional number of Units under the Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number at the time the final prospectus was filed for the purposes of the Closing, the Dealer Manager may place an additional order for such number of additional Units equal to the difference between the Fixed Number and the

number of Units allotted to the Dealer Manager at the time of the final prospectus in the event the Underwriters exercise the Over-Allotment Option; and

(d) does not sell Units purchased by the Dealer Manager under the Offering, prior to the listing of such Units on the TSX.

XIV. Each Purchase of Units during the 60-Day Period is made on the TSX; and

XV. For Purchases of Units during the 60-Day Period only, an Underwriter provides to the Dealer Manager written confirmation that the “dealer restricted period” in respect of the Offering, as defined in Ontario Securities Commission Rule 48-501 *Trading During Distributions, Formal Bids and Share Exchange Transactions*, has ended.

“Rhonda Goldberg”
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.9 Highstreet Asset Management Inc., YEARS Trust and YEARS U.S. Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - Relief granted under section 5.5(1)(b) of National Instrument 81-102 – Mutual Funds (“NI 81-102”) to merge two exchange-traded funds captured by NI 81-102 because of their monthly redemption feature. Continuing fund to be renamed and reflective of changes to investment objectives, investment strategy, etc.. Costs of the merger and of unwinding the forwards of the two merging funds, to be paid for by the manager. Approval of change of manager also granted under section 5.5(1)(a) of NI 81-102.

Rules Cited

National Instrument 81-102 Mutual Funds, subsections 5.5(1)(a) and 5.5(1)(b).

December 15, 2005

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

AND

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

AND

HIGHSTREET ASSET MANAGEMENT INC. (the “Filer”)

AND

YEARS TRUST AND YEARS U.S. TRUST

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from Highstreet Asset Management Inc. (the “**Filer**”) for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) for approval of the proposed reorganization of YEARS Trust (“**YEARS**”) and YEARS U.S. Trust (“**YEARS US**”) and approval of the change of manager of the continuing fund, as required by sections 5.5(1)(b) and 5.5(1)(a) of National Instrument 81-102 – *Mutual Funds* (the “**Requested Approvals**”).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

Interpretation

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

Representations

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

- 1. YEARS and YEARS US are each investment trusts governed by the laws of Ontario. The units of both funds are listed for trading on the Toronto Stock Exchange (“**TSX**”) under the symbols “YTU.UN” and “YUS.UN”, respectively.
- 2. Highstreet is a corporation established under the laws of Ontario. Highstreet’s duties as the current manager of both YEARS and YEARS US include the investment management of each fund.
- 3. YEARS and YEARS US are not conventional mutual funds. Their current investment objectives are to, among other things, return at least the original issue price of \$25.00 per unit to unitholders on termination of the funds and to provide unitholders with a stable stream of monthly distributions.
- 4. Unitholders of YEARS and YEARS US are being asked to vote on a proposal to merge YEARS and YEARS US and make changes to the continuing fund, including changes to its investment objectives, in order to provide unitholders of both funds with the opportunity to continue their investment in a single fund that should be better positioned to provide a higher level of distributions and the opportunity for growth in net asset value (“**NAV**”) per unit. If the proposal is implemented, YEARS will be the continuing fund and will be renamed “YEARS Financial Trust” (“**YEARS Financial**”).
- 5. The proposed merger does not satisfy all of the pre-approval criteria of Section 5.6 of NI 81-102, largely because YEARS and YEARS US are not conventional mutual funds, the proposal involves significant changes to the funds and many of the criteria of Section 5.6 are not applicable to the funds.
- 6. Ontario was selected as the principal jurisdiction for this application because the principal offices of each of the Filer, YEARS and YEARS US are in Ontario.

- 7. In addition to the merger of YEARS and YEARS US, the proposal contemplates significant changes to the continuing fund, including changes to its fundamental investment objectives and investment strategy and restrictions. It is not intended that the continuing fund have similar investment objectives, strategies or restrictions as either YEARS or YEARS US. Rather, it is intended that unitholders of YEARS and YEARS US, whose monthly distributions have been either reduced or suspended, have the opportunity to vote on a proposal that will provide them with an alternative to maintaining their investment in its current form.

- 8. The proposal contains the following elements:

- (a) *Merger of YEARS and YEARS US.* Pursuant to the proposed merger, YEARS will acquire substantially all of the net assets of YEARS US, and YEARS will issue to YEARS US additional units of YEARS in consideration for those assets. YEARS US will then automatically redeem all of its outstanding units, other than one unit held by the Filer, and will transfer units of YEARS to unitholders of YEARS US in payment of the redemption price. Upon implementation of the merger, YEARS will be renamed “YEARS Financial Trust” and unitholders of YEARS and YEARS US will become unitholders of YEARS Financial.
- (b) *Settlement of forward agreements and other capital repayment arrangements.* In connection with the merger, the arrangements entered into by YEARS and YEARS US relating to their capital repayment objectives (such as forward agreements with a Canadian chartered bank), will be settled.
- (c) *Change in the investment objectives of YEARS Financial.* The investment objectives of YEARS Financial will be changed such that the new investment objectives will be to provide unitholders (i) with a stable stream of monthly cash distributions initially targeted to be \$1.60 per unit per annum, which would represent a yield of approximately 7.5% per annum on the NAV of YEARS Financial; and (ii) the opportunity for growth in NAV per unit.
- (d) *Change in the investment strategy and investment restrictions of YEARS Financial.* The investment strategy and restrictions will be changed such that, among other things, the investment portfolio of YEARS Financial will consist of TSX-listed issuers in the financials

sector (the “**Financials Sector**”), within the meaning of the Global Industry Classification Standard or “GICS” maintained by Standard & Poor’s and Morgan Stanley Capital International. These include shares of issuers such as Canadian chartered banks and life insurance companies, which have a history of strong earnings growth.

- (e) *Change in the manager of YEARS Financial.* The manager of YEARS Financial will be changed to Brompton YTU Management Limited, and YEARS Financial will be part of the Brompton family of investment funds. The Filer will continue to be the investment manager of YEARS Financial.
 - (f) *Change in the termination date of YEARS Financial.* Changes will be made to the provisions relating to the manner in which YEARS Financial may be terminated, including the addition of the ability of the manager to terminate the fund without approval of the unitholders if it would be in their best interests. Unlike YEARS and YEARS US, YEARS Financial will not have a fixed termination date.
 - (g) *Other amendments to the trust agreement of YEARS.* Amendments will be made to the trust agreement of YEARS Financial in order to make certain provisions of the agreement consistent with the terms of the agreements relating to other funds managed by the Brompton Group of Companies.
 - (h) *Amendments relating to rights or warrants.* Amendments will be made to the trust agreement of YEARS Financial in order to permit the one-time issuance of rights or warrants to unitholders of YEARS Financial as of a record date to be determined in January 2006, where the exercise price of the rights or warrants may be less than the most recently calculated NAV per unit.
9. Unlike YEARS and YEARS US, YEARS Financial will not have a specified capital repayment objective. As well, the target distributions for YEARS Financial will be determined on an annual basis by the manager of the fund.
10. Unitholders of YEARS Financial will not have the capital repayment protection previously provided by the forward agreements and, in the case of YEARS, zero coupon bonds.

11. In order to make the valuation procedures for YEARS Financial the same as the procedures used by the Brompton Group of Companies, minor changes to the valuation procedures of YEARS Financial are being proposed. Effective from and after January 1, 2006, for redemption purposes only, (i) the valuation date for determining NAV will be the second last business day of the month instead of the last business day, (ii) for the purpose of calculating the redemption price of units, the value of any securities traded on a stock exchange will be equal to the weighted average trading price over the last three business days of the month in which the redemption date occurs, and (iii) in determining the redemption price, the costs associated with the redemption, including brokerage costs, will be deducted. In addition, for all valuation purposes, whether or not related to redemptions, bonds, debentures, notes and other debt securities will be valued by taking the average of the bid and ask as the price for those securities, rather than the bid price.
12. It is proposed that YEARS Financial pay a management fee to Brompton at an annual rate of 0.85% of the NAV of YEARS Financial, and that Brompton will be responsible for paying the investment management fees of the Filer out of the management fee. The trust agreement of each of YEARS and YEARS US provides that the Filer is entitled to receive management fees at an annual rate of 1.10% of the NAV of each fund, although in the case of YEARS US, such fee is automatically reduced in the event of reductions in distributions to unitholders of YEARS US. The Filer has voluntarily reduced its fees in respect of YEARS, and currently collects an annual fee of 0.30% of the NAV of YEARS. The Filer currently collects an annual fee of 0.52% of the NAV of YEARS US, since distributions by YEARS US have been reduced.
13. Service fees of 0.40% per annum on the NAV of YEARS Financial will continue to apply.
14. Forward fees payable pursuant to the forward agreements of YEARS and YEARS US will be eliminated if the proposal is approved and implemented.
15. YEARS and YEARS US are not conventional funds, and the ability of unitholders to redeem their units is characteristic of many structured products rather than conventional mutual funds. Units of both funds are redeemable on a monthly basis at a discount to NAV, and unitholders may redeem units once annually (in December) without being subject to the discount to NAV. Since the units of both funds are listed on the TSX, unitholders have an additional source of liquidity for their investment and are not dependent on redemptions alone.

16. Unitholders of both YEARS and YEARS US who do not wish to participate in YEARS Financial going forward may choose to redeem their units at 100% of NAV on the annual redemption date of December 30, 2005. If the merger and other changes are approved and implemented prior to December 30, 2005, unitholders of YEARS US will become unitholders of YEARS Financial as a result of the merger. Accordingly, former unitholders of YEARS and YEARS US who do not wish to participate in YEARS Financial would be entitled to, in that case, redeem their units of YEARS Financial at 100% of the NAV of YEARS Financial. For the purposes of redemptions of units on December 30, 2005, the NAV will be calculated in accordance with the current trust agreement of YEARS on December 30, 2005, being the last business day of December.
17. Amendments to the trust agreement of YEARS include changes to the record and payment dates for distributions, changes to the provisions relating to the conduct of unitholder meetings, changes to the manner in which the trust agreement may be amended, the addition of non-resident ownership provisions and changes to the description of the rights and duties of the manager of YEARS Financial.
18. The funds are not conventional mutual funds and do not offer units for sale on a continuous basis pursuant to a simplified prospectus.
19. The merger of YEARS and YEARS US will not be a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada). If YEARS and YEARS US were to elect to have the merger treated as a "qualifying exchange", the tax losses of each of the funds would be lost as a result of the merger. YEARS has accumulated approximately \$15.7 million of non-capital and capital tax losses, which will be available to YEARS Financial to offset gains in the investment portfolio of YEARS Financial. All unitholders of YEARS Financial after the merger will indirectly benefit from the use of such tax losses, and this benefit will be shared with unitholders of YEARS US who become unitholders of YEARS Financial upon the merger.
20. YEARS US will continue to exist as a trust after the merger in order to preserve its tax losses for possible future use. Following the merger, YEARS US will apply to the Authorities to cease to be a reporting issuer and to have its units delisted from the TSX.
21. The net assets of YEARS US being acquired by YEARS pursuant to the merger of the funds will eventually be sold in order for the portfolio of YEARS Financial to comply with its proposed new investment restrictions and criteria.
22. It is proposed that Brompton replace the Filer as the manager of YEARS Financial, but that the Filer continue as the investment manager of the fund.
23. Brompton was incorporated pursuant to the *Business Corporations Act* (Ontario) on November 1, 2005. Brompton was organized for the purpose of managing and administering closed-end investment funds including YEARS Financial. Brompton is a member of the Brompton Group of Companies.
24. The Brompton Group of Companies provides specialized financial products and services to clients. Affiliates of Brompton currently manage eleven public investment funds totalling approximately \$2.8 billion in assets. Asset management services are provided by Brompton Funds LP and its affiliates. Affiliates of Brompton also offer merchant banking services to clients. Brompton and its directors and officers have extensive experience in managing financial assets and public and private entities, including the management of closed-end funds.
25. Brompton will engage the Filer to act as investment manager to YEARS Financial, pursuant to an investment management agreement. Currently, the Filer is the portfolio manager of a Brompton fund, and is the option advisor for another fund being distributed by an affiliate of Brompton.
26. If approved, the change in the manager of YEARS Financial will take effect on the effective date of the proposed merger (currently anticipated to be on December 16, 2005) or on such later date as may be determined by the Filer.
27. The Royal Trust Company acts as trustee of both YEARS and YEARS US. It acts as custodian of the assets of both funds and is responsible for certain aspects of the day-to-day administration of the funds, including executing instruments on behalf of the funds, processing redemptions, calculating NAV, net income and net realized capital gains of the funds and maintaining the books and records of the funds. The Royal Trust Company will continue to act as trustee to YEARS Financial (the continuing fund) following the implementation of the proposal, although certain provisions in the trust agreement of YEARS Financial will be amended in order to make those provisions consistent with the terms of the agreements relating to other funds managed by the Brompton Group of Companies.
28. Neither YEARS or YEARS US is on the list of defaulting reporting issuers maintained under the applicable securities legislation in the Jurisdictions.

29. A press release with respect to the proposal was issued on November 2, 2005 following the approval by the board of directors of the Filer of the submission of the proposal to unitholders. An additional press release was issued on November 11, 2005 following the mailing of the meeting materials to unitholders.
30. A material change report with respect to the proposal was filed on SEDAR on November 11, 2005.
31. A joint notice and management information circular of YEARS and YEARS US (the "**Circular**") was mailed to unitholders and subsequently filed on SEDAR on November 11, 2005.
32. The risks associated with the proposal and the implementation thereof are disclosed in the Circular.
33. Special meetings of the unitholders of each of YEARS and YEARS US were scheduled for December 2, 2005 for the purposes of voting on the proposed transactions, however, due to a lack of quorum, the meetings were postponed until December 12, 2005. The Filer issued a press release to this effect on December 2, 2005.
34. In order to be implemented, the proposal requires the approval of 66 2/3% of the unitholders of each of YEARS and YEARS US voting at the special meetings of unitholders. In approving the proposal, unitholders will be indicating their acceptance of the merger as well as the significant changes to the continuing fund.
35. Whether or not the proposal is approved by unitholders, the Filer will pay all out-of-pocket transaction expenses relating to the implementation of the merger. This includes all brokerage commissions relating to the sale of assets by YEARS and YEARS US and the purchase of securities in the Financials Sector by YEARS Financial. Accordingly, such expenses will not be borne by either YEARS or YEARS US. A press release to this effect was issued by the Filer on December 1, 2005. Such costs and expenses are exclusive of any costs relating to the offering and issuance of warrants to unitholders of YEARS Financial.

"Leslie Byberg"
Manager, Investment Funds Branch
Ontario Securities Commission

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Approvals are granted.

2.1.10 St. Jude Resources Ltd. - ss. 83

Headnote

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

Ontario Statutes

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

December 30, 2005

St. Jude Resources Ltd.

200-5405 48th Avenue
Delta, BC V4K 1W6

Attention: Michael Terrell

Dear Sirs/Mesdames:

RE: St. Jude Resources Ltd. (the “Applicant”) – Application to Cease to be a Reporting Issuer under the securities legislation of the Provinces of Alberta and Ontario (collectively, the “Jurisdictions”)

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

As the Applicant has represented to the Decision Makers that,

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

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

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

“John Hughes”
Manager, Corporate Finance
Ontario Securities Commission

2.1.11 Torstar Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – The issuer established a reinvestment plan which allows certain holders of Class A voting shares or Class B non-voting shares to acquire Class B non-voting shares through the reinvestment of cash dividends paid on their respective shareholdings. The exemption in section 2.2 of National Instrument 45-106 Prospectus and Registration Exemptions is unavailable for the reinvestment of dividends on the Class A voting shares in Class B non-voting shares as the exemption only refers to the purchase of securities that are of the same class or series as the securities to which the dividends are attributable. Trades in Class B non-voting shares under the plan by the issuer or a plan agent to plan participants who are purchasing the Class B non-voting shares using dividends paid in respect of their Class A voting shares are exempted from the dealer registration requirement and the prospectus requirement, subject to conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., sections 25, 53 and 74

Instruments Cited

National Instrument 45-106 Prospectus and Registration Exemptions, section 2.2

December 21, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND THE YUKON TERRITORY
(the “Jurisdictions”)**

AND

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

AND

**IN THE MATTER OF
TORSTAR CORPORATION (the “Filer”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Makers**”) in each of the Jurisdictions has received an application from the Filer, under the securities legislation of the Jurisdictions (the “**Legislation**”), for the following decisions in respect of certain trades that may be made by the Filer, or by a trustee, custodian or administrator acting for or on behalf of the Filer, (a “**Plan Agent**”), pursuant to the Filer’s Standing Terms of Dividend

Declaration dated October 27, 1982, as amended on April 27, 1988, August 25, 1993 and February 27, 1996 (the “**Plan**”), that are related to the acquisition of Class B non-voting shares of the Filer (“**Class B Shares**”) by persons or companies (“**Plan Participants**”) that participate in the Plan:

A decision (the “**Registration Acquisition Relief**”) that the dealer registration requirement does not apply to:

- (a) trades in Class B Shares made by the Filer, or by a Plan Agent, to a Plan Participant, in connection with the purchase of the Class B Shares by the Plan Participant under the Plan, using dividends or distributions out of earnings, surplus, capital or other sources, payable in respect of Class A voting shares of the Filer (“**Class A Shares**”) that are held by the Plan Participant under the Plan, to purchase the Class B Shares; or
- (b) should the Plan be amended to so permit at a future date, trades in Class B Shares made by the Filer, or a Plan Agent, to a Plan Participant, in connection with the purchase of the Class B Shares by the Plan Participant under the Plan, using an optional cash payment under the Plan (“**Optional Cash Payment**”) to purchase the Class B Shares, where the Plan Participant holds Class A Shares, but not Class B Shares, under the Plan.

A decision (the “**Prospectus Acquisition Relief**”) that the prospectus requirement does not apply to a distribution of Class B Shares in the circumstances referred to in paragraph (a) or (b), above.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) the Ontario Securities Commission has been chosen as the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Representations

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

1. The Filer is a Canadian media company with primary interests in the newspaper and book publishing industries and their related Internet activities.
2. The Filer’s registered and principal office is located at One Yonge Street, 6th Floor, Toronto, Ontario M5E 1P9.
3. The Filer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince

Edward Island, Newfoundland (the “**Reporting Jurisdictions**”) and is not on the list of reporting issuers in default in any of the Reporting Jurisdictions where such lists are maintained.

4. The Filer's original predecessor was incorporated on February 6, 1958 under the predecessor legislation of the *Business Corporations Act* (Ontario) to acquire as a going concern the assets and liabilities of the Toronto Daily Star, first published in 1892. The Filer's original predecessor was then amalgamated with a related company on April 1, 1967 resulting in the existence of the Filer.
5. The Filer's material subsidiaries are Toronto Star Newspapers Limited, Harlequin Enterprises Limited, Metroland Printing, Publishing & Distributing Ltd. and CityMedia Group Inc. All of the remaining subsidiaries of the Filer, in the aggregate, represent less than 20% of the Filer's total consolidated assets and total consolidated sales and operating revenues.
6. The authorized share capital of the Filer consists of an unlimited number of Class A Shares, an unlimited number of Class B Shares and 15,000,000 First Preference shares.
7. The Filer's Class B Shares have been listed on the Toronto Stock Exchange since 1970, and currently trade under the symbol “TS.NV.B”.
8. As at December 31, 2004, there were 9,918,475 Class A Shares, 68,533,752 Class B Shares, unexercised options to purchase 4,936,962 Class B Shares and no First Preference shares issued and outstanding.
9. The holders of Class A Shares are entitled to one vote for each Class A Share held, at any meeting of shareholders of the Filer. Each Class A Share is convertible at any time at the option of the holder into one Class B Share. Each Class A Share entitles the holder, subject to the rights of the First Preference shares and Class B Shares, to receive any dividend on such share and, subject to the rights of holders of First Preference shares, to participate equally, on a share for share basis, with all other holders of Class A Shares and Class B Shares, in the remaining property and assets of the Filer on liquidation, dissolution or winding-up of the Filer.
10. The holders of the Class B Shares are generally not entitled to vote at any meeting of the shareholders of the Filer; provided that, if at any time the Filer has failed to pay the full quarterly preferential dividend on the Class B Shares in each of eight consecutive quarters, then and until the Filer has paid full quarterly preferential dividends (7.5 cents per annum) on the Class B Shares for eight consecutive quarters, the holders of the Class B Shares are entitled to vote at all meetings of the shareholders at which directors are to be elected on the basis of one vote for each Class B Share held. To date, the Filer has paid in full all quarterly preferential dividends on the Class B Shares.
11. Holders of Class B Shares are entitled to vote at all class meetings of holders of Class B Shares. Each Class B non-voting share entitles the holder, subject to the rights of holders of First Preference shares, to the full preferential dividend described above and to receive any further dividend on such share and to participate equally, on a share for share basis, with all other holders of Class B Shares and Class A Shares, in the remaining property and assets of the Filer on liquidation, dissolution or winding-up of the Filer.
12. In 1988, the Toronto Stock Exchange approved a plan to protect the holders of the Class B Shares in the event of a take-over bid for Class A shares. Generally, the result of the plan is that parties to The Torstar Voting Trust Agreement, as amended, restated, consolidated, continued and dated as of October 1, 1992 (a copy of which has been filed on SEDAR), currently owners of approximately 98% of all outstanding Class A Shares, have undertaken to CIBC Mellon Trust Company as Trustee for all holders of Class B Shares that, subject to certain exemptions, they will not dispose of their Class A Shares pursuant to a take-over bid, unless the same offer is made to all holders of Class B Shares.
13. The Filer's articles restrict the holding or ownership of its voting shares (currently only the Class A Shares) by non-Canadians in order to ensure that the Filer complies with applicable Canadian ownership requirements under the *Broadcasting Act* (Canada) (the “**Broadcasting Act**”) and the *Income Tax Act* (Canada) (the “**Income Tax Act**”) so that the ability of the Filer or any subsidiary to obtain, maintain, amend or renew a license to operate a Broadcasting Undertaking (as defined in the *Broadcasting Act*) and its status as a Canadian newspaper or periodical publisher (as defined in the *Income Tax Act*) is preserved.
14. The Board of Directors currently has the authority to restrict the registration of the transfer of any of the Filer's shares if such transfer would, in the opinion of the directors, jeopardize either the ability of the Filer or any subsidiary to obtain, maintain, amend or renew a license to operate a Broadcasting Undertaking (as defined in the *Broadcasting Act*) or its status as a Canadian newspaper or periodical publisher (as defined in the *Income Tax Act*). Under the Filer's articles, the directors may require a declaration setting forth the transferee's citizenship, the jurisdiction of incorporation or any other evidence as the

directors may reasonably require be submitted to ensure that the transfer of shares does not jeopardize the foregoing.

among other things, for the engagement of a Plan Agent or the acquisition of Class B Shares on the open market by either the Filer or a Plan Agent.

15. It is not currently necessary for the Filer to enforce such restrictions because approximately 98% of the Filer's voting shares are held by Canadians, which is in compliance with the current Canadian ownership levels required by the Regulations under the Broadcasting Act and the Income Tax Act.
16. While the number of authorized Class A Shares is unlimited, the issuance of further Class A Shares, may under certain circumstances, require unanimous board approval.
17. Decisions on the declaration and payment of dividends are made on a quarterly basis by the Board of Directors, based upon the Filer's overall financial performance and cash flow generation. Effective with the March 31, 2005 dividend payment, the current quarterly dividend amount has been set at \$0.185 per Class A Share and Class B Share. Although the Filer has no current intention of changing its dividend policy, it may amend the amount or timing of such dividends at any time in the future. The Filer's latest dividend was paid on September 30, 2005 to shareholders of record on September 9, 2005.
18. Pursuant to the articles of the Filer (as described within paragraph 9 of such articles, dealing with matters relevant to the Plan), the Board of Directors has the discretion to offer Canadian residents who are holders of Class A Shares or Class B Shares, with respect to any dividend which may become payable with respect to such Class A Shares or Class B Shares, the right to elect to receive part or all of such dividend in the form of Class B Shares.
19. Through the creation of the Plan, the Board of Directors has therefore exercised the discretion provided to it within the articles of the Filer to offer eligible shareholders with an option to reinvest any dividends, or part thereof, that may become payable with respect to Class A Shares or Class B Shares held by such shareholders.
20. Participation in the plan by otherwise eligible shareholders is not mandatory or automatic. Eligible shareholders who wish to reinvest their dividend payments, or part thereof, pursuant to the Plan must make their election to do so known to the Filer.
21. Although the Plan does not presently provide for the use of a Plan Agent and provides that Class B Shares to be delivered to Plan Participants under the Plan are to be issued from treasury by the Filer, the Filer does have the right to unilaterally amend the Plan at any time which could provide,

Decision

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

The decision of the Decision Makers under the Legislation is that the Registration Acquisition Relief and Prospectus Acquisition Relief are granted, provided that:

- (1) in the case of the Registration Acquisition Relief,
 1. at the time of the trade, the Plan is made available to every security holder in Canada to which the corresponding dividend or distribution is available;
 2. at the time of the trade, the Filer is not an investment fund;
 3. for each Jurisdiction, this decision will terminate on the earlier of:
 - (i) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.2 of National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106") or provides an alternative exemption;
 - (ii) December 31, 2008; and
 4. for any trade that relates to the purchase of Class B Shares pursuant to an Optional Cash Payment,
 - (i) at the time of the trade, the Class B Shares trade on a marketplace; and
 - (ii) the aggregate number of securities issued under any Optional Cash Payment under the Plan (whether or not under this Decision) must not exceed, in any financial year of the Filer during which the trade takes place, 2% of the issued and outstanding securities of the class to which the Plan relates as at the beginning of the financial year; and
- (2) in the case of the Prospectus Acquisition Relief,

- (a) at the time of the trade, the Plan is made available to every security holder in Canada to which the corresponding dividend or distribution is available;
- (b) at the time of the trade, the Filer is not an investment fund;
- (c) the first trade in any Class B Shares issued by the Filer under the Plan to holders of Class A Shares pursuant to this decision will be a distribution or primary distribution to the public unless the conditions set out in subsection 2.6(3) of National Instrument 45-102 *Resale of Securities* are satisfied;
- (d) for any trade that relates to the purchase of Class B Shares pursuant to an Optional Cash Payment,
- (i) at the time of the trade, the Class B Shares trade on a marketplace; and
- (ii) the aggregate number of securities issued under any Optional Cash Payment under the Plan (whether or not under this Decision) must not exceed, in any financial year of the Filer during which the trade takes place, 2% of the issued and outstanding securities of the class to which the Plan relates as at the beginning of the financial year; and
- (e) for each Jurisdiction, this decision will terminate on the earlier of:
- (i) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.2 of NI 45-106 or provides an alternate exemption; and
- (ii) December 31, 2008.

“Paul M. Moore, Q.C.”
Vice-Chair
Ontario Securities Commission

“Susan Wolburgh Jenah”
Vice-Chair
Ontario Securities Commission

2.1.12 CIBC Asset Management Inc. and Tal Global Asset Management Inc. - MRRS Decision

Headnote

Standard exemption from subsection 4.1(1) of National Instrument 81-102 Mutual Funds (NI 81-102) to enable the Dealer Managed Fund, as defined in section 1.1 of NI 81-102, to invest in the shares of an issuer during the 60 days after the period in which an affiliate of the Dealer Manager, as defined in section 1.1 of NI 81-102, has acted as an underwriter in connection with an offering of trust units by the issuer.

Rule Cited

National Instrument 81-102 Mutual Funds, subsection 4.1(1) and section 19.1.

December 20, 2005

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

AND

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

AND

**IN THE MATTER OF
CIBC ASSET MANAGEMENT INC. AND
TAL GLOBAL ASSET MANAGEMENT INC. (the
“Applicants”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Applicants (or “**Dealer Managers**”), for and on behalf of the mutual funds named in Appendix “A” (the “**Funds**” or “**Dealer Managed Funds**”) for whom the Applicants act as manager or portfolio advisor or both, for a decision under section 19.1 of National Instrument 81-102 *Mutual Funds* (“**NI 81-102**”) (the “**Legislation**”) for:

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Funds to invest in the Trust Units (the “**Units**”) of Trinidad Energy Services Income Trust (the “**Issuer**”) on the Toronto Stock Exchange (the “**TSX**”) during the 60-day period following the completion of the

Distribution (the “**Prohibition Period**”) notwithstanding that the Dealer Managers or their associates or affiliates act or have acted as an underwriter in connection with the offering (the “**Offering**”) of Units of the Issuer pursuant to a preliminary short form prospectus filed by the Issuer and a final short form prospectus that the Issuer will file in accordance with the securities legislation of each of the Provinces (the “**Requested Relief**”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

It is the responsibility of each of the Decision Makers to make a global assessment of the risks involved in granting exemptive relief from subsection 4.1 of NI 81-102 in relation to the specific facts of each application.

Interpretation

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

Representations

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

- 1. Each Dealer Manager is a “dealer manager” with respect to the Dealer Managed Funds, and each Dealer Managed Fund is a “dealer managed fund”, as such terms are defined in section 1.1 of NI 81-102.
- 2. The securities of the Dealer Managed Funds are qualified for distribution in one or more of the provinces and territories of Canada pursuant to simplified prospectuses that have been prepared and filed in accordance with their respective securities legislation.
- 3. According to the Preliminary Prospectus, the Offering is to be for approximately 10,666,667 Units at an offering price of \$15.00 per Unit. The gross proceeds of the Offering are expected to be approximately \$160,000,005. According to the Preliminary Prospectus, the Issuer has granted the underwriters an option (the “**Option**”) to increase the size of the Offering by and up to a further 2,666,667 Units exercisable up until the day preceding closing of the Offering which is expected to occur on or about December 20, 2005 (the “**Closing**”) but in any event no later than December 30, 2005. If the Option is exercised in

full, the total gross proceeds of the Offering shall be approximately \$190,000,010.

- 4. In addition to CIBC World Markets Inc. (the “**Related Underwriter**”), the underwriters of the Offering include Raymond James Ltd., TD Securities Ltd., BMO Nesbitt Burns Inc., Blackmont Capital Inc., Wellington West Capital Markets Inc., Haywood Securities Inc., and Sprott Securities Inc.
- 5. The Issuer is an open-ended unincorporated investment trust governed by the laws of the Province of Alberta. The issuer was created to engage, through its subsidiary Trinidad Drilling L.P., in the business of providing drilling related equipment and services to oil and gas exploration and production companies that operate in western Canada.
- 6. As described in the Preliminary Prospectus, the net proceeds from the Offering will be used to indirectly fund a portion of the acquisition of assets by Trinidad Drilling L.P. from Cheyenne Drilling L.P. The purchased assets include 20 drilling rigs currently owned by Cheyenne Drilling L.P. and other related equipment. In the event that the underwriters exercise the Option, the balance of the net proceeds will be used for general working capital purposes.
- 7. The Issuer and the underwriters will enter into an underwriting agreement (the “**Underwriting Agreement**”) in respect of the Offering. Pursuant to the terms of the Underwriting Agreement, the underwriters will severally (and not jointly) agree to purchase, all but not less than all of the Units offered under the Offering from the Issuer, as principal, on Closing.
- 8. The Preliminary Prospectus states that the Issuer shall not issue any additional Units or financial instruments convertible into Units, or disclose any intention to do so until a period of at least 90 days following Closing, unless it obtains the consent of the Raymond James Ltd., which consent shall not be unreasonably withheld.
- 9. The Issuer’s outstanding Units are listed on the TSX under the symbol “TGD.UN” and the Issuer has applied to list the Units offered in the Offering on the TSX, such listing to be subject to fulfilling the requirements of the TSX.
- 10. According to the Preliminary Prospectus, TD Securities Inc. is a “connected issuer” as such term is defined in National Instrument 33-105 – “Underwriting Conflicts” (“**NI 33-105**”). The Preliminary Prospectus does not disclose that the Issuer is a “connected issuer” or a “related issuer” of the Related Underwriter pursuant to NI 33-105.

11. Despite the affiliation between the Dealer Managers and the Related Underwriter, they operate independently of each other. In particular, the investment banking and related dealer activities of the Related Underwriter and the investment portfolio management activities of the Dealer Managers are separated by “ethical” walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:
 - (a) in respect of compliance matters (for example, the Dealer Managers and the Related Underwriter may communicate to enable the Dealer Managers to maintain up to date restricted-issuer lists to ensure that the Dealer Managers comply with applicable securities laws); and
 - (b) each Dealer Manager and the Related Underwriter may share general market information such as discussion on general economic conditions, bank rates, etc.
12. The Dealer Managed Funds are not required or obligated to purchase any Units during the Prohibition Period.
13. The Dealer Managers may cause the Dealer Managed Funds to invest in the Units during the Prohibition Period. Any purchase of the Units will be consistent with the investment objectives of the Dealer Managed Fund making the purchase and represent the business judgment of the Dealer Managers uninfluenced by considerations other than the best interests of the Dealer Managed Fund or in fact be in the best interests of the Dealer Managed Fund.
14. To the extent that the same portfolio manager or team of portfolio managers of a Dealer Manager manages two or more Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the “**Managed Accounts**”), the Units purchased for them will be allocated:
 - (a) in accordance with the allocation factors or criteria stated in the written policies or procedures put in place by the Dealer Manager for its Dealer Managed Funds and Managed Accounts, and
 - (b) taking into account the amount of cash available to each Dealer Managed Fund for investment.
15. There will be an independent committee (the “**Independent Committee**”) appointed in respect of the Dealer Managed Funds to review the Dealer Managed Funds’ investments in the Units during the Prohibition Period.
16. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with its Dealer Manager, the Dealer Managed Funds, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member’s independent judgment regarding conflicts of interest facing the Dealer Manager.
17. The members of the Independent Committee will exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Funds and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.
18. Each Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission, in writing of any SEDAR Report (as defined below) filed on SEDAR, as soon as practicable after the filing of such a report, and the notice shall include the SEDAR project number of the SEDAR Report and the date on which it was filed.
19. Each Dealer Manager has not been involved in the work of the Related Underwriter and the Related Underwriter has not been and will not be involved in the decisions of the Dealer Managers as to whether the Dealer Manager’s Dealer Managed Funds will purchase Units during the Prohibition Period.

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from subsection 4.1(1) of NI 81-102 and is satisfied that, at the time this Decision is granted, the potential risks are sufficiently mitigated. Each of the Decision Makers is satisfied that the test contained in the NI 81-102 that provides the Decision Maker with the jurisdiction to make the Decision has been met.

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted, notwithstanding that the Related Underwriters act or have acted as underwriters in the Offering provided that, in respect of the Dealer Managers and its Dealer Managed Funds, the following conditions are satisfied:

- I. At the time of each purchase (the “**Purchase**”) of Units by a Dealer Managed Fund pursuant to this Decision, the following conditions are satisfied:

- standard of care which, as a minimum, sets out the conditions of this Decision;
- (a) the Purchase
 - (i) represents the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or
 - (ii) is, in fact, in the best interests of the Dealer Managed Fund;
 - (b) the Purchase is consistent with, or is necessary to meet, the investment objective of the Dealer Managed Fund as disclosed in its simplified prospectus; and
 - (c) the Dealer Managed Fund does not place the order to purchase, on a principal or agency basis, with its Related Underwriter;
- II. Prior to effecting any Purchase pursuant to this Decision, the Dealer Managed Fund has in place written policies or procedures to ensure that,
- (a) there is compliance with the conditions of this Decision; and
 - (b) in connection with any Purchase,
 - (i) there are stated factors or criteria for allocating the Units purchased for two or more Dealer Managed Funds and other Managed Accounts, and
 - (ii) there is full documentation of the reasons for any allocation to a Dealer Managed Fund or Managed Account that departs from the stated allocation factors or criteria;
- III. The Dealer Manager does not accept solicitation by its Related Underwriter for the Purchase of Units for the Dealer Managed Funds;
- IV. Each Dealer Managed Fund has an Independent Committee to review the Dealer Managed Funds' investments in the Units during the Prohibition Period;
- V. The Independent Committee has a written mandate describing its duties and
- VI. The members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Funds and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;
- VII. The Dealer Managed Fund does not relieve the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VI above;
- VIII. The Dealer Managed Fund does not incur the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph VI above;
- IX. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Funds, or any associate or affiliate of each Dealer Manager or any portfolio manager of the Dealer Managed Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph VI above is not paid either directly or indirectly by the Dealer Managed Funds;
- X. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**") in respect of each Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:
- (a) the following particulars of each Purchase:
 - (i) the number of Units purchased by the Dealer Managed Funds;
 - (ii) the date of the Purchase and purchase price;

- (iii) whether it is known whether any underwriter or syndicate member has engaged in market stabilization activities in respect of the Units;
 - (iv) if the Units were purchased for two or more Dealer Managed Funds and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to each Dealer Managed Fund; and
 - (v) the dealer from whom the Dealer Managed Fund purchased the Units and the fees or commissions, if any, paid by the Dealer Managed Fund in respect of such Purchase;
- (b) a certification by the Dealer Manager that the Purchase:
- (i) was made free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and
 - (ii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interest of the Dealer Managed Fund, or
 - (iii) was, in fact, in the best interests of the Dealer Managed Fund;
- (c) confirmation of the existence of the Independent Committee to review the Purchase of the Units by the Dealer Managed Funds, the names of the members of the Independent Committee, the fact that they meet the independence requirements set forth in this Decision, and whether and how they were compensated for their review;
 - (d) a certification by each member of the Independent Committee that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in Condition II(a) above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of each Dealer Managed Fund by the Dealer Manager to purchase Units for the Dealer Managed Funds and each Purchase by the Dealer Managed Fund:
 - (i) was made in compliance with the conditions of this Decision;
 - (ii) was made by the Dealer Manager free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and
 - (iii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or
 - (iv) was, in fact, in the best interests of the Dealer Managed Fund.

XI. The Independent Committee advises the Decision Makers in writing of:

- (a) any determination by it that the condition set out in paragraph X(d) has not been satisfied with respect to any Purchase of the Units by a Dealer Managed Fund;
 - (b) any determination by it that any other condition of this Decision has not been satisfied;
 - (c) any action it has taken or proposes to take following the determinations referred to above; and
 - (d) any action taken, or proposed to be taken, by the Dealer Manager or a portfolio manager of a Dealer Managed Fund, in response to the determinations referred to above.
- XII. Each Purchase of Units during the Prohibition Period is made on the TSX; and
- XIII. An underwriter provides to the Dealer Manager written confirmation that the "dealer restricted period" in respect of the Offering, as defined in Ontario Securities Commission Rule 48-501, Trading During Distributions, Formal Bids and Share Exchange Transactions, has ended.

"Rhonda Goldberg"
Assistant Manger – Investment Funds

APPENDIX A

THE MUTUAL FUNDS

Imperial Pools

Imperial Canadian Equity Pool
Imperial Canadian Dividend Income Pool
Imperial Canadian Dividend Pool
Imperial Canadian Income Trust Pool

Renaissance Talvest Mutual Funds

Talvest Dividend Fund
Talvest Cdn. Equity Growth Fund
Talvest Cdn. Asset Allocation Fund
Talvest Global Asset Allocation Fund
Talvest Cdn. Equity Value Fund
Talvest Small Cap Canadian Equity Value Fund
Renaissance Canadian Balanced Value Fund
Renaissance Canadian Dividend Income Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Income Trust Fund
Renaissance Canadian Income Trust Fund II
Renaissance Canadian Small Cap Fund

CIBC Mutual Funds

CIBC Balanced Fund
CIBC Core Canadian Equity Fund
CIBC Capital Appreciation Fund
CIBC Dividend Fund
CIBC Financial Companies Fund
Canadian Imperial Equity Fund
CIBC Canadian Small Companies Fund
CIBC Monthly Income Fund
CIBC Diversified Income Fund

Frontiers® Pools

Frontiers Canadian Equity Pool
Frontiers Canadian Monthly Income Pool

2.1.13 Industrial Alliance Insurance and Financial Services and Clarington Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Take-over bid – Relief from the prohibition against collateral benefits – Employment agreements entered into with certain security holders who are also senior officers of the target company – Agreements negotiated at arm’s length and on commercially reasonable terms – Agreements entered into for reasons other than to increase the value of the consideration paid to the selling security holders for their shares – Agreements may be entered into despite the prohibition against collateral benefits.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 97(2) and 104(2)(a)

December 22, 2005

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

AND

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

AND

**IN THE MATTER OF
INDUSTRIAL ALLIANCE INSURANCE
AND FINANCIAL SERVICES (Offeror and Filer)**

AND

CLARINGTON CORPORATION (Clarington)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision pursuant to the securities legislation of the Jurisdictions (the Legislation) that, in connection with an offer dated November 18, 2005, as amended by a notice of variation dated December 5, 2005, by the Offeror to acquire all of the issued and outstanding common shares of Clarington, other than any common shares of Clarington owned directly or indirectly by the Offeror, and including common shares that may

become issued and outstanding after the date of the offer upon the conversion, exchange or exercise of any securities of Clarington that are convertible into or exchangeable or exercisable for common shares, the Proposed Employment Arrangements (as defined below) entered into between the Offeror and Terence B. Stone, Adrian J. Brouwers and Salvatore Tino, who are all senior officers of Clarington, have been entered into for reasons other than to increase the value of the consideration paid to such senior officers for their respective common shares of Clarington and may be entered into despite the provision in the Legislation that prohibits an offeror who makes or intends to make a take-over bid and any person acting jointly or in concert with the offeror from entering into any collateral agreement, commitment or understanding with any holder or beneficial owner of securities of the offeree issuer that has the effect of providing to the holder or owner a consideration of greater value than that offered to other holders of the same class of securities (the Requested Relief);

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

Interpretation

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

Representations

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

1. The Offeror is a corporation continued under Part 1A of the *Companies Act* (Québec) with its registered office located in Sillery, Québec.
2. The Offeror is a life and health insurance company.
3. The Offeror is a reporting issuer or the equivalent in all provinces of Canada and its common shares are listed for trading on the Toronto Stock Exchange (the TSX) under the symbol “IAG”.
4. Clarington is a corporation existing under the *Business Corporations Act* (Ontario) (the OBCA).
5. Clarington is an independent wealth management company and through its wholly-owned subsidiaries, ClaringtonFunds Inc. (ClaringtonFunds) and Clarington Investments Inc., promotes, manages and distributes mutual funds and closed-end funds.

6. The Clarington Shares are listed on the TSX under the symbol "CFI".
7. The authorized capital of Clarington consists of an unlimited number of Clarington Shares. According to Clarington, as at November 17, 2005, 13,242,690 Clarington Shares and options to acquire 1,555,550 Clarington Shares were issued and outstanding, which on a fully diluted basis would represent 14,798,240 Clarington Shares.
8. Clarington is a reporting issuer or the equivalent in all provinces and territories of Canada.
9. Pursuant to the Offer and the take-over bid circular (the Take-over Bid Circular) dated November 18, 2005, the Offeror proposes to acquire all of the issued and outstanding Clarington Shares, other than any Clarington Shares owned, directly or indirectly, by the Offeror, and Clarington Shares that may become issued and outstanding after the date of the Offer upon the conversion, exchange or exercise of any securities of Clarington that are convertible into or exchangeable or exercisable for Clarington Shares.
10. The Offer was mailed to registered shareholders of Clarington on November 20, 2005.
11. Pursuant to a notice of variation dated and mailed December 5, 2005 (the Notice of Variation), the Offeror amended the Offer by increasing the consideration payable under the Offer to \$15.00 from \$14.25 per Clarington Share (the Amended Offer).
12. The Amended Offer is made on the basis of, at the election of the holders of Clarington Shares (the Shareholders): (a) \$15.00 in cash in respect of each Clarington Share held; or (b) that fraction of one common share of the Offeror (the Offeror Shares) as is equal to the Exchange Ratio (as hereinafter defined), in respect of each Clarington Share held, or a combination of the foregoing. The Amended Offer is subject to conditions that are customary for transactions of this nature, including that all regulatory approvals be obtained and there be validly deposited under the Amended Offer and not withdrawn at the expiry time of the Amended Offer such number of Clarington Shares, which together with any Clarington Shares owned, directly or indirectly, by the Offeror, constitutes at least 66 2/3% of the Clarington Shares then outstanding as at the expiry time. For purposes of the Amended Offer the "Exchange Ratio" is defined as, subject to adjustment in certain circumstances as described in the Amended Offer the number, calculated to four decimal places, equal to the ascribed Amended Offer price of \$15.00 per Clarington Share divided by that number that is equal to the volume weighted average closing price of the Offeror Shares on the TSX over the five (5) business days ending one business day prior to the initial expiry date of the Amended Offer.
13. If the Offeror takes up and pays for less than 90% but not less than 66 2/3% of the Clarington Shares (excluding Clarington Shares held at the date of the Offer by or on behalf of the Offeror or its associates and affiliates) but is unable to rely on the compulsory acquisition provisions under the OBCA, the Offeror currently intends to propose an amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving Clarington and the Offeror, or an affiliate of the Offeror, that would constitute a business combination under OSC Rule 61-501 and a going-private transaction under Regulation Q-27 of the Autorité des marchés financiers.
14. On November 6, 2005, the Offeror and certain Shareholders, including the Officers, (collectively, the Locked-Up Parties) entered into agreements (the Lock-Up Agreements) pursuant to which, among other things, the Locked-Up Parties agreed to deposit pursuant to the Offer and not withdraw, except under certain conditions provided for in the Lock-Up Agreements, 3,370,512 Clarington Shares, representing approximately 25% of the outstanding Clarington Shares exclusive of the Clarington Shares held by the Offeror.
15. On November 6, 2005, the Offeror and Clarington entered into an agreement (the Support Agreement) pursuant to which, among other things, the Offeror agreed to make the Offer on certain terms and conditions. The Support Agreement included certain representations and warranties of Clarington, including that its board of directors had determined that it would be advisable and in the best interests of Clarington that the board recommend acceptance of the Offer to Shareholders and for Clarington to cooperate with the Offeror in connection with the Offer and take all reasonable actions to support the Offer.
16. Stone is the Chairman and a director of Clarington.
17. Stone holds, directly and indirectly, or exercises control or direction over 1,527,011 Clarington Shares, representing approximately 10.3% of the issued and outstanding Clarington Shares (on a fully-diluted basis). Stone also currently holds options to purchase 233,000 Clarington Shares, pursuant to the Clarington stock option incentive plan (the Clarington Stock Option Plan), all of which may be exercised at a price that is less than the offer price. If such options were exercised in full, and taking into account his existing holdings or Clarington Shares over which he exercises

- control or direction, Stone would hold, directly or indirectly, or exercise control or direction over an aggregate of approximately 11.89% of the issued and outstanding Clarington Shares (on a fully-diluted basis).
18. Brouwers is President, Chief Executive Officer and a director of Clarington.
19. Brouwers holds, directly and indirectly, or exercises control or direction over 360,965 Clarington Shares, representing approximately 2.4% of the issued and outstanding Clarington Shares (on a fully-diluted basis). Brouwers also currently holds options to purchase 233,000 Clarington Shares pursuant to the Clarington Stock Option Plan, all of which may be exercised at a price that is less than the offer price. If such options were exercised in full, and taking into account his existing holdings or Clarington Shares over which he exercises control or direction, Brouwers would hold, directly or indirectly, or exercise control or direction over an aggregate of approximately 4.01% of the issued and outstanding Clarington Shares (on a fully-diluted basis).
20. Tino is Executive Vice-President and Chief Financial Officer of Clarington.
21. Tino holds, directly and indirectly, or exercises control or direction over 367,851 Clarington Shares, representing approximately 2.5% of the issued and outstanding Clarington Shares (on a fully-diluted basis). Tino also currently holds options to purchase 233,000 Clarington Shares pursuant to the Clarington Stock Option Plan, all of which may be exercised at a price that is less than the offer price. If such options were exercised in full, and taking into account his existing holdings or Clarington Shares over which he exercises control or direction, Tino would hold, directly or indirectly, or exercise control or direction over an aggregate of approximately 4.06% of the issued and outstanding Clarington Shares (on a fully-diluted basis).
22. ClaringtonFunds currently has employment agreements (the Existing Employment Agreements) with each of the Officers, that provide for, among other things, termination and non-competition and non-solicitation provisions. The terms and conditions of the Existing Employment Agreements are generally typical of agreements with similarly situated senior officers of companies with comparable businesses to Clarington.
23. The Existing Employment Agreements are for an indefinite term and can be terminated for cause or without cause. In the event of termination for cause, no payment in lieu of notice, severance payments, benefits, damages or any sums whatsoever with the exception of payment for services rendered or expenses incurred prior to its date of termination, will be required after the date of termination. In the event of termination by ClaringtonFunds without cause, the respective Officer would be entitled to receive his then current base salary, bonus and all benefits, all indexed for inflation, for a period of 36 months from the date the termination is effective.
24. The Existing Employment Agreements provide that each of the Officers may resign from their employment on three months' written notice. In such case, the Officer is not entitled to any salary, bonus or benefits after the date of termination, except to the extent such remuneration relates to the performed services or expenses incurred prior to the date of termination.
25. The Existing Employment Agreements also provide for non-competition and non-solicitation provisions, which shall be effective for a period of 12 months immediately following termination of the Employment Agreement.
26. The annual salaries currently paid under the Existing Employment Agreements to Stone, Brouwers and Tino are \$356,000, \$350,000 and \$350,000, respectively, in addition to benefits. The Officers are also eligible to receive payments related to Clarington's bonus pool and participate in the Clarington Stock Option Plan. Clarington advises that, during the quarter ended June 30, 2005, its Compensation Committee determined that each of Messrs. Stone, Brouwers and Tino would be eligible to receive a maximum bonus of \$75,000 in respect of the year ended September 30, 2005. To date, \$19,000 of this amount has been awarded and paid to each, and Clarington further advises that given Clarington's performance for the year ended September 30, 2005 and Clarington's past practices, it is anticipated that the full amount of the bonus will be paid to each.
27. The Offeror entered into certain amended arrangements (the Proposed Employment Arrangements) dated November 6, 2005 with the Officers, the principal terms of which are set forth below. The Proposed Employment Arrangements will commence upon successful completion of the Offer.
28. The Proposed Employment Arrangements provide that the Existing Employment Agreements will remain substantially the same as the current agreements, subject to the following exceptions:
- (a) Stone will become the Vice-Chairman of ClaringtonFunds and Brouwers will become the Vice-Chairman and Executive Vice President of Sales and Marketing of ClaringtonFunds;

- (b) Stone and Brouwers will report to the Chairman of the Board of Clarington and Tino will report to the President of Industrial Alliance Fund Management Inc. who will become the President of Clarington upon successful completion of the Offer.
 - (c) upon the termination without cause of the Officers, as the case may be, such person shall be entitled to receive his then current base salary, bonus and all benefits, all indexed annually for inflation, for a period of 36 months from the date of termination, provided that such payments to that person shall not exceed an aggregate maximum value of \$1.5 million. Under the Existing Employment Agreements, each of the Officers are entitled to receive the same amounts for a period of 36 months, but are not subject to a maximum amount;
 - (d) each of the Officers may resign from their respective employment within the first 18 months of the effective date of the Offer (the "Initial Period") on six months written notice and thereafter on three months written notice. Under the Existing Employment Agreements, each of the Officers must only provide ClaringtonFunds with three months written notice. In the event that an Officer elects to terminate his employment within the Initial Period, he shall not be entitled to receive any salary, bonus or benefits after the date of termination, except to the extent that such remuneration relates to services performed or expenses incurred prior to the date of termination. In the event that an Officer elects to terminate his employment at any time after the Initial Period, then he shall be entitled to receive his then current base salary, bonus and all benefits for a period of twelve months from the date of termination, provided that such payments shall not exceed an aggregate maximum value of \$500,000. Under the Existing Employment Agreements, the Officers are not entitled to any compensation if they elect to terminate their respective employment, except to the extent that such remuneration relates to services performed or expenses incurred prior to the date of termination;
 - (e) the Officers shall not, during the term of their respective employment and until the later of 24 months following the effective date of the Offer or 12 months after the date of termination of their respective employment by any party for any reason, within Canada, engage in any business that is similar to or competitive with the business of ClaringtonFunds. Under the Existing Employment Agreements, the Officers must not compete with ClaringtonFunds for a period of 12 months following the termination of their respective employment; and
 - (f) for a period of 24 months after the termination of their respective employment, the respective employee shall not contact any dealer who is engaged in the sale of mutual funds for the purpose of soliciting business away from ClaringtonFunds, or solicit or induce any individual who is at such time an employee of ClaringtonFunds to leave ClaringtonFunds for any reason whatsoever, or hire or attempt to hire any individual who is at such time an employee of ClaringtonFunds. Under the Existing Employment Agreements, the Officers have each covenanted to not solicit business or employees from ClaringtonFunds for a period of 12 months following termination of employment.
29. The Officers have assembled a management and administrative team at Clarington based in large part upon their collective long-standing relationships in the Canadian mutual fund industry. It is through their bond with the Officers that many of these team members have joined Clarington and continued on in that capacity. In order to maintain continuity of management and retain the employee work force, it is essential to the Offeror that the Officers be motivated to stay on following the successful completion of the Offer to facilitate the integration of Clarington with the Offeror's mutual fund operations.
30. The severance provisions in the Proposed Employment Arrangements are premised, in part, upon recognition of the fact that each of the Officers faces a diminution in his role following the successful completion of the Offer, be it a narrowing of title and position or the imposition of a reporting requirement which previously did not exist. These changes could constitute the basis of a claim of constructive dismissal which, under the terms of the Existing Employment Agreements, could have entitled the Officers to 36 months' compensation (i.e. current base salary, bonus and all benefits, all indexed for inflation). In this respect, the severance arrangements in the Proposed Employment Arrangements reflect not only consideration to offset these changes, which could otherwise constitute a constructive dismissal but also a reduction from the damages that would

be awarded if the Officers were to successfully argue that they had been constructively dismissed.

31. The severance provisions for the Officers are commensurate with the entitlements of similarly situated executives in the Canadian mutual fund industry.
32. The Proposed Employment Arrangements include a non-competition covenant which could extend well beyond the term of the non-competition covenant under the Existing Employment Agreement. The severance arrangements under the Proposed Employment Arrangements reflect a significant measure of compensation for the extended term of the non-competition covenant, such extended term representing an additional burden to each of the Officers not in the Existing Employment Arrangements.
33. The Proposed Employment Arrangements were negotiated at arm's length and are on terms and conditions that are commercially reasonable.
34. Full particulars of the material terms of the Proposed Employment Arrangements were disclosed in the Take-over Bid Circular and the Directors' Circular dated December 6, 2005.
35. The Proposed Employment Arrangements are proposed to be entered into for valid business reasons unrelated to the Officers' holdings of Clarington Shares. The Proposed Employment Arrangements are not being entered into for the purpose of conferring an economic or collateral benefit on the Officers, in their capacity as Shareholders, that other Shareholders do not enjoy.
36. The receipt by each of the Officers of the Proposed Employment Arrangements is not conditional upon their support of the Offer.
37. The board of directors of Clarington has informed the Offeror that the independent committee of the board of directors of Clarington has determined that the value of the benefits to be received by each of the Officers under the Proposed Employment Arrangements, net of any offsetting costs to the respective Officer, being the value of the obligations of the Officers under the Proposed Employment Arrangements, is less than five percent of the expected value to be received by each of the Officers as consideration for tendering their respective Common Shares to the Offer. Accordingly, on this basis, the value of the benefits to be received by each of the Officers under the Proposed Employment Arrangements is not a "collateral benefit" within the meaning of Section 1.1 of OSC Rule 61-501.

Decision

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

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

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Susan Wolburgh Jenah"
Commissioner
Ontario Securities Commission

2.1.14 Clarington Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Take-over bid – Relief from the deadline for delivery of directors’ circular – Offeror mailed out a take-over bid to shareholders – In the context of an auction, the Offeror amended the offer to increase the consideration payable – Offeror mailed the notice of variation to the shareholders on date director’s circular was due – Deadline for delivery of director’s circular is extended by three days to permit Offeree board to consider the amended offer – Offeree shareholder’s not prejudiced as they would still have at least 20 days before expiry of the offer – Offeree issued press release explaining delay in the filing and delivery of directors’ circular.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 99(1) and 104(2)(b)

December 5, 2005

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

AND

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

AND

**IN THE MATTER OF
CLARINGTON CORPORATION
(THE “FILER”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that, in connection with the Offer by Industrial Alliance Insurance and Financial Services Inc. (the “Offeror”), the Filer has applied to vary the time period for filing a directors’ circular (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

“Offer” means the take-over bid dated November 18, 2005 for all of the common shares of the Filer on a fully-diluted basis made by the Offeror.

Representations

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

1. The Filer is a corporation incorporated under the laws of the Province of Ontario. The Filer’s head office is located in Toronto, Ontario. ClaringtonFunds Inc. (“CFI”), a wholly-owned subsidiary of the Filer, is registered as a mutual fund dealer and as a limited market dealer under the *Securities Act* (Ontario). It acts as the trustee and the manager of certain mutual funds, being the Clarington Funds and the Clarington Target Click Funds (collectively, the “Funds”). Securities of the Funds are sold in all of the Jurisdictions through registered dealers. The Filer owns all of the issued and outstanding shares of CFI.
2. The Filer is a reporting issuer under the Legislation in each of the Jurisdictions and is not on the list of defaulting issuers maintained in any Jurisdiction.
3. The common shares of the Filer are listed on The Toronto Stock Exchange (the “TSX”) under the symbol “CFI”.
4. The Offeror is a capital stock life insurance company that is incorporated, organized and validly existing under the *Companies Act* (Québec). The Offeror’s head office is located in Québec City, Québec. In addition to the *Companies Act* (Québec), the Offeror is governed by the *Act respecting insurance* (Québec) and the *Act respecting Industrial-Alliance Life Insurance Company* (Québec).
5. The Offeror is a reporting issuer under the Legislation in each of the Jurisdictions and is not on the list of defaulting issuers maintained in any Jurisdiction.
6. The common shares of the Offeror are listed and posted for trading on the TSX under the trading symbol “IAG”.

7. On November 20, 2005, the Offeror mailed a take-over bid circular dated November 18, 2005 with respect to the Offer to the Filer's shareholders (the "Take-Over Bid Circular"). The Offer expires on December 28, 2005.
8. After the close of trading on December 2, 2005, the Offeror exercised its right under the support agreement between the Offeror and the Filer to match or better a competing transaction by CI Financial Inc. ("CI") by announcing that it would increase the price offered under the Offer to \$15.00 per common share, with all other terms of the Offer remaining the same (the "Amended Offer"), and that it would mail to the Filer's shareholders a notice of variation (the "Notice of Variation") formally amending the Offer by no later than December 6, 2005. On December 4, 2005, the Offeror notified the Filer that it would mail the Notice of Variation on December 5, 2005.
9. The Filer is required, pursuant to the Legislation, to deliver a directors' circular in response to the Take-Over Bid Circular relating to the Offeror's original Offer of \$14.25 per common share (the "Directors' Circular") by December 5, 2005.
10. In light of the delivery deadline for the Directors' Circular relating to the Offeror's original Offer of \$14.25 per common share coinciding with the delivery of the Notice of Variation relating to the Offeror's Amended Offer of \$15.00 per common share, the Filer decided to make the application for the Requested Relief to extend the delivery deadline for the Directors' Circular to December 8, 2005. This will allow the Filer to provide an analysis of the Amended Offer in the Directors' Circular.
11. The Filer will issue and file a press release informing its shareholders that it will not be filing and delivering its Directors' Circular on December 5, 2005 but intends to do so on or before December 8, 2005.

"Susan Wolburgh Jenah"
Commissioner
Ontario Securities Commission

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Directors' Circular is filed and delivered on or before December 8, 2005.

"Paul Moore"
Commissioner
Ontario Securities Commission

2.1.15 CIBC Mellon Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Plan agent under reinvestment plans of various issuers exempted, subject to conditions, from the dealer registration requirement for trades made by the plan agent with a plan participant when the plan agent accepts an unsolicited direction from the participant to sell, on behalf of the participant, securities of the issuer, that are held under the plan for the participant, through an appropriately registered dealer –Each plan provides for the purchase of additional securities of the issuer by plan participants, using dividends or distributions out of earnings, surplus, capital or other sources that are payable in respect of the securities of the issuer that are held by the participant in the plan, and, depending upon the plan, may also provide for the purchase by the participant of additional securities of the issuer, using optional cash payments – Plan agent is a trust company.

Applicable Ontario Statutory Provisions

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

Multilateral Instruments Cited

National Instrument 14-101 Definitions
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.2.

December 29, 2005

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

AND

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

AND

IN THE MATTER OF
CIBC MELLON TRUST COMPANY (the Filer)

MRRS DECISION DOCUMENT

Background

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

Relief) under the securities legislation (the **Legislation**) of each of the Jurisdictions that, where the Filer has been appointed to act as a Plan Agent for a DRIP Plan of an issuer that is not an investment fund, the dealer registration requirement shall not apply to the trade made by the Filer with a Plan Participant when the Filer accepts a direction (a **Sale Order**) from the Participant to sell, on behalf of the Participant, securities of the issuer, that are held under the Plan for the Participant, through an appropriately registered dealer.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

In this Decision:

DRIP Plan or **Plan** means, for an issuer, a plan which provides for the purchase of additional securities of the issuer by a Plan Participant, using dividends or distributions out of earnings, surplus, capital or other sources that are payable in respect of the securities of the issuer that are held by the Participant in the Plan, and depending upon the Plan, may also provide for the purchase by the Participant of additional securities of the issuer, using optional cash payments;

NI 45-106 means National Instrument 45-106 *Prospectus and Registration Exemptions*;

Plan Agent means, for the DRIP Plan of an issuer, a person or company that has been appointed by the issuer to act as trustee, custodian or administrator of the Plan; and

Plan Participant or **Participant** means, for a DRIP Plan of an issuer, an holder of securities of the issuer who is a participant in the Plan.

Representations

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

1. The Filer is a trust company organized under the laws of Canada and authorized to carry on business as a trust company in each Jurisdiction. The Filer has its head office in Toronto, Ontario.
2. The Filer acts as Plan Agent to a number of DRIPs Plans which are maintained by Canadian

issuers. The Filer is one of the two major providers of these services in Canada. The administration of DRIP Plans is typically provided by an issuer's transfer agent.

3. The Filer is not registered under the Legislation of any of the Jurisdictions as a dealer, adviser or otherwise.

4. The Filer's services as a Plan Agent of a DRIP Plan principally involve:

- (a) general maintenance of accounts and records for the Plan;
- (b) maintenance of a call centre and Internet website to service Plan Participants;
- (c) distribution of materials to Plan Participants;
- (d) handling payments and flows of funds;
- (e) reporting to the issuer and Plan Participants on a periodic basis; and
- (f) facilitating certain securities transactions that are necessary to ensure the smooth and cost-efficient operation of the Plans.

5. As part of the operation of a DRIP Plan, the Filer will facilitate or otherwise assist in respect of the following securities transactions:

- (a) *Treasury Issue of Securities*, in which the Filer arranges for the reinvestment of a distribution made by the issuer as subscription for the securities issued by the issuer under the Plan; following which the Filer then holds the issued securities as Plan Agent and maintains records setting out the allocation of such securities to each individual Plan Participant;
- (b) *Market Purchases of Securities*, undertaken in respect of DRIP Plans that permit the issuer to designate whether a particular dividend or other distribution will be used to purchase treasury securities or securities in the open market. Under Plans that contemplate open-market purchases, the Filer arranges for the purchase of securities on the open market through appropriately registered dealers. In such circumstances, the Filer forwards an order to an appropriately registered dealer for such a purchase and make arrangements with the dealer for the settlement of the trade and the delivery of funds in connection therewith. As is the case with securities issued from treasury,

the Filer holds any purchased securities as Plan Agent and maintains records setting out the allocation of such securities to each Plan Participant.

All Plans contemplate either or both of treasury issues and market purchases of securities.

(c) *Share Selling Service for a Non-Terminating Plan Participant*, undertaken in respect of Plans under which a Plan Participant that wishes to sell securities acquired under the Plan may direct the Filer as Plan Agent to arrange for the sale of the number of securities designated by the Plan Participant. In such circumstances the Filer arranges for the sale of such securities on behalf of the Plan Participant through an appropriately registered dealer. The Filer effects such transaction by forwarding instructions for such sale to the dealer and attending to the settlement arrangements on behalf of the Plan Participant. After the transactions, the Filer remits the corresponding proceeds, less any applicable fees or charges, to the Plan Participant. In effecting such transactions, the Filer does not provide investment advice of any kind to the Plan Participant;

(d) *Share Selling Service for a Terminating Plan Participant*, undertaken in respect of Plans that provide for the sale of securities of a Plan Participant in the event of the termination of a Plan Participant from the DRIP Plan on a voluntary basis or upon the termination of the Plan. In such circumstances, the terminating Plan Participant may be able to choose between requesting the sale of its securities by the Filer, or having the Filer deliver securities then held for the Plan Participant under the Plan. (Generally, a Plan Participant whose participation in a Plan is terminated by an issuer will receive its securities, and will not have the option of requesting the Filer to sell such securities on its behalf.) Sales of securities in this context are facilitated by the Filer in the same manner as described in the preceding paragraph; and

(e) *Normal Course Accumulation and Sale of Fractional Interests*, undertaken during the normal operation of most DRIP Plans. A Plan Participant's allocation of securities in a Plan typically includes an interest in some fraction of securities. In order to accommodate full payment to Plan Participants of their entire interest in

the securities, including fractions, as required from time to time, the Filer typically accumulates all of the fractional interests held by Plan Participants, and sells such accumulated interests through an appropriately registered dealer. This transaction typically takes place as part of the normal course of the operation under the terms of the Plan, and not necessarily pursuant to specific instructions from the Plan Participants. Plan Participants receive payment for fractions out of the proceeds of such sales as provided for by the Plan.

Filer intends to rely upon the exemptions from the dealer registration requirement contained in section 2.2 of NI 45-106.

Decision

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

The decision of the Decision Makers under the Legislation for each Jurisdiction is that the Requested Relief is granted to the Filer, provided that:

- 6. Where the Filer acts as a Plan Agent for a DRIP Plan the Filer does not provide investment advice to any Plan Participant concerning decisions by the Plan Participant to purchase, sell or hold securities under the Plan.
 - (A) the Filer is, at the relevant time, appropriately licensed or otherwise permitted to carry on the business of a trust company in the Jurisdiction;
- 7. With respect to any of the sale transactions described above, any Sale Orders made to the Filer must be in writing.
 - (B) the Sale Order is not solicited, but for this purpose such sale will not be considered "solicited" by reason of the issuer or the Filer, on behalf of the issuer, distributing from time to time to Plan Participants disclosure documents, notices, brochures, statements of account, or similar documents advising of the ability under the Plan of the Filer to facilitate sales of securities or by reason of the issuer or the Filer advising Participants of that ability, and informing Participants of the details of the operations of the Plan in response to enquiries from time to time from Plan Participants by telephone or otherwise; and
- 8. In DRIP Plans in which Sale Orders are accepted by the Filer, the selling Plan Participant always pay their pro rata share of the selling dealer's sales commissions. In addition, the Filer will, typically, charge an administrative fee for its services in receiving a Sale Order and processing the sale. Depending upon the DRIP Plan, this fee is paid by the issuer, by the selling Plan Participant or partially by the issuer and partially by the Plan Participant.
- 9. The details of the share selling services under any DRIP Plan for which the Filer is Plan Agent, and information concerning the fees or charges applicable to the service, are contained in documents which are distributed or made available to all Plan Participants.
 - (C) for each Jurisdiction, this decision will terminate on the earlier of:
 - (i) 90 days after the coming into force of:
 - (A) any rule or other regulation under the Legislation of the Jurisdiction that amends NI 45-106 and relates to the sale of securities by an administrator on behalf of participants in a dividend reinvestment plan, or
 - (B) a blanket order or ruling under the Legislation of the Jurisdiction that provides an alternative exemption; and
 - (ii) December 31, 2008.
- 10. With respect to any of share selling services described above, only Sale Orders at the market price are accepted by the Filer and no advice regarding the decision to sell or hold the securities is given to any Plan Participant. Any Plan Participant who wishes to sell his or her securities in another manner (for example, by transferring their holdings to a dealer with whom they have a brokerage relationship) may do so. Any information distributed to Plan Participants regarding the Filer's administrative services does not contain any investment advice as to the desirability of Plan Participants holding or selling securities.
- 11. For any trades made by the Filer with a Participant under a DRIP Plan that are not the subject of the Requested Relief, including any purchases that are made by the Filer on behalf of a Participant through an appropriately registered dealer, the

“Susan Wolburgh Jenah”
Commissioner
Ontario Securities Commission

“Paul M. Moore”
Commissioner
Ontario Securities Commission

**2.1.16 Foremost Industries Income Fund et al. -
MRRS Decision**

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – prospectus relief for the first trade of units following a reorganization provided that certain conditions are satisfied.

Applicable Ontario Statutory Provisions

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

Ontario Rules

National Instrument 45-102 Resale of Securities, subs. 2.6 and 2.9(1)

National Instrument 45-106 Prospectus and Registration Exemptions, sub. 2.11(1)

Citation: Foremost Industries Income Fund, 2005
ABBASC 994

December 27, 2005

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

AND

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

AND

**IN THE MATTER OF
FOREMOST INDUSTRIES INCOME FUND (THE FILER
OR OLD FUND),
FOREMOST HOLDINGS TRUST, FOREMOST
VENTURES TRUST,
FOREMOST UNIVERSAL LIMITED PARTNERSHIP,
FOREMOST INDUSTRIES LIMITED PARTNERSHIP,
FOREMOST INCOME FUND (THE NEW FUND),
FOREMOST COMMERCIAL TRUST, FOREMOST
INDUSTRIES LP
AND FOREMOST UNIVERSAL LP**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the

- Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the requirement to file a preliminary prospectus and a prospectus (the Prospectus Requirement) does not apply to the first trade in units of New Fund issued pursuant to a reorganization under which New Fund will acquire all of the existing assets and business of Old Fund and unitholders of Old Fund will receive one trust unit of New Fund (the New Unit) for each common trust unit of Old Fund (the Unit) (the Reorganization) provided that certain conditions are met.
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. Unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions*.
- Representations**
4. The Filer has represented to the Decision Makers that:
- 4.1 Old Fund is an unincorporated open-end mutual fund trust established under the laws of the Province of Alberta by an Amended Restated Declaration of Trust, dated June 8, 2005.
- 4.2 Old Fund is authorized to issue an unlimited number of Units and 30,000 preferred trust units. As of November 29, 2005, there were 18,916,438 Units issued and outstanding and no preferred trust units issued and outstanding. Options to acquire 975,000 Units were also outstanding as of November 29, 2005.
- 4.3 The Units are listed and posted for trading on the TSX. Old Fund has applied to have the Units delisted from the TSX and to have the New Units listed in substitution for the Units, and the TSX has granted conditional listing approval for such substitutional listing.
- 4.4 Old Fund is a reporting issuer in Alberta, Ontario, Québec and Nova Scotia (the Reporting Issuer Jurisdictions) and has been for more than 12 months.
- 4.5 Old Fund has filed all of the information that it has been required to file as a reporting issuer in the Reporting Issuer Jurisdictions and is not in default of any of the requirements of the Legislation in the Reporting Issuer Jurisdictions.
- 4.6 New Fund is a trust established under the laws of the Province of Alberta by a Declaration of Trust, made as of November 12, 2005.
- 4.7 New Fund is authorized to issue an unlimited number New Units.
- 4.8 The Reorganization will consist of numerous trades in securities to be made in reliance on the exemption in section 2.11 of National Instrument 45-106 *Prospectus and Registration Exemptions* (NI 45-106) for trades of a security in connection with an amalgamation, merger, reorganization or arrangement that is described in an information circular made pursuant to National Instrument 51-102 *Continuous Disclosure Requirements* and approved by securityholders.
- 4.9 Upon completion of the Reorganization, Old Fund will be wound up.
- 4.10 New Fund will become a reporting issuer in the Reporting Issuer Jurisdictions by virtue of the definition of "reporting issuer" in the legislation of the Reporting Issuer Jurisdictions.
- 4.11 The first trade of a New Unit acquired in reliance on the exemption in section 2.11 of NI 45-106 is a distribution unless the conditions in section 2.6(3) of National Instrument 45-102 *Resale of Securities* (NI 45-102) are satisfied.
- 4.12 Section 2.6(3) 1 of NI 45-102 requires the issuer to have been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the first trade.
- 4.13 Section 2.9(1) of NI 45-102 provides that for determining the period of time that an issuer was a reporting issuer for the purpose of section 2.6 of NI 45-102, an issuer can include the period of time that any other issuer that participates with the first issuer in an amalgamation, merger, continuation or arrangement was a reporting issuer.
- 4.14 Section 2.9(1) of NI 45-102 does not apply to reorganizations.

- 4.15 New Fund would be permitted to include the reporting issuer status of the Filer in determining the length of time for which New Fund has been a reporting issuer pursuant to section 2.9(1) of NI 45-102 if the Reorganization had been effected by way of an amalgamation, merger, continuation or arrangement.

Decision

5. 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.
6. The Decision of the Decision Makers under the Legislation is that the Prospectus Requirement does not apply to the first trade in units of New Fund issued under the Reorganization provided that the following conditions are satisfied:
- 6.1 New Fund is a reporting issuer in a jurisdiction of Canada at the time of the first trade;
- 6.2 The trade is not a control distribution;
- 6.3 No unusual effort is made to prepare the market or create a demand for the security that is the subject of the trade;
- 6.4 No extraordinary commission or consideration is paid to a person or company in respect of the trade; and
- 6.5 If the selling security holder is an insider or officer of New Fund, the selling security holder has no reasonable grounds to believe that New Fund is in default of securities legislation.

“William S. Rice”
Chair
Alberta Securities Commission

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

2.1.17 Computershare Trust Company of Canada and Computershare Investor Services Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Plan agents under reinvestment plans of various issuers exempted, subject to conditions, from the dealer registration requirement for trades made by the plan agent with a plan participant when the plan agent accepts an unsolicited direction from the participant to sell, on behalf of the participant, securities of the issuer, that are held under the plan for the participant, through an appropriately registered dealer –Each plan provides for the purchase of additional securities of the issuer by plan participants, using dividends or distributions out of earnings, surplus, capital or other sources that are payable in respect of the securities of the issuer that are held by participant in the plan, and, depending upon the plan, may also provide for the purchase by the participant of additional securities of the issuer, using optional cash payments – Each plan agent is either a trust company or an affiliate of a trust company.

Applicable Ontario Statutory Provisions

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

Multilateral Instruments Cited

National Instrument 14-101 Definitions
National Instrument 45-106 Prospectus and Registration Exemptions, s. 2.2.

December 29, 2005

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

AND

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

AND

**IN THE MATTER OF
COMPUTERSHARE TRUST COMPANY OF
CANADA (COMPUTERSHARE TRUST COMPANY)
AND
COMPUTERSHARE INVESTOR SERVICES INC.
(COMPUTERSHARE INVESTOR SERVICES)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from Computershare Trust Company and Computershare Investor Services (collectively, the **Filers** and, individually, a **Filer**) for a decision (the **Requested Relief**) under the securities legislation (the **Legislation**) of each of the Jurisdictions that, where a Filer has been appointed to act as a Plan Agent for a DRIP Plan of an issuer that is not an investment fund, the dealer registration requirement shall not apply to the trade made by the Filer with a Plan Participant when the Filer accepts a direction (a **Sale Order**) from the Participant to sell, on behalf of the Participant, securities of the issuer, that are held under the Plan for the Participant, through an appropriately registered dealer.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

In this Decision:

DRIP Plan or **Plan** means, for an issuer, a plan which provides for the purchase of additional securities of the issuer by a Plan Participant, using dividends or distributions out of earning, surplus, capital or other sources that are payable in respect of the securities of the issuer that are held by the Participant in the Plan, and depending upon the Plan, may also provide for the purchase by the Participant of additional securities of the issuer, using optional cash payments;

investment fund has the same meaning as in NI 41-506;

NI 45-106 means National Instrument 45-106 *Prospectus and Registration Exemptions*;

Plan Agent means, for the DRIP Plan of an issuer, a person or company that has been appointed by the issuer to act as trustee, custodian or administrator of the Plan; and

Plan Participant or **Participant** means, for a DRIP Plan of an issuer, an holder of securities of the issuer who is a participant in the Plan.

Representations

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

1. Computershare Trust Company is a trust company organized under the laws of Canada and authorized to carry on business as a trust company in each Jurisdiction.
2. Computershare Investor Services is a corporation incorporated under the laws of Canada.
3. Each of Computershare Trust Company and Computershare Investor Services has their head offices in Toronto, Ontario.
4. Each of the Filers acts as Plan Agent to a number of DRIPs which are maintained by Canadian issuers. The Filers are one of the two major providers of these services in Canada. The administration of DRIP Plans is typically provided by an issuer's transfer agent.
5. A substantial portion of the transfer agency business of the Computershare organization is carried out through Computershare Investor Services.
6. Computershare Investor Services, like Computershare Trust Company, is an approved transfer agent by the TSX Group and the New York Stock Exchange and is registered with the Securities and Exchange Commission in the U.S.A. Computershare Investor Service is an indirectly wholly-owned subsidiary of a global company, Computershare Limited, which is a publicly listed company that trades on the Australian stock exchange. Computershare Investor Service and Computershare Trust Company operate from the same computer and systems platform, and many Computershare employees perform functions for both entities.
7. Neither Computershare Trust Company nor Computershare Investor Services is registered under the Legislation of any of the Jurisdictions as a dealer, adviser or otherwise.
8. The Filer's services as a Plan Agent of a DRIP Plan principally involve:
 - (a) general maintenance of accounts and records for the Plan;
 - (b) maintenance of a call centre and Internet website to service Plan Participants;
 - (c) distribution of materials to Plan Participants;
 - (d) handling payments and flows of funds;

- (e) reporting to the issuer and Plan Participants on a periodic basis; and
- (f) facilitating certain securities transactions that are necessary to ensure the smooth and cost-efficient operation of the Plans.

9. As part of the operation of Plan, the Filers will facilitate or otherwise assist in respect of the following securities transactions:

- (a) *Treasury Issue of Securities*, in which a Filer arranges for the reinvestment of a distribution made by the issuer as subscription for the securities issued by the issuer under the Plan; following which the Filer then holds the issued securities as Plan Agent and maintains records setting out the allocation of such securities to each individual Plan Participant;
- (b) *Market Purchases of Securities*, undertaken in respect of DRIP Plans that permit the issuer to designate whether a particular dividend or other distribution will be used to purchase treasury securities or securities in the open-market. Under Plans that contemplate open market purchases, a Filer arranges for the purchase of securities on the open market through appropriately registered dealers. In such circumstances, the Filer forwards an order to an appropriately registered dealer for such a purchase and make arrangements with the dealer for the settlement of the trade and the delivery of funds in connection therewith. As is the case with securities issued from treasury, the Filer holds any purchased securities as Plan Agent and maintains records setting out the allocation of such securities to each Plan Participant.

All Plans contemplate either or both of treasury issues and market purchases of securities.

- (c) *Share Selling Service for a Non-Terminating Plan Participant*, undertaken in respect of Plans under which a Plan Participant that wishes to sell securities acquired under the Plan may direct a Filer as Plan Agent to arrange for the sale of the number of securities designated by the Plan Participant. In such circumstances, the Filer arranges for the sale of such securities on behalf of the Plan Participant through an appropriately registered dealer. The Filer effects such transaction by forwarding instructions for such sale to the dealer and attending to the settlement

arrangements on behalf of the Plan Participant. After the transactions, the Filer remits the corresponding proceeds, less any applicable fees or charges, to the Plan Participant. In effecting such transactions, the Filer does not provide investment advice of any kind to the Plan Participant;

- (d) *Share Selling Service for a Terminating Plan Participant*, undertaken in respect of Plans that provide for the sale of securities of a Plan Participant in the event of the termination of a Plan Participant from the DRIP Plan on a voluntary basis or upon the termination of the Plan. In such circumstances, the terminating Plan Participant may be able to choose between requesting the sale of its securities by a Filer, or having the Filer deliver securities then held for the Plan Participant under the Plan. (Generally, a Plan Participant whose participation in a Plan is terminated by an issuer will receive its securities, and will not have the option of requesting the Filer to sell such securities on its behalf.) Sales of securities in this context are facilitated by the Filer in the same manner as described in the preceding paragraph; and

- (e) *Normal Course Accumulation and Sale of Fractional Interests*, undertaken during the normal operation of most DRIP Plans. A Plan Participant's allocation of securities in a Plan typically includes an interest in some fraction of securities. In order to accommodate full payment to Plan Participants of their entire interest in the securities, including fractions, as required from time to time, a Filer typically accumulates all of the fractional interests held by Plan Participants, and sells such accumulated interests through an appropriately registered dealer. This transaction typically takes place as part of the normal course of the operation under the terms of the Plan, and not necessarily pursuant to specific instructions from the Plan Participants. Plan Participants receive payment for fractions out of the proceeds of such sales as provided for by the Plan.

10. Where a Filer acts as a Plan Agent for a DRIP Plan the Filer does not provide investment advice to any Plan Participant concerning decisions by the Plan Participant to purchase, sell or hold securities under the Plan.

11. With respect to any of the sale transactions described above, any Sale Orders made to a Filer must be in writing.
12. In DRIP Plans in which Sale Orders are accepted by a Filer, the selling Plan Participant always pay their pro rata share of the selling dealer's sales commissions. In addition, the Filer receiving the Sale Order will, typically, charge an administrative fee for its services in processing the sale. Depending upon the DRIP Plan, this fee is paid by the issuer, by the selling Plan Participant or partially by the issuer and partially by the Plan Participant.
13. The details of the share selling services under any DRIP Plan for which a Filer is Plan Agent, and information concerning the fees or charges applicable to the service, are contained in documents which are distributed or made available to all Plan Participants.
14. With respect to any of share selling services described above, only Sale Orders at the market price are accepted by a Filer and no advice regarding the decision to sell or hold the securities is given to any Plan Participant. Any Plan Participant who wishes to sell his or her securities in another manner (for example, by transferring their holdings to a dealer with whom they have a brokerage relationship) may do so. Any information distributed to Plan Participants regarding the Filer's administrative services does not contain any investment advice as to the desirability of Plan Participants holding or selling securities.
15. For any trades made by a Filer with a Participant under a DRIP Plan that are not the subject of the Requested Relief, including any purchases that are made by the Filer on behalf of a Participant through an appropriately registered dealer, the Filer intends to rely upon the exemptions from the dealer registration requirement contained in section 2.2 of NI 45-106.
- (B) where the Filer is Computershare Investor Services, the Filer is, at the relevant time, an affiliate of Computershare Trust Company and Computershare Trust Company is then appropriately licensed or otherwise permitted to carry on the business of a trust company in the Jurisdiction;
- (C) the Sale Order is not solicited, but for this purpose such sale will not be considered "solicited" by reason of the issuer, or either Filer on behalf of the issuer, distributing from time to time to Plan Participants disclosure documents, notices, brochures, statements of account, or similar documents advising of the ability under the Plan of a Filer to facilitate sales of securities or by reason of the issuer or a Filer advising Participants of that ability, and informing Participants of the details of the operations of the Plan in response to enquiries from time to time from Plan Participants by telephone or otherwise; and
- (D) for each Jurisdiction, this decision will terminate on the earlier of:
- (i) 90 days after the coming into force of:
- (A) any rule or other regulation under the Legislation of the Jurisdiction that amends NI 45-106 and relates to the sale of securities by an administrator on behalf of participants in a dividend reinvestment plan, or
- (B) a blanket order or ruling under the Legislation of the Jurisdiction that provides an alternative exemption; and
- (ii) December 31, 2008; and
- (E) in the case of Ontario and Newfoundland and Labrador, where the Filer is Computershare Investor Services, the Filer is, at the relevant time, either registered as a limited market dealer or the Filer has obtained an exemption that permits the Filer to rely on the dealer registration exemption contained in section 3.1 of NI 45-106, notwithstanding

Decision

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

The decision of the Decision Makers under the Legislation for each Jurisdiction is that the Requested Relief is granted for each of the Filers, provided that:

- (A) where the Filer is Computershare Trust Company, the Filer is, at the relevant time, appropriately licensed or otherwise permitted to carry on the business of a trust company in the Jurisdiction;

clause 3.9(b) of NI 45-106, for the trade made between the Filer and the purchaser or a prospective purchaser of the securities which are the subject matter of the Sale Order, where that trade is made solely through an appropriately registered dealer.

“Paul M. Moore”
Commissioner
Ontario Securities Commission

“Susan Wolburgh Jenah”
Commissioner
Ontario Securities Commission

2.2 Orders

2.2.1 James Patrick Boyle, Lawrence Melnick and John Michael Malone - ss. 127 and 127.1

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

AND

**IN THE MATTER OF
JAMES PATRICK BOYLE, LAWRENCE MELNICK
AND JOHN MICHAEL MALONE**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on August 5, 2005, the Ontario Securities Commission (the “Commission”) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the “Act”) in respect of John Michael Malone (“Malone”);

AND WHEREAS Malone entered into a Settlement Agreement with Staff of the Commission dated December 1, 2005 (the “Settlement Agreement”) in which he agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission and wherein Malone provided to the Commission a written undertaking never to become an employee, officer or director of the Canadian Trading and Quotation System Inc. (“CNQ”) or any successor or affiliate thereof;

AND WHEREAS the Commission issued a Notice of Hearing dated December 20, 2005 setting down the hearing to consider the Settlement Agreement;

AND WHEREAS the Commission held a hearing on December 22, 2005 to consider the Settlement Agreement;

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

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

IT IS HEREBY ORDERED THAT:

- (a) the Settlement Agreement attached to this Order as Schedule “1” is hereby approved;
- (b) pursuant to section 127(1) clause 7 of the Act, Malone resign as an officer of the CNQ forthwith;
- (c) pursuant to section 127(1) clause 8 of the Act, Malone be prohibited from acting

as a director or officer of a reporting issuer for three years; and

- (d) after the expiry of three years, in the event Malone wishes to become an officer or director of a reporting issuer, he do so only after successful completion of the Director Education Program offered by the Institute of Corporate Directors and Rotman School of Business.

DATED at Toronto this 22nd day of December, 2005.

“Wendell S. Wigle, Q.C.”

“Paul K. Bates”

SCHEDULE “1”

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

AND

**IN THE MATTER OF
JAMES PATRICK BOYLE, LAWRENCE MELNICK
AND JOHN MICHAEL MALONE**

**SETTLEMENT AGREEMENT
RE: JOHN MICHAEL MALONE**

I. INTRODUCTION

1. By Notice of Hearing dated August 5, 2005, the Ontario Securities Commission (the “Commission”) announced that it would hold a hearing to consider whether pursuant to sections 127 and 127.1 of the Ontario *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) it is in the public interest to make an order that:
- (a) pursuant to section 127(1) clause 2, trading in any securities by John Michael Malone (“Malone”) cease permanently or for such other period as specified by the Commission;
 - (b) pursuant to section 127(1) clause 3, any exemptions contained in Ontario securities law do not apply to Malone permanently or for such other period as specified by the Commission;
 - (c) pursuant to section 127(1) clause 8, Malone be prohibited from becoming or acting as a director or officer of any issuer;
 - (d) pursuant to section 127(1) clause 7, Malone resign one or more positions he holds as a director or officer of an issuer;
 - (e) pursuant to section 127(1) clause 6, Malone be reprimanded;
 - (f) pursuant to section 127.1, Malone be ordered to pay the costs of the investigation and the costs of or related to the hearing incurred by or on behalf of the Commission; and
 - (g) such other order as the Commission may consider appropriate.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff of the Commission (“Staff”) recommend settlement with Malone in accordance with the terms and conditions set out below. Malone

agrees to the settlement on the basis of the facts set out at Part III herein and consents to the making of an order against him in the form attached as Schedule "A" on the basis of the facts set out at Part III herein.

III. STATEMENT OF FACTS

3. For the purposes of this Settlement Agreement, Malone agrees with the facts set out in Part III.
4. Malone is currently the Chief Operating Officer of the Canadian Trading and Quotation System Inc. ("CNQ"). Malone commenced his employment on May 1, 2001. Malone became involved with CNQ at the invitation of the respondent James Patrick Boyle ("Boyle"), who was the controlling shareholder and an officer and director of CNQ.
5. Malone is not and has never been registered. He has not previously been the subject of any investigation or proceeding by Staff.
6. The conduct at issue involved the securities of two reporting issuers, Complex Minerals Corp. ("Complex") and Nucanolan Resources Ltd. ("Nucanolan"). At the material time, the common shares of each of Complex and Nucanolan traded on the Canadian Dealing Network.
7. Malone was a high school friend of Boyle's. Commencing in 1995, Boyle asked Malone to take on director and officer roles for corporations which were to become involved in certain transactions, including transactions involving securities. At Boyle's invitation, Malone signed the documents described herein to effect these transactions. Boyle, a securities lawyer, explained to Malone that the transactions were intended to minimize the tax consequences relating to certain other parties and that there was a possibility that Malone might benefit in the long term.

Complex Minerals Corp.

8. On or about October 17, 1995, at the request of Boyle, Malone became the president, a director and the sole shareholder of Saxby Gale Management Corp. ("Saxby Gale"), an Ontario private company. Malone later understood from Boyle that Saxby Gale would own shares in Complex.
9. On or about October 31, 1995, Malone signed a resolution by which he authorized the execution by Saxby Gale of a trust conveyance. Pursuant to the terms of the trust conveyance, Saxby Gale agreed to act as trustee in respect of the "equity of redemption" of 1,700,008 Complex shares held by Gordon Love ("Love").
10. On or about November 8, 1995, Malone signed a resolution by which he authorized the execution by

Saxby Gale of an asset purchase agreement and promissory note. Pursuant to the asset purchase agreement, Saxby Gale purchased the "economic potential" of 1,700,008 Complex shares from First Mulmur Corp. ("FMC"). FMC was described in the asset purchase agreement as "a corporation pursuant to the laws of the State of Antigua and Barbuda." Love had sold the "economic potential" of the 1,700,008 Complex shares to FMC on or about October 20, 1995 for \$85,000.40. The November 8, 1995 promissory note provided that Saxby Gale promised to pay FMC, upon written demand, \$493,002.32.

11. On or about March 13 and September 25, 1996, Malone signed resolutions by which he authorized the execution by Saxby Gale of option agreements. Pursuant to these option agreements, Saxby Gale granted irrevocable options with respect to 1.7 million Complex shares to the dealer, A.C. MacPherson & Co. Inc. ("A.C. MacPherson").
12. On or about March 21, April 9, April 23 and October 1, 1996, Malone signed directions on behalf of Saxby Gale. Pursuant to the directions, Saxby Gale directed Boyle's law firm, Boyle, Hobart, to pay funds held by Boyle, Hobart from the proceeds of the sale of Complex shares to Christopher DeGeer ("DeGeer") in trust. The funds totalled \$448,000.00.
13. Malone was not aware of how the purchase price of the "economic potential" was arrived at in respect of the Saxby Gale purchase of November 1995 nor in respect of the Love sale of October 1995. Malone was not aware of what developments, if any, justified Saxby Gale purchasing the "economic potential" of the Complex shares for \$493,002.32. Malone was not aware of how the exercise price was arrived at in respect of the option agreements. Malone understood that the funds received from the sale of the Complex shares were paid toward the satisfaction of the outstanding promissory note held by FMC.
14. In October 2001, Saxby Gale amalgamated with another private Ontario company, Darius Vase Equity Corp. ("Darius"). Malone was the director, officer and sole shareholder of Darius from October 2001 until July 2002. On or about July 17, 2002, Malone signed an agreement pursuant to which he sold his shares of Darius to Gar Rankin for \$12.00, and agreed to resign as a director and officer of Darius.

Nucanolan Resources Ltd.

15. At the request of Boyle, Malone became an officer and director of Tupper Shields Copper Corp. ("Tupper"), which positions he held from January 1996 to April 1997. At the request of Boyle,

- Malone became the sole officer, a director and a shareholder of Tupper's sole shareholder, Welkin Cohort Trade Corp. ("Welkin"), which positions he held from October 1996 to November 2000. Tupper and Welkin were both private Ontario companies.
16. Kenner Ames ("Ames"), with whom Malone was acquainted socially, was the other officer and director of Tupper. Malone and Ames each owned 50 per cent of Welkin.
 17. On or about January 26, 1996, on behalf of Tupper, Malone signed a mining claim acquisition agreement, pursuant to which Tupper acquired certain mining claims from Richard Sutcliffe.
 18. On or about October 29, 1996 and February 21, 1997, on behalf of Welkin, Malone signed special resolutions regarding the number of directors within the range established by the articles of incorporation.
 19. On or about March 4, 1997, on behalf of Welkin, Malone signed a takeover agreement pursuant to which Welkin agreed to sell 160,000 Tupper shares to Nucanolan. Pursuant to the takeover agreement, Nucanolan agreed to satisfy the \$200,000.00 purchase price by delivering to Welkin 4 million units of Nucanolan, comprised of 4 million Nucanolan shares and 4 million Nucanolan warrants.
 20. On or about April 18, 1997:
 - (a) on behalf of Welkin, Malone signed an escrow agreement pursuant to which Boyle's law firm, Boyle, Hobart, became the escrow agent of the 4 million Nucanolan shares held by Welkin, which shares were deposited with Boyle, Hobart;
 - (b) on behalf of Welkin, Malone signed a certificate by which Welkin certified that all of the representations and warranties in Article III of the March 4, 1997 takeover agreement remained true and correct in all material respects;
 - (c) on behalf of Welkin, Malone signed a resolution by which Welkin approved the transfer of 160,000 Tupper shares to Nucanolan, in accordance with the takeover agreement of March 4, 1997;
 - (d) Malone and Ames signed a certificate of incumbency certifying to Nucanolan that each of them were duly elected to their respective positions with Tupper; and
 - (e) Malone and Ames each signed a resignation and release by which they

each resigned as a director and/or officer of Tupper.

21. On or about November 20, 2000, Malone and Ames each signed a takeover agreement pursuant to which Malone and Ames agreed to sell 25,000 Welkin shares to Champion Natural Health.Com Inc. ("Champion Natural"). Welkin's sole asset was the 4 million Nucanolan shares which, to the best of Malone's knowledge, had remained deposited with Boyle's law firm since April 1997 pursuant to the terms of the escrow agreement described at paragraph 20. As consideration, each of Malone and Ames received 240,000 shares of Champion Natural. Malone continues to hold these shares. The respondent Lawrence Melnick ("Melnick") was at all material times the President of Champion Natural.
22. On or about November 20, 2000, Malone and Ames each signed documents by which they resigned as officers and directors of Welkin.
23. Throughout the material time, Boyle acted as counsel to Malone, Saxby Gale, Darius, Welkin and Tupper. Malone did not personally pay legal fees to Boyle.
24. During the material time, Malone received \$6,500.00. In April 1996, at a dinner hosted by Boyle at the University Club of Toronto, Malone received \$2,000.00 cash from Boyle. In October 1997, Malone received a cheque in the amount of \$4,500.00. The payor on the cheque was DeGeer.
25. Malone has cooperated with Staff during the investigation and throughout the settlement negotiations.

Position of Malone

26. Malone represents to Staff that at the relevant time, he was the executive director of a charitable organization and had no background or experience in the securities industry. Malone represents to Staff that he had no experience with the type of transactions at issue and relied on explanations and advice from Boyle before signing any documents or authorizing any transactions on behalf of the above corporations for which he was a director or officer.

Conduct Contrary to the Public Interest

27. Malone acted contrary to the public interest by taking on officer and director roles and participating in transactions without appreciating fully or having due regard to the implications of his conduct. Malone failed to exercise due care and diligence in his role as an officer and director, and failed to adhere to and act in accordance with high standards of responsible business conduct.

IV. TERMS OF SETTLEMENT

28. Malone agrees to the following terms of settlement:

- (a) The Commission will make an order pursuant to section 127(1) clause 7 of the Act that Malone resign as an officer of the CNQ immediately upon approval of this Settlement Agreement;
- (b) The Commission will make an order pursuant to section 127(1) clause 8 of the Act that Malone be prohibited from acting as a director or officer of a reporting issuer for three years;
- (c) The Commission's order will include a term that after the expiry of three years, in the event Malone wishes to become an officer or director of a reporting issuer, he may do so only after successful completion of the Director Education Program offered by the Institute of Corporate Directors and Rotman School of Business; and
- (d) Malone will sign an undertaking to the Commission in the form attached as Schedule "B" to never become an employee, officer or director of the CNQ or any successor or affiliate thereof.

V. STAFF COMMITMENT

29. If this Settlement Agreement is approved by the Commission, Staff will not initiate any proceeding under Ontario securities law in respect of any conduct or alleged conduct of Malone in relation to the facts set out in Part III of this Settlement Agreement, subject to the provisions of paragraph 33 below.

VI. PROCEDURE FOR APPROVAL OF SETTLEMENT

30. Approval of this Settlement Agreement shall be sought at the public hearing of the Commission scheduled for December 22, 2005, or such other date as may be agreed to by Staff and Malone in accordance with the procedures described in this Settlement Agreement.

31. Staff and Malone agree that if this Settlement Agreement is approved by the Commission, it will constitute the entirety of the evidence to be submitted respecting Malone in this matter, and Malone agrees to waive his rights to a full hearing, judicial review, or appeal of the matter under the Act.

32. Staff and Malone agree that if this Settlement Agreement is approved by the Commission,

neither Staff nor Malone will make any public statement inconsistent with this Settlement Agreement.

33. If this Settlement Agreement is approved by the Commission, and at any subsequent time Malone fails to honour the terms of the settlement set out in Part IV herein, Staff reserve the right to bring proceedings under Ontario securities law against Malone based on, but not limited to, the facts set out in Part III of the Settlement Agreement, as well as the breach of the Settlement Agreement.

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

VII. DISCLOSURE OF SETTLEMENT AGREEMENT

35. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an order in the form attached as Schedule "A" is not made by the Commission, each of Staff and Malone will be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations, unaffected by this Settlement Agreement or the settlement negotiations.

36. The terms of this Settlement Agreement will be treated as confidential by all parties hereto until approved by the Commission, and forever if, for any reason whatsoever, this Settlement Agreement is not approved by the Commission, except with the written consent of both Malone and Staff or as may be required by law.

37. Any obligations of confidentiality shall terminate upon approval of this Settlement Agreement by the Commission.

VIII. EXECUTION OF SETTLEMENT AGREEMENT

38. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.

39. A facsimile copy of any signature shall be as effective as an original signature.

December 19, 2005.

Signed in the presence of:

"Wendy Berman"

“John Michael Malone”

December 19, 2005.

STAFF OF THE ONTARIO SECURITIES
Per:

“Michael Watson”
Director, Enforcement Branch

SCHEDULE “A”

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

AND

**IN THE MATTER OF
JAMES PATRICK BOYLE, LAWRENCE MELNICK
AND JOHN MICHAEL MALONE**

**ORDER
(Sections 127 and 127.1)**

WHEREAS on August 5, 2005, the Ontario Securities Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the “Act”) in respect of John Michael Malone (“Malone”);

AND WHEREAS Malone entered into a Settlement Agreement with Staff of the Commission dated December 19, 2005 (the “Settlement Agreement”) in which he agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission and wherein Malone provided to the Commission a written undertaking never to become an employee, officer or director of the Canadian Trading and Quotation System Inc. (“CNQ”) or any successor or affiliate thereof;

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

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

IT IS HEREBY ORDERED THAT:

- (a) the Settlement Agreement attached to this order as Schedule “1” is hereby approved;
- (b) pursuant to section 127(1) clause 7 of the Act Malone resign as an officer of the CNQ forthwith;
- (c) pursuant to section 127(1) clause 8 Malone be prohibited from acting as a director or officer of a reporting issuer for three years; and
- (d) after the expiry of three years, in the event Malone wishes to become an officer or director of a reporting issuer, he do so only after successful completion of the Director Education Program offered by the Institute of Corporate Directors and Rotman School of Business.

Dated at Toronto, Ontario this day of
December, 2005.

SCHEDULE "B"

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

AND

**IN THE MATTER OF
JAMES PATRICK BOYLE, LAWRENCE MELNICK
AND JOHN MICHAEL MALONE**

**UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION**

I, John Michael Malone, am a respondent to a Notice of Hearing dated August 5, 2005 issued by the Ontario Securities Commission. I undertake to the Ontario Securities Commission that I will never become an employee, officer or director of the Canadian Trading and Quotation System Inc. or any successor or affiliate thereof. I have agreed to such terms as set out in the settlement agreement between Staff of the Ontario Securities Commission and me dated December 19, 2005.

December 22, 2005.

Signed in the presence of:

"Wendy Berman"

"John Malone"

December 22, 2005.

Acknowledgement as received by:

"Daisy Aranha"
per: John Stevenson
Secretary to the Ontario
Securities Commission

2.2.2 Brian Peter Verbeek - ss. 127 and 127.1

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

AND

**IN THE MATTER OF
BRIAN PETER VERBEEK
ORDER
(Sections 127 and 127.1)**

WHEREAS the Commission issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act* (the *Act*) on October 8, 2003 in respect of Brian Peter Verbeek;

AND WHEREAS the Commission conducted a hearing into this matter on December 6,7,8,9, and 10, 2004; February 14 and 15, 2005; and March 2, 2005;

AND WHEREAS the Commission is satisfied that Brian Peter Verbeek has not complied with Ontario securities law and has not acted in the public interest;

AND WHEREAS the Commission issued its decision and reasons on the merits of this matter on July 26, 2005;

AND WHEREAS the Commission conducted a hearing with respect to the appropriate sanctions on November 14, 2005;

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

AND WHEREAS the Commission is of the opinion that an order for costs pursuant to section 127.1 of the *Act* is appropriate;

IT IS HEREBY ORDERED that:

1. pursuant to clause 1 of subsection 127(1) of the *Act*, the registration of Mr. Verbeek under Ontario Securities law be terminated;
2. pursuant to clause 2 of subsection 127(1) of the *Act*, Mr. Verbeek cease trading in securities permanently, except that he may trade in securities beneficially owned directly by him for the account of his registered retirement savings plan or registered income fund (as defined in the *Income Tax Act (Canada)*);
3. pursuant to clause 3 of subsection 127(1) of the *Act*, the exemptions contained in Ontario securities law do not apply to him, permanently, except for those exemptions necessary to enable Mr. Verbeek to trade in securities as permitted under the above paragraph 2;
4. pursuant to clause 7 of subsection 127(1) of the *Act*, Mr. Verbeek resign any position he holds or may hold as an officer or a director of any issuers;
5. pursuant to clause 8 of subsection 127(1) of the *Act*, Mr. Verbeek be prohibited from becoming or acting as a director or officer of any issuer;
6. pursuant to clause 6 of subsection 127(1) of the *Act*, Mr. Verbeek is hereby reprimanded; and
7. pursuant to section 127.1 of the *Act*, Mr. Verbeek pay \$94,618.75 in costs.

December 15, 2005.

“Wendell S. Wigle”

“Suresh Thakrar”

2.2.3 TSX Group Inc. and TSX Inc. - s. 144

December 16, 2005

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

AND

**IN THE MATTER OF
TSX GROUP INC. AND TSX INC.**

**ORDER
(Section 144 of the Act)**

WHEREAS the Commission issued an order dated April 3, 2000 granting and continuing the recognition of The Toronto Stock Exchange Inc. (TSE) as a stock exchange pursuant to section 21 of the Act;

AND WHEREAS the Commission issued an amended and restated order dated January 29, 2002 to reflect that the TSE retained Market Regulation Services Inc. to perform its market regulation functions;

AND WHEREAS the Commission issued an amended and restated order dated September 3, 2002 to reflect the name change of TSE to TSX Inc. (TSX) and a reorganization under which TSX became a wholly-owned subsidiary of TSX Group Inc. (TSX Group), a holding company, and granted TSX Group recognition as a stock exchange pursuant to section 21 of the Act, in each case effective on the closing of the reorganization;

AND WHEREAS the Commission issued an amended and restated order dated August 12, 2005 to reflect changes to the definition of an independent director (Recognition Order);

AND WHEREAS TSX Group and TSX have applied for an order pursuant to section 144 of the Act to vary the financial viability and financial statement terms and conditions of the Recognition Order to adjust financial ratios to reflect the change in accounting policy of TSX Group and TSX for recognition of initial and additional listing fees, and to make other suitable revisions;

AND WHEREAS the Commission has received certain representations from TSX Group and TSX in connection with TSX's application to vary the Recognition Order;

AND UPON the Commission being of the opinion that it is not prejudicial to the public interest to vary the Recognition Order;

IT IS ORDERED pursuant to section 144 of the Act that the Recognition Order be varied as follows:

1. Item 4 of Schedule A of the Recognition Order is repealed and replaced by the following:

4. FINANCIAL INFORMATION

TSX Group will file with the Commission unaudited quarterly consolidated financial statements of TSX Group within 45 days of each quarter end and audited annual consolidated financial statements of TSX Group within 90 days of each year, or such shorter periods as are mandated for reporting issuers to file such financial statements under applicable securities legislation.

2. Item 12 of Schedule A of the Recognition Order is repealed and replaced by the following:

12. FINANCIAL VIABILITY

(a) TSX shall maintain sufficient financial resources for the proper performance of its functions.

(b) TSX shall calculate monthly the following financial ratios:

(i) a current ratio, being the ratio of current assets to current liabilities,

(ii) a debt to cash flow ratio, being the ratio of total debt used to finance TSX's operations (including any line of credit drawdowns, term loans, debentures and capital lease obligations, but excluding liabilities such as accounts payable, deferred revenue, income taxes payable and employee benefit liabilities) to adjusted EBITDA for the most recent twelve months, where adjusted EBITDA is earnings before interest, taxes, depreciation and amortization, adjusted to include initial and additional listing fees received and to exclude initial and additional listing fees reported as revenue, and

(iii) a financial leverage ratio, being the ratio of total assets to adjusted shareholders' equity, where adjusted shareholders' equity is calculated as shareholders' equity as reported on the TSX balance sheet plus deferred revenue – initial and additional listing fees as reported on the TSX balance sheet,

in each case as calculated on a consolidated basis and consistently with the consolidated financial statements of TSX.

- (c) TSX shall report quarterly (concurrently with the financial statements filed pursuant to paragraph 17) to Commission staff the monthly calculations of its current ratio, debt to cash flow ratio and financial leverage ratio for the previous quarter.
- (d) If TSX fails to maintain or anticipates it will fail to maintain in the next twelve months:
 - (i) its current ratio at greater than or equal to 1.1/1,
 - (ii) its debt to cash flow ratio at less than or equal to 4.0/1, or
 - (iii) its financial leverage ratio at less than or equal to 4.0/1,

it shall immediately notify Commission staff.

- (e) If TSX fails to maintain its current ratio, debt to cash flow ratio, or financial leverage ratio at the levels outlined in paragraph 12(d) above for a period of more than three months:
 - (i) its Chief Executive Officer will immediately deliver a letter advising Commission staff of the reasons for the continued ratio deficiencies and the steps being taken to rectify the situation, and
 - (ii) TSX will not, without the prior approval of the Director, make any capital expenditures in excess of its approved budget, or make any loans, bonuses, dividends or other distributions of assets to any director, officer, related company or shareholder until the deficiencies have been eliminated for at least six months or a shorter period of time as agreed to by Commission staff.
- (f) TSX shall not enter into any agreement or transaction either (i) outside the ordinary course of business or (ii) with TSX Group or any subsidiary or associate of TSX Group if it expects that, after giving effect to the agreement or transaction, TSX is likely to fail to maintain the current ratio, the debt to cash flow ratio or the financial leverage

ratio at the levels outlined in paragraph 12(d) above.

- 3. Item 17 of Schedule A to the Recognition Order is repealed and replaced by the following:

17. FINANCIAL STATEMENTS

TSX shall file unaudited quarterly consolidated financial statements within 45 days of each quarter end and audited consolidated annual financial statements within 90 days of each year end or such shorter period as is mandated for reporting issuers to file such financial statements under applicable securities legislation. TSX shall provide certain unconsolidated financial information if requested by Commission staff.

“Susan Wolburgh Jenah”

“Harold P. Hands”

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Brian Peter Verbeek

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

AND

**IN THE MATTER OF
BRIAN PETER VERBEEK**

Sanctions Hearing:

November 14, 2005

Panel:

Wendell S. Wigle, Q.C. - Chair of the Panel

Suresh Thakrar - Commissioner

Counsel:

Brian P. Verbeek - On his own behalf

Karen Manarin - For Staff of the Ontario Securities Commission

DECISION AND REASONS ON SANCTIONS

[1] Our decision on the merits of this matter was issued on July 26, 2005, accompanied by detailed reasons. We found that Mr. Verbeek:

- (a) participated in illegal distributions of securities, contrary to section 53(1) of the Securities Act, by trading securities for which there was no exemption available;
- (b) failed to ascertain the general investment needs and objectives of his clients and the suitability of the purchases or sales of the securities for his clients, and thus acted contrary to the public interest and contrary to section 1.5 of Ontario Securities Commission Rule 31-505;
- (c) acted contrary to the public interest by participating in the scheme that involved the subsequent loan to the investor of approximately 65% of the share purchase and by charging an administration fee to the investors of 35% of the loan proceeds;
- (d) acted contrary to the public interest by processing documents that referenced "Lafferty, Harwood and Partners Ltd." without Lafferty's knowledge and at a time when Verbeek was not registered through Lafferty; and
- (e) acted contrary to the public interest by making misleading or untrue representations to Staff on or about February 14, 2001 and February 22, 2001, in response to inquiries made by Staff during the investigation of this matter.

[2] The hearing with respect to sanctions was held on November 14, 2005. We received written submissions in advance from Staff but not from Mr. Verbeek.

[3] Following Staff's oral submissions on sanctions at the November 14 hearing, Mr. Verbeek made some oral submissions but then asked permission to file a written response. We considered his request and granted him leave to file written submissions on sanctions only, provided they were filed before 4 p.m. on November 25, 2005. He did file a written response but we understand it was filed after the stated date. We have reviewed his response but it appears that most of the 29 pages do not go to sanctions but rather are related to our July 26, 2005 decision on the merits. The submissions with respect to sanctions start at page 17.

[4] Both orally and in his written submissions, Mr. Verbeek made a motion pursuant to section 9(6) of the *Act* requesting a reconsideration of our decision of July 26, 2005. We consider Mr. Verbeek's motion inappropriately framed, presented, and argued. Section 9 of the *Act* deals with appeals of final decisions of the Commission. Subsection 9(6) allows the Commission to make a further decision despite there being an order of a court on appeal, where there is new material or where there is a significant change in the circumstances. Subsection 9(6) does not operate in these circumstances because our decision has not yet been appealed. Therefore we have no jurisdiction to hear Mr. Verbeek's motion.

[5] Even if Mr. Verbeek's motion for reconsideration were properly before us, in our opinion there is no persuasive reason for us to revisit our decision at this time. We will, however, examine one argument in his motion – the new National Instrument 45-106 – because it seems to apply to the nature and duration of sanctions that we may impose in this hearing.

[6] We have given Mr. Verbeek's submissions on sanctions serious consideration. We appreciate his concerns about being unable to return to the investment industry and its effects on his employment opportunities.

[7] Sanctions are not to be remedial or punitive; rather it is our role to make an order that will be protective of investors in the future and that will prevent their exposure to this type of conduct in the future. The Supreme Court of Canada in *Asbestos* stated the Commission's protective and preventative role is effected by removing from the capital markets "those whose past conduct is so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets."

Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission) (2001), 199 D.L.R. (4th) 577 (S.C.C.)

[8] We consider Mr. Verbeek's past conduct to have been so abusive.

[9] We are mindful of past Commission decisions, particularly *MCJC Holdings* and *Belteco*, which held that in making protective and preventative orders in the public interest, the Commission must take into account circumstances appropriate to particular respondents. The Commission may also go beyond specific deterrence of the particular respondent and in the appropriate case make an order based on the general deterrence of like-minded persons in the future. This was confirmed in the Supreme Court of Canada's decision in *Re Cartaway Resources Corp.* in respect of the sanctioning powers of the BC Securities Commission, but equally applicable to orders of this Commission in the public interest under section 127 of the *Act*.

Re Belteco Holdings Inc. (1998), 210 S.C.B. 7743

Re MCJC Holdings Inc. and Michael Cowpland (2002), 25 O.S.C.B. 1113

Re Cartaway Resources Corp., [2004] 1 S.C.C. 672

[10] Factors that the Commission may consider in determining the nature and duration of sanctions include:

- (a) the seriousness of the allegations proved;
- (b) the respondent's experience in the marketplace;
- (c) the level of the respondent's activity in the marketplace;
- (d) whether or not there has been a recognition of the seriousness of the improprieties;
- (e) the restraint of future conduct that is likely to be prejudicial to the public interest by the respondent, based on the respondent's past conduct, or by like-minded people engaging in similar abuses of the capital markets;
- (f) any mitigating factors; and
- (g) the remorse of the respondent.

[11] The mitigating factors that Mr. Verbeek would have us consider amount, largely, to excuses for his conduct. These are, moreover, the same excuses that we rejected in our Reasons for decision.

[12] Mr. Verbeek also argues that the exemptions in the new National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106") mean that his past conduct would not be viewed as a breach of the *Act* or as conduct contrary to the public interest. We do not agree with this argument.

[13] Indeed, a plain reading of the sections cited by Mr. Verbeek reinforces our view that his conduct would continue to be caught by the amended rules. For example, in the hearing on the merits, there was no evidence that the holders who purchased the CCPC shares had a close or existing relationship to the CCPCs, were "accredited investors", or were "not the public". We found that the loan advertisements effectively offered shares of private issuers to the public, a class of purchasers who are explicitly excluded from the application of the NI 45-106 private issuer exemptions. We found that Mr. Verbeek knew or ought to have known that the bulk of the holders were unsophisticated investors, earning low incomes, and requiring immediate access to cash: they were not accredited investors under any definition. In any case, we emphasize that Mr. Verbeek's obligations under Rule 31-505 would not have been affected by NI 45-106. In our opinion, therefore, the introduction of NI 45-106 has no effect on the type and duration of sanctions that we may order against Mr. Verbeek.

[14] Finally, Mr. Verbeek argues that the sanctions sought by Staff are too harsh. He cites two commission decisions in his argument for lighter sanctions: *Re David Singh* and *Re Randall Novak*. We note that both matters were orders approving settlement agreements negotiated with Staff and based on an agreed statement of facts and admissions from the respective respondents. They are of limited assistance to us in this matter.

[15] In determining the appropriate sanctions, we have considered our findings on the merits and weighed the following factors:

- (i) Mr. Verbeek processed over 670 transactions in excess of \$17 million while registered with Fortune, Dundee, and Buckingham.
- (ii) At the time of his involvement, he was a registrant and a branch manager.
- (iii) He participated in distributions of securities, contrary to section 53(1) of the *Securities Act*, by trading securities for which there was no exemption available.
- (iv) He failed to ascertain the general investment needs and objectives of his clients, contrary to the public interest and contrary to section 1.5 of the Ontario Securities Commission Rule 31-505. "Instead of making enquiries to ensure that the high-risk CCPC share purchase suited the client's investment profile, he **altered** the client's investment profile to suit the high risk investment. This was the **antithesis** of his obligations under Rule 31-505."
- (v) He acted contrary to the public interest by participating in the scheme that involved the subsequent loans to investors of approximately 65% of the share purchase amount and which charged an administration fee to the investors of 35% of the loan proceeds.
- (vi) He was aware that the locked-in RRSP holders were unsophisticated investors who earned a low income and who required immediate access to cash;
- (vii) He benefited financially from his participation in this scheme.
- (viii) He persisted in participating in this scheme, even after reading the OSC Investor Alert in November 1999 and "he knew or ought to have known that the arrangements presented serious securities law concerns to the extent that the Commission considered them scams, harmful to investors and contrary to the public interest."
- (ix) He improperly referenced Lafferty, Harwood and Partners Ltd. He misled investors by leading them to believe that he was registered with that firm and that they were protected by all of the safeguards that registration imports. His continued reference to Lafferty after he joined Buckingham may have been an "extreme oversight", to use Mr. Verbeek's words, but it is inexcusable.
- (x) Mr. Verbeek told Staff of the Commission during the investigation that he did not know advertisements had been placed, that the transactions involved loans to investors, and that he had not received compensation for his involvement in the transactions. We found that at the time Mr. Verbeek made these representations to Staff, he knew they were misleading or untrue and, therefore, he acted contrary to the public interest.
- (xi) Although Mr. Verbeek has asked for leniency, he has not shown any indication that he appreciates he at any time acted improperly.

[16] We consider Mr. Verbeek's past conduct to have been so abusive as to warrant apprehension of future conduct detrimental to the integrity of the capital markets.

[17] Considering all of the above factors and our reasons for decision on the merits, it is in the public interest that we order under section 127 of the *Act* that:

- (a) the registration of Mr. Verbeek under Ontario Securities law be terminated;
- (b) Mr. Verbeek cease trading in securities permanently, except that he may trade in securities beneficially owned directly by him for the account of his registered retirement savings plan or registered income fund (as defined in the *Income Tax Act (Canada)*);
- (c) the exemptions contained in Ontario securities law do not apply to him, permanently, except for those exemptions necessary to enable Mr. Verbeek to trade in securities as permitted under paragraph (b);
- (d) Mr. Verbeek resign any position he holds or may hold as an officer or a director of any issuers;
- (e) Mr. Verbeek be prohibited from becoming or acting as a director or officer of any issuer; and
- (f) Mr. Verbeek is hereby reprimanded.

[18] In written and oral submissions, Staff requested that Mr. Verbeek pay to the Commission the sum of \$94,618.75 for costs of preparation and the hearing, pursuant to section 127.1 of the *Act*. No costs have been requested for the investigation or the various pre-hearing appearances and the adjournments requested by Mr. Verbeek.

[19] In support of this request, Staff presented a schedule listing the time spent and tasks performed by members of Staff in this case. The time listings of only three members of Staff were used to calculate the final costs amount: the senior litigation counsel, senior investigator, and senior forensic accountant.

[20] We find that Staff's evidence provides a sufficient foundation for the determination of costs. In the circumstances, pursuant to section 127.1 of the *Act*, we order Mr. Verbeek to pay the full amount of \$94,618.75 in costs.

December 15, 2005.

"Wendell S. Wigle, Q.C."

"Suresh Thakrar"

Chapter 4

Cease Trading Orders

4.1.1 Temporary, Permanent & Rescinding Issuer Cease Trading Orders

Company Name	Date of Temporary Order	Date of Hearing	Date of Permanent Order	Date of Lapse/Revoke
NHC Communications Inc.	29 Dec 05	10 Jan 06		
Teddy Bear Valley Mines, Limited	08 Dec 05	20 Dec 05	20 Dec 05	04 Jan 06

4.2.1 Temporary, Permanent & Rescinding Management 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
Allen-Vanguard Corporation	04 Jan 06	17 Jan 06			
BFS Entertainment & Multimedia Limited	04 Jan 06	17 Jan 06			
Brainhunter Inc.	03 Jan 06	16 Jan 06			
Cervus Financial Group Inc.	30 Dec 05	12 Jan 06			
Franchise Bancorp Inc.	03 Jan 06	17 Jan 06			
Toxin Alert Inc.	07 Nov 05	18 Nov 05	18 Nov 05	30 Dec 05	

4.2.2 Outstanding 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
ACE/Security Laminates Corporation	06 Sept 05	19 Sept 05	19 Sept 05		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Allen-Vanguard Corporation	04 Jan 06	17 Jan 06			
BFS Entertainment & Multimedia Limited	04 Jan 06	17 Jan 06			
Brainhunter Inc.	03 Jan 06	16 Jan 06			
Canadex Resources Limited	04 Oct 05	17 Oct 05	17 Oct 05	16 Dec 05	
Cervus Financial Group Inc.	30 Dec 05	12 Jan 06			
CoolBrands International Inc.	01 Dec 05	14 Dec 05		15 Dec 05	
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Franchise Bancorp Inc.	03 Jan 06	17 Jan 06			

Cease Trading Orders

Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 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	18 May 04	01 Jun 04	01 Jun 04		
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
Straight Forward Marketing Corporation	02 Nov 05	15 Nov 05	15 Nov 05		
Toxin Alert Inc.	07 Nov 05	18 Nov 05	18 Nov 05	30 Dec 05	

Chapter 5

Rules and Policies

5.1.1 Ontario Amending Instrument Amending NI 45-106

NATIONAL INSTRUMENT 45-106 PROSPECTUS AND REGISTRATION EXEMPTIONS ONTARIO AMENDMENT INSTRUMENT

1. Section 2.2 of National Instrument 45-106 *Prospectus and Registration Exemptions* is amended in Ontario by adding the following after subsection (1):
 - (1.1) In Ontario, paragraphs (a) and (b) of subsection (1) are to be read as follows:
 - (a) a trade in a security of the issuer's own issue if dividends or distributions out of earnings, surplus, capital or other sources payable in respect of the issuer's securities are applied to the purchase of the security, and
 - (b) subject to subsection (2), a trade in a security of the issuer's own issue if the security holder makes optional cash payments to purchase the security of the issuer that trades on a marketplace.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
12/20/2005	64	Adanac Moly Corp. - Units	2,288,309.00	3,520,476.00
12/20/2005	59	Adanac Moly Corp. - Units	742,099.80	1,236,833.00
12/16/2005	1	Advanced ID Corporation - Units	34,692.00	200,000.00
12/18/2005	4	AIM PowerGen Corporation - Flow-Through Shares	1,600,000.00	80,000.00
12/09/2005	12	Airline Intelligence Systems Inc. - Common Shares	262,680.00	525,360.00
12/21/2005	20	Alda Pharmaceuticals Corp. - Units	195,500.00	3,916,000.00
12/15/2005	1	ALESCO Preferred Funding IX, Ltd. - Preferred Shares	20,838,600.00	44,400.00
12/14/2005 to 12/15/2005	11	Anterra Corporation - Common Shares	545,000.00	1,280,000.00
12/22/2005	1	Archer Education Group Inc. - Units	172,000.00	296,552.00
11/29/2005 to 12/05/2005	57	Azeri Capital Inc. - Common Shares	1,536,170.00	12,300.00
12/14/2005	3	Basic Energy Services Inc. - Stock Option	455,286.00	19,500.00
12/21/2005	46	Bear Ridge Resources Ltd. - Flow-Through Shares	10,021,500.00	1,530,000.00
12/13/2005	11	Beartooth Platinum Corporation - Units	995,000.00	9,950,000.00
12/08/2005	20	Bioteq Environmental Technologies Inc. - Common Shares	5,749,999.20	6,503,888.00
12/20/2005	161	Birchcliff Energy Ltd. - Common Shares	13,519,488.00	1,482,400.00
12/22/2005	1	Blackpool Explorations Ltd. - Common Shares	84,000.00	400,000.00
12/14/2005	11	Brainhunter Inc. - Notes	1,055,000.00	1,055,000.00
12/14/2005	6	Brock University - Debentures	93,000,000.00	93,000.00
12/16/2005	4	Brookfield Power New York Finance LP - Notes	21,850,000.00	N/A
12/06/2005	35	Buffalo Gold Ltd. - Units	3,890,118.74	9,251,858.00
12/12/2005	2	Canadian Satellite Radio Holdings Inc. - Units	75,960,000.00	4,747,500.00
12/13/2005	11	CareVest Blended Mortgage Investment Corporation - Preferred Shares	244,808.00	244,808.00
12/22/2005	10	CareVest Blended Mortgage Investment Corporation - Preferred Shares	382,968.00	382,968.00
12/13/2005	22	CareVest First Mortgage Investment Corporation - Preferred Shares	848,061.00	848,061.00
12/22/2005	13	CareVest First Mortgage Investment Corporation - Preferred Shares	640,711.00	640,771.00
12/13/2005	2	CareVest Select Mortgage Investment Corporation - Preferred Shares	62,390.00	62,390.00
12/12/2005	6	Carfinco Income Fund - Debentures	500,000.00	500,000.00
12/12/2005	35	Carmanah Technologies Corporation - Common Shares	15,000,000.00	4,687,500.00
12/22/2005	17	Caroline Hydrocarbons Ltd. - Flow-Through Shares	1,673,525.10	2,574,654.00
12/13/2005 to 12/21/2005	1	Centennial Communications Corp. - Notes	2,291,883.00	2,000.00
12/13/2005	39	Cipher Exploration Inc. - Common Shares	7,500,001.00	3,416,667.00
11/26/2005	42	Commerce Resources Corp. - Common Shares	293,400.00	102,416.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
11/26/2005	24	Commerce Resources Corp. - Units	146,552.00	3,375,950.00
12/16/2005	17	Contec Innovations Inc. - Units	436,100.00	2,492,000.00
11/29/2005	1	Copper Ridge Explorations Inc. - Common Shares	7,000.00	50,000.00
12/22/2005	91	Cordy Oilfield Services Inc. - Debentures	15,000,000.00	12,800,000.00
12/16/2005	3	CU Real Property (4) Ltd. - Common Shares	16,000,000.00	16,000,000.00
11/17/2005	1	Deans Knight Equity Growth Fund - Units	500,000.00	225.00
08/12/2005	1	Deans Knight Equity Growth Fund - Units	100,000.00	43.00
12/15/2005	54	Deep Resources Ltd. - Common Shares	6,000,000.00	7,500,000.00
12/09/2005	49	Denison Mines Inc. - Common Shares	2,500,000.00	156,250.00
12/13/2005	37	Diamonds North Resources Ltd. - Flow-Through Shares	2,184,925.00	2,252,500.00
12/13/2005	40	Diamonds North Resources Ltd. - Units	1,819,826.00	2,219,300.00
12/08/2005	97	DoveCorp Enterprises Inc. - Units	4,177,000.00	20,885,000.00
12/12/2005	4	Eastmain Resources Inc. - Units	949,998.56	1,696,426.00
12/13/2005 to 12/22/2005	81	Ecu Silver Mining Inc. - Units	3,803,850.25	10,868,143.00
12/16/2005	45	EdgeStone Capital Equity Fund III (Canada) L.P. - Limited Partnership Interest	263,894,765.00	263,897,765.00
12/16/2005	1	EdgeStone Capital Equity Fund III (International) L.P. - Limited Partnership Interest	47,214.66	236,026,824.26
11/15/2005 to 11/18/2005	1	EPL Finance Corp. - Notes	1,762,805.22	1,762,805.22
12/22/2005	1	Epocal Inc. - Option	0.00	N/A
12/22/2005	35	Equigenesis 2005 Preferred Investment LP - Units	55,424,928.00	1,556.90
12/16/2005 to 12/19/2005	10	ESO Uranium Corp. - Flow-Through Units	2,452,500.00	2,725,330.00
11/02/2005	119	Esperanza Silver Corporation - Units	3,396,000.00	5,758,933.00
12/16/2005	3	Eurofresh, Inc. - Notes	12,864,500.00	11,000.00
12/15/2005	105	Expedition Energy Inc - Units	4,183,728.90	2,145,502.00
12/13/2005	107	Fair Sky Resources Inc. - Flow-Through Shares	7,174,538.00	N/A
12/13/2005	24	Fair Sky Resources Inc. - Non-Flow Through Units	742,100.00	N/A
12/05/2005 to 12/09/2005	26	General Motors Acceptance Corporation of Canada, Limited - Notes	7,525,030.10	7,525,030.10
12/19/2005	74	Geologix Explorations Inc. - Common Shares	1,824,000.00	4,711,900.00
12/02/2005	51	Gitennes Exploration Inc. - Units	1,000,000.00	2,500,000.00
11/24/2005	2	GLR Resources Inc. - Units	799,999.80	2,666,666.00
12/21/2005	22	Gold Hawk Resources Inc. - Units	1,008,000.00	4,800,000.00
12/15/2005 to 12/20/2005	2	Goodman Fielder Limited - Common Shares	23,053,508.14	150,000.00
12/15/2005	39	Grandcru Resources Corporation - Units	505,000.05	3,366,667.00
12/21/2005	64	Greenfield Resources Ltd. - Flow-Through Shares	2,520,055.20	1,050,023.00
12/15/2005 to 05/22/2005	2	Gridpoint Systems Inc. - Debentures	872,033.00	472,850.00
12/13/2005	15	Gryphon Petroleum Corp. - Common Shares	566,650.00	323,800.00
12/13/2005	39	Gryphon Petroleum Corp. - Flow-Through Shares	2,294,838.00	1,092,780.00
12/13/2005	24	Gryphon Petroleum Corp. - Rights	41,124.00	822,480.00
12/13/2005 to 12/19/2005	1	Herbalife Ltd. - Common Shares	1,064,511.00	30,000.00
12/15/2005	1	HSBC Bank U.S.A. National Association -	14,418,125.00	14,750,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
		Notes		
11/29/2005	1	HSBC Finance Capital Trust (IX) - Notes	35,706,000.00	30,000,000.00
12/06/2005	1	HSBC Finance Corporation - Notes	46,508,000.00	40,000,000.00
11/25/2005 to 11/30/2005	16	HydraLogic Systems Inc. - Units	1,888,015.00	3,776,030.00
12/14/2005	36	IC2E Inc. - Common Shares	907,175.00	2,015,945.00
12/12/2005 to 12/21/2005	25	IMAGIN Diagnostic Centres, Inc. - Preferred Shares	230,000.00	115,000.00
12/14/2005	74	Lanesborough Real Estate Investment Trust - Trust Units	32,472,924.00	6,297,240.00
12/20/2005	141	Laricina Energy Ltd. - Common Shares	70,025,000.00	14,005,000.00
12/09/2005	17	LPI Level Platforms Inc. - Debentures	520,000.00	520,000.00
12/07/2005	17	Madison Minerals Inc. - Units	1,400,000.00	5,000,000.00
12/06/2005	8	Merrill Lynch Financial Assets Inc. - Certificate	28,055,871.10	N/A
12/06/2005	15	Mines Richmond Inc. - Common Shares	7,500,000.00	1,500,000.00
12/08/2005	3	Mint Technology Corp. - Units	250,000.00	625,000.00
12/06/2005	9	Monster Copper Corporation - Units	600,000.00	2,400,000.00
12/15/2005	2	NeurAxon Inc. - Preferred Shares	2,037,736.11	5,428,551.00
12/01/2005	25	New Millennium Capital Corp. - Common Shares	1,945,000.00	3,890,000.00
12/12/2005	1	Newmex Minerals Inc. - Common Shares	918,000.00	270,000.00
12/14/2005	21	Newmex Minerals Inc. - Units	16,763,500.00	5,158,000.00
11/29/2005	11	Nuinsco Resources Limited - Units	1,002,000.00	5,010,000.00
12/06/2005	12	Nuinsco Resources Limited - Units	501,335.20	2,875,568.00
12/12/2005	2	ONCAP II, L.P. - Limited Partnership Interest	3,000,000.00	3,000,000.00
12/22/2005	81	OutdoorPartner Media Canada Inc. - Receipts	5,000,000.00	25,000,000.00
12/15/2005	133	Petrostar Petroleum Corporation - Units	3,290,000.00	16,450,000.00
12/15/2005	10	Pilot Energy Ltd. - Common Shares	750,000.00	500,000.00
12/15/2005	30	Pilot Energy Ltd. - Flow-Through Shares	1,850,000.00	1,000,000.00
11/24/2005	6	PMIC II Investments Ltd. - Preferred Shares	139,406.00	139,406.00
12/21/2005	17	Powertree Limited Partnership I - Units	505,000.00	101.00
12/08/2005	1	Protocol Energy International Inc. - Common Shares	50,000.00	100,000.00
12/19/2005	1	Pvelocity Inc. - Units	1,500,000.00	2,542,372.00
12/15/2005	95	Quadrise Canada Fuel Systems Inc. - Common Shares	32,250,000.00	4,300,000.00
12/23/2005	97	Ranger Canyon Energy Inc. - Common Shares	3,839,800.00	4,124,500.00
10/07/2005	1	Real Assets US Social Equity Index Fund - Units	16,224.00	2,202.00
12/08/2005	23	Rhone 2005 Oil & Gas Strategic Limited Partnership - Limited Partnership Units	1,950,000.00	78,000.00
12/19/2005	32	Rhone 2005 Oil & Gas Strategic Limited Partnership - Limited Partnership Units	2,350,000.00	94,000.00
12/13/2005 to 12/21/2005	30	Riley Resources Inc. - Flow-Through Shares	2,185,755.00	1,311,870.00
12/19/2005	1	Rocket Trust - Bonds	7,200,000.00	7,200.00
12/19/2005	1	Rocket Trust - Bonds	4,800,000.00	4,800.00
12/01/2005	63	Royal Laser Corp. - Debentures	6,500,000.00	6,500,000.00
12/06/2005	9	Seabridge Gold Inc. - Common Shares	3,153,750.00	435,000.00
12/21/2005	19	Sebring Energy Inc. - Flow-Through Shares	3,000,000.00	2,400,000.00
12/20/2005	95	Signet Energy Inc. - Common Shares	5,780,000.00	1,600,000.00
12/08/2005	6	Sirific Wireless Corporation - Preferred Shares	5,267,737.83	13,862,467.97
12/14/2005 to 12/27/2005	4	Skilled Healthcare Group - Notes	5,148,081.72	4,500.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
12/15/2005	1	SMART Trust - Notes	308,649.89	1.00
12/05/2005	1	St Andrew Goldfields Ltd - Debentures	1,000,000.00	1,000,000.00
11/30/2005	1	Standard Diversified Fund - Limited Partnership Units	50,000.00	50,000.00
12/19/2005	1	STarts (Canada) Trust 2005-2 - Notes	75,000,000.00	1.00
12/15/2005	1	STarts (Canada) Trust 2005-3 - Notes	55,000,000.00	10.00
11/01/2005	57	Stressgen Biotechnologies Corporation - Units	2,675,750.00	7,645,000.00
12/15/2005	1	Sydney Resource Corporation - Common Shares	3,150.00	7,500.00
12/20/2005	5	Tech Capital II Limited Partnership - Limited Partnership Units	10,000,000.00	10,000.00
12/15/2005	27	Tenergy Ltd. - Common Shares	3,527,740.00	766,900.00
12/15/2005	32	Tenergy Ltd. - Flow-Through Shares	7,000,002.00	1,166,667.00
12/14/2005	24	The Buffalo Oil Corporation - Common Shares	2,000,000.80	1,052,632.00
12/12/2005	4	Trade Winds Ventures Inc. - Common Shares	1,025,000.00	2,050,000.00
12/12/2005	14	Trade Winds Ventures Inc. - Flow-Through Shares	3,522,979.80	5,871,633.00
12/12/2005	11	Trans-Northern Pipelines Inc. - Debentures	134,997,300.00	135,000,000.00
12/06/2005	22	Tribute Minerals Inc. - Flow-Through Shares	885,600.00	4,705,000.00
10/31/2005 to 11/24/2005	3	TrueStar Petroleum Corporation - Units	1,277,322.26	3,991,632.00
11/30/2005	37	TTi Turner Technology Instruments Inc. - Common Shares	1,215,720.00	1,842.00
12/08/2005	1	Twin Mining Corporation - Common Shares	480,000.00	4,000,000.00
12/20/2005	41	United Bolero Development Corp. - Non-Flow Through Units	902,000.00	3,660,000.00
11/29/2005	2	UR- Energy Inc. - Option	75,000.00	400,000.00
12/13/2005	1	VE Networks, Inc. - Notes	10,000.00	10,000,000.00
12/20/2005	23	Ventus Energy Inc. - Common Shares	14,450,000.00	3,862,500.00
11/30/2005	13	Vertex Fund - Units	1,301,504.67	75,666.00
12/22/2005	19	VGS Database International Inc. - Common Shares	4,758,000.00	7,930,000.00
12/20/2005	42	Virgin Resources Limited - Common Shares	600,000.09	1,333,330.00
12/22/2005	112	Wave Energy Ltd. - Common Shares	19,580,200.00	17,100,000.00
12/16/2005	1	Wavesat Wireless Inc. - Common Shares	1.00	400,000.00
12/05/2005	30	Western Wind Energy Corp. - Units	661,700.00	441,133.00
12/14/2005 to 12/22/2005	9	Wildcat Exploration Ltd. - Flow-Through Shares	940,000.00	2,270,000.00
12/22/2005	1	Wildcat Exploration Ltd. - Flow-Through Units	600,000.00	1,500,000.00
12/14/2005 to 12/22/2005	1	Wildcat Exploration Ltd. - Non-Flow Through Units	70,000.00	200,000.00
12/20/2005	21	Wood Composite Technologies Inc. - Units	1,700,000.00	1,700,000.00

Chapter 9

Legislation

9.1.1 Amendments to the Securities Act

AMENDMENTS TO THE *SECURITIES ACT*

EXCERPT FROM *BUDGET MEASURES ACT, 2005 (NO.2)*

SCHEDULE 20

SECURITIES ACT

1. Section 3.10 of the *Securities Act* is amended by adding the following subsection:

Review by standing or select committee

(3) After the annual report is laid before the Assembly, a standing or select committee of the Assembly shall be empowered to review the report and to report the committee's opinions and recommendations to the Assembly.

2. (1) Section 21.2 of the Act is amended by adding the following subsection:

Clearing agencies

Prohibition

(0.1) No person or company shall carry on business in Ontario as a clearing agency unless the person or company is recognized by the Commission under this section as a clearing agency.

(2) Subsection 21.2 (3) of the Act is repealed and the following substituted:

Commission's powers

(3) The Commission may make decisions with respect to any of the following matters if the Commission is satisfied that it is in the public interest to do so:

1. Any by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized clearing agency.
2. The manner in which a recognized clearing agency carries on its business.

3. Section 21.8 of the Act is amended by adding the following subsection:

Recognized clearing agency auditor

(3) At the request of the Commission, a recognized clearing agency shall appoint an auditor for the clearing agency.

4. The definition of "solicit" and "solicitation" in section 84 of the Act is amended by striking out "or" at the end of clause (e), by adding "or" at the end of clause (f) and by adding the following clause:

(g) such other activities as may be prescribed in the regulations.

5. Subsection 86 (2) of the Act is amended by adding the following clause:

(a.1) any solicitation, otherwise than by or on behalf of the management of a reporting issuer, in such other circumstances as may be prescribed in the regulations;

6. Part XXI of the Act is amended by adding the following section:

Authorized exceptions to prohibitions

121.1 If the regulations so provide, a body established under subsection 121.4 (1) by an investment fund may approve a transaction that is prohibited under this Part and, in that case, the prohibition does not apply to the transaction.

7. The Act is amended by adding the following Part:

PART XXI.1

GOVERNANCE AND OTHER REQUIREMENTS

Definition

121.2 In this Part,

"prescribed" means prescribed in the regulations.

Governance of reporting issuers

121.3 For the purposes of this Act, a reporting issuer shall comply with such requirements as may be prescribed with respect to the governance of reporting issuers, including requirements relating to,

- (a) the composition of its board of directors and qualifications for membership on the board, including matters respecting the independence of members;
- (b) the establishment of specified types of committees of the board of directors, the mandate, functioning and responsibilities of each committee, the composition of each committee and the qualifications for membership on the committee, including matters respecting the independence of members;
- (c) the establishment and enforcement of a code of business conduct and ethics applicable to its directors, officers and employees and applicable to persons or companies that are in a special relationship with the reporting issuer, including the minimum requirements for such a code; and
- (d) procedures to regulate conflicts of interest between the interests of the reporting issuer and those of a director or officer of the issuer.

Oversight, etc., of investment funds

121.4 (1) If required to do so by the regulations, an investment fund shall establish and maintain a body for the purposes of overseeing activities of the investment fund and the investment fund manager, reviewing or approving prescribed matters affecting the investment fund, including transactions referred to in section 121.1, and disclosing information to security holders of the fund, to the investment fund manager and to the Commission.

Same

(2) The body has such powers and duties as may be prescribed.

8. Subsection 127 (1) of the Act is amended by adding the following paragraphs:

2.1 An order that acquisition of any securities by a particular person or company is prohibited, permanently or for the period specified in the order.

.

8.1 An order that a person resign one or more positions that the persons holds as a director or officer of a registrant.

8.2 An order that a person is prohibited from becoming or acting as a director or officer of a registrant.

8.3 An order that a person resign one or more positions that the person holds as a director or officer of an investment fund manager.

8.4 An order that a person is prohibited from becoming or acting as a director or officer of an investment fund manager.

8.5 An order that a person or company is prohibited from becoming or acting as a registrant, as an investment fund manager or as a promoter.

9. (1) Paragraph 26 of subsection 143 (1) of the Act is amended by adding at the end "prescribing activities for the purposes of clause (g) of the definition of "solicit" and "solicitation" in section 84 and prescribing circumstances for the purposes of clause 86 (2) (a.1)".

(2) Subsection 143 (1) of the Act is amended by adding the following paragraphs:

56.1 Prescribing requirements with respect to the governance of reporting issuers for the purposes of section 121.3.

.....

62. Requiring investment funds to establish and maintain a body for the purposes described in subsection 121.4 (1), prescribing its powers and duties and prescribing requirements relating to,

- i. the mandate and functioning of the body,
- ii. the composition of the body and qualifications for membership on the body, including matters respecting the independence of members, and the process for selecting the members,
- iii. the standard of care that applies to members of the body when exercising their powers, performing their duties and carrying out their responsibilities,
- iv. the disclosure of information to security holders of the investment fund, to the investment fund manager and to the Commission, and
- v. matters affecting the investment fund that require review by the body or the approval of the body.

(3) Subsection 143 (6) of the Act is repealed and the following substituted:

Incorporation by reference

(6) A regulation or rule may incorporate by reference, and require compliance with, one or more provisions of an Act or regulation and all or part of any standard, procedure or guideline.

Commencement

10. (1) Subject to subsection (2), this Schedule comes into force on the day the *Budget Measures Act, 2005 (No. 2)* receives Royal Assent.

Same

(2) Section 2 comes into force on a day to be named by proclamation of the Lieutenant Governor.

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

AIC PPC Balanced Growth Portfolio Pool
AIC PPC Balanced Income Portfolio Pool
AIC PPC Core Growth Portfolio Pool
AIC Private Portfolio Counsel Global Fixed Income Pool
AIC Private Portfolio Counsel U.S. Small to Mid Cap Pool
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated December 20, 2005
Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

Class F, O and T Units and Pool Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

AIC Limited
Project #872491

Issuer Name:

Bank of Montreal
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

\$4,000,000,000.00 - Debt Securities (subordinated indebtedness) Common Shares Class A Preferred Shares Class B Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #872357

Issuer Name:

Canadian Financial Dividend & Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 28, 2005
Mutual Reliance Review System Receipt dated December 29, 2005

Offering Price and Description:

\$ * - * Units	\$ * - * Units
Price: \$10.00 per Class A Unit	Price:
\$10.00 per Class B Unit	
Minimum Purchase: 100 Class A Units	Minimum
Purchase: 100 Class B Units	

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
MGI Securities Inc.
Wellington West Capital Inc.

Promoter(s):

Claymore Investments, Inc.
Project #874488

Issuer Name:

Canadian Medical Discoveries Fund II Inc.
Principal Regulator - Ontario

Type and Date:

Amendment dated December 21, 2005 to Final Long Form
Prospectus dated December 2, 2005
Mutual Reliance Review System Receipt dated December
23, 2005

Offering Price and Description:

Class A Shares
Offering Price Net Asset Value for Class A Shares
Minimum Initial Subscription \$1,000
Minimum Subsequent Subscription \$500

Underwriter(s) or Distributor(s):

-

Promoter(s):

PIPSC Sponsor Corp.

Project #843487

Issuer Name:

Capital Desbog inc.
Principal Regulator - Quebec

Type and Date:

Preliminary Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December
22, 2005

Offering Price and Description:

Minimum Offering: \$1,000,000.00 or 3,333,333 Common
Shares

Maximum Offering: \$2,000,000.00 or 6,666,667 Common
Shares

Minimum Subscription: \$900.00 or 3,000 Common Shares

Additional Subscriptions: \$90.00 or 300 Common Shares

Price: \$0.30 per Share

Underwriter(s) or Distributor(s):

Jones, Gable & Company Limited

Promoter(s):

Gérald Désourdy

Project #873044

Issuer Name:

Charterhouse Advantaged Trust Split Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December
28, 2005

Offering Price and Description:

\$ * \$ *

*Capital Yield Shares

Price: \$18.75 per Share

Share

* ROC Preferred Shares

\$25.00 per Preferred

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

TD Securities Inc.

National Bank Financial Inc.

HSBC Securities (Canada) Inc.

Desjardins Securities Inc.

MGI Securities Inc.

Raymond James Ltd.

Wellington West Capital Inc.

Blackmont Capital Inc.

Canaccord Capital Corporation

Dundee Securities Corporation

Richardson Partners Financial Ltd.

Promoter(s):

Charterhouse At Split Management Corporation

Project #874120

Issuer Name:

CMP 2006 Resource Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 23, 2005
Mutual Reliance Review System Receipt dated December 30, 2005

Offering Price and Description:

\$200,000,000.00 (maximum)
200,000 Limited Partnership Units
Price per Unit: \$1,000.00
Minimum Subscription: \$5,000.00 (Five Units)

Underwriter(s) or Distributor(s):

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

Promoter(s):

CMP 2006 Corporation

Project #874871

Issuer Name:

Counsel All Equity Portfolio
Counsel Balanced Portfolio
Counsel Conservative Portfolio
Counsel Fixed Income
Counsel Growth Portfolio
Counsel Managed
Counsel Regular Pay Portfolio
Counsel Select America
Counsel Select Canada
Counsel Select International
Counsel Select Small Cap
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated December 23, 2005
Mutual Reliance Review System Receipt dated December 23, 2005

Offering Price and Description:

Series D, E, F and I Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Counsel Group of Funds Inc.

Project #873640

Issuer Name:

Diversified Preferred Share Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

\$ * - * Units

Price: \$ * per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Dundee Securities Corporation
Wellington West Capital Markets Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Jory Capital Inc.
Research Capital Corporation

Promoter(s):

-

Project #873152

Issuer Name:

Equal Weight Plus Fund
Principal Regulator – Alberta

Type and Date:

Preliminary Prospectus dated December 28, 2005
Mutual Reliance Review System Receipt dated December 28, 2005

Offering Price and Description:

\$ * _ * Units

Price: \$10.00 per Trust Unit
(Minimum Purchase: 100 Trust Units)
Fund.

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Blackmont Capital Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Beiber Securities Inc.
Dundee Securities Corporation
MGI Securities Inc.
Research Capital Corporation

Promoter(s):

Canadian Income Fund Group Inc.
Equal Weigh Management Ltd.

Project #874251

Issuer Name:

Global High Dividend Advantage Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated December 20, 2005
Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

Class A Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #872552

Issuer Name:

Golden Oasis Exploration Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December 23, 2005

Offering Price and Description:

1,600,000 - 4,000,000 Units

Price: \$0.40 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #873581

Issuer Name:

Global Inflation-Linked Bond Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 23, 2005
Mutual Reliance Review System Receipt dated December 29, 2005

Offering Price and Description:

\$* Maximum (* Units)- \$10.00 per Unit

Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James Ltd.
Wellington West Capital Inc.

Promoter(s):

MCCCs Administrator Inc.

Project #874599

Issuer Name:

Idaho General Mines, Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 28, 2005
Mutual Reliance Review System Receipt dated December 30, 2005

Offering Price and Description:

\$* - * Units

Price: \$* per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

-

Project #875020

Issuer Name:

Interlude Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated December 20, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

MINIMUM OFFERING: \$200,000.00 (1,000,000 COMMON SHARES)

MAXIMUM OFFERING: \$250,000.00 (1,250,000 COMMON SHARES)

Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Kirk Exner

Project #872902

Issuer Name:

Jazz Air Income Fund
Principal Regulator - Quebec

Type and Date:

Amended and Restated Preliminary Prospectus dated
December 22, 2005
Mutual Reliance Review System Receipt dated December
22, 2005

Offering Price and Description:

\$ * - * Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Citigroup Global Markets Canada Inc.
Merrill Lynch Canada Inc.
Canaccord Capital Corporation
Orion Securities Inc.
Research Capital Corporation
Versant Partners Inc.
Westwind Partners Inc.
Dundee Securities Corporation
Wellington West Capital Markets Inc.

Promoter(s):

Jazz Air LP

Project #861007

Issuer Name:

Meritas Monthly Dividend and Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated December 15,
2005
Mutual Reliance Review System Receipt dated December
21, 2005

Offering Price and Description:

Mutual Fund Securities Net Asset Value

Underwriter(s) or Distributor(s):

Promoter(s):

Meritas Financial Inc.

Project #868068

Issuer Name:

MG Dividend & Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20, 2005
Mutual Reliance Review System Receipt dated December
21, 2005

Offering Price and Description:

\$ * - * Units

Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Wellington West Capital Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Acadian Securities Incorporated
Berkshire Securities Inc.
Middlefield Capital Corporation
Research Capital Corporation

Promoter(s):

Middlefield Group Limited
Middlefield MG Management Limited

Project #872483

Issuer Name:

Northwest High Yield Bond Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December 23, 2005

Offering Price and Description:

\$ * - * Units

Price: \$10.00 per Unit
(Minimum Purchase: 200 Units)

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Raymond James Ltd.
Wellington West Capital Inc.

Promoter(s):

Northwest Mutual Funds Inc.

Project #873327

Issuer Name:

Pantera Drilling Income Trust
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated December 19, 2005
Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

\$25,000,000.00 - * Units Price: \$ * per Unit

Underwriter(s) or Distributor(s):

First Energy Capital Corp.
Peters & Co. Limited
Raymond James Ltd.
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #872164

Issuer Name:

Payout Performers Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated December 20, 2005
Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

\$ * - * Units

Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Research Capital Corporation
Wellington West Capital Inc.

Promoter(s):

First Asset Funds Inc.

Project #872441

Issuer Name:

Sentry Select Dividend Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated December 19, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

Series A and F Units

Underwriter(s) or Distributor(s):

Sentry Select Capital Corp.
NCE Financial Corporation

Promoter(s):

Sentry Select Capital Corp.

Project #872986

Issuer Name:

Tarsis Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated December 21, 2005
Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

\$300,000.00 - 1,200,000 Common Shares
Price: \$0.25 per Common Share

Underwriter(s) or Distributor(s):

Leede Financial Markets Inc.

Promoter(s):

Quest Capital Corp.

Project #872725

Issuer Name:

Vasogen Inc.
Principal Regulator - Ontario

Type and Date:

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

Offering Price and Description:

US\$100,000,000.00
Common Shares
Debt Securities
Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #872593

Issuer Name:

Vendome Capital Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated December 20, 2005
Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

MINIMUM OFFERING: \$500,000.00 or 5,000,000 Common Shares; MAXIMUM OFFERING: \$1,000,000.00 or 10,000,000 Common Shares PRICE: \$0.10 per Common Share

Underwriter(s) or Distributor(s):

Leede Financial Markets Inc.

Promoter(s):

Zhengquan Chen
Claude Ayache

Project #872291

Issuer Name:

Water Capital Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December 23, 2005

Offering Price and Description:

\$500,000.00 - 2,500,000 Common Shares at a price of \$0.20 per Common Share
Agents' Option to acquire 250,000 Common Shares at a price of \$0.20 per Common Share
Directors' and Officers' Options to acquire 1,250,000 Common Shares at a price of \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Raymond James Ltd.
Canaccord Capital Corporation

Promoter(s):

Timothy Gallagher

Project #873558

Issuer Name:

Wells Fargo Financial Canada Corporation
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated December 22, 2005

Mutual Reliance Review System Receipt dated December 23, 2005

Offering Price and Description:

\$7,000,000,000.00

Medium Term Notes

(unsecured)

Unconditionally guaranteed as to payment of principal, premium (if any), and interest by Wells Fargo & Company

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

RBC Dominion Securities Inc.

BMO Nesbitt Burns Inc.

Promoter(s):

-

Project #873439

Issuer Name:

Alexco Resource Corp.

Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated December 19, 2005

Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

\$3,000,000.00 - 2,000,000 Common Shares (1)(2) Price:

\$1.50 per Common Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Asset Liability Management Group ULC

NovaGold Canada Inc.

Project #842400

Issuer Name:

B.E.S.T Total Return Fund Inc. (formerly RoyNat Canadian Diversified Fund Inc.)

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 22, 2005

Mutual Reliance Review System Receipt dated December 23, 2005

Offering Price and Description:

Class A Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #857699

Issuer Name:

Canadian Imperial Bank of Commerce

Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated December 20, 2005

Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

\$5,000,000,000.00 - Debt Securities (subordinated indebtedness) Class A Preferred Shares Class B Preferred Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #868799

Issuer Name:

Canadian Medical Discoveries Fund Inc.

Principal Regulator - Ontario

Type and Date:

Final Prospectus dated December 21, 2005

Mutual Reliance Review System Receipt dated December 28, 2005

Offering Price and Description:

Class A Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #843488

Issuer Name:

CO2 Solution inc.
Principal Regulator - Quebec

Type and Date:

Amendment #1 dated December 23, 2005 to Final
Prospectus dated November 28, 2005
Mutual Reliance Review System Receipt dated December
29, 2005

Offering Price and Description:

\$3,000,000.00 to \$7,000,000.00 - 4,615,386 to 10,769,232
Units

Price: \$0.65 per Unit

Underwriter(s) or Distributor(s):

Desjardins Securities Inc.

Promoter(s):

Rejean Blais

Project #849988

Issuer Name:

CONDOR RESOURCES INC.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated December 21, 2005
Mutual Reliance Review System Receipt dated December
28, 2005

Offering Price and Description:

\$2,000,000.00 - 5,000,000 Common Shares (the "Shares")
without par value Price: \$0.40 per Share

Underwriter(s) or Distributor(s):

Bolder Investment Partners, Ltd.

Promoter(s):

Patrick J. Burns

Project #845081

Issuer Name:

Covington Fund II Inc.

Type and Date:

Final Prospectus dated December 20, 2005
Received on December 21, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #857997

Issuer Name:

Disciplined Leadership Canadian Equity Fund
Disciplined Leadership High Income Fund
Disciplined Leadership U.S. Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 20, 2005 to Final
Simplified Prospectus and Annual Information Form dated
June 17, 2005

Mutual Reliance Review System Receipt dated December
29, 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:

DMP Canadian Dividend Class
DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Resource Class
Dynamic American Value Fund
Dynamic Canadian Dividend Fund Ltd.
Dynamic Canadian High Yield Bond Fund
Dynamic Precious Metals Fund
Dynamic Technology Fund
Dynamic Canadian Value Class
Dynamic Corporate Bond Fund
Dynamic Diversified Real Asset Fund
Dynamic Dividend Fund
Dynamic Dividend Income Fund
Dynamic Dividend Value Fund
Dynamic Dollar-Cost Averaging Fund
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Focus+ American Fund
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Equity Fund
Dynamic Focus+ Diversified Income Trust Fund
Dynamic Focus+ Energy Income Trust Fund
Dynamic Focus+ Real Estate Fund
Dynamic Focus+ Resource Fund
Dynamic Focus+ Small Business Fund
Dynamic Focus+ Wealth Management Fund
Dynamic Global Discovery Fund
Dynamic Global Value Class
Dynamic Income Fund
Dynamic International Value Fund
Dynamic Money Market Class
Dynamic Money Market Fund
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Class
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth Class
Dynamic Power Canadian Growth Fund
Dynamic Power Global Growth Class
Dynamic Power Small Cap Fund
Dynamic Real Return Bond Fund
Dynamic SAMI Fund
Dynamic Strategic All Equity Portfolio
Dynamic Strategic All Income Portfolio
Dynamic Strategic Balanced Portfolio
Dynamic Strategic Conservative Portfolio
Dynamic Strategic Defensive Portfolio
Dynamic Strategic Growth Portfolio
Dynamic Strategic High Growth Portfolio
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada

Dynamic World Convertible Debentures Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 19, 2005
Mutual Reliance Review System Receipt dated December 28, 2005

Offering Price and Description:

Series A, Series C, Series F, Series I and Series T
Securitiess

Underwriter(s) or Distributor(s):

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

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #855247

Issuer Name:

EnerVest Natural Resource Fund Ltd.
Principal Regulator – Alberta

Type and Date:

Final Simplified Prospectus and Annual Information Form
dated December 21, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Enervest Fund Management Inc.

Project #855919

Issuer Name:

Excel China Fund
Excel India China Fund
Excel India Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 30, 2005
Mutual Reliance Review System Receipt dated January 3, 2006

Offering Price and Description:

Series A and Series F Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Excel Funds Management Inc.

Promoter(s):

Excel Funds Management Inc.

Project #849645

Issuer Name:

Fidelity American Disciplined Equity Fund
Fidelity American High Yield Fund
Fidelity American Opportunities Fund
Fidelity American Value Fund
Fidelity Canadian Asset Allocation Fund
Fidelity Canadian Balanced Fund
Fidelity Canadian Bond Fund
Fidelity Canadian Disciplined Equity Fund
Fidelity Canadian Growth Company Fund
Fidelity Canadian Large Cap Fund
Fidelity Canadian Money Market Fund
Fidelity Canadian Opportunities Fund
Fidelity Canadian Short Term Bond Fund
Fidelity ClearPath 2005 Portfolio
Fidelity ClearPath 2010 Portfolio
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Fidelity Focus Financial Services Fund
Fidelity Focus Health Care Fund
Fidelity Focus Natural Resources Fund
Fidelity Focus Technology Fund
Fidelity Focus Telecommunications Fund
Fidelity Global Asset Allocation Fund
Fidelity Global Disciplined Equity Fund
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Fidelity Monthly High Income Fund
Fidelity Monthly Income Fund
Fidelity NorthStar Fund
Fidelity Overseas Fund
Fidelity Small Cap America Fund
Fidelity True North Fund
Fidelity U.S. Money Market Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 23, 2005 to Final Simplified Prospectus and Annual Information Form dated October 18, 2005

Mutual Reliance Review System Receipt dated December 29, 2005

Offering Price and Description:

Series A, B and O Units

Underwriter(s) or Distributor(s):

Fidelity Investments Canada Limited
Fidelity Investments Canada Limited

Promoter(s):

Fidelity Investments Canada Limited

Project #828265

Issuer Name:

First Ontario Labour Sponsored Investment Fund Ltd.

Type and Date:

Final Prospectus dated December 20, 2005

Received on December 21, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Promittere Securities Limited

Promoter(s):

-

Project #857925

Issuer Name:

Golden Star Resources Ltd.

Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated December 21, 2005

Mutual Reliance Review System Receipt dated December 21, 2005

Offering Price and Description:

Cdn. \$81,760,000.00 - 29,200,000 Common Shares Price:

Cdn.\$2.80 per Common Share

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

Blackmont Capital Inc.

Wellington West Capital Markets Inc.

Promoter(s):

-

Project #868925

Issuer Name:

Ivanhoe Energy Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated December 23, 2005
Mutual Reliance Review System Receipt dated December 28, 2005

Offering Price and Description:

US\$18,250,018.00 - 11,196,330 Common Shares and 11,196,330 Share Purchase Warrants to be issued upon the exercise of 11,196,330 Special Warrants

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #868217

Issuer Name:

Lawrence Enterprise Fund Inc.

Type and Date:

Final Prospectus dated December 29, 2005
Received on December 29, 2005

Offering Price and Description:

Class A Shares - Series III & IV

Underwriter(s) or Distributor(s):

-

Promoter(s):

Lawrence Asset Management Inc.

Project #857721

Issuer Name:

Medicure Inc.
Principal Regulator - Manitoba

Type and Date:

Final Short Form Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

\$10,075,000.00 - 6,500,000 Common Shares Price: \$1.55 per Common Share

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

Promoter(s):

-

Project #869872

Issuer Name:

Mullen Group Income Fund
Principal Regulator - Alberta

Type and Date:

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

Offering Price and Description:

\$90,000,000.00 - 3,000,000 Trust Units Price: \$30.00 per Unit

Underwriter(s) or Distributor(s):

FirstEnergy Capital Corp.
RBC Dominion Securities Inc.
TD Securities Inc.
Peters & Co. Limited
Westwind Partners Inc.

Promoter(s):

-

Project #870442

Issuer Name:

Norrep Fund
Norrep G Class of Norrep Opportunities Corp.
Norrep II Class of Norrep Opportunities Corp.
Norrep Income Growth Class of Norrep Opportunities Corp.
Norrep Q Class of Norrep Opportunities Corp.
Norrep US Class of Norrep Opportunities Corp.
Principal Regulator - Alberta

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 22, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Promoter(s):

Norrep Inc.

Project #858677

Issuer Name:

Northwest Quadrant Monthly Income Portfolio
Northwest Specialty Global High Yield Bond Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 16, 2005 to Final
Simplified Prospectuses and Annual Information Forms
dated June 10, 2005
Mutual Reliance Review System Receipt dated December
23, 2005

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Northwest Mutual Fund Inc.
Northwest Mutual Funds Inc.

Promoter(s):

-

Project #777970

Issuer Name:

NUCRYST Pharmaceuticals Corp.
Principal Regulator – Alberta

Type and Date:

Final Long Form Prospectus dated December 21, 2005
Mutual Reliance Review System Receipt dated December
21, 2005

Offering Price and Description:

US\$45,000,000.00 - 4,500,000 Common Shares Price:
US\$10.00 per Common Share

Underwriter(s) or Distributor(s):

GMP Securities L.P.

Promoter(s):

The Westaim Corporation

Project #866231

Issuer Name:

Pinnacle American Core-Plus Bond Fund
Pinnacle American Large Cap Growth Equity Fund
Pinnacle American Mid Cap Growth Equity Fund
Pinnacle American Mid Cap Value Equity Fund
Pinnacle American Value Equity Fund
Pinnacle Canadian Growth Equity Fund
Pinnacle Canadian Mid Cap Value Equity Fund
Pinnacle Canadian Small Cap Equity Fund
Pinnacle Canadian Value Equity Fund
Pinnacle Global Equity Fund
Pinnacle Global Real Estate Securities Fund
Pinnacle Global Tactical Asset Allocation Fund
Pinnacle High Yield Income Fund
Pinnacle Income Fund
Pinnacle International Equity Fund
Pinnacle International Small to Mid Cap Value Equity Fund
Pinnacle Short Term Income Fund
Pinnacle Strategic Balanced Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated December 21, 2005
Mutual Reliance Review System Receipt dated December
23, 2005

Offering Price and Description:

Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Scotia Capital Inc.

Promoter(s):

Scotia Capital Inc.

Project #858353

Issuer Name:

Polaris Minerals Corporation
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated December 21, 2005
Mutual Reliance Review System Receipt dated December
22, 2005

Offering Price and Description:

\$65,001,600.00 - 13,542,000 Common Shares Price: \$4.80
per Common Share

Underwriter(s) or Distributor(s):

GMP Securities Ltd.
Canaccord Capital Corporation
Dundee Securities Corporation
Orion Securities Inc.
TD Securities Inc.
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #843736

Issuer Name:

QFM Fixed Income Fund
QFM Global Equity Fund
QFM Global Sector Target Fund
QFM Money Market Fund
QFM Structured Yield Fund
QFM World Balanced Fund
Principal Regulator - British Columbia

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 21, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

Mutual Fund Securities @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Qtrade Fund Management Inc.

Project #859545

Issuer Name:

Real Assets Canadian Equity Fund
Real Assets Money Market Fund
Real Assets Monthly Income Fund
Principal Regulator - British Columbia

Type and Date:

Final Simplified Prospectus and Annual Information Form dated December 28, 2005
Mutual Reliance Review System Receipt dated December 29, 2005

Offering Price and Description:

Class A, Class F and Class O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #843025

Issuer Name:

Return on Innovation Fund Inc.

Type and Date:

Final Prospectus dated December 21, 2005
Received on December 22, 2005

Offering Price and Description:

Class A Shares, Series I, Class A Shares, Series II, and Class A Shares, Series III at net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #856839

Issuer Name:

Sprott Canadian Equity Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated December 19, 2005 to Final Simplified Prospectus and Annual Information Form dated October 4, 2005
Mutual Reliance Review System Receipt dated December 29, 2005

Offering Price and Description:

Series A, I and F Units

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
Sprott Asset Management Inc.

Promoter(s):

Sprott Asset Management Inc.

Project #820931

Issuer Name:

THESEUS CAPITAL INC.
Principal Regulator - Quebec

Type and Date:

Amendment #1 dated December 8, 2005 to Final Prospectus dated October 11, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

\$500,000.00 to \$1,100,000.00 - 2,500,000 to 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:

Transition Therapeutics Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

\$10,350,000.00 - 15,000,000 Common Shares Price: \$0.69 per Common Share

Underwriter(s) or Distributor(s):

Versant Partners Inc.
GMP Securities L.P.
Dundee Securities Corporation
National Bank Financial Inc.

Promoter(s):

-

Project #870335

Issuer Name:

ZoomMed Inc.
Principal Regulator - Quebec

Type and Date:

Amendment dated December 20, 2005 to Final Long Form Prospectus dated December 12, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

Minimum Offering: \$300,000.00 or 1,500,000 Common Shares
Maximum Offering: \$2,500,000.00 or 12,500,000 Common Shares
Price: \$0.20 per Share

Underwriter(s) or Distributor(s):

Versant Partners Inc.

Promoter(s):

-

Project #851316

Issuer Name:

Trilogy Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated December 22, 2005
Mutual Reliance Review System Receipt dated December 22, 2005

Offering Price and Description:

\$148,500,000.00 - 6,000,000 Trust Units Price: \$24.75 per Trust Unit

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
RBC Dominion Securities Inc.
Scotia Capital Inc.
FirstEnergy Capital Corp.
GMP Securities L.P.
Peters & Co. Limited

Promoter(s):

Paramount Resources Ltd.

Project #870479

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	VL Advisors Inc.	Investment Counsel and Portfolio Manager	December 21, 2005
Amalgamation	Senecal Investment Counsel, Inc. and Fiera Capital Management Inc./Gestion Fiera Capital Inc. To Form: Gestion Fiera Capital Inc./Fiera Capital Management Inc.	Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager	October 1, 2005
New Registration	Driehaus Securities LLC	International Dealer	December 5, 2005
New Registration	Millennium Wave Securities, LLC	Limited Market Dealer	January 4, 2006
New Registration	Driehaus Capital Management LLC	Non-Canadian Adviser, Investment Counsel and Portfolio Manager	January 3, 2006
New Registration	Notre-Dame Capital Inc.	Limited Market Dealer	December 21, 2005
New Registration	Pyramis Global Advisors, LLC	Non-Canadian Adviser (Investment Counsel and Portfolio Manager), Commodity Trading Manager	December 23, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Issues Notice of Hearing regarding Scott Andrew Stevens

NEWS RELEASE *For immediate release*

For further information, please contact:

Shaun Devlin

Vice-President, Enforcement

(416) 943-4672 or sdevlin@mfd.ca

MFDA ISSUES NOTICE OF HEARING REGARDING SCOTT ANDREW STEVENS

December 22, 2005 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (MFDA) today announced that it has commenced disciplinary proceedings against Scott Andrew Stevens.

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

- **Allegation #1:** Between December 2004 and February 2005, the Respondent misappropriated from four clients the sum of \$77,500, more or less, and thereby failed to deal fairly, honestly and in good faith with those clients, contrary to MFDA Rule 2.1.1.
- **Allegation #2:** Commencing August 2005, the Respondent failed to provide a report in writing as required by the MFDA in the course of an investigation, contrary to section 22.1 of MFDA By-law No. 1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Ontario Regional Council in the Hearing Room located at the offices of the MFDA, 121 King Street West, Suite 1000, Toronto, Ontario on Thursday, February 9, 2006 at 10:00 a.m. (EST) 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 177 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

**13.1.2 MFDA Issues Notice of Hearing regarding
Barry James Coleman**

NEWS RELEASE
For immediate release

For further information, please contact:

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

**MFDA ISSUES NOTICE OF HEARING REGARDING
BARRY JAMES COLEMAN**

January 3, 2006 (Toronto, Ontario) – The Mutual Fund Dealers Association of Canada (MFDA) today announced that it has commenced disciplinary proceedings against Barry James Coleman.

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

- **Allegation # 1:** Between August 2004 and January 2005, the Respondent misappropriated from two clients the sum of \$28,250, more or less, and thereby failed to deal fairly, honestly and in good faith with a client, contrary to MFDA Rule 2.1.1.
- **Allegation # 2:** Between August 2004 and January 2005, the Respondent performed a series

of unauthorized redemptions from a client, totaling \$31,400, more or less, and thereby failed to deal fairly, honestly and in good faith with a client, contrary to MFDA Rule 2.1.1.

The first appearance in this matter will take place by teleconference before a Hearing Panel of the MFDA Atlantic Regional Council in the Hearing Room located at Barrister's Library, 770 Main Street, Room A-100, Moncton, New Brunswick on Wednesday, February 8, 2006 at 11:00 a.m. (Atlantic time) 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 177 members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

Chapter 25

Other Information

25.1 Approvals

25.1.1 Robson Capital Management Inc. - cl. 213(3)(b) of LTCA

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

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

December 28, 2005

Borden Ladner Gervais LLP

Scotia Plaza, 40 King Street West
Toronto, Ontario
Canada
M5H 3Y4

Attention: Kathryn Fuller

Dear Sirs/Medames:

**RE: Robson Capital Management Inc. (the “Applicant”)
Application pursuant to clause 213(3)(b) of the *Loan
and Trust Corporations Act* (Ontario) for approval to
act as trustee
Application #898/05**

Further to your application dated December 15, 2005 (the “Application”) 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 proposal that the Applicant act as trustee of Robson Van Eck Hard Assets Fund, Robson Everest Emerging Markets Fund and other Future Trusts that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

“Wendell S. Wigle”

“Paul K. Bates”

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