

The Ontario Securities Commission

OSC Bulletin

January 20, 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

1.1.1 Current Proceedings Before The Ontario Securities Commission

JANUARY 20, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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20 Queen Street West
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

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: PMM

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

February 6 to
March 10, 2006
(except Tuesdays) **Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule*, Robert Waxman and John Woodcroft**

April 10, 2006 to
April 28, 2006
(except Tuesdays

s. 127

and not Good
Friday April 14) **K. Manarin in attendance for Staff**

Panel: PMM/RWD/DLK

May 1 to May 19;
May 24 to May 26, * Settled November 25, 2005
2006 (except
Tuesdays)

June 12 to June
30, 2006 (except
Tuesdays)

10:00 a.m.

<p>February 21, 2006 2:30 p.m.</p>	<p>Fulcrum Financial Group Inc., Secured Life Ventures Inc., Zephyr Alternative Power Inc., Troy Van Dyk and William L. Rogers</p> <p>s. 127 and 127.1</p> <p>G. Mackenzie in attendance for Staff</p> <p>Panel: TBA</p>	<p>March 9, 2006 10:00 a.m.</p>	<p>Portus Alternative Asset Management Inc., Portus Asset Management Inc. Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</p> <p>s.127 & 127.1</p> <p>M. MacKewn in attendance for Staff</p> <p>Panel: TBA</p>
<p>February 27, 2006 10:00 a.m.</p>	<p>Jose L. Castaneda</p> <p>s.127</p> <p>T. Hodgson in attendance for Staff</p> <p>Panel: TBA</p>	<p>April 3, 5 to 7, 2006 10:00 a.m.</p> <p>April 4, 2006 2:30 p.m.</p>	<p>Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison and Malcolm Rogers</p> <p>s. 127 and 127.1</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>
<p>March 1 and 2, 2006 10:00 a.m.</p>	<p>Richard Ochnik and 1464210 Ontario Inc.</p> <p>s. 127 and 127.1</p> <p>M. Britton in attendance for Staff</p> <p>Panel: TBA</p>	<p>October 16, 2006 to November 10, 2006 10:00 a.m.</p>	<p>James Patrick Boyle, Lawrence Melnick and John Michael Malone</p> <p>s. 127 and 127.1</p> <p>Y. Chisholm in attendance for Staff</p> <p>Panel: TBA</p>
<p>March 2 & 3, 2006 10:00 a.m.</p>	<p>Christopher Freeman</p> <p>s. 127 and 127.1</p> <p>P. Foy in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p>Yama Abdullah Yaqeen</p> <p>s. 8(2)</p> <p>J. Superina in attendance for Staff</p> <p>Panel: TBA</p>
<p>March 7, 2006 2:30 p.m.</p>	<p>Olympus United Group Inc.</p> <p>s.127</p> <p>M. MacKewn in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p>Cornwall et al</p> <p>s. 127</p> <p>K. Manarin in attendance for Staff</p> <p>Panel: TBA</p>
<p>March 7, 2006 2:30 p.m.</p>	<p>Norshield Asset Management (Canada) Ltd.</p> <p>s.127</p> <p>M. MacKewn in attendance for Staff</p> <p>Panel: TBA</p>	<p>TBA</p>	<p>Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig</p> <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**

S. 127 & 127.1

K. Manarin in attendance for Staff

Panel: TBA

TBA **Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson**

s.127

J. Superina in attendance for Staff

Panel: SWJ/RWD/MTM

TBA **Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir**

s.127

J. Waechter in attendance for Staff

Panel: RLS/ST/DLK

1.1.2 **Commission Approval - Revocation and Replacement of OSC Rule 13-502 Fees, Companion Policy 13-502CP Fees, OSC Rule 13-503 (Commodity Futures Act) Fees and Companion Policy 13-503CP (Commodity Futures Act) Fees**

COMMISSION APPROVAL

REVOCAION AND REPLACEMENT OF

**OSC RULE 13-502 FEES
AND COMPANION POLICY 13-502CP FEES**

AND

**OSC RULE 13-503 (COMMODITY FUTURES ACT) FEES
AND COMPANION POLICY 13-503CP
(COMMODITY FUTURES ACT) FEES**

On January 10, 2006, the Commission approved the revocation and replacement of the following rules and the rescission and replacement of the following policies:

- OSC Rule 13-502 *Fees* and Companion Policy 13-502CP *Fees*
- OSC Rule 13-503 (*Commodity Futures Act*) *Fees* and Companion Policy 13-503 CP (*Commodity Futures Act*) *Fees*

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

Andrew Stuart Netherwood Rankin

Under section 143.3 of the *Securities Act* and section 68 of the *Commodity Futures Act*, the rules were delivered to the Minister of Government Services on January 19, 2006. The Minister may approve or reject the rules or return them to the Commission for further consideration. Unless the Minister rejects the rules or returns them for further consideration, they will come into force on April 1, 2006.

The text of the rules and the policies can be found in Chapter 5 of today's bulletin and on the OSC website at http://www.osc.gov.on.ca/Regulation/Rulemaking/rrn_index.jsp.

1.2 Notices of Hearing

1.2.1 Universal Settlements International Inc.

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

AND

**IN THE MATTER OF
UNIVERSAL SETTLEMENTS INTERNATIONAL INC.**

**NOTICE OF HEARING
(Sections 127 and 127.1)**

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at the Commission's offices, 20 Queen Street West, Toronto, Ontario, in the Large Hearing Room, 17th Floor, commencing on the 13th day of February, 2006 at 10:00 a.m. or as soon thereafter as the hearing can be held, to consider whether it is in the public interest to make an order that:

- (a) pursuant to section 127(1) clause 2 of the Act, Universal Settlements International Inc. ("USI") cease trading in securities permanently or for such period as is specified by the Commission;
- (b) pursuant to section 127.1 of the Act, USI 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
- (c) such other order as the Commission may consider appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated January 16, 2006, and such additional allegations as counsel may advise and the Commission may permit;

AND TAKE FURTHER NOTICE that any party to the proceeding may be represented by counsel if that party attends or submits evidence at the hearing;

AND TAKE FURTHER NOTICE that in the event the Commission determines that USI has not complied with Ontario securities law, an application may be made to the Superior Court of Justice for a declaration pursuant to section 128(1) of the Act that USI has not complied with Ontario securities law, and that if such declaration be made, the Superior Court of Justice may make such orders pursuant to section 128(3) of the Act as it considers appropriate;

AND TAKE FURTHER NOTICE that upon the failure of any party to attend at the time and place

aforsaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 16th day of January, 2006.

"John Stevenson"
Secretary to the Commission

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

AND

**IN THE MATTER OF
UNIVERSAL SETTLEMENTS INTERNATIONAL INC.**

**STATEMENT OF ALLEGATIONS
OF STAFF OF THE ONTARIO SECURITIES
COMMISSION**

Staff of the Ontario Securities Commission make the following allegations:

1. Universal Settlements International Inc. ("USI") is a company which was incorporated under the laws of Ontario in April 1997. USI's head office is in Waterloo, Ontario.
2. Since at least 1999, USI has carried on the business of selling viatical settlements to investors in Ontario, other parts of Canada and abroad. Each viatical settlement provided by USI is a "security" as defined in section 1(1) of the Ontario *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act").
3. During the material time, USI was not registered with the Commission in any capacity. The registration exemptions in the Act were unavailable to USI.
4. During the material time, USI engaged in trading in securities without registration and without an exemption to the requirement for registration. Accordingly, USI breached section 25 of the Act.
5. During the material time, USI distributed securities without filing a preliminary prospectus and a prospectus, and obtaining receipt therefor from the Director and without an exemption to the prospectus requirement. Accordingly, USI breached section 53 of the Act.

USI has violated Ontario securities law and engaged in conduct contrary to the public interest.

DATED AT TORONTO this 16th day of January, 2006.

1.3 News Releases

1.3.1 Regulators Propose Plan to Augment Money Being Returned to Portus Investors

FOR IMMEDIATE RELEASE
January 13, 2006

**REGULATORS PROPOSE PLAN
TO AUGMENT MONEY BEING RETURNED
TO PORTUS INVESTORS**

TORONTO – The Ontario Securities Commission (OSC) and the Mutual Fund Dealers Association of Canada (MFDA) today announced a plan that would require some 55 investment and mutual fund dealers to repay investors all fees received from Portus Alternative Asset Management Inc. in connection with client referrals. The Investment Dealers Association of Canada (IDA) supports the plan, which applies to five of its members. In total, excluding fees that have already been recovered, about \$12 million in fees was paid out of funds invested in Portus to MFDA and IDA Ontario-registered dealers.

This payment will be in addition to the money investors stand to recover from the insolvency proceedings currently involving the Portus Group. Investors had placed approximately \$800 million in Portus products. Portus assets located by the Receiver, KPMG Inc., include C\$133 million and US\$36 million in cash, as well as notes with a purchase price of \$529 million and a maturity value of \$611 million. No estimate of the likely realizable value of the notes is available at the present time. The best information available for investors is contained in a letter from the Representative Counsel for investors and the Ninth Report of the Receiver, excerpts of which are attached as Schedules “B” and “C” respectively.

The OSC, the MFDA and the IDA have been reviewing dealer regulatory issues arising from the referrals of clients to Portus. Regulatory issues arose from the due diligence process undertaken by dealers to approve referrals to Portus, the supervision of the appropriateness of client referrals and related compliance functions.

The regulators propose that dealers agree to Terms and Conditions that would result in the repayment of fees received for referring clients to Portus. Because the participating dealers will agree the Terms and Conditions apply to their clients across Canada, the regulators are communicating with other Canadian securities regulators about developments that may affect investors in their jurisdictions.

The regulators have already received indications from 28 dealers, representing more than 80% of fees paid out of funds invested in Portus to MFDA and IDA Ontario-registered dealers, that they are willing to accept the Terms and Conditions. Dealers have been asked to confirm by January 24, 2006 that they intend to comply with the request and repay investors by May 31, 2006 under oversight by the MFDA and the IDA. The dealers will contact investors prior to issuing payment to confirm the accuracy of the amount of their investment in the Portus products, net of redemptions.

In total, 64 dealers across Canada approved referrals resulting in their clients investing in Portus through some 25,000 accounts. Fifty-nine of these dealers are MFDA members and five are members of the IDA. Two of the IDA members are also affiliated with an MFDA member. Of the 64 dealers, approximately 55 have operations in Ontario.

The Terms and Conditions on the registration of referring dealers also require dealers to:

- participate in regulatory studies relating to referral fee arrangements and non-mutual fund products; and
- enact and comply with practices, policies and procedures to reflect the findings arrived at pursuant to such regulatory studies (see Terms and Conditions attached as Schedule “A”).

Should dealers not agree to the imposition of the Terms and Conditions, regulators may continue to review and investigate all regulatory issues arising from referrals to Portus. Enforcement proceedings may be undertaken, as circumstances warrant. Participation in the Terms and Conditions process by dealers is encouraged in Ontario and will be viewed by the regulators as a cooperative response to regulatory issues which maximizes prompt recovery to investors.

Acceptance of the Terms and Conditions by a dealer will resolve the regulatory issues in Ontario regarding dealer due diligence and supervision. However, the MFDA will continue to investigate other matters relating to the conduct of dealers in referring clients to Portus. Investigations will also continue regarding the sales practices of referring advisors. The Terms and Conditions process does not affect the rights of clients to pursue further recoveries through the civil court process. Failure to meet the Terms and Conditions will lead to the suspension of the dealer’s registration.

The OSC initially took action on the Portus matter on February 2, 2005. Copies of the Order issued on that date and subsequent documents are available on the home page of the OSC’s website (www.osc.gov.on.ca).

KPMG Inc. was appointed as the Receiver of Portus on March 4, 2005 by the Ontario Superior Court at the request of the OSC. The Receiver was authorized to take control, preserve and protect the assets of the Portus entities. KPMG was also empowered to conduct investigations as appropriate and respond to Portus clients' questions and claims.

"The expeditious application by the OSC to have the Receiver appointed enabled the Receiver to identify and secure a large proportion of clients' funds and prevent misappropriation of those funds," said Bob Rusko, Senior Vice President of KPMG. "We will report back to the Court on the disposition of Portus assets. We are in the process of moving the Receivership into bankruptcy and we will develop a plan to realize upon the assets of the Portus Group and distribute the proceeds to the investors." Full copies of the Receiver's reports relating to asset recovery can be found at www.kpmg.ca/portus.

Meanwhile, the OSC is proceeding expeditiously with the administrative and court proceedings commenced in October of 2005. The next appearance with respect to the administrative proceeding commenced against Portus, Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg is scheduled to take place on January 17, 2006. With respect to the court proceeding against Boaz Manor, the next attendance in provincial court will take place on January 18, 2006.

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Vice President, Enforcement
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416-943-4672

For IDA Details: Connie Craddock
Vice-President, Public Affairs
Investment Dealers Association of Canada
416-943-5870

SCHEDULE "A"

TERMS AND CONDITIONS FOR DEALERS

1. The dealer shall repay to its clients all fees (the "Fees") received from Portus Alternative Asset Management Inc. ("Portus") in connection with the "referral" of such clients by its registered investment advisors made pursuant to a referral agreement between Portus and the dealer. In addition, where any of the dealer's investment advisers conducted Portus referrals outside the dealer, and the dealer was aware of those actions at the time, the dealer shall pay to such clients a sum equal to the referral fees paid by Portus with respect to those referrals. A schedule regarding clients to be paid is to be provided by the dealer to the applicable Self Regulatory Organization (the "SRO"), being the Mutual Fund Dealers Association of Canada or the Investment Dealers Association of Canada by March 1, 2006. The schedule shall outline details of all referral fees relating to the above, and the calculation methodology and the amounts of payments to each client.
2. The repayment of Fees referred to in paragraph 1 above, shall be completed as follows:
 - (a) On or before March 1, 2006, the dealer shall submit its plan for repayment of funds (the "repayment plan") to the applicable SRO for review, which shall include full details outlining how the dealer intends to make payment and remain in compliance with SRO capital requirements and shall ensure maximum efficiency from a taxation perspective;
 - (b) The dealer shall make payments in accordance with the repayment plan as approved by the SRO with all such payments to be made no later than May 31, 2006 unless otherwise approved by the applicable SRO; and
 - (c) On or before June 30, 2006, the Chief Executive Officer of the dealer shall certify that:
 - i. the dealer has made payment in accordance with the approved repayment plan, noting any exceptions where such payment has not been made; and
 - ii. in all dealings with the Commission, and the applicable SRO, in connection with the Portus matter, including the provision of the schedule of clients in section 1 above, the dealer has conducted reasonable due diligence to determine the relevant facts and has been truthful to the best of its knowledge, information and belief.
3. The repayment of Fees referred to in paragraph 1 above shall not be conditional on the signing of any form of release by clients in favour of the dealer and does not affect the rights of clients to pursue remedies in the civil court process. Prior to receipt of any Fees, clients shall certify the accuracy of the amount of the investment, net of redemptions, they made in the Portus products at issue.
4. The dealer will:
 - (a) As of the date of imposition of the terms and conditions:
 - i. Where the dealer is an MFDA member, cease any activity that is not in compliance with MFDA Rule 2.4.2 and Member Regulation Notices MR-0030 and MR- 0043; and
 - ii. For all other dealers, cease any activity that is not in compliance with prudent business practices;
 - (b) By April 30, 2006, submit its referral policies and procedures to the SRO for review. Those procedures will meet the standards in section 4(a) above, and for purposes of clarity, will include that all referral arrangements are adequately and properly disclosed to clients prior to any referrals being made by the dealer and its investment advisers from a third party in connection therewith;
 - (c) Correct any deficiencies in those procedures that are identified by the SRO during the above review, any sales compliance examination, or the SRO's review of the dealer's response to the industry study below;
 - (d) Confirm to the SRO within a time frame identified by the SRO that the dealer:
 - i. has corrected any deficiencies as above;
 - ii. has distributed the revised procedures to all investment advisers and retained documentary evidence of that distribution;

- iii. operates in compliance with the revised procedures; and
 - iv. will amend its procedures as required to meet any future requirements regarding referral arrangements that are established by the SRO or securities administrators.
5. The dealer shall continue to participate in an industry study on the issues arising from referral arrangements and non-mutual fund products, and shall promptly thereafter enact policies and procedures, subject to regulatory approval, to reflect regulatory and SRO requirements arising from the study.

SCHEDULE "B"

Excerpt from pages 5 and 6 of a letter from Fraser Milner Casgrain LLP, Representative Counsel to the Investors dated September 19, 2005.

Online source: http://www.portusgroup.ca/docs/rep_counsel/2005_09_19_portus_rep_cnsl.pdf



FRASER MILNER CASGRAIN LLP

Summary of Assets and Liabilities

9. The Receiver has located and/or taken control of assets consisting primarily of cash and investments, Notes issued by Société Générale (Canada) ("SGC") (the "Notes") and miscellaneous options and Canadian Securities. The Ninth Report provides a consolidated and updated review of those assets and we refer the Investors to the Ninth Report for the detail. In summary, as at the commencement of the various receivership dates applicable to the entities within the Portus Group, the Portus Group assets that will form the greatest part of the assets available to satisfy the claims of Investors, consisted of:
- (a) accounts in numerous financial institutions in various jurisdictions holding an aggregate amount of approximately CAD\$132.9 million and approximately USD\$35.9 million. All of these funds are now under the control of the Receiver subject to a reduction for funding the ongoing receivership costs, costs of Representative Counsel, and for certain distributions under the auspices of the Hardship Committee; and
 - (b) The Notes issued by SGC which are described in detail in the Ninth Report having in the aggregate a subscription price of approximately CAD\$529 million and an aggregate maturity value of approximately \$611 million.

It should be noted that the current value of the Notes is somewhere between \$529 and \$611 million. The Receiver states in the Ninth Report that the market value of the Notes (as at August 19, 2005) is \$545.6 million. However, it is unclear whether the Notes can be redeemed or sold at this point in time or whether they can only be realized upon at maturity. It may well be that because the Notes do not provide for early redemption, in order to sell them at this time, they would have to be discounted from their current value and as such the \$545.6 million figure could be high. The maturity dates are set out in detail in the Ninth Report and range between September 30, 2008 and December 31, 2011.

It should also be noted that the value of the miscellaneous securities and option contracts is unclear at this point but from the information that Representative Counsel has received to date, and assuming new information is not forthcoming, Representative Counsel does not expect these options and securities to provide significantly more value.

SCHEDULE "C"

Excerpt from Schedule B-2 of the Ninth Report of KPMG Inc., the Receiver of Portus Group, dated September 19, 2005.

Online source: http://www.portusgroup.ca/docs/reports/2005_09_19_portus_report_09.pdf

PORTUS ALTERNATIVE ASSET MANAGEMENT INC. ET AL

**PRINCIPAL PROTECTED NOTED ISSUED BY
SOCIÉTÉ GÉNÉRALE (CANADA) ("SBC")**

(IN \$CDN)

	Purchaser (Note 1)	Note Series Number (Note 1)	Purchase Price	Aggregate Quoted Price as at August 19, 2005 (Note 2)	Principal - Protected Amount (at Maturity)	Issuance Date	Maturity Date
1.	Bancnote Trust	Series I	\$44,500,000	\$48,935,000	\$50,000,000	October 31, 2003	September 30, 2008
2.	Bancnote Trust	Series II	23,994,400	24,258,608	26,960,000	March 1, 2004	September 30, 2008
3.	Bancnote Trust	Series III	32,992,300	33,444,554	37,070,000	March 1, 2004	December 15, 2008
4.	Bancnote Trust	Series IV	11,177,510	11,252,864	12,559,000	March 12, 2004	December 15, 2008
5.	Bancnote Trust	Series VI (tranche 1 & 2)	81,495,800	85,841,840	95,200,000	July 9, 2004	April 30, 2009
6.	Bancnote Trust, Series VI	Series VI (tranche 3)	18,438,000	19,536,300	21,000,000	September 24, 2004	April 30, 2009
7.	Bancnote Trust	Series VI (a)	40,992,000	43,281,600	48,000,000	July 9, 2004	April 30, 2009
8.	Bancnote Trust, Series VI (a)	Series VI (a) (tranche 2)	6,321,600	6,698,160	7,200,000	September 24, 2004	April 30, 2009
9.	Bancnote Trust, Series VIII	Series VIII	62,707,000	64,459,000	73,000,000	September 17, 2004	August 31, 2009
10.	Bancnote Trust, Series VIII	Series VIII (tranche 2)	40,036,500	41,059,500	46,500,000	November 19, 2004	August 31, 2009
11.	Bancnote Trust, Series VIII (a)	Series VIII (a)	23,193,000	23,841,000	27,000,000	September 17, 2004	August 31, 2009
12.	Bancnote Trust, Series VIII (a)	Series VIII (a) (tranche 2)	14,981,400	15,364,200	17,400,000	November 19, 2004	August 31, 2009
13.	Bancnote Trust, Series X	Series X	81,978,750	81,326,700	94,500,000	December 17, 2004	December 31, 2009
14.	Bancnote Trust, Series X (a)	Series X (a)	35,133,750	34,854,300	40,500,000	December 17, 2004	December 31, 2009
15.	BanLife™ Trust, Series I	Series I	11,395,500	11,480,700	14,200,000	December 17, 2004	December 31, 2011
TOTAL			\$529,337,510	\$545,634,326	\$611,089,000		

Notes:

1. Based on underlying subscription agreements, purchase and sale agreements, trade confirmations, global certificates and other information received from SGC.
2. The aggregate quoted prices as at August 19, 2005 that are set out above were obtained by the Receiver from an SG group website provided by SGC.

Although the Notes cannot be redeemed prior to maturity and there is no traditional market for the Notes, Société Générale Securities Inc. ("SGSI"), a securities dealer affiliate of SGC, quotes a price for the Notes that is determined by SGSI with reference to, among other things, the net asset value of the PAIMF. The prices that are quoted by SGSI from time to time are intended to provide nothing more than an indication of the price that SGSI would have been prepared to pay for the Notes at the relevant time if SGSI was

purchasing the Notes at that time. The price that SGSI actually pays for the Notes may vary significantly from the then most recently quoted price and, therefore, the prices quoted by SGSI from time to time may not be representative of realizable values. Most notably, a quoted price may not reflect the price that may be obtained if all, or a large portion, of the Notes were sold within a short period.

The prices that are quoted by SGSI from time to time will fluctuate based upon, among other things, the performance of the PAIMF and a number of other interrelated factors, including, without limitation, prevailing interest rates, the time remaining to the maturity date, the credit quality of the guarantor and market demand for the Notes. The relationship among these factors is complex and may also be influenced by various political, economic and other factors that can affect the price of a Note.

Unaudited – See Paragraph 2 of the Ninth Report of the Receiver

1.3.2 OSC Prosecution Against Emilia von Anhalt and Jurgen von Anhalt

**FOR IMMEDIATE RELEASE
January 16, 2006**

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

TORONTO – At an appearance at Old City Hall on January 13, 2006, the charges against Emilia von Anhalt and Jurgen von Anhalt were adjourned to February 3, 2006 in Court Room 111 at 9:00 AM.

On May 5, 2005, the OSC charged Emilia von Anhalt and Jurgen von Anhalt with violating the Ontario *Securities Act*. Information concerning the charges is summarized in an OSC News Release dated May 10, 2005.

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

Eric Pelletier
Manager, Media Relations
416-595-8913

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

1.4 Notices from the Office of the Secretary

1.4.1 Universal Settlements International Inc.

**FOR IMMEDIATE RELEASE
January 17, 2006**

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

AND

**IN THE MATTER OF
UNIVERSAL SETTLEMENTS INTERNATIONAL INC.**

TORONTO – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on February 13, 2006 at 10:00 a.m. in the above noted matter.

A copy of the Notice of Hearing and the Statement of Allegations 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 Portus Alternative Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
January 17, 2006

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

AND

IN THE MATTER OF
PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,
PORTUS ASSET MANAGEMENT INC.,
BOAZ MANOR, MICHAEL MENDELSON,
MICHAEL LABANOWICH AND JOHN OGG

s. 127

TORONTO – The hearing in this matter has been adjourned to March 9, 2006, at 10:00 a.m.

A copy of the Notice of Hearing and the Statement of Allegations 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)

1.4.3 Andrew Stuart Netherwood Rankin

FOR IMMEDIATE RELEASE
January 18, 2006

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

AND

IN THE MATTER OF
ANDREW STUART NETHERWOOD RANKIN

TORONTO – At the request of the respondent, Andrew Rankin, and with the consent of Staff of the Commission, the Commission issued an order today adjourning its proceeding against Andrew Rankin *sine die*, pending the outcome of appeals filed with the Superior Court of Justice in relation to the convictions and sentence of Andrew Rankin by the Ontario Court of Justice.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Drillers Technology Corp. - s. 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., s. 83.

Citation: Drillers Technology Corp., 2005 ABASC 974

December 15, 2005

Blake, Cassels & Graydon LLP

3500 Bankers Hall East
855 - 2 Street SW
Calgary, AB T2P 4J8

Attention: Michael D. Kicis

Dear Sir:

**Re: Drillers Technology Corp. (the “Applicant”) -
Application to Cease to be a Reporting Issuer
under the securities legislation of Alberta,
Saskatchewan and Ontario (the
“Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that:

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

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

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

Relief requested granted on the 15th day of December, 2005.

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

2.1.2 StarPoint Energy Trust and Acclaim Energy Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – (i) relief from the requirement to include financial statements for significant acquisitions completed during the three most recent years and for significant acquisitions completed during the current financial year in an information circular, (ii) relief from the requirement to include financial statements in an information circular with respect to a significant probable acquisition of assets; and (iii) relief from the requirement to provide reserves data and other oil and gas information as of the date of the most recent audited balance sheet in the information circular.

Legislation Cited

National Instrument 44-101 - Short Form Prospectus Distributions.
National Instrument 51-102 - Continuous Disclosure Obligations.
National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities.

November 18, 2005

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

AND

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

AND

**IN THE MATTER OF
STARPOINT ENERGY TRUST AND
ACCLAIM ENERGY TRUST**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the “Decision Maker”) in each of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”) has received a joint application from StarPoint Energy Trust (“StarPoint”) and Acclaim Energy Trust (“Acclaim” and together with StarPoint, the “Filers”) for a decision under the

securities legislation of the Jurisdictions (the “Legislation”) that:

- 1.1 Each of the Filers be exempt from the requirements contained in the Legislation which requires them to include three years of audited financial statements in an information circular in respect of a significant acquisition;
- 1.2 Each of the Filers be exempt from the requirement contained in the Legislation which requires them to include up to three years of audited financial statements in an information circular in connection with a restructuring transaction in respect of significant acquisitions of each of the Filers during the current financial year and the three previous financial years of each of the Filers; and
- 1.3 The Filers be exempt from the requirement contained in the Legislation which requires them to include reserves data and other oil and gas information in an information circular as at the date of the most recent audited balance sheet included in the information circular.

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

- 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 (collectively, the “Decision”).

Interpretation

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

Representations

4. Each of the Filers have represented to the Decision Makers that:

- 4.1 StarPoint is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta and StarPoint’s head office is located in Calgary, Alberta;
- 4.2 The trust units of StarPoint are listed and posted for trading on the Toronto Stock Exchange (“TSX”) under the trading symbols “SPN.UN”. In addition, StarPoint has 9.40% convertible unsecured

- subordinated debentures which are listed for trading on the TSX under the symbol "SPN.DB.A" and 6.50% convertible extendible unsecured subordinated debentures which are listed for trading on the TSX under the symbol "SPN.DB";
- 4.3 StarPoint is a reporting issuer in each of the provinces of Canada;
- 4.4 To its knowledge, StarPoint is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer;
- 4.5 Acclaim is an unincorporated open-ended investment trust governed by the laws of the Province of Alberta and Acclaim's head office is located in Calgary, Alberta;
- 4.6 The Trust Units of Acclaim are listed and posted for trading on the Toronto Stock Exchange under the trading symbols "AE.UN". In addition, Acclaim has 8.0% convertible extendible unsecured subordinated debentures which are listed for trading on the TSX under the symbol "AE.DB.A" and 11.0% convertible extendible unsecured subordinated debentures which are listed for trading on the TSX under the symbol "AE.DB";
- 4.7 Acclaim is a reporting issuer in each of the provinces of Canada;
- 4.8 To its knowledge, Acclaim is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer;
- 4.9 StarPoint and Acclaim are entering into a merger transaction (the "Merger") whereby they will be merging to form a new open ended investment trust ("New Trust") and transferring certain assets (the "ExploreCo Assets") into a new public company ("ExploreCo");
- 4.10 Following completion of the Merger, the New Trust will indirectly own all of StarPoint's and Acclaim's existing operating assets, except for those assets transferred to ExploreCo. Pursuant to the Merger, no new or additional assets are being acquired by any of the parties to the Merger other than those currently owned by StarPoint and Acclaim;
- 4.11 As part of the Merger, common shares will be issued by ExploreCo to unit-
- holders of StarPoint and Acclaim and trust units will be issued by the New Trust to unitholders of each of StarPoint and Acclaim;
- 4.12 The acquisition of the ExploreCo Assets by ExploreCo (the "ExploreCo Acquisition") constitutes a "significant acquisition" under the Legislation for ExploreCo;
- 4.13 StarPoint and Acclaim are preparing a joint information circular (the "Information Circular") in connection with a meeting of their securityholders, which is expected to be held in December 2005. At the securityholders' meeting, StarPoint's and Acclaim's securityholders will be given the opportunity to vote on the Merger which includes the ExploreCo Acquisition;
- 4.14 The Information Circular will contain, among other things, prospectus level disclosure of the business and affairs of StarPoint, Acclaim and ExploreCo and the particulars of the Merger, as well as fairness opinions of independent financial advisors;
- 4.15 Pursuant to Section 14.2 of National Instrument 51-102F5 and because the ExploreCo Acquisition is a "significant acquisition", the Filers are required to include certain annual and interim financial statement disclosure in the Information Circular in respect of the Merger, including annual financial statements for each of the three most recently completed financial years of the ExploreCo Assets (the "ExploreCo Disclosure Requirements");
- 4.16 Pursuant to Section 14.2 of National Instrument 51-102F5 and because the Merger is a restructuring transaction under which securities are to be exchanged, the Filers are required to include certain annual and interim financial statement disclosure in the Information Circular in respect of the Merger for certain significant acquisitions which were completed during the current financial year and each of the three most recently completed financial years of each of StarPoint and Acclaim, including three years of audited financial statements for the acquisition of certain assets from each of Nexen Inc. ("Nexen") and EnCana Corporation ("EnCana") and the acquisition of all of the issued and outstanding common shares of Upton Resources Inc. ("Upton") by StarPoint and three years of audited financial

- statements for the assets acquired from Chevron Canada Limited ("Chevron Limited") and Chevron Canada Resources ("Chevron Resources") by Acclaim (the "Filers Disclosure Requirements");
- 4.17 The ExploreCo Assets are interests in oil and gas properties, financial statements do not exist for the ExploreCo Assets, the ExploreCo Acquisition does not constitute a reverse take-over, the ExploreCo Assets did not constitute a "reportable segment" of the vendor immediately prior to the completion of the ExploreCo Acquisition and a business acquisition report for the ExploreCo Assets will be included in the Information Circular containing the disclosure required herein.
- 4.18 The Filers propose to include in the Information Circular certain annual financial information, including audited operating statements for the two years ended December 31, 2004 and 2003, and unaudited operating statements for the nine months ended September 30, 2005 in accordance with Sections 8.5 and 8.10 of National Instrument 51-102 in respect of the ExploreCo Acquisition (the "Alternative ExploreCo Financial Disclosure");
- 4.19 The assets acquired by StarPoint from each of EnCana and Nexen and the assets acquired by Acclaim from Chevron Limited and Chevron Resources (collectively, the "Filer Assets") are interests in oil and gas properties, financial statements do not exist for the Filer Assets, the acquisition of the Filer Assets does not constitute a reverse take-over, the Filer Assets did not constitute a "reportable segment" of the vendor immediately prior to the completion of the acquisition of Filers Assets and a business acquisition report for the Filer Assets will be included in the Information Circular containing the disclosure required herein.
- 4.20 The Filers propose to include in the Information Circular certain annual financial information, including: (1) for the properties acquired by StarPoint from EnCana, audited operating statements for the two years ended December 31, 2004 and 2003, and unaudited operating statements for the three months ended March 31, 2005 in accordance with Sections 8.5 and 8.10 of National Instrument 51-102; (2) for the properties acquired by StarPoint from Nexen, audited operating statements for the two years ended December 31, 2004 and 2003, and unaudited operating statements for the six months ended June 30, 2005 in accordance with Sections 8.5 and 8.10 of National Instrument 51-102; (3) for the properties acquired by Acclaim from Chevron Canada Limited and Chevron Canada Resources, separate audited schedules of revenues, royalties and operating expenses for the three years ended December 31, 2003, 2002 and 2001, and unaudited operating statements operating statements for the three months ended March 31, 2004, for each of the Central Alberta properties, Kaybob properties, Mitsue properties and Manitoba properties in accordance with Sections 8.5 and 8.10 of National Instrument 51-102; and (4) for the business acquired by StarPoint from Upton, audited financial statements for the year ended December 31, 2004 for StarPoint Energy Ltd., audited financial statements for the year ended December 31, 2003 for Upton and a pro forma income statement for StarPoint for the year ended December 31, 2004 and the nine months ended September 30, 2005, giving effect to the acquisition of Upton by StarPoint Energy Ltd. (collectively, the "Alternative Filers Financial Disclosure");
- 4.21 Pursuant to Section 14.2 of National Instrument 51-102F5 and because the Merger is a restructuring transaction, and pursuant to Section 6.5.1(a)(ii) of Form 41-501F1 and Section 6.4.5 of Regulation Q-28 Schedule 1 in Quebec, the Filers are required to provide reserves data and other oil and gas information prescribed by Form 51-101F1 for the New Trust as at the most recent date for which an audited balance sheet is included in the Information Circular (the "Oil and Gas Disclosure Requirements");
- 4.22 As the New Trust has not yet been organized or formed, the date of the audited balance sheet is not a practical date for the preparation of the reserves data and other oil and gas information to be included in the Information Circular;
- 4.23 The Filers propose to include in the Information Circular the Oil and Gas Disclosure Requirements as at September 30, 2005, being the date when the report required under National Instrument 51-101 in Form 51-101F1 was

- prepared (collectively, the “Alternative Oil and Gas Disclosure”);
- 4.24 The Alternative Filers Financial Disclosure will comply with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;
- 4.25 The Alternative ExploreCo Financial Disclosure will comply with National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*; and
- 4.26 The Alternative Oil and Gas Disclosure will comply with National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

Decision

5. Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the Decision has been met.
6. The Decision of the Decision Makers under the Legislation for the purposes of the Information Circular is that:
- 6.1 the ExploreCo Disclosure Requirements shall not apply to the Filers, provided that the Filers include the Alternative ExploreCo Financial Disclosure in the Information Circular;
- 6.2 the Filers Disclosure Requirements shall not apply to the Filers, provided that the Filers include the Alternative Filers Financial Disclosure in the Information Circular; and
- 6.3 with respect to the New Trust, the Oil and Gas Disclosure Requirements shall not apply to the Filers, provided that the Filers include the Alternative Oil and Gas Disclosure in the Information Circular.

“Agnes Lau”, CA
Associate Director, Corporate Finance

2.1.3 Viventia Biotech Inc. -s . 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., s. 83.

January 11, 2006

Michael Byrne
Chief Financial Officer
Viventia Biotech Inc.
5060 Spectrum Way Suite 405
Mississauga , ON L4W 5N5

Dear Sirs/Mesdames:

Re; Viventia Biotech Inc. (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba and Ontario (the “Jurisdictions”)

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

As the Applicant has represented to the Decision Makers that,

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

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

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

2.1.4 PetroKazakhstan Inc. - MRRS Decision

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., s. 83.

Citation: PetroKazakhstan Inc., 2005 ABASC 948

December 8, 2005

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

AND

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

AND

**IN THE MATTER OF
PETROKAZAKHSTAN INC.
(the “FILER”)**

MRRS DECISION DOCUMENT

Background

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

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

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

Interpretation

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

Representations

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

1. The Filer was incorporated on September 5, 1986 under the laws of Alberta as Hurricane Hydrocarbons Ltd. Effective June 2, 2003, the Filer amended its articles of incorporation to change its name from Hurricane Hydrocarbons Ltd. to PetroKazakhstan Inc.
2. The Filer’s registered and principal offices are located in Calgary, Alberta.
3. The authorized capital of the Filer consists of an unlimited number of common shares (“Common Shares”) and an unlimited number of Class B redeemable preferred shares, issuable in series, of which 74,228,007 Common Shares and no Class B preferred shares are issued and outstanding
4. The Filer will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Decision Makers granting the relief requested.
5. On October 26, 2005, 818 Acquisition Inc., a wholly owned indirect subsidiary of CNPC International Ltd., acquired all of the issued and outstanding securities of the Filer by way of a plan of arrangement (the “Arrangement”) under section 193 of the *Business Corporations Act* (Alberta). The Arrangement was approved by the Filer’s shareholders on October 18, 2005.
6. Pursuant to the Arrangement, 818 Acquisition Inc. became the sole owner of all the issued and outstanding securities of the Filer. The outstanding securities of the Filer, 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.
7. The Common Shares were delisted from the Toronto Stock Exchange on October 27, 2005, and no securities, including debt securities, of the Filer are listed or traded on any marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
8. The Filer surrendered its status as a reporting issuer under the *Securities Act* (British Columbia) pursuant to BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*. The British Columbia Securities Commission has acknowledged that non-reporting status was effective November 13, 2005.
9. The Filer does not currently intend to seek public financing by way of an issue of securities.

10. Other than the failure to file its interim financial statements for the period ended September 30, 2005, which were due on November 14, 2005, the Filer is not in default of any of the requirements of the Legislation.

Decision

The Decision Maker 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 Maker under the Legislation is that the Filer be deemed to have ceased to be a reporting issuer in each of the Jurisdictions.

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

2.1.5 O&Y Real Estate Investment Trust - s. 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., s. 83.

December 20, 2005

Stikeman Elliott LLP

5300 Commerce Court
199 Bay Street
Toronto, Ontario
M5L 1B9

Dear Ms. Linett:

Re: O&Y Real Estate Investment Trust (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Ontario, Alberta, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Quebec and Saskatchewan (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:

- (a) 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;
- (b) no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation;
- (c) 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
- (d) the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

Maker with the jurisdiction to make the decision has been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

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

2.1.6 Mackenzie Financial Corporation et al. - MRRS Decision

Headnote

MRRS – Exemption granted from requirements contained in s. 2.5(2)(a) and 2.5(2)(c) of NI-81-102. Exemption will permit Top Fund to invest in Bottom Fund that is a conventional mutual fund listed on the Irish Stock Exchange. Exemption subject to conditions including: (1) investments to be limited to de minimus amounts; (2) Bottom Fund remains subject to Irish regulations; and (3) Irish regulations contain investment restrictions similar to those contained in NI 81-102.

Rule Cited

National Instrument 81-102 Mutual Funds, ss. 2.5(2)(a), 2.5(2)(c).

January 11, 2006

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, YUKON
TERRITORY,
NORTHWEST TERRITORY AND NUNAVUT TERRITORY
(THE “JURISDICTIONS”)

AND

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

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
 (“MACKENZIE”)

AND

IN THE MATTER OF
MACKENZIE SELECT MANAGERS FUND,
MACKENZIE SELECT MANAGERS CAPITAL CLASS
AND MACKENZIE UNIVERSAL WORLD SCIENCE &
TECHNOLOGY CAPITAL CLASS (THE “TOP FUNDS”)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application (the “Application”) from Mackenzie and the Top Funds (the “Filers”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) exempting the Top Funds from:

- the prohibition contained in paragraph 2.5(2)(a) of National Instrument NI 81-102 against a mutual fund investing in another mutual fund that is not subject to National Instrument 81-101 or National Instrument 81-102; and
- the prohibition contained in paragraph 2.5(2)(c) of NI 81-102 against a mutual fund investing in another mutual fund's securities where those securities are not qualified for distribution in the Jurisdictions.

(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 Filers:

Mackenzie

1. Mackenzie is a corporation amalgamated under the laws of Ontario. Mackenzie is the manager and portfolio advisor to the Top Funds, and is also trustee to Mackenzie Select Managers Fund. The head office of Mackenzie is located in Ontario.

The Top Funds

2. Mackenzie Select Managers Fund is an open-ended mutual fund trust governed under the laws of Ontario. Securities of this fund are qualified for distribution in the Jurisdictions by way of a simplified prospectus and annual information form.
3. Mackenzie Select Managers Capital Class and Mackenzie Universal World Science & Technology Capital Class are each separate classes of shares of Mackenzie Financial Capital Corporation, a mutual fund corporation governed under the laws of Ontario. Securities of these funds are qualified for distribution in the Jurisdictions by way of a simplified prospectus and annual information form.
4. The investment objectives and/or investment strategies of the Top Funds are to seek long-term capital through global investments in, among other

things, equity securities of companies in the field of technology.

Polar Capital LLP

5. Polar Capital LLP ("Polar") is the sole sub-advisor to Mackenzie Universal World Science & Technology Capital Class, and is one of four sub-advisors to both Mackenzie Select Managers Fund and Mackenzie Select Managers Capital Class.

The Underlying Fund

6. Polar is also the investment manager of the Global Technology Fund (the "Underlying Fund"). The Underlying Fund is a class of shares of Polar Capital Funds plc (the "Company"), an open-ended investment company with variable capital organized under the laws of Ireland. The Company has been authorized by and is supervised by the Irish Financial Services Regulatory Authority and is listed on the Irish Stock Exchange.
7. The investment objective of the Underlying Fund is long-term capital growth by way of investing in a globally diversified portfolio of technology companies.
8. The Underlying Fund is a conventional mutual fund. It would not be considered to be a hedge fund. The Company has filed a prospectus with the Irish Financial Services Regulatory Authority that contains disclosure regarding the Underlying Fund. The Company and the Underlying Fund are subject to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2003 (S.I. No. 211 of 2003) of Ireland as amended and any notices issued by the Irish Financial Services Regulatory Authority (collectively, the "Irish Regulations"). The Irish Regulations include, amongst other requirements, investment and borrowing restrictions that are similar in many respects to those contained in NI 81-102.
9. The Underlying Fund is not the only means by which Ireland permits investment in the securities of its issuers.
10. Each of Mackenzie Select Managers Fund and Mackenzie Select Managers Capital Class will not invest more than 5% of their net assets taken at market value at the time of acquisition of such assets in the Underlying Fund. Mackenzie Universal World Science & Technology Capital Class will not invest more than 10% of its net assets taken at market value at the time of acquisition of such assets in the Underlying Fund.

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 for so long as:

- (a) The Company is listed on the Irish Stock Exchange and the Company and the Underlying Fund are subject to the Irish Regulations.
- (b) The Irish Regulations include investment and borrowing restrictions that are similar in many respects to those contained in NI 81-102.
- (c) The Top Funds each limit their respective investments in the Underlying Fund as described in paragraph 10 above.
- (d) The investment by the Top Funds in the Underlying Fund is disclosed in their respective simplified prospectus.

“Rhonda Goldberg”
Assistant Manager – Investment Funds

2.1.7 Allbanc Split Corp. II - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications –subdivided offering exempted from certain requirements of National Instrument 81-102 Mutual Funds since issuer is fundamentally different from a conventional mutual fund.

Rules Cited

National Instrument 81-102 Mutual Funds, ss. 19.1, 2.1(1), 2.6(a), 3.3, 10.3, 10.4(1), 12.1(1),14.1.

January 9, 2006

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

AND

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

AND

**IN THE MATTER OF
ALLBANC SPLIT CORP. II
(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 (the “Application”) from Allbanc Split Corp. II dated December 12, 2005 for exemptive relief pursuant to section 19.1 of National Instrument 81-102 –Mutual funds (NI 81-102) from certain provisions of NI 81-102.

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:

The Filer

1. The Filer was incorporated under the *Business Corporations Act* (Ontario) on December 7, 2005.
2. The Filer will make offerings to the public (the "Offerings") on a best efforts basis, of class A capital shares (the "Capital Shares") and class A preferred shares (the "Preferred Shares") pursuant to a final prospectus (the "Final Prospectus") in respect of which a preliminary prospectus dated December 7, 2005 (the "Preliminary Prospectus") has already been filed.
3. The Capital Shares and the Preferred Shares will be listed for trading on the Toronto Stock Exchange (the "TSX"). An application requesting conditional listing approval has been made by the Filer to the TSX.
4. The Filer is a passive investment company whose principal investment objective is to invest in a portfolio of common shares (the "Portfolio Shares") of Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank in order to generate fixed cumulative preferential distributions for holders of the Filer's Preferred Shares, and to allow the holders of the Filer's Capital Shares to participate in capital appreciation of the Portfolio Shares after payment of administrative and operating expenses of the Filer. It will be the policy of the Board of Directors of the Filer to pay dividends on the Capital Shares in an amount equal to the dividends received by the Filer on the Portfolio Shares minus the distributions payable on the Preferred Shares and all administrative and operating expenses of the Filer.
5. The expenses incurred in connection with the Offerings (the "Expenses of the Offerings"), being the costs of incorporation, formation and initial organization of the Filer, including the preparation and filing of the Preliminary Prospectus and the Final Prospectus, will be borne by the Filer.
6. The net proceeds of the Offerings (after deducting the agents' fees, Expenses of the Offerings and the Filer's interest and other expenses relating to the acquisition of the Portfolio Shares) will be used by the Filer to fund the purchase of Portfolio Shares.
7. The Filer has established a credit facility with Scotia Capital Inc. ("Scotia Capital") which may be used by the Filer to purchase the Portfolio Shares and which will be repaid in full on the closing of the Offerings. The maximum rate of interest payable on such credit facility will be set out in the Final Prospectus. The Filer also intends to establish a revolving credit facility after the closing of the Offerings, which may be used to fund the payment of a portion of the fixed distributions on the Preferred Shares on a temporary basis if necessary. To the extent that either credit facility is used, the Filer will pledge Portfolio Shares as collateral for amounts borrowed thereunder.
8. It will be the policy of the Filer to hold the Portfolio Shares and to not engage in any trading of the Portfolio Shares, except:
 - (i) to fund retractions or redemptions of Capital Shares and Preferred Shares;
 - (ii) pursuant to a rebalancing of the Portfolio by the Board of Directors;
 - (iii) following receipt of stock dividends on the Portfolio Shares;
 - (iv) in the event of a take-over bid for any of the Portfolio Shares;
 - (v) if necessary, to fund any shortfall in the distribution on Preferred Shares;
 - (vi) to meet obligations of the Filer in respect of liabilities including extraordinary liabilities; or
 - (vii) certain other limited circumstances as described in the Preliminary Prospectus.
9. Preferred Share distributions will be funded primarily from the dividends received on the Portfolio Shares and, if necessary, any shortfall will be funded with proceeds from the sale of Portfolio Shares or, if determined appropriate by the Board of Directors, premiums earned from writing covered call options on the Portfolio Shares.
10. The record date for the payment of Preferred Share distributions, Capital Share dividends or other distributions of the Filer will be set in accordance with the applicable requirements of the TSX.
11. The Capital Shares and Preferred Shares may be surrendered for retraction at any time. Retraction payments for Capital Shares and Preferred Shares will be made on the Retraction Payment Date (as defined in the Preliminary Prospectus) provided the Capital Shares and the Preferred Shares have been surrendered for retraction at least five business days prior to the Valuation Date (as defined in the Preliminary Prospectus). While the Filer's Unit Value (as defined in the Preliminary Prospectus) is calculated weekly, the retraction price for the Capital Shares and the

Preferred Shares will be determined based on the Unit Value in effect as at the Valuation Date.

12. Any Capital Shares and Preferred Shares outstanding on a date approximately five years from the closing of the Offerings, which date will be specified in the Final Prospectus, will be redeemed by the Filer on such date.

Decision

Each of the Decision Makers is satisfied that based on the information and representations provided in the Application and this decision, and for the purposes described in the Application, the Decision Makers, as applicable, hereby grant exemptions from the following requirements of NI 81-102:

- (a) subsection 2.1(1) – to enable the Filer to invest all of its net assets in the Portfolio Shares, provided that the Filer does not become an insider of any issuer of the Portfolio Shares as a result of such investment;
- (b) clause 2.6(a) –
 - (i) to enable the Filer to obtain a short-term loan from Scotia Capital to finance the initial acquisition of the Portfolio Shares and provide a security interest over its assets as stated in paragraph 7 above, provided that the loan is paid in full on the closing of the Offerings;
 - (ii) to enable the Filer to provide a security interest over its assets in connection with the revolving credit facility after the closing of the Offerings to permit the Filer to fund the payment of a portion of the fixed distribution of the Preferred Shares on a temporary basis if necessary, so long as the outstanding amount of any such borrowings of the Filer does not exceed 5% of the net assets of the Filer taken at market value at the time of the borrowing;
- (c) section 3.3 – to permit the Filer to bear the Expenses of the Offerings;
- (d) section 10.3 – to permit the Filer to calculate the retraction price for the Capital Shares and Preferred Shares in the manner described in the Preliminary Prospectus and on the applicable Valuation Date as defined in the Preliminary Prospectus;

- (e) subsection 10.4(1) – to permit the Filer to pay the retraction price for the Capital Shares and the Preferred Shares on the Retraction Payment Date, as defined in the Preliminary Prospectus;
- (f) subsection 12.1(1) – to relieve the Filer from the requirement to file the prescribed compliance reports; and
- (g) 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.

"Rhonda Goldberg"
Assistant Manager
Ontario Securities Commission

2.1.8 Horizons Funds Inc. et al. - MRRS Decision

Headnote

MRRS – Approval under subsection 5.5(2) of National Instrument 81-102 (“NI 81-102”) for change of control of mutual fund manager.

Rule Cited

National Instrument 81-102 Mutual Funds, s. 5.5(2).

January 12, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, NOVA SCOTIA,
NEW BRUNSWICK, PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR,
NORTHWEST TERRITORIES,
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
HORIZONS FUNDS INC.
(THE “FILER”, “MANAGER” OR “HFI”),
HORIZONS MONDIALE HEDGE FUND,
HORIZONS TACTICAL HEDGE FUND AND
HORIZONS PHOENIX HEDGE FUND
(COLLECTIVELY THE “FUNDS”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) for approval of a proposed change of control of the Filer as manager of the Funds under Section 5.5(2) of National Instrument 81-102 *Mutual Funds*.

Under the Mutual Reliance System for Exemptive Relief Applications:

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

Representations

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

1. Jovian Asset Management Inc. (“Jovian”), a wholly-owned subsidiary of Jovian Capital Corporation (“JCC”), is incorporated under the laws of the Province of Ontario.
2. JCC is listed on the TSX Venture Exchange (JVN) and has a registered office at 491 Portage Avenue, Winnipeg, Manitoba, R3B 2E4. JCC is a management company that invests in companies that operate within two primary market segments: wealth management and asset management.
3. JCC’s current directors and officers, together with their principal occupations, are as follows:

<u>Name & Position</u>	<u>Principal Occupation/Employment</u>
Thomas J. Rice, Director	Chairman of JCC
Philip Armstrong, Director, President and Chief Executive Officer	Chief Executive of JCC
Mark L. Arthur, Director and Executive Vice- President	Executive Vice-President of JCC
Bradley D. Griffiths, Director	Managing Director – Capital Markets of MGI Securities Inc.
Melvin A. MacRae, Director	Semi-retired
Patrick Matthews, Director	Semi-retired
Donald S. McFarlane, Director	Managing Director – Retail Sales of MGI Securities Inc.
John M. McKimm, Director	Chairman and Chief Executive Officer of Brainhunter Inc.
Derek Nelson, Director	Chairman of MGI Securities Inc.
Donald H. Penny, Director	Chartered Accountant and Principal of Meyers, Norris, Penny, Chartered Accountants
Bradley D. Rice, Director	President of Acquire Capital

Malcolm Anderson, Chief Operating Officer
President of Rice Financial Group Inc.

Jason Mackey, Chief Financial Officer
Chief Financial Officer of JCC

Duriya Patel, Secretary
Secretary and General Counsel for JCC

4. The only direct/indirect beneficial holder of 10% or more of JCC is Thomas J. Rice, Chairman of JCC, of 342 Country Club Blvd. Winnipeg, MB R3K 1X6.

5. Jovian's current directors and officers, together with their principal occupations, are as follows:

<u>Name & Position</u>	<u>Principal Occupation/Employment</u>
Philip Armstrong, Director and Chairman	President and Chief Executive Officer of JCC
Mark L. Arthur, Director, President and Chief Executive Officer	Executive Vice-President of JCC
Donald S. McFarlane, Director and Managing Director	Managing Director – Retail Sales of MGI Securities Inc.
Jason Mackey, Secretary and Chief Financial Officer	Chief Financial Officer of JCC

6. Jovian will acquire all of the issued and outstanding shares of the Manager held by CSI Capital Incorporated ("CSI"), a Barbadian domestic corporation, and by the holders of smaller blocks of shares, most of whom are employees or ex-employees of the Manager, representing 66.67% of the issued and outstanding voting securities of the Manager. On closing, Jovian will subscribe for additional shares in the capital stock of the Manager, resulting in Jovian owing 73.15% of the issued and outstanding shares of the Manager.

7. CSI is a wholly-owned subsidiary of CSI Holdings Ltd., a Barbados International Business Company, owned as to 80% by Jansix Ltd. (a British Virgin Islands company wholly-owned by Fred Purvis) and as to 20% by the Cummings Family Trust (beneficiaries being the family of Gordon

Cummings).

8. Following the proposed transaction, the directors and officers of the Manager will be as follows:

<u>Name</u>	<u>Position</u>
Gordon Cummings	President and Chief Executive Officer
Robert Reid	Director
Philip Armstrong	Director and Vice-President
Mark L. Arthur	Director and Vice-President
Jason Mackey	Chief Financial Officer
Duriya Patel	Secretary

9. Following the closing of the transaction, the accounting services for the Funds will be handled by a subsidiary of JCC, namely Felcom Data Services Inc. Felcom Data Services Inc. will also act as registrar of the Funds. Otherwise, HFI will remain as the trustee of the Funds and the current management and operation of the Funds, namely the custodian services, fund advisors, portfolio managers, and the Funds' investment objectives, will be maintained for a period of not less than 12 months following closing of the transaction. Gordon Cummings will continue to serve as President and Chief Executive Officer of HFI. HFI intends to maintain its office in Vancouver, but its office in Toronto will be moved to offices of Jovian.

10. The Manager provided written notice, dated October 18, 2005, to all of the unitholders of the Funds regarding the proposed change of control of the Manager.

11. The Manager and JCC issued a joint press release dated August 15, 2005 advising of the change of control of the Manager and the Funds filed a Material Change Report on August 29, 2005.

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 was met.

The decision of the Decision Makers under the Legislation is that the change of control of HFI as Manager of the Funds, pursuant to subsection 5.5(2) of National Instrument 81-102, is approved.

"Allan Lim"
Manager, Corporate Finance
British Columbia Securities Commission

2.1.9 iUnits S&P/TSX 60 Capped Index Fund et al. - MRRS Decision

Headnote

MRRS exemptive relief granted to exchange traded funds offered in continuous distribution from certain mutual fund requirements and restrictions on: suspension of redemptions, transmission of purchase or redemption orders, issuing units for cash or securities, calculation and payment of redemptions and date of record for payment of distributions.

Rules Cited

National Instrument 81-102 - Mutual Funds, ss. 5.5(1)(d), 9.1, 9.4(2), 10.2, 10.3, 14.1, 19.1.

November 14, 2005

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-102 –
MUTUAL FUNDS (“NI 81-102”)
AS APPLICABLE IN
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUEBEC, NEW BRUNSWICK,
NOVA SCOTIA, PRINCE EDWARD ISLAND,
NEWFOUNDLAND AND LABRADOR, YUKON,
NORTHWEST TERRITORIES
AND NUNAVUT
(the “Jurisdictions”)**

AND

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

AND

**IN THE MATTER OF
iUNITS S&P/TSX 60 CAPPED INDEX FUND (“XIC”),
iUNITS GOVERNMENT OF CANADA 5-YEAR BOND FUND (“XGV”),
iUNITS S&P 500 INDEX RSP FUND (“XSP”) AND
iUNITS MSCI INTERNATIONAL EQUITY RSP FUND (“XIN”)
(collectively, the “Affected iUnits Funds”)**

AND

**BARCLAYS GLOBAL INVESTORS CANADA LIMITED
as trustee of the Affected iUnits Funds
(“Barclays Canada”, and together with
the Affected iUnits Funds, 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 Sections 5.5(1)(d) and 19.1 of NI 81-102 for:

- (a) Permission under Section 5.5(1)(d) for the Affected iUnits Funds to suspend redemptions of units of the Affected iUnits Funds (“Units”) during the Transition Period (as defined below);
- (b) A decision revoking and replacing waiver letters issued by the Ontario Securities Commission (“OSC”) to XIC dated December 8, 2000 and to XGV dated October 4, 2000 that provide exemptive relief from Sections 9.1, 10.2 and 9.4(2);
- (c) A decision revoking and replacing waiver letters issued by the OSC to XSP dated April 30, 2001 and to XIN dated August 27, 2001 that provide exemptive relief from Sections 10.3 and 14.1; and

- (d) In respect of XSP and XIN, exemptive relief from Sections 9.1, 10.2 and 9.4(2) on the same basis as such relief has been granted to other iUnits Funds (defined below).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the OSC is the principal regulator for this application; and
2. this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

“Basket of Bonds” means, in relation to XGV under its proposed investment objective, a group of bonds in specified principal amounts as Barclays Canada may determine in its discretion from time to time.

“Baskets of iShares” means, in relation to each of XSP and XIN under its proposed investment objective, baskets of shares of the applicable iShares fund or other securities in which XSP and XIN may invest from time to time in the discretion of Barclays Canada in order to obtain exposure to the relevant International Fund Index.

“Baskets of Securities” means, in relation to XIC under its proposed investment objective, a group of securities of each constituent issuer of the S&P/TSX Capped Composite Index which, when multiplied by the constituent issuer’s last sale price per security, is approximately equivalent to the constituent issuer’s relative weight in the S&P/TSX Capped Composite Index.

“Baskets” means, collectively, Baskets of Securities, Baskets of Bonds and Baskets of iShares, as applicable to each Affected iUnits Fund.

“Circular” means the Notice of Meeting and Information Circular dated October 18, 2005 and delivered by Barclays Canada to Unitholders which sets out the Proposed Changes to be considered at the Meetings.

“Designated Brokers” means registered brokers and dealers who enter into agreements with the iUnits Funds to perform certain duties in relation to the iUnits Funds.

“Effective Date” means the date on which the Proposed Changes, if approved by Unitholders at the Meetings, will be effective, which will be no later than November 21, 2005.

“Existing Decisions” means the waiver letters issued by the OSC set out in items (b), (c) and (d) above as they relate to the Affected iUnits Funds.

“International Fund Indices” means the S&P 500 Index (for XSP) and the MSCI EAFE™ Index (for XIN) and “International Fund Index” means either one of them.

“iUnits Funds” means a family of exchange traded funds of which Barclays Canada is the trustee.

“Legislation” means the securities legislation in force in each jurisdiction.

“Meetings” means special meetings of the Unitholders to be held on November 15, 2005, as described in the Circular.

“Prescribed Number of Units” means, in relation to an iUnits Fund, the number of Units of the iUnits Fund determined by Barclays Canada from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“Proposed Changes” means proposed changes to the investment objectives of the Affected iUnits Funds and related changes to the Declarations of Trust of the iUnits Funds to be considered at the Meetings, as set out in the Circular. A summary of the Proposed Changes that are relevant to this Application is provided in Schedule A hereof.

“Transition Period” means, if the Proposed Changes are approved by Unitholders, the period between November 15 and the Effective Date, when each Affected iUnits Fund will be engaged in reconstituting its holdings by disposing of some or all of its existing portfolio of securities and acquiring the initial portfolio of securities that reflects the Affected iUnits Fund’s new investment objective.

“TSX” means the “Toronto Stock Exchange”.

“Underwriters” means registered brokers and dealers who have entered into underwriting agreements with the iUnits Funds and who subscribe for and purchase Units from the iUnits Funds, and “Underwriter” means any one of them.

“Unitholders” means beneficial and registered holders of Units.

Section references set out in this decision are references to NI 81-102, unless otherwise indicated.

Defined terms contained in NI 81-102 and National Instrument 14-101 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 Affected iUnits Funds:

Background

1. Each Affected iUnits Fund is a mutual fund trust governed by the laws of Ontario.
2. Each Affected iUnits Fund is a reporting issuer under the laws of all of the Jurisdictions.
3. Units of each Affected iUnits Fund are listed on the TSX.
4. Units issued by XIC, XSP and XIN are, and Units issued by XGV, under its proposed investment objective will be, index participation units within the meaning of NI 81-102. The Affected iUnits Funds are generally described as exchange traded funds (“ETFs”).
5. Barclays Canada is the trustee of all iUnits Funds. Barclays Canada is registered under the Legislation of all Jurisdictions and the securities regulatory authority in Québec, as a portfolio manager and investment counsel (or the equivalent categories of registration). Barclays Canada is also registered as a Commodity Trading Manager and Limited Market Dealer in Ontario and as a Limited Market Dealer in Newfoundland and Labrador.
6. iUnits Funds, including the Affected iUnits Funds, have received exemptive relief from certain provisions of NI 81-102 pursuant to the Existing Decisions. The Existing Decisions refer specifically to the investment objectives and, in some cases, the investment strategies of each iUnits Fund. However, the reasons that the Existing Decisions are appropriate for each iUnits Fund are not based on the specific investment objective or strategy of the iUnits Fund. Rather, the Existing Decisions are appropriate because the iUnits Funds are ETFs and (with the exception of XGV under its current investment objectives) index participation units and, as such, operate differently from conventional mutual funds.
7. The Existing Decisions do not apply in Québec because the Affected iUnits Funds were not considered mutual funds in Québec at the time when the Existing Decisions were issued. The Affected iUnits Funds are now considered mutual funds in Québec based on the new definition of mutual fund adopted by the Autorité des marchés financiers du Québec as of August 15, 2005. Therefore, Québec has been included as a Jurisdiction in this Decision Document.

Meetings

8. Barclays Canada has called the Meetings to seek Unitholder approval for the Proposed Changes. The current and proposed investment objective and strategy of each Affected iUnits Fund and a summary of the related changes to the declarations of trust of the Affected iUnits Funds to be considered at the Meetings are set out in Schedule A. If the Proposed Changes are approved, Barclays Canada intends to change the name of each Affected iUnits Fund to reflect its new investment objective. The proposed name changes are also set out in Schedule A.
9. The Circular dated October 18, 2005, describing the Proposed Changes, has been sent to Unitholders of record as of October 12, 2005 and has been filed with each of the Decision Makers.
10. An amendment to the prospectus of the Affected iUnits Funds dated October 7, 2005 (the “Amendment”) has been filed with and a receipt for such Amendment has been issued by each of the Decision Makers and the securities regulatory authority in Québec.
11. If the Proposed Changes are approved at the Meetings, Barclays Canada intends to implement the new investment objectives and strategies during the Transition Period between the date of the Meetings and the Effective Date. During the Transition Period, Barclays Canada will reconstitute the holdings of each Affected iUnits Fund by disposing of some or all of its existing portfolio of securities and acquiring the initial portfolio of securities that reflects such Affected iUnits Fund’s new investment objective.
12. Because many of the Existing Decisions refer to specific investment objectives, and, in some cases, strategies of the Affected iUnits Funds, it is necessary for the Existing Decisions to be revoked and replaced to reflect the new

investment objectives and strategies that will be implemented by the Affected iUnits Funds during the Transition Period and that will apply on and after the Effective Date, subject to approval of the Proposed Changes at the Meetings.

Proposed Changes to XGV

13. The terms of XGV's Existing Relief from Section 9.4(2) permit XGV to accept payment for Units from Underwriters or Designated Brokers to be made in "5-year benchmark bonds and cash". Therefore, XGV requires the terms of its Existing Relief from Section 9.4(2) to be revoked and replaced to reflect changes in the securities that will be held by XGV under its new investment objective.

Proposed Changes to XSP and XIN

14. All iUnits Funds other than XSP, XIN and iUnits S&P/TSX Capped REIT Index Fund have been granted the relief from Sections 9.1 and 10.2 that is now being requested by XSP and XIN. All iUnits Funds other than XSP and XIN have been granted the relief from Section 9.4(2) that is now being requested by XSP and XIN.
15. The current investment objectives and strategies of XSP and XIN are to replicate the performance of the International Fund Indices by investing primarily in exchange traded futures contracts based on the International Fund Indices as well as high quality short term money market instruments and forward and futures contracts to match the currency exposure of the International Fund Indices. As a result, XSP and XIN do not invest significantly in securities and, therefore, the declarations of trust of XSP and XIN provide that Units may be subscribed or redeemed for cash only.
16. The proposed investment objectives and strategies of XSP and XIN are to replicate the performance of the International Fund Indices, hedged to Canadian dollars, by investing primarily in iShares funds that track the International Fund Indices and hedging any resulting currency exposure back to Canadian dollars. iShares funds are U.S.-based exchange traded funds managed by an affiliate of Barclays Canada.
17. If the Proposed Changes are approved, the subscription and redemption provisions of the declarations of trust of XSP and XIN will be amended to reflect the fact that XSP and XIN will invest in iShares funds and, potentially, other securities in the discretion of Barclays Canada. As of the Effective Date, XSP and XIN require relief from:
 - (a) Sections 9.1 and 10.2, to reflect the new settlement processes that will be implemented for XSP and XIN; and
 - (b) Section 9.4(2) to reflect the fact that, under their new investment objectives, Units of XSP and XIN may be subscribed for by delivery of a combination of Baskets of iShares and cash.

Representations of the Affected iUnits Funds

If the Proposed Changes are approved by Unitholders and implemented, the following representations will be true as of the Effective Date. Many of these representations are already true and form the basis for the Existing Decisions.

18. Units may only be subscribed or purchased directly from the Affected iUnits Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.
19. The Affected iUnits Funds have appointed Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for each Affected iUnits Fund's Units for the purpose of maintaining liquidity for units of the Units and, in the case of XIC and XGV (under its proposed investment objective), facilitating adjustments to Baskets both as a result of adjustments that have been made to the relevant index and as a result of non-cash distributions received by XIC or XGV.
20. Each Underwriter or Designated Broker who subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket and cash in an amount sufficient so that the value of the Basket and cash delivered is equal to the net asset value of the Units to be issued. XGV, XSP and XIN may also accept cash-only subscriptions for Units in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
21. The net asset value of each Affected iUnits Fund is calculated and published daily.
22. Upon notice given by Barclays Canada from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in an amount not to exceed 0.15% of the net asset value of XIC and XGV or an amount not to exceed 0.30% of the net asset value of XSP or XIN, next determined following delivery of the notice of subscription to that Designated Broker.

Decisions, Orders and Rulings

23. Neither Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Barclays Canada may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
24. Except as described in paragraphs 17 through 21 above, Units may not be purchased directly from the Affected iUnits Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.
25. While Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, a Unitholder who holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
26. As trustee, Barclays Canada will be entitled to receive a fixed annual fee from each Affected iUnits Fund. Such annual fee will be calculated as a fixed percentage of the net asset value of each Affected iUnits Fund. Barclays Canada will be responsible for the payment of all expenses of the Affected iUnits Funds, except for the trustee fee, any administration fee payable by Designated Brokers or Underwriters in connection with the issuance of Units, any redemption fees payable by Unitholders upon the redemption of a Prescribed Number of Units, any withholding taxes and any income taxes.

Decision

Each of the Decision Makers is satisfied that the test contained in 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 NI 81-102 is that:

1. Section 5.5(1)(d) – The Affected iUnits Funds are permitted to suspend redemptions of their Units during the Transition Period provided that the Affected iUnits Funds will resume redemptions of their Units following the end of the Transition Period.
2. The Affected iUnits Funds are exempt from the following provisions of NI 81-102, on the following conditions:
 - (a) Sections 9.1 and 10.2 – to enable the purchase and sale of Units of the Affected iUnits Funds on the TSX, which precludes the transmission of purchase or redemption orders to the order receipt offices of the Affected iUnits Funds.
 - (b) Section 9.4(2) – to permit payment for the issuance of Units of the Affected iUnits Funds to be made partially in cash and partially in securities, provided that the acceptance of securities as payment is made in accordance with Section 9.4(2)(b).
 - (c) In respect of XSP and XIN only:
 - (i) Section 10.3 – to permit the redemption of less than the Prescribed Number of Units of XSP or XIN at a price equal to 95% of the closing price of the Units on the TSX; and
 - (ii) Section 14.1 – to relieve XSP and XIN from the requirement relating to the record date for the payment of distributions, provided that XSP and XIN comply with applicable TSX requirements.

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

SCHEDULE A**Changes to Investment Objectives and Strategies**

Barclays Canada proposes to change the investment objectives and strategies of the Affected iUnits Funds as follows:

iUnits Fund	Current Investment Objective and Strategy	Proposed Investment Objective and Strategy
XIC	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P/TSX 60 Capped Index through investments in the constituent issuers of such Index.	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P/TSX Capped Composite Index (the " Capped Composite Index "). To achieve this objective, XIC invests in the constituent issuers of the Capped Composite Index. S&P has publicly announced that it intends to add income trusts to the S&P/TSX Composite Index (the Capped Composite Index comprises the constituent issuers of the S&P/TSX Composite Index) starting in December 2005. S&P introduced a provisional S&P/TSX Composite Index, which included income trusts at their full weight, at the September 2005 rebalancing of the S&P/TSX Composite Index. If S&P continues with its currently published intention to add income trusts to the S&P/TSX Composite Index starting in December 2005, the new investment objective will allow XIC to invest in the constituent issuers of the provisional index until income trusts are included at full weight in the Capped Composite Index, at which time XIC will invest in the constituent issuers (including income trusts) of the Capped Composite Index.
XGV	To replicate, to the extent possible, the return of a bond issued by the Government of Canada with a five-year term to maturity. To achieve this objective, XGV invests in the Government of Canada bond selected by Barclays Canada from time to time that has a term to maturity that closely matches the benchmark bond maturity (a " 5-Year Benchmark Bond " or " Benchmark Bond "). XGV may hold bond futures contracts in order to provide market exposure for cash held by XGV.	To provide income by replicating, to the extent possible, the performance of the Scotia Capital Short Term Bond Index (the " SC Short Bond Index "). To achieve this objective, XGV invests in a regularly rebalanced portfolio of bonds, selected by Barclays Canada from time to time, that closely matches the characteristics of the SC Short Bond Index. XGV may invest in bond futures contracts in order to provide market exposure for cash held by XGV and may also hold money market instruments or cash to meet its current obligations.
XSP	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P 500 Index. To achieve this objective, XSP invests primarily in exchange traded futures contracts based on the S&P 500 Index as well as high quality short term money market instruments. XSP will also use forward and futures contracts to match the currency exposure of the S&P 500 Index. XSP may also invest in the underlying securities of the S&P 500 Index, index participation units (including securities of certain iShares funds managed by an affiliate of Barclays Canada), trust units and other similar instruments.	To provide long-term capital growth by replicating, to the extent possible, the performance of the S&P 500 Hedged to Canadian Dollars Index, net of expenses. To achieve this objective, XSP invests primarily in iShares funds that track the S&P 500 Index and hedges any resulting currency exposure back to Canadian dollars. iShares funds are U.S.-based exchange traded funds managed by an affiliate of Barclays Canada. XSP will hedge its exposure to foreign currency by entering into currency forward contracts with financial institutions that have an "approved credit rating" as defined in NI 81-102.

iUnits Fund	Current Investment Objective and Strategy	Proposed Investment Objective and Strategy
XIN	To provide long term capital growth by replicating, to the extent possible, the performance of the MSCI EAFE® Index. To achieve its objective, XIN invests primarily in exchange traded futures contracts based on the stock market indices in countries that are included in the EAFE Index as well as high quality short term money market instruments. XIN will also use forward and futures contracts to match the currency exposure of the EAFE Index. XIN may also invest in the underlying securities of the stock market indices in countries that are included in the EAFE Index, index participation units (including securities of certain iShares funds managed by an affiliate of Barclays Canada), trust units and other similar instruments.	To provide long-term capital growth by replicating, to the extent possible, the performance of the MSCI EAFE 100% Hedged to CAD Dollars Index, net of expenses. To achieve this objective, XIN invests primarily in iShares funds that track the EAFE Index and hedges any resulting currency exposure back to Canadian dollars. XIN will hedge its exposure to foreign currency by entering into currency forward contracts with financial institutions that have an “approved credit rating” as defined in NI 81-102.

Changes to Declarations of Trust

In connection with the changes to the iUnits Funds’ investment objectives, Barclays Canada is seeking approval to make certain related amendments to the iUnits Funds’ Declarations of Trust including, without limitation, to reflect the following: (i) in the case of all iUnits Funds, changes in investment objectives, strategies and names; (ii) in the case of XGV, XSP and XIN, changes in subscription, exchange and redemption features; and (iii) in the case of XGV, changes in the valuation of securities held by XGV for the purpose of calculating the net asset value of XGV and contingencies in the event of a discontinuance of the SC Short Bond Index.

Proposed Name Changes

If the Proposed Changes are approved at the Meetings and implemented, Barclays Canada intends to change the English names of the Affected iUnits Funds as follows:

Old Name of iUnits Fund	New Name of iUnits Fund
iUnits S&P/TSX 60 Capped Index Fund	iUnits Composite Cdn Eq Capped Index Fund
iUnits Government of Canada 5-Year Bond Fund	iUnits Short Bond Index Fund
iUnits S&P 500 Index RSP Fund	iUnits S&P 500 C\$ Index Fund
iUnits MSCI® International Equity Index RSP Fund	iUnits International Equity C\$ Index Fund

In connection with the change in name and investment objective of XGV, its ticker symbol on the TSX will be changed to “**XSB**”.

2.1.10 iUnits Materials Sector Index Fund et al. - MRRS Decision

Headnote

MRRS exemptive relief granted to exchange traded funds offered in continuous distribution from certain mutual fund requirements and restrictions on: transmission of purchase or redemption orders, issuing units for cash or securities, calculation and payment of redemptions and date of record for payment of distributions.

Rules Cited

National Instrument 81-102 - Mutual Funds, ss. 9.1, 9.4(2), 10.2, 10.3, 14.1 and 19.1

December 7, 2005

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-102 –
MUTUAL FUNDS (“NI 81-102”)**

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

AND

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

AND

**IN THE MATTER OF
iUNITS MATERIALS SECTOR INDEX FUND (“XMA”),
iUNITS INCOME TRUST SECTOR INDEX FUND (“XTR”),
iUNITS DIVIDEND INDEX FUND (“XDV”) and
iUNITS REAL RETURN BOND INDEX FUND (“XRB”)
(collectively, the “New iUnits Funds”)**

AND

**BARCLAYS GLOBAL INVESTORS
CANADA LIMITED as trustee of the New iUnits Funds
(“Barclays Canada”, and together with
the New iUnits Funds, 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 Section 19.1 of NI 81-102 for exemptive relief from the following provisions of NI 81-102:

1. Sections 9.1 and 10.2 to permit purchases and sales of units of the New iUnits Funds (“**Units**”) on The Toronto Stock Exchange (“**TSX**”);

2. Section 9.4(2) to permit the New iUnits Funds to accept a combination of cash and securities as subscription proceeds for Units;
3. Section 10.3 to permit the New iUnits Funds to redeem less than the Prescribed Number of Units at a discount to their market price, as compared to their net asset value; and
4. permission under Section 14.1 to permit the New iUnits Funds to establish a record date for distributions in accordance with TSX Rules.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the OSC is the principal regulator for this application; and
2. this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

“**Baskets**” means, collectively, Baskets of Securities and Baskets of Bonds as applicable to each New iUnits Fund.

“**Baskets of Bonds**” means, in relation to XRB under its investment objective, a group of bonds in specified principal amounts as Barclays Canada may determine in its discretion from time to time.

“**Baskets of Securities**” means, in relation to XMA, XTR and XDV, a group of securities of each constituent issuer of the applicable index which, when multiplied by the constituent issuer’s last sale price per security, is approximately equivalent to the constituent issuer’s relative weight in the applicable Index.

“**Designated Brokers**” means registered brokers and dealers that enter into agreements with the iUnits Funds to perform certain duties in relation to the New iUnits Funds.

“**Prescribed Number of Units**” means, in relation to a New iUnits Fund, the number of Units of the New iUnits Fund determined by Barclays Canada from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**Underwriters**” means registered brokers and dealers that have entered into underwriting agreements with the New iUnits Funds and that subscribe for and purchase Units from the New iUnits Funds, and “**Underwriter**” means any one of them.

“**Unitholders**” means beneficial and registered holders of Units.

Section references set out in this decision are references to NI 81-102, unless otherwise indicated.

Defined terms contained in NI 81-102 and National Instrument 14-101 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 New iUnits Funds:

Background

1. Each New iUnits Fund will be a mutual fund trust governed by the laws of Ontario and will issue Units.
2. Each New iUnits Fund will be a reporting issuer under the laws of all of the Jurisdictions.
3. Barclays Canada has applied to list the Units of each New iUnits Fund on the TSX. Units of the New iUnits Funds will not be sold to investors until the TSX has conditionally approved the listing of Units of each New iUnits Fund.
4. Units issued by the New iUnits Funds will be index participation units within the meaning of NI 81-102. New iUnits Funds will be generally described as exchange traded funds (“ETFs”).
5. Barclays Canada is the trustee of all iUnits Funds. Barclays Canada is registered under the Legislation of all Jurisdictions, as a portfolio manager and investment counsel (or the equivalent categories of registration). Barclays Canada is also registered as a Commodity Trading Manager and Limited Market Dealer in Ontario and as a Limited Market Dealer in Newfoundland and Labrador.
6. The investment objective of each New iUnits Fund is to replicate the performance of an index provided by a third-party index provider, net of expenses. The investment objective and applicable index for each New iUnits Fund, as well as its investment strategy, will be disclosed in the preliminary prospectus and will be disclosed on an ongoing basis in the prospectus of the New iUnits Funds.
7. Units may only be subscribed for or purchased directly from the New iUnits Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.
8. The New iUnits Funds have appointed or will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Units of each New iUnits Fund for the purpose of maintaining liquidity for the Units.

9. Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket and cash in an amount sufficient so that the value of the Basket and cash delivered is equal to the net asset value of the Units next determined following the receipt of the subscription order. In the discretion of Barclays Canada, XRB may also accept cash-only subscriptions for Units in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
10. The net asset value per Unit of each New iUnits Fund will be calculated and published daily.
11. Upon notice given by Barclays Canada from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.30% of the net asset value of XMA, XTR and XDV and 0.15% of the net asset value of XRB, next determined following delivery of the notice of subscription to that Designated Broker.
12. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Barclays Canada may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
13. Except as described in paragraphs 7 through 11 above, Units may not be purchased directly from the New iUnits Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.
14. Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
15. As trustee, Barclays Canada will be entitled to receive a fixed annual fee from each New iUnits Fund. Such annual fee will be calculated as a fixed percentage of the net asset value of each New iUnits Fund. Barclays Canada will be responsible for the payment of all expenses of the New iUnits Funds, except for the trustee fee, any administration fee payable by Designated Brokers or Underwriters in connection with the issuance of Units, any redemption fees payable by Unitholders upon the redemption of a Prescribed Number of

Units, any withholding taxes and any income taxes.

Decision

Each of the Decision Makers is satisfied that the test contained in 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 NI 81-102 is that:

The New iUnits Funds are exempt from the following provisions of NI 81-102, on the following conditions:

1. Sections 9.1 and 10.2 – to enable the purchase and sale of Units of the New iUnits Funds on the TSX, which precludes the transmission of purchase or redemption orders to the order receipt offices of the New iUnits Funds.
2. Section 9.4(2) – to permit payment for the issuance of Units of the New iUnits Funds to be made partially in cash and partially in securities, provided that the acceptance of securities as payment is made in accordance with Section 9.4(2)(b).
3. Section 10.3 – to permit the redemption of less than the Prescribed Number of Units of the New iUnits Funds at a price equal to 95% of the closing price of the Units on the TSX; and
4. Section 14.1 – to relieve the New iUnits Funds from the requirement relating to the record date for the payment of distributions, provided that the New iUnits Funds comply with applicable TSX requirements.

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

2.1.11 ClaringtonFunds Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – abridgement of the 60 day notice period in connection with a change of control of a mutual fund manager, subject to no changes being made to portfolio management operations.

Rules Cited

National Instrument 81-102 Mutual Funds, s. 5.8.

December 21, 2005

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

AND

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

AND

**IN THE MATTER OF
CLARINGTONFUNDS INC. (the “Filer”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) to abridge the 60-day notice period in respect of the notice required to be given to all securityholders of a mutual fund before the direct or indirect change of control of the manager of the mutual fund (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. The following additional terms shall have the following meanings:

“**CC**” means Clarington Corporation;

“**CFI**” means ClaringtonFunds Inc., a wholly-owned subsidiary of CC;

“**Funds**” means the Clarington Funds and the Clarington Target Click Funds, as set out in the application; and

“**Industrial Alliance**” means Industrial Alliance Insurance and Financial Services Inc.

Representations

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

1. CFI is a corporation incorporated under the laws of the Province of Ontario. It acts as the trustee and the manager of the Funds that are mutual fund trusts and as the manager of the Funds that are classes of shares of mutual fund corporations. CFI is registered as a mutual fund dealer and as a limited market dealer under the *Securities Act* (Ontario). As at October 31, 2005, CFI had assets under administration of over \$4.2 billion. Securities of the Funds are sold in all of the Jurisdictions through registered dealers. CC owns all of the issued and outstanding shares of CFI.
2. The Funds consist of the 22 Clarington Funds and the four Clarington Target Click Funds. The Funds are reporting issuers (where such status exists) in each of the Jurisdictions and are not in default of any of the requirements of the Jurisdictions. Securities of the Clarington Funds are qualified for distribution in all of the Jurisdictions by an amended and restated simplified prospectus and annual information form each dated August 26, 2005, as further amended. Units of the Clarington Target Click Funds are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated June 28, 2005.
3. On November 7, 2005, Industrial Alliance publicly announced its intention to make a take-over bid for all of the common shares of CC. If successful, the take-over bid will result in an indirect change of control of CFI. The take-over bid circular was mailed to shareholders of CC on November 20, 2005 and Industrial Alliance expects to take up and pay for the shares deposited under the bid as early as December 28, 2005.
4. Notice of the change of control was mailed to securityholders of the Funds on November 24, 2005.

5. CFI believes that shortening the notice period to not less than 30 days will not be prejudicial to securityholders of the Funds.

Decision

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

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

- (a) securityholders of the Funds are given at least 30 days notice of the change of control of CFI prior to the change; and
- (b) no changes are made to the portfolio management operations of the Funds during the 60-day period following the giving of notice of the change of control of CFI to securityholders of the Funds.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.12 Dynamic Dollar-Cost Averaging Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption to permit a mutual fund to introduce a new management fee without obtaining prior approval of unitholders.

Rules Cited:

National Instrument 81-102 Mutual Funds, s. 5.1(a.1).

December 23, 2005

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

AND

**IN THE MATTER OF
DYNAMIC DOLLAR-COST AVERAGING FUND
(THE FUND)**

MRRS DECISION DOCUMENT

Background

The securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from Goodman & Company, Investment Counsel Ltd. (the Manager or Filer) for a decision (the Decision) under the securities legislation of the Jurisdictions (the Legislation) for an exemption from subsection 5.1(a.1) of National Instrument 81-102 Mutual Funds to permit the Fund to introduce the Management Fee (as defined below) without obtaining prior approval of unitholders (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 otherwise defined in this Decision.

Representations

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

1. The Fund is a mutual fund trust created under the laws of the Province of Ontario. The Fund currently distributes Series A units (Units) to the public pursuant to a simplified prospectus and annual information form dated January 28, 2005 (the 2005 Prospectus) and has filed its pro forma renewal simplified prospectus and annual information form (the Renewal Prospectus).
2. The Fund is designed to be a short-term investment for investors who wish to purchase another mutual fund managed by the Manager using dollar-cost averaging. The Fund provides this dollar-cost averaging feature to investors by automatically switching on a weekly basis 1/52 of the investor's original investment in the Fund to another mutual fund pre-selected by the investor from a list of eligible mutual funds managed by the Manager. In this manner, every investor's investment in the Fund is fully switched into another mutual fund by the end of the 52nd week following the date of the original investment in the Fund.
3. The Manager does not currently receive a management fee from the Fund. Commencing October 1, 2006, the Manager proposes to commence charging to the Fund an annual management fee equal to 1% of the net asset value of the Units as compensation for its management services provided to the Fund (the Management Fee).
4. All of the Units purchased by investors prior to the 2005 Prospectus will be fully switched out of the Fund before the Management Fee begins being charged.
5. The 2005 Prospectus discloses that, subject to regulatory or unitholder approval, the Fund will commence being charged the Management Fee on February 15, 2006. Implementation of this change has since been postponed to October 1, 2006 and the new implementation date has been communicated through the Manager's website as well as by electronic means to dealers and is reflected in the Renewal Prospectus.
6. Every Unitholder who holds Units when the Management Fee commences being charged will have purchased such Units pursuant to either the 2005 Prospectus or the final Renewal Prospectus, both of which disclose the proposed Management Fee.
7. The Manager believes that introducing the Management Fee will not prejudice unitholders because they will either be fully switched out of

the Fund prior to the Management Fee being implemented or will have purchased their Units with notice of the Management Fee in the 2005 Prospectus or the final Renewal Prospectus.

8. The Manager can achieve the same result without unitholder approval by ceasing to distribute the Units and commencing to distribute a new series of units of the Fund that is charged the Management Fee. However, this would result in unnecessary administrative burden, potential confusion and loss of the Fund's past performance record.
9. The cost of convening a special meeting of unitholders of the Fund to approve the Management Fee outweighs the benefits of such a meeting since all unitholders of the Fund either will have their Units switched out of the Fund before the Management Fee commences being charged, or will have purchased their Units pursuant to a simplified prospectus that discloses the proposed Management Fee.

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 amount of the Management Fee is disclosed in the "Fund Details" table (Item 5, Part B, Form 81-101F1) in Part B of the final Renewal Prospectus but otherwise may be disclosed in the table required by Item 8.1, Part A, Form 81-101F1 in any subsequent prospectus.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

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

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption to permit certain mutual funds to sell securities short..

Rules Cited:

National Instrument 81-102 Mutual Funds, ss. 2.6(a), 2.6(c), 6.1(1).

December 14, 2005

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

AND

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

AND

**IN THE MATTER OF
GOODMAN & COMPANY,
INVESTMENT COUNSEL LTD. (the Manager or the Filer)**

AND

**IN THE MATTER OF
THE FUNDS LISTED IN APPENDIX "A"
(the Existing Funds)
AND APPENDIX "B" (the Prior Funds)**

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer, on behalf of the Existing Funds and each mutual fund for which the Filer hereafter becomes the manager (the Future Funds and, together with the Existing Funds, the Funds), for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Funds from the following requirements of the Legislation, subject to certain terms and conditions:

- (a) the requirement contained in subsection 2.6(a) of National Instrument 81-102 *Mutual Funds* (NI 81-102) prohibiting a mutual fund from providing a security interest over a mutual fund's assets;

Decisions, Orders and Rulings

(b) the requirement contained in subsection 2.6(c) of NI 81-102 prohibiting a mutual fund from selling securities short; and

(c) the requirement contained in subsection 6.1(1) of NI 81-102 prohibiting a mutual fund from depositing any part of a mutual fund's assets with an entity other than the mutual fund's custodian.

(paragraphs (a), (b) and (c) together shall be referred to as 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. Each Fund is or will be an open-end mutual fund trust or a class of shares of a mutual fund corporation established under the laws of Ontario or Canada of which the Manager (or an affiliate of the Manager) is the manager. Each Fund is currently or will be a reporting issuer in all of the provinces and territories of Canada.

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

3. Each short sale made by a Fund will be subject to compliance with the investment objectives of such Fund.

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

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

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

securities borrowed to effect the short sale;

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

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

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

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

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

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

or

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

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

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

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

- determine) of the price at which the securities were sold short;
- (f) the Fund will deposit Fund assets with the Borrowing Agent as security in connection with the short sale transaction;
 - (g) the Fund will keep proper books and records of all short sales and Fund assets deposited with Borrowing Agents as security;
 - (h) the Fund will develop written policies and procedures for the conduct of short sales prior to conducting any short sales; and
 - (i) the Fund will provide disclosure in its simplified prospectus of the short selling strategies and the details of this exemptive relief prior to implementing the short selling strategy.
- 7. for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;
 - 8. for short sale transactions outside of Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall:
 - (a) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and
 - (b) have a net worth in excess of the equivalent of CDN\$50 million determined from its most recent audited financial statements that have been made public;
 - 9. except where the Borrowing Agent is the Fund's custodian, when the Fund deposits Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the total net assets of the Fund, taken at market value as at the time of the deposit;

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 to each Fund provided that:

- 1. the aggregate market value of all securities sold short by the Fund does not exceed 10% of the total net assets of the Fund on a daily marked-to-market basis;
- 2. the Fund holds cash cover (as defined in NI 81-102) in an amount, including the Fund assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;
- 3. no proceeds from short sales by the Fund are used by the Fund to purchase long positions in securities other than cash cover;
- 4. the Fund maintains appropriate internal controls regarding its short sales including written policies and procedures, risk management controls and proper books and records;
- 5. any short sale made by a Fund is subject to compliance with the investment objectives of the Fund;
- 6. the short selling relief will not apply to a Future Fund that is classified as a money market fund or a short-term income fund;
- 10. the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
- 11. prior to conducting any short sales, the Fund discloses in its simplified prospectus or an amendment thereto a description of: (a) short selling, (b) how the Fund intends to engage in short selling, (c) the risks associated with short selling, and (d) in the Investment Strategy section of the simplified prospectus, the Fund's strategy and this exemptive relief;
- 12. prior to conducting any short sales, the Fund discloses in its annual information form or an amendment thereto the following information:
 - (a) that there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;
 - (b) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph,

how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;

- (c) the trading limits or other controls on short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;
 - (d) whether there are individuals or groups that monitor the risks independent of those who trade; and
 - (e) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;
13. prior to conducting any short sales, each Fund has provided to its existing securityholders that purchased securities of the Fund prior to the simplified prospectus and annual information form of the Fund including the information outlined in paragraphs 11 and 12 above not less than 60 days' written notice that discloses the Fund's intent to begin short selling transactions and the disclosure required in the Fund's simplified prospectus and annual information form as outlined in paragraphs 12 and 13 above;
14. whenever the Fund prepares financial statements, the following information is included:
- (a) the statement of net assets of the Fund records the securities sold short as a liability with the Fund's assets deposited as security with Borrowing Agents for securities sold short recorded as an asset;
 - (b) the dividends and other income received on borrowed securities in connection with securities sold short are shown as an expense on the statement of operations of the Fund; and
15. this relief shall terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in subsections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

Appendix "A"

Existing Funds

Dynamic Focus+ Funds

Dynamic Focus+ American Fund
Dynamic Focus+ Balanced Fund
Dynamic Focus+ Diversified Income Trust Fund
Dynamic Focus+ Energy Income Trust Fund
Dynamic Focus+ Equity Fund
Dynamic Focus+ Real Estate Fund
Dynamic Focus+ Resource Fund
Dynamic Focus+ Small Business Fund
Dynamic Focus+ Wealth Management Fund

Dynamic Income Funds

Dynamic Canadian High Yield Bond Fund
Dynamic Corporate Bond Fund
Dynamic Dividend Fund
Dynamic Dividend Income Fund
Dynamic Income Fund
Dynamic Real Return Bond Fund

Dynamic Power Funds

Dynamic Power American Currency Neutral Fund
Dynamic Power Small Cap Fund

Dynamic Specialty Funds

Dynamic Diversified Real Asset Fund
Dynamic Precious Metals Fund
Dynamic SAMI Fund
Dynamic Technology Fund
Dynamic World Convertible Debentures Fund

Dynamic Value Funds

Dynamic American Value Fund
Dynamic Canadian Dividend Fund Ltd.
Dynamic Dividend Value Fund
Dynamic European Value Fund
Dynamic Far East Value Fund
Dynamic Global Discovery Fund
Dynamic International Value Fund
Dynamic Value Balanced Fund
Dynamic Value Fund of Canada

Corporate Class Value Funds

Dynamic Canadian Value Class
Dynamic Global Value Class

Dynamic Managed Portfolios

DMP Resource Class

Appendix "B"

Prior Funds

Dynamic Power Canadian Growth Fund
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund

Dynamic Power Canadian Growth Class
Dynamic Power American Growth Class
Dynamic Power Global Growth Class
of Dynamic Global Fund Corporation

DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Canadian Dividend Class
of Dynamic Managed Portfolios Ltd.

2.1.14 Lawrence Payout Ratio Trust et al. - MRRS Decision

Headnote

One time trade of securities between mutual funds in the same family of funds that are not reporting issuers to implement fund merger is exempted from the conflict of interest restrictions in section 118(2)(b). Commission extremely reluctant to approve requested relief since costs of the merger were to be borne by the unitholders and this was not disclosed in any materials. Order was approved based on fact that in the past, there was no requirement that managers bear the cost of mergers in the context of entities not subject to NI 81-102 and no notice that staff would generally insist on this as a pre-condition to recommending in favour of discretionary relief in connection with such mergers.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 118(2)(b), 21(2)(a)(ii).

December 30, 2005

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

AND

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

AND

**IN THE MATTER OF
LAWRENCE PAYOUT RATIO TRUST
LAWRENCE PAYOUT RATIO TRUST II and
LAWRENCE CONSERVATIVE PAYOUT RATIO TRUST
(collectively, the "Trusts")**

AND

**LAWRENCE ASSET MANAGEMENT INC.
(the "Filer")**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer, on behalf of the Trusts for a decision under the securities legislation of the Jurisdictions (the "Legislation") granting relief from the restriction in the Legislation which prohibits a portfolio manager from purchasing or selling the securities of any issuer from or to

the account of a responsible person or any associate of a responsible person in order to implement the mergers of each of Lawrence Payout Ratio Trust and Lawrence Conservative Payout Ratio Trust into Lawrence Payout Ratio Trust II (individually a “Merger” and collectively, the “Mergers”) (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 intends to merge the Trusts identified below under “Terminating Trust” (individually, a “Terminating Trust” and collectively, the “Terminating Trusts”) into Lawrence Payout Ratio Trust II (the “Continuing Trust”) as set out below:

Terminating Trust	Continuing Trust
Lawrence Payout Ratio Trust	Lawrence Payout Ratio Trust II
Lawrence Conservative Payout Ratio Trust	Lawrence Payout Ratio Trust II

- (individually, a “Merger” and collectively, the “Mergers”).
- 2. At the time that the Merger steps are effected, the Filer will be the “portfolio manager” of each Trust for purposes of the Legislation and therefore will be considered a “responsible person”.
- 3. The transfer of the investment portfolio of each Terminating Trust to the Continuing Trust by operation of the Mergers may be considered a sale of securities caused by the Filer from the Terminating Trust to the account of an associate of the Filer, contrary to the Legislation.
- 4. The Continuing Trust is an “associate” of the Filer due to the fact that the Filer is its trustee.
- 5. Each Trust is a “non-redeemable investment fund” as defined in the Legislation and is not a mutual fund for the purposes of the Legislation.

- 6. Each Trust was established as a trust under the laws of the Province of Ontario and the Filer is the trustee and manager of each Trust.
- 7. Lawrence Payout Ratio Trust (“LPRT”) offered its units in all of the Provinces of Canada pursuant to a final prospectus dated November 29, 2004 (the “LPRT Prospectus”) and closed its initial public offering on December 16, 2004.
- 8. Lawrence Conservative Payout Ratio Trust (“LCPRT”) offered its units in all of the Provinces of Canada pursuant to a final prospectus dated February 25, 2005 (the “LCPRT Prospectus”) and closed its initial public offering on March 17, 2005.
- 9. Lawrence Payout Ratio Trust II (“LPRTII”) offered its units in all of the Provinces of Canada pursuant to a final prospectus dated August 30, 2005 (the “LPRTII Prospectus” and together with the LPRT Prospectus and LCPRT Prospectus, the “Prospectuses”) and closed its initial public offering on September 19, 2005.
- 10. Unitholders of the Trusts will be asked to approve the Mergers at special meetings of unitholders to be held on December 15, 2005 (the “Meetings”). In connection with the Meetings, the Filer is sending to the unitholders of each Trust a management information circular dated November 15, 2005 and a related form of proxy (collectively, the “Meeting Materials”). If unitholders approve the Mergers, it is proposed that each Merger will occur on or about December 31, 2005 (the “Effective Date”), subject to regulatory approvals, where necessary.
- 11. The Mergers are expected to take place using the following steps:
 - (a) The declaration of trust for LPRTII (being the Continuing Trust) will be amended as required in order to implement the Mergers.
 - (b) The declaration of trust for LPRT will be amended as required in order to implement the Merger.
 - (c) The declaration of trust for LCPRT will be amended as required in order to implement the Merger.
 - (d) The LPRT exchange ratio will be calculated based on the relative net asset value of LPRT and LPRTII as at the close of trading on the Toronto Stock Exchange (the “TSX”) on the day prior to the Effective Date.
 - (e) The LCPRT exchange ratio will be calculated based on the relative net asset value of LCPRT and LPRTII as at

the close of trading on the TSX on the day prior to the Effective Date.

- (f) On the Effective Date, LPRT will transfer all of its property and liabilities to LPRTII in consideration for the issue to LPRT of an appropriate number of LPRTII units based on the LPRT exchange ratio.
 - (g) On the Effective Date, LCPRT will transfer all of its property and liabilities to LPRTII in consideration for the issue to LCPRT of an appropriate number of LPRTII units based on the LCPRT exchange ratio.
 - (h) On the Effective Date, all of the LPRT units will be automatically redeemed and each LPRT unitholder will receive Continuing Trust units equal in number to the number of LPRT units held by such LPRT unitholder multiplied by the LPRT exchange ratio.
 - (i) On the Effective Date, all of the LCPRT units will be automatically redeemed and each LCPRT unitholder will receive Continuing Trust units equal in number to the number of LCPRT units held by such LCPRT unitholder multiplied by the LCPRT exchange ratio.
 - (j) All tax elections and tax returns in connection with the Mergers will be prepared and filed by each of LPRT, LCPRT and LPRTII.
 - (k) Following the Mergers, LPRTII will change its name to "Lawrence Payout Ratio Trust" and will continue trading under the symbol "LPU.UN".
12. The Filer will file a press release and material change report to announce the Mergers.
13. The Mergers are being proposed to enable LPRT unitholders, LCPRT unitholders and LPRTII unitholders to hold Continuing Trust units which will have a market capitalization, based on current prices and units outstanding, of over \$263,162,647 million. This is expected to reduce the operating costs of the Continuing Trust on a per unit basis and increase ongoing liquidity of the Continuing Trust units on the TSX. These two objectives have been brought into greater relief by the receipt in November 2005 of requests for redemption by unitholders of LPRT of 4,754,938 units representing 37% of LPRT's capitalization. Under a merged trust, administrative cost savings will be realized through eliminating the duplication of certain third party costs including transfer agent fees, audit fees, legal fees, exchange listing fees, printing fees and mailing and reporting costs. Any

net cost savings will benefit Continuing Trust unitholders.

- 14. If approved, the Mergers will be effected on a "qualifying exchange" basis which provides a tax-deferred "rollover" to unitholders of the Terminating Trusts. This will allow LPRT and LCPRT unitholders to defer any capital gain on the exchange of their units until they sell or redeem the LPRT units received under the exchange.
- 15. The Trusts have substantially similar investment objectives, fee structures and valuation procedures.
- 16. The assets of each Terminating Trust will be transferred to the Continuing Trust in accordance with the steps described above. Because the transfer of assets will take place at a value determined by common valuation procedures and the issue of units will be based upon the relative net asset value of the assets received by the Continuing Trust, it is the Filer's opinion that there will be no conflict of interest for the Filer to effect the Mergers.
- 17. In the opinion of the Filer, the Mergers will not adversely affect unitholders of the relevant Terminating Trust or the Continuing Trust and will in fact be in the best interests of unitholders of each of the Trusts.
- 18. In the absence of this order, the Filer would be prohibited from purchasing and selling the securities of the Terminating Trusts in connection with the Mergers.

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.

"Harold Hands"
Commissioner
Ontario Securities Commission

"Susan Wolburgh-Jenah"
Commissioner
Ontario Securities Commission

2.1.15 iUnits Materials Sector Index Fund et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - exemptive relief from four new exchange traded funds from certain provisions of securities legislation for initial and continuous distribution of units of exchange-traded funds, including: relief from registration requirements for futures commission merchants, relief to permit the funds and its promoter to disseminate sales communication promoting the funds subject to compliance with Part 15 of NI 81-102 and relief to permit the funds' prospectus not to contain an underwriter's certificate.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 59(1), 74(1), 147.

Rules Cited

National Instrument 81-102, Mutual Funds - Part 15.

December 14, 2005

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

AND

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

AND

**IN THE MATTER OF
IUNITS MATERIALS SECTOR INDEX FUND ("XMA"),
IUNITS INCOME TRUST SECTOR INDEX FUND ("XTR"),
IUNITS DIVIDEND INDEX FUND ("XDV") and
IUNITS REAL RETURN BOND INDEX FUND ("XRB")
(collectively, the "New iUnits Funds")**

AND

**BARCLAYS GLOBAL INVESTORS CANADA LIMITED
as trustee of the New iUnits Funds ("Barclays Canada",
and together with the New iUnits Funds, 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") that:

1. the registration requirement of the Legislation does not apply to the Filers in connection with their dissemination of sales communications relating to the distribution of units of the New iUnits Funds ("Units");
2. the registration requirement of the Legislation does not apply to the Filers in connection with trades in Units of the New iUnits Funds by futures commission merchants registered in Jurisdictions other than British Columbia ("FCMs") that may not be registered securities dealers under the Legislation (the "FCM Relief"); and
3. in connection with the distribution of securities of the New iUnits Funds pursuant to a prospectus, the New iUnits Funds be exempt from the requirement that the prospectus contain a certificate of the underwriter or underwriters who are in a contractual relationship with the issuer whose securities are being offered.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission is the principal regulator for this application; and
2. this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

"Baskets" means, collectively, Baskets of Securities and Baskets of Bonds as applicable to each New iUnits Fund.

"Baskets of Bonds" means, in relation to XRB under its investment objective, a group of bonds in specified principal amounts as Barclays Canada may determine in its discretion from time to time.

"Baskets of Securities" means, in relation to XMA, XTR and XDV, a group of securities of each constituent issuer of the applicable index which, when multiplied by the constituent issuer's last sale price per security, is approximately equivalent to the constituent issuer's relative weight in the applicable Index.

"Designated Brokers" means registered brokers and dealers that enter into agreements with the iUnits Funds to perform certain duties in relation to the New iUnits Funds.

"Prescribed Number of Units" means, in relation to a New iUnits Fund, the number of Units of the New iUnits Fund determined by Barclays Canada from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"Underwriters" means registered brokers and dealers that have entered into underwriting agreements with the New

iUnits Funds and that subscribe for and purchase Units from the New iUnits Funds, and “Underwriter” means any one of them.

“Unitholders” means beneficial and registered holders of Units.

Defined terms contained in National Instrument 14-101 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 New iUnits Funds:

Background

1. Each New iUnits Fund will be a mutual fund trust governed by the laws of Ontario and will issue Units.
2. Each New iUnits Fund will be a reporting issuer under the laws of all of the Jurisdictions.
3. Barclays Canada has applied to list the Units of each New iUnits Fund on the TSX. Units of the New iUnits Funds will not be sold to investors until the TSX has conditionally approved the listing of Units of each New iUnits Fund.
4. Units issued by the New iUnits Funds will be index participation units within the meaning of National Instrument 81-102 – Mutual Funds. New iUnits Funds will be generally described as exchange traded funds (“ETFs”).
5. Barclays Canada is the trustee of all iUnits Funds. Barclays Canada is registered under the Legislation of all Jurisdictions, as a portfolio manager and investment counsel (or the equivalent categories of registration). Barclays Canada is also registered as a Commodity Trading Manager and Limited Market Dealer in Ontario and as a Limited Market Dealer in Newfoundland and Labrador.
6. The investment objective of each New iUnits Fund is to replicate the performance of an index provided by a third-party index provider, net of expenses. The investment objective and applicable index for each New iUnits Fund, as well as its investment strategy, will be disclosed in the preliminary prospectus and will be disclosed on an ongoing basis in the prospectus of the New iUnits Funds.
7. Units may only be subscribed for or purchased directly from the New iUnits Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof)

on any day when there is a trading session on the TSX.

8. The New iUnits Funds have appointed or will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Units of each New iUnits Fund for the purpose of maintaining liquidity for the Units.
9. Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket and cash in an amount sufficient so that the value of the Basket and cash delivered is equal to the net asset value of the Units next determined following the receipt of the subscription order. In the discretion of Barclays Canada, XRB may also accept cash-only subscriptions for Units in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
10. The net asset value per Unit of each New iUnits Fund will be calculated and published daily.
11. Upon notice given by Barclays Canada from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.30% of the net asset value of XMA, XTR and XDV and 0.15% of the net asset value of XRB, next determined following delivery of the notice of subscription to that Designated Broker.
12. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Barclays Canada may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
13. Except as described in paragraphs 7 through 11 above, Units may not be purchased directly from the New iUnits Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.
14. Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
15. The New iUnits Funds expect that FCMs may seek to trade Units of the New iUnits Funds in

order to hedge their futures and other derivative holdings that provide exposure to the indices replicated by the New iUnits Funds. In some Jurisdictions, FCMs may be registered under commodity futures legislation only, or to trade exclusively in "exchange contracts", and may not be registered to trade in securities.

renewal prospectus, the New iUnits Funds are exempt from the requirement of the Legislation that the prospectus or renewal prospectus contain a certificate of the Underwriters.

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

16. As trustee, Barclays Canada will be entitled to receive a fixed annual fee from each New iUnits Fund. Such annual fee will be calculated as a fixed percentage of the net asset value of each New iUnits Fund. Barclays Canada will be responsible for the payment of all expenses of the New iUnits Funds, except for the trustee fee, any administration fee payable by Designated Brokers or Underwriters in connection with the issuance of Units, any redemption fees payable by Unitholders upon the redemption of a Prescribed Number of Units, any withholding taxes and any income taxes.

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:

1. the registration requirement of the Legislation does not apply to the Filers in connection with their dissemination of sales communications relating to the distribution of Units of the New iUnits Funds, provided they comply with Part 15 of NI 81-102;
2. the registration requirement of the Legislation does not apply to the Filers in connection with trades in Units of the New iUnits Funds by registered FCMs that may not be registered securities dealers under the Legislation, provided that
 - (a) the FCMs are registered for trading purposes under the commodity futures legislation or requirements (if any) of the Jurisdiction where such FCMs carry on the business of dealing in futures contracts,
 - (b) trades in Units of the New iUnits Funds are made only for such members own account, and
 - (c) FCMs will not trade in Units of the New iUnits Funds on behalf of their clients; and
3. in connection with the distribution of Units of the New iUnits Funds pursuant to a prospectus or any

2.1.16 iUnits Materials Sector Index Fund et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - exemptive relief to four new exchange traded funds providing that all unitholders of the funds, which tracks an certain index, exempted from formal take-over bid requirements in connection with normal course purchases of units on the Toronto Stock Exchange, provided that such unitholders provide trustee/manager of the fund with an undertaking not to exercise any votes attached to units which represent more than 20% of the votes attached to all outstanding units of the funds.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95, 96, 97, 98, 100, 104(2)(c), 147.

Rules Cited

National Instrument 81-102 Mutual Funds.

December 14, 2005

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

AND

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

AND

**IN THE MATTER OF
IUNITS MATERIALS SECTOR INDEX FUND ("XMA"),
IUNITS INCOME TRUST SECTOR INDEX FUND ("XTR"),
IUNITS DIVIDEND INDEX FUND ("XDV") and
IUNITS REAL RETURN BOND INDEX FUND ("XRB")
(collectively, the "New iUnits Funds")**

AND

**BARCLAYS GLOBAL INVESTORS CANADA LIMITED
as trustee of the New iUnits Funds ("Barclays Canada",
and together with the New iUnits Funds, 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 (the "Decision") under the securities legislation of the

Jurisdictions (the "Legislation") exempting all holders ("Unitholders") of units ("Units") of the New iUnits Funds from the requirements of the Legislation related to take-over bids, including the requirement to file a report of a take-over bid and the accompanying fee with each applicable Jurisdiction, (the "Take-over Bid Requirements") in respect of take-over bids for the New iUnits Funds.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission is the principal regulator for this application; and
2. this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

"Baskets" means, collectively, Baskets of Securities and Baskets of Bonds as applicable to each New iUnits Fund.

"Baskets of Bonds" means, in relation to XRB under its investment objective, a group of bonds in specified principal amounts as Barclays Canada may determine in its discretion from time to time.

"Baskets of Securities" means, in relation to XMA, XTR and XDV, a group of securities of each constituent issuer of the applicable index which, when multiplied by the constituent issuer's last sale price per security, is approximately equivalent to the constituent issuer's relative weight in the applicable Index.

"Designated Brokers" means registered brokers and dealers that enter into agreements with the iUnits Funds to perform certain duties in relation to the New iUnits Funds.

"Prescribed Number of Units" means, in relation to a New iUnits Fund, the number of Units of the New iUnits Fund determined by Barclays Canada from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

"Take-over Bid Requirements" means the requirements of the Legislation relating to take-over bids including the requirement to file a report of a take-over bid and the accompanying fee in each Jurisdiction.

"Underwriters" means registered brokers and dealers that have entered into underwriting agreements with the New iUnits Funds and that subscribe for and purchase Units from the New iUnits Funds, and "Underwriter" means any one of them.

"Unitholders" means beneficial and registered holders of Units.

Defined terms contained in National Instrument 14-101 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 New iUnits Funds:

Background

1. Each New iUnits Fund will be a mutual fund trust governed by the laws of Ontario and will issue Units.
2. Each New iUnits Fund will be a reporting issuer under the laws of all of the Jurisdictions.
3. Barclays Canada has applied to list the Units of each New iUnits Fund on the TSX. Units of the New iUnits Funds will not be sold to investors until the TSX has conditionally approved the listing of Units of each New iUnits Fund.
4. Units issued by the New iUnits Funds will be index participation units within the meaning of National Instrument 81-102 – *Mutual Funds*. New iUnits Funds will be generally described as exchange traded funds (“ETFs”).
5. Barclays Canada is the trustee of all iUnits Funds. Barclays Canada is registered under the Legislation of all Jurisdictions, as a portfolio manager and investment counsel (or the equivalent categories of registration). Barclays Canada is also registered as a Commodity Trading Manager and Limited Market Dealer in Ontario and as a Limited Market Dealer in Newfoundland and Labrador.
6. The investment objective of each New iUnits Fund is to replicate the performance of an index provided by a third-party index provider, net of expenses. The investment objective and applicable index for each New iUnits Fund, as well as its investment strategy, will be disclosed in the preliminary prospectus and will be disclosed on an ongoing basis in the prospectus of the New iUnits Funds.
7. Units may only be subscribed for or purchased directly from the New iUnits Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.
8. The New iUnits Funds have appointed or will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Units of each New iUnits Fund for the purpose of maintaining liquidity for the Units.
9. Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket and cash in an amount sufficient so that the value of the Basket and cash delivered is equal to the net asset value of the Units next determined following the receipt of the subscription order. In the discretion of Barclays Canada, XRB may also accept cash-only subscriptions for Units in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
10. The net asset value per Unit of each New iUnits Fund will be calculated and published daily.
11. Upon notice given by Barclays Canada from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.30% of the net asset value of XMA, XTR and XDV and 0.15% of the net asset value of XRB, next determined following delivery of the notice of subscription to that Designated Broker.
12. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Barclays Canada may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
13. Except as described in paragraphs 7 through 11 above, Units may not be purchased directly from the New iUnits Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.
14. Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
15. As trustee, Barclays Canada will be entitled to receive a fixed annual fee from each New iUnits Fund. Such annual fee will be calculated as a fixed percentage of the net asset value of each New iUnits Fund. Barclays Canada will be responsible for the payment of all expenses of the New iUnits Funds, except for the trustee fee, any administration fee payable by Designated Brokers or Underwriters in connection with the issuance of Units, any redemption fees payable by Unitholders upon the redemption of a Prescribed Number of Units, any withholding taxes and any income taxes.

16. Unitholders holding at least the Prescribed Number of Units of XMA, XTR and XDV will be entitled to vote the applicable portion of the securities of constituent issuers of the applicable index held by the New iUnits Fund. Unitholders holding less than a Prescribed Number of Units will have no rights to vote the securities of constituent issuers of the applicable index.
17. Unitholders will have the right to vote at a meeting of Unitholders in respect of a New iUnits Fund prior to any change in the fundamental investment objectives of such New iUnits Fund, any change to their voting rights and prior to any increase in the amount of fees payable by a New iUnits Fund.
18. Although Units trade on the TSX and the acquisition of Units can therefore be subject to the Take-over Bid Requirements:
- (a) it will not be possible for one or more Unitholders to exercise control or direction over a New iUnits Fund as the Declaration of Trust of each New iUnits Fund will ensure that there can be no changes made to the New iUnits Fund which do not have the support of Barclays Canada;
 - (b) it will be difficult for purchasers of Units to monitor compliance with Take-over Bid Requirements because the number of outstanding Units will always be in flux as a result of the ongoing issuance and redemption of Units by the New iUnits Funds; and
 - (c) the way in which Units will be priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding Units because Unit pricing will be dependent upon, and will generally represent a prescribed percentage of, the level of the applicable index.
19. The application of the Take-over Bid Requirements to the New iUnits Funds would have an adverse impact upon Unit liquidity because they could cause Designated Brokers and other large Unitholders to cease trading Units once prescribed take-over bid thresholds are reached. This, in turn, could serve to provide conventional mutual funds with a competitive advantage over the New iUnits Funds.

The decision of the Decision Makers under the Legislation is that the purchase of Units by a person or company (a “**Unit Purchaser**”) in the normal course through the facilities of the TSX is exempt from the Take-over Bid Requirements for so long as the New iUnits Funds remain ETFs provided that, prior to making any take-over bid for Units that is not otherwise exempt from the Take-over Bid Requirements, the Unit Purchaser, and any person or company acting jointly or in concert with the Unit Purchaser (a “**Concert Party**”), provide Barclays, as trustee and manager of the New iUnits Funds, with an undertaking not to exercise any votes attached to the Units held by the Unit Purchaser and any Concert Party which represent more than 20% of the votes attached to all outstanding Units.

“Carol S. Perry”
Commissioner
Ontario Securities Commission

“Suresh Thakrar”
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.

2.1.17 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 allowing dealer managed mutual funds to invest in the units of an issuer during the 60 days prohibition period in which an affiliate of the dealer manager has acted as an underwriter in connection with the distribution of the units of the issuer.

Rule Cited

National Instrument 81-102 Mutual Funds, ss. 4.1(1), 19.1.

December 23, 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**") 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 ARC Energy 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 (the "**Preliminary 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 Applicants:

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 head office of CIBC Asset Management Inc. is in Toronto, Ontario. The head office of TAL Global Asset Management Inc. is in Montreal, Québec.
3. 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 and annual information forms that have been prepared and filed in accordance with their respective securities legislation.
4. The Preliminary Prospectus was filed with, and a receipt was issued under the MRRS by the Decision Makers in each of the Provinces of Canada on December 8, 2005.
5. According to the Preliminary Prospectus, the Offering is expected to be for approximately 9,000,000 Units at an offering price of \$26.25 per Unit. The gross proceeds of the Offering are expected to be approximately \$239,850,000.

6. 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. (the Related Underwriter together with the other underwriters, which are now or may become part of the syndicate prior to closing, the “**Underwriters**”).
7. According to the Preliminary Prospectus, the Issuer is an open-end investment trust created under the laws of the Province of Alberta. The issuer’s principal undertaking is to receive royalties and other income on petroleum and natural gas properties and related assets and to acquire and hold securities of subsidiaries, trusts, and partnerships. The Issuer’s subsidiaries, trusts and partnerships carry on the business of acquiring, developing, exploiting and disposing of all types of energy business related assets, including petroleum and natural gas related assets, oil sands interests, electricity or power generating assets and pipeline, gathering, processing and transportation assets.
8. As described in the Preliminary Prospectus, the net proceeds from the Offering will be used to repay existing bank indebtedness, a portion of which may be incurred to fund the acquisitions of 3115151 Nova Scotia Company, 3115152 Nova Scotia Company, and 3115153 Nova Scotia Company which hold certain properties, (the “**Acquisitions**”) by ARC Resources Ltd. (“**ARC Resources**”), a wholly owned subsidiary of the Issuer, depending on when the Acquisitions close. The Acquisitions are expected to close on or about December 16, 2005. As a result of the Acquisitions, the Issuer will acquire an interest in oil and natural gas producing properties located in Alberta.
9. The Issuer and the Underwriters entered into an underwriting agreement (the “**Underwriting Agreement**”) dated December 8, 2005 with the Issuer and ARC Resources in respect of the Offering. Pursuant to the terms of the Underwriting Agreement, the Underwriters have severally agreed to purchase, subject to the terms and conditions contained therein, on the Closing Date, all of the Units offered under the Offering from the Issuer at a price of \$26.25 per Unit.
10. 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 RBC Dominion Securities Inc. on behalf of the Underwriters, which consent shall not be unreasonably withheld.
11. The Issuer’s currently outstanding Units are currently listed on the Toronto Stock Exchange (“**TSX**”) under the symbol “AETUN” 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.
12. According to the Preliminary Prospectus, the Issuer may be considered a “connected issuer”, as defined in NI 33-105, of the Related Underwriter, RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., and HSBC Securities (Canada) Inc. for the reasons set forth in the Preliminary Prospectus. The Related Underwriter, RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., and HSBC Securities (Canada) Inc. are subsidiaries or affiliates of lenders (the “**Lenders**”) which are members of a syndicate of Canadian chartered banks (the “**Banks**”) that have entered into a commitment letter in respect of the establishment of a \$620 million credit facility (the “**Credit Facility**”) in favour of the Issuer. The decision to distribute the Units and the determination of the terms of the Offering were made through negotiations between ARC Resources, on behalf of the Issuer and RBC Dominion Securities, on behalf of the Underwriters, without the involvement of the Banks except that the Banks were advised of the terms of the Offering. As a consequence of the Offering, the Related Underwriter will receive its respective share of the underwriting fee, as disclosed in the Preliminary Prospectus.
13. The Dealer Managed Funds are not required or obligated to purchase any Units during the Prohibition Period.
14. 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.

15. 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.
16. 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.
17. 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.
18. 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.
19. 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.
20. Each Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the OSC, 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.

21. Each Dealer Manager has not been involved in the work of its Related Underwriter and each Related Underwriter has not been and will not be involved in the decisions of its Dealer Manager 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 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 each 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:
 - (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

- | | |
|---|--|
| <p>(b) in connection with any Purchase,</p> <p>(i) there are stated factors or criteria for allocating the Units purchased for two or more Dealer Managed Funds and other Managed Accounts, and</p> <p>(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;</p> | <p>(a) the following particulars of each Purchase:</p> <p>(i) the number of Units purchased by the Dealer Managed Fund;</p> <p>(ii) the date of the Purchase and purchase price;</p> <p>(iii) whether it is known whether any underwriter or syndicate member has engaged in market stabilization activities in respect of the Units;</p> <p>(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</p> <p>(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;</p> |
| <p>III. Each Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's investments in the Units during the Prohibition Period;</p> | |
| <p>IV. 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;</p> | |
| <p>V. 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;</p> | |
| <p>VI. 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 IV above;</p> | <p>(b) a certification by the Dealer Manager that the Purchase:</p> <p>(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</p> |
| <p>VII. 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 IV above;</p> | |
| <p>VIII. 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 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 VII above is not paid either directly or indirectly by the Dealer Managed Fund;</p> | <p>(ii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interest of the Dealer Managed Fund, or</p> <p>(iii) was, in fact, in the best interests of the Dealer Managed Fund;</p> |
| <p>IX. 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:</p> | <p>(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,</p> |

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.

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

(a) any determination by it that the condition set out in paragraph IX(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.

XI. Each Purchase of Units during the Prohibition Period is made on the TSX; and

XII. 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

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 Cdn. Equity Value Fund
Talvest Small Cap Cdn. Equity 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

2.1.18 iUnits S&P/TSX 60 Capped Index Fund et al. - MRRS Decision

Headnote

Variation of prior decision (due to a change of investment objective of the fund) to grant relief from certain provisions of securities legislation for initial and continuous distribution of units of exchange-traded fund - relief from registration requirement granted to permit the fund and its promoter to disseminate sales communication promoting the fund, subject to compliance with Part 15 of NI 81-102 - relief granted for the fund's prospectus not to contain an underwriter's certificate.

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25(1), 59(1), 74(1), 144.

Rules Cited

National Instrument 81-102, Mutual Funds - Part 15.

November 22, 2005

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

AND

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

AND

IN THE MATTER OF
iUNITS S&P/TSX 60 CAPPED INDEX FUND ("XIC"),
iUNITS GOVERNMENT OF CANADA 5-YEAR BOND FUND ("XGV"),
iUNITS S&P 500 INDEX RSP FUND ("XSP") AND
iUNITS MSCI INTERNATIONAL EQUITY RSP FUND ("XIN")
(collectively, the "Affected iUnits Funds")
AND BARCLAYS GLOBAL INVESTORS CANADA LIMITED
as trustee of the Affected iUnits Funds ("Barclays Canada",
and together with the Affected iUnits Funds, 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") revoking and replacing the Existing Decisions (as defined below) with a decision that:

- (a) the registration requirement of the Legislation does not apply to the Filers in connection with their dissemination of sales communications relating to the distribution of securities of the Affected iUnits Funds; and
- (b) in connection with the distribution of securities of the Affected iUnits Funds ("Units") pursuant to a prospectus, the Affected iUnits Funds be exempt from the requirement that the prospectus contain a certificate of the underwriter or underwriters who are in a contractual relationship with the issuer whose securities are being offered.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission is the principal regulator for this application; and

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

Interpretation

“**Basket of Bonds**” means, in relation to XGV under its proposed investment objective, a group of bonds in specified principal amounts as Barclays Canada may determine in its discretion from time to time.

“**Baskets of iShares**” means, in relation to each of XSP and XIN under its proposed investment objective, baskets of shares of the applicable iShares fund or other securities in which XSP and XIN may invest from time to time in the discretion of Barclays Canada in order to obtain exposure to the relevant International Fund Index.

“**Baskets of Securities**” means, in relation to XIC under its proposed investment objective, a group of securities of each constituent issuer of the S&P/TSX Capped Composite Index which, when multiplied by the constituent issuer’s last sale price per security, is approximately equivalent to the constituent issuer’s relative weight in the S&P/TSX Capped Composite Index.

“**Baskets**” means, collectively, Baskets of Securities, Baskets of Bonds and Baskets of iShares, as applicable to each Affected iUnits Fund.

“**Circular**” means the Notice of Meeting and Information Circular dated October 18, 2005 and delivered by Barclays Canada to Unitholders which sets out the Proposed Changes to be considered at the Meetings.

“**Designated Brokers**” means registered brokers and dealers who enter into agreements with the iUnits Funds to perform certain duties in relation to the iUnits Funds.

“**Effective Date**” means the date on which the Proposed Changes, if approved by Unitholders at the Meetings, will be effective, which will be no later than November 21, 2005.

“**Existing Decisions**” means the following MRRS decision documents, as they relate to the Affected iUnits Funds: (i) in respect of XIC, a certain MRRS decision document dated December 8, 2000; (ii) in respect of XGV, a certain MRRS decision document dated October 11, 2000; (iii) in respect of XSP, a certain MRRS decision document dated April 30, 2001; and (iv) in respect of XIN, a certain MRRS decision document dated August 28, 2001.

“**International Fund Indices**” means the S&P 500 Index (for XSP) and the MSCI EAFE™ Index (for XIN) and “International Fund Index” means either one of them.

“**iUnits Funds**” means a family of exchange traded funds of which Barclays Canada is the trustee.

“**Meetings**” means special meetings of the Unitholders to be held on November 15, 2005, as described in the Circular.

“**NI 81-102**” means National Instrument 81-102 – Mutual Funds.

“**Prescribed Number of Units**” means, in relation to an iUnits Fund, the number of Units of the iUnits Fund determined by Barclays Canada from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**Proposed Changes**” means proposed changes to the investment objectives of the Affected iUnits Funds and related changes to the Declarations of Trust of the iUnits Funds to be considered at the Meetings, as set out in the Circular. A summary of the Proposed Changes that are relevant to this Application is provided in Schedule A hereof.

“**Transition Period**” means, if the Proposed Changes are approved by Unitholders, the period between November 15 and the Effective Date, when each Affected iUnits Fund will be engaged in reconstituting its holdings by disposing of some or all of its existing portfolio of securities and acquiring the initial portfolio of securities that reflects the Affected iUnits Fund’s new investment objective.

“**TSX**” means the “Toronto Stock Exchange”.

“**Underwriters**” means registered brokers and dealers who have entered into underwriting agreements with the iUnits Funds and who subscribe for and purchase Units from the iUnits Funds, and “Underwriter” means any one of them.

“**Unitholders**” means beneficial and registered holders of Units.

“**Units**” means units of the Affected iUnits Funds.

Defined terms contained in National Instrument 14-101 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 Affected iUnits Funds:

1. Each Affected iUnits Fund is a mutual fund trust governed by the laws of Ontario.
2. Each Affected iUnits Fund is a reporting issuer under the laws of all of the Jurisdictions.
3. Units of each Affected iUnits Fund are listed on the TSX.
4. Units issued by XIC, XSP and XIN are, and Units issued by XGV, under its proposed investment objective will be, index participation units within the meaning of NI 81-102. The Affected iUnits Funds are generally described as exchange traded funds ("ETFs").
5. Barclays Canada is the trustee of all iUnits Funds. Barclays Canada is registered under the Legislation of all Jurisdictions, as a portfolio manager and investment counsel (or the equivalent categories of registration). Barclays Canada is also registered as a Commodity Trading Manager and Limited Market Dealer in Ontario and as a Limited Market Dealer in Newfoundland and Labrador.
6. iUnits Funds, including the Affected iUnits Funds, have received exemptive relief from certain provisions of the Legislation under the Existing Decisions. The Existing Decisions refer specifically to the investment objectives, and in some cases, investment strategies, of each iUnits Fund. However, the reasons that the Existing Decisions are appropriate for each Affected iUnits Fund are not based on the specific investment objective or strategy of each Affected iUnit Fund. Rather, the Existing Decisions are appropriate because the iUnits Funds are ETFs and (with the exception of XGV under its current investment objectives) index participation units and, as such, operate differently from conventional public issuers.

Meetings

7. Barclays Canada has called the Meetings to seek Unitholder approval for the Proposed Changes. The current and proposed investment objective and strategy of each Affected iUnits Fund and a summary of the related changes to the declarations of trust of the Affected iUnits Funds to be considered at the Meetings are set out in Schedule A. If the Proposed Changes are approved, Barclays Canada intends to change the name of each Affected iUnits Fund to reflect its new investment objective. The proposed name changes are also set out in Schedule A.
8. The Circular, describing the Proposed Changes, has been sent to Unitholders of record as of October 12, 2005 and has been filed with each of the Decision Makers.
9. An amendment to the prospectus of the Affected iUnits Funds dated October 7, 2005 (the "Amendment") has been filed with each of the Decision Makers.
10. If the Proposed Changes are approved at the Meetings, Barclays Canada intends to implement the new investment objectives and strategies during the Transition Period between the date of the Meetings and the Effective Date. During the Transition Period, Barclays Canada will reconstitute the holdings of each Affected iUnits Fund by disposing of some or all of its existing portfolio of securities and acquiring the initial portfolio of securities that reflects such Affected iUnits Fund's new investment objective.
11. Because many of the Existing Decisions refer to specific investment objectives, and, in some cases, strategies of the Affected iUnits Funds, it is necessary for the Existing Decisions to be revoked and replaced to reflect the new investment objectives and strategies that will be implemented by the Affected iUnits Funds during the Transition Period and that will apply on and after the Effective Date, subject to approval of the Proposed Changes at the Meetings.

Representation of the Affected iUnits Funds

If the Proposed Changes are approved by Unitholders and implemented, the following representations will be true as of the Effective Date. Many of these representations are already true and form the basis for Existing Relief that has been granted to the Affected iUnits Funds:

Decisions, Orders and Rulings

12. Units may only be subscribed or purchased directly from the Affected iUnits Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.
13. The Affected iUnits Funds have appointed Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for each Affected iUnits Fund's Units for the purpose of maintaining liquidity for units of the Units and, in the case of XIC and XGV (under its proposed investment objective), facilitating adjustments to Baskets both as a result of adjustments that have been made to the relevant index and as a result of non-cash distributions received by XIC or XGV.
14. Each Underwriter or Designated Broker who subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket and cash in an amount sufficient so that the value of the Basket and cash delivered is equal to the net asset value of the Units to be issued. XGV, XSP and XIN may also accept cash-only subscriptions for Units in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
15. The net asset value of each Affected iUnits Fund is calculated and published daily.
16. Upon notice given by Barclays Canada from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in an amount not to exceed 0.15% of the net asset value of XIC and XGV or an amount not to exceed 0.30% of the net asset value of XSP or XIN, next determined following delivery of the notice of subscription to that Designated Broker.
17. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Barclays Canada may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
18. Except as described in paragraphs 12 through 16 above, Units may not be purchased directly from the Affected iUnits Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.
19. While Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, a Unitholder who holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
20. As trustee, Barclays Canada will be entitled to receive a fixed annual fee from each Affected iUnits Fund. Such annual fee will be calculated as a fixed percentage of the net asset value of each Affected iUnits Fund. Barclays Canada will be responsible for the payment of all expenses of the Affected iUnits Funds, except for the trustee fee, any administration fee payable by Designated Brokers or Underwriters in connection with the issuance of Units, any redemption fees payable by Unitholders upon the redemption of a Prescribed Number of Units, any withholding taxes and any income taxes.

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 Existing Decisions are revoked and replaced as of, and from, the date of this decision and that:

- (a) the registration requirement of the Legislation does not apply to the Filers in connection with their dissemination of sales communications relating to the distribution of Units of the Affected iUnits Funds, provided they comply with Part 15 of NI 81-102; and
- (b) in connection with the distribution of securities of the Affected iUnits Funds pursuant to a prospectus or any renewal prospectus, the Affected iUnits Funds are exempt from the requirement of the Legislation that the prospectus or renewal prospectus contain a certificate of the Underwriters.

Paul Moore
Vice Chair
Ontario Securities Commission

“David Knight”
Commissioner
Ontario Securities Commission

SCHEDULE A**Changes to Investment Objectives and Strategies**

Barclays Canada proposes to change the investment objectives and strategies of the Affected iUnits Funds as follows:

iUnits Fund	Current Investment Objective and Strategy	Proposed Investment Objective and Strategy
XIC	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P/TSX 60 Capped Index through investments in the constituent issuers of such Index.	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P/TSX Capped Composite Index (the " Capped Composite Index "). To achieve this objective, XIC invests in the constituent issuers of the Capped Composite Index. S&P has publicly announced that it intends to add income trusts to the S&P/TSX Composite Index (the Capped Composite Index comprises the constituent issuers of the S&P/TSX Composite Index) starting in December 2005. S&P introduced a provisional S&P/TSX Composite Index, which included income trusts at their full weight, at the September 2005 rebalancing of the S&P/TSX Composite Index. If S&P continues with its currently published intention to add income trusts to the S&P/TSX Composite Index starting in December 2005, the new investment objective will allow XIC to invest in the constituent issuers of the provisional index until income trusts are included at full weight in the Capped Composite Index, at which time XIC will invest in the constituent issuers (including income trusts) of the Capped Composite Index.
XGV	To replicate, to the extent possible, the return of a bond issued by the Government of Canada with a five-year term to maturity. To achieve this objective, XGV invests in the Government of Canada bond selected by Barclays Canada from time to time that has a term to maturity that closely matches the benchmark bond maturity (a " 5-Year Benchmark Bond " or " Benchmark Bond "). XGV may hold bond futures contracts in order to provide market exposure for cash held by XGV.	To provide income by replicating, to the extent possible, the performance of the Scotia Capital Short Term Bond Index (the " SC Short Bond Index "). To achieve this objective, XGV invests in a regularly rebalanced portfolio of bonds, selected by Barclays Canada from time to time, that closely matches the characteristics of the SC Short Bond Index. XGV may invest in bond futures contracts in order to provide market exposure for cash held by XGV and may also hold money market instruments or cash to meet its current obligations.
XSP	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P 500 Index. To achieve this objective, XSP invests primarily in exchange traded futures contracts based on the S&P 500 Index as well as high quality short term money market instruments. XSP will also use forward and futures contracts to match the currency exposure of the S&P 500 Index. XSP may also invest in the underlying securities of the S&P 500 Index, index participation units (including securities of certain iShares funds managed by an affiliate of Barclays Canada), trust units and other similar instruments.	To provide long-term capital growth by replicating, to the extent possible, the performance of the S&P 500 Hedged to Canadian Dollars Index, net of expenses. To achieve this objective, XSP invests primarily in iShares funds that track the S&P 500 Index and hedges any resulting currency exposure back to Canadian dollars. iShares funds are U.S.-based exchange traded funds managed by an affiliate of Barclays Canada. XSP will hedge its exposure to foreign currency by entering into currency forward contracts with financial institutions that have an "approved credit rating" as defined in NI 81-102.

iUnits Fund	Current Investment Objective and Strategy	Proposed Investment Objective and Strategy
XIN	To provide long term capital growth by replicating, to the extent possible, the performance of the MSCI EAFE® Index. To achieve its objective, XIN invests primarily in exchange traded futures contracts based on the stock market indices in countries that are included in the EAFE Index as well as high quality short term money market instruments. XIN will also use forward and futures contracts to match the currency exposure of the EAFE Index. XIN may also invest in the underlying securities of the stock market indices in countries that are included in the EAFE Index, index participation units (including securities of certain iShares funds managed by an affiliate of Barclays Canada), trust units and other similar instruments.	To provide long-term capital growth by replicating, to the extent possible, the performance of the MSCI EAFE 100% Hedged to CAD Dollars Index, net of expenses. To achieve this objective, XIN invests primarily in iShares funds that track the EAFE Index and hedges any resulting currency exposure back to Canadian dollars. XIN will hedge its exposure to foreign currency by entering into currency forward contracts with financial institutions that have an “approved credit rating” as defined in NI 81-102.

Changes to Declarations of Trust

In connection with the changes to the iUnits Funds’ investment objectives, Barclays Canada is seeking approval to make certain related amendments to the iUnits Funds’ Declarations of Trust including, without limitation, to reflect the following: (i) in the case of all iUnits Funds, changes in investment objectives, strategies and names; (ii) in the case of XGV, XSP and XIN, changes in subscription, exchange and redemption features; and (iii) in the case of XGV, changes in the valuation of securities held by XGV for the purpose of calculating the net asset value of XGV and contingencies in the event of a discontinuance of the SC Short Bond Index.

Proposed Name Changes

If the Proposed Changes are approved at the Meetings and implemented, Barclays Canada intends to change the English names of the Affected iUnits Funds as follows:

Old Name of iUnits Fund	New Name of iUnits Fund
iUnits S&P/TSX 60 Capped Index Fund	iUnits Composite Cdn Eq Capped Index Fund
iUnits Government of Canada 5-Year Bond Fund	iUnits Short Bond Index Fund
iUnits S&P 500 Index RSP Fund	iUnits S&P 500 C\$ Index Fund
iUnits MSCI® International Equity Index RSP Fund	iUnits International Equity C\$ Index Fund

In connection with the change in name and investment objective of XGV, its ticker symbol on the TSX will be changed to “**XSB**”.

2.1.19 iUnits S&P/TSX 60 Capped Index Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - variation of a prior decision (due to a change of investment objective of the fund) providing that all unitholders of the funds, which tracks an certain index, exempted from formal take-over bid requirements in connection with normal course purchases of units on the Toronto Stock Exchange, provided that such unitholders provide trustee/manager of the fund with an undertaking not to exercise any votes attached to units which represent more than 20% of the votes attached to all outstanding units of the funds.

Applicable Ontario Statute

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 95, 96, 97, 98, 100, 104(2)(c), 144.

Rules Cited

National Instrument 81-102 Mutual Funds.

November 22, 2005

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

AND

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

AND

IN THE MATTER OF
iUNITS S&P/TSX 60 CAPPED INDEX FUND ("XIC"),
iUNITS GOVERNMENT OF CANADA 5-YEAR
BOND FUND ("XGV"), iUNITS S&P 500 INDEX RSP
FUND ("XSP") AND iUNITS MSCI INTERNATIONAL
EQUITY RSP FUND ("XIN")
(collectively, the "Affected iUnits Funds")

AND

BARCLAYS GLOBAL INVESTORS CANADA LIMITED
as trustee of the Affected iUnits Funds ("Barclays Canada",
and together with the Affected iUnits Funds, 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 (the "Decision") under the securities legislation of the Jurisdictions (the "Legislation"):

- (a) revoking and replacing certain MRRS decision documents dated July 26, 2002 (for XIC) and December 18, 2002 (for XGV, XSP and XIN) as they relate to the Affected iUnits Funds (the "Existing Decisions"); and
- (b) exempting all holders ("Unitholders") of units ("Units") of the Affected iUnits Funds from the requirements of the Legislation related to take-over bids, including the requirement to file a report of a take-over bid and the accompanying fee with each applicable Jurisdiction, (the "Take-over Bid Requirements") in respect of take-over bids for the Affected iUnits Funds.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

1. the Ontario Securities Commission is the principal regulator for this application; and
2. this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

“**Basket of Bonds**” means, in relation to XGV under its proposed investment objective, a group of bonds in specified principal amounts as Barclays Canada may determine in its discretion from time to time.

“**Baskets of iShares**” means, in relation to each of XSP and XIN under its proposed investment objective, baskets of shares of the applicable iShares fund or other securities in which XSP and XIN may invest from time to time in the discretion of Barclays Canada in order to obtain exposure to the relevant International Fund Index.

“**Baskets of Securities**” means, in relation to XIC under its proposed investment objective, a group of securities of each constituent issuer of the S&P/TSX Capped Composite Index which, when multiplied by the constituent issuer’s last sale price per security, is approximately equivalent to the constituent issuer’s relative weight in the S&P/TSX Capped Composite Index.

“**Baskets**” means, collectively, Baskets of Securities, Baskets of Bonds and Baskets of iShares, as applicable to each Affected iUnits Fund.

“**Circular**” means the Notice of Meeting and Information Circular dated October 18, 2005 and delivered by Barclays Canada to Unitholders which sets out the Proposed Changes to be considered at the Meetings.

“**Designated Brokers**” means registered brokers and dealers who enter into agreements with the iUnits Funds to perform certain duties in relation to the iUnits Funds.

“**Early Warning Requirements**” means the requirements of the Legislation set out in Appendix B of NI 62-103.

“**Effective Date**” means the date on which the Proposed Changes, if approved by Unitholders at the Meetings, will be effective, which will be no later than November 21, 2005.

“**International Fund Indices**” means the S&P 500 Index (for XSP) and the MSCI EAFE™ Index (for XIN) and “**International Fund Index**” means either one of them.

“**iUnits Funds**” means a family of exchange traded funds of which Barclays Canada is the trustee.

“**Meetings**” means special meetings of the Unitholders to be held on November 15, 2005, as described in the Circular.

“**NI 62-103**” means National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issuers.

“**Prescribed Number of Units**” means, in relation to an iUnits Fund, the number of Units of the iUnits Fund determined by Barclays Canada from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

“**Proposed Changes**” means proposed changes to the investment objectives of the Affected iUnits Funds and related changes to the Declarations of Trust of the iUnits Funds to be considered at the Meetings, as set out in the Circular. A summary of the Proposed Changes that are relevant to this Application is provided in Schedule A hereof.

“**Take-over Bid Requirements**” means the requirements of the Legislation relating to take-over bids, including the requirement to file a report of a take-over bid and the accompanying fee in each Jurisdiction.

“**Transition Period**” means, if the Proposed Changes are approved by Unitholders, the period between November 15 and the Effective Date, when each Affected iUnits Fund will be engaged in reconstituting its holdings by disposing of some or all of its existing portfolio of securities and acquiring the initial portfolio of securities that reflects the Affected iUnits Fund’s new investment objective.

“**TSX**” means the Toronto Stock Exchange.

“**Underwriters**” means registered brokers and dealers who have entered into underwriting agreements with the iUnits Funds and who subscribe for and purchase Units from the iUnits Funds, and “**Underwriter**” means any one of them.

Defined terms contained in National Instrument 14-101 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 Affected iUnits Funds:

Background

1. Each Affected iUnits Fund is a mutual fund trust governed by the laws of Ontario.
2. Each Affected iUnits Fund is a reporting issuer under the laws of all of the Jurisdictions.
3. Units of each Affected iUnits Fund are listed on the TSX.
4. Units issued by XIC, XSP and XIN are, and Units issued by XGV, under its proposed investment objective will be, index participation units within the meaning of National Instrument 81-102 – Mutual Funds. The Affected iUnits Funds are generally described as exchange traded funds (“ETFs”).
5. Barclays Canada is the trustee of all iUnits Funds. Barclays Canada is registered under the Legislation of all Jurisdictions, as a portfolio manager and investment counsel (or the equivalent categories of registration). Barclays Canada is also registered as a Commodity Trading Manager and Limited Market Dealer in Ontario and as a Limited Market Dealer in Newfoundland and Labrador.
6. iUnits Funds, including the Affected iUnits Funds have received exemptive relief from the Take-Over Bid Requirements under the Existing Decisions. The Existing Decisions refer specifically to the investment objectives, and in some cases, investment strategies, of each iUnits Fund. However, the reasons that the Existing Decisions are appropriate for each Affected iUnits Fund are not based on specific investment objective or strategy of each Affected iUnit Fund. Rather, the Existing Decisions are appropriate because the iUnits Funds are ETFs and (with the exception of XGV under its current investment objectives) index participation units and, as such, the securities regulatory concerns that are addressed by the Take-Over Bid Requirements ought not apply to the iUnits Funds.

Meetings

7. Barclays Canada has called the Meetings to seek Unitholder approval for the Proposed Changes. The current and proposed investment objective and strategy of each Affected iUnits Fund and a summary of the related changes to the declarations of trust of the Affected iUnits Funds to be considered at the Meetings are set out in Schedule A. If the Proposed Changes are approved, Barclays Canada intends to change the name of each Affected iUnits Fund to reflect its new investment objective. The proposed name changes are also set out in Schedule A.
8. The Circular, describing the Proposed Changes, has been sent to Unitholders of record as of October 12, 2005 and has been filed with each of the Decision Makers.
9. An amendment to the prospectus of the Affected iUnits Funds dated October 7, 2005 (the “Amendment”) has been filed with and a receipt for such Amendment has been issued by each of the Decision Makers.
10. If the Proposed Changes are approved at the Meetings, Barclays Canada intends to implement the new investment objectives and strategies of the Affected iUnits Funds during the Transition Period between the date of the Meetings and the Effective Date. During the Transition Period, Barclays Canada will reconstitute the holdings of each Affected iUnits Fund by disposing of some or all of its existing portfolio of securities and acquiring the initial portfolio of securities that reflects such Affected iUnits Fund’s new investment objective.
11. Because many of the Existing Decisions refer to specific investment objectives, and, in some cases, strategies of the Affected iUnits Funds, it is necessary for the Existing Decisions to be revoked and replaced to reflect the new investment objectives and strategies that will be implemented by the Affected iUnits Funds during the Transition Period and that will apply on and after the Effective Date, subject to approval of the Proposed Changes at the Meetings.

Representations of the Affected iUnits Funds

If the Proposed Changes are approved by Unitholders and implemented, the following representations will be true as of the Effective Date. Many of these representations are already true and form the basis for Existing Relief that has been granted to the Affected iUnits Funds:

Decisions, Orders and Rulings

12. Units may only be subscribed or purchased directly from the Affected iUnits Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.
13. The Affected iUnits Funds have appointed Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for each Affected iUnits Fund's Units for the purpose of maintaining liquidity for units of the Units and, in the case of XIC and XGV (under its proposed investment objective), facilitating adjustments to Baskets both as a result of adjustments that have been made to the relevant index and as a result of non-cash distributions received by XIC or XGV.
14. Each Underwriter or Designated Broker who subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket and cash in an amount sufficient so that the value of the Basket and cash delivered is equal to the net asset value of the Units to be issued. XGV, XSP and XIN may also accept cash-only subscriptions for Units in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
15. The net asset value of each Affected iUnits Fund is calculated and published daily.
16. Upon notice given by Barclays Canada from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in an amount not to exceed 0.15% of the net asset value of XIC and XGV or an amount not to exceed 0.30% of the net asset value of XSP or XIN, next determined following delivery of the notice of subscription to that Designated Broker.
17. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. Barclays Canada may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
18. Except as described in paragraphs 12 through 16 above, Units may not be purchased directly from the Affected iUnits Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains.
19. While Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, a Unitholder who holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing price of the Units on the TSX on the date of redemption.
20. As trustee, Barclays Canada will be entitled to receive a fixed annual fee from each Affected iUnits Fund. Such annual fee will be calculated as a fixed percentage of the net asset value of each Affected iUnits Fund. Barclays Canada will be responsible for the payment of all expenses of the Affected iUnits Funds, except for the trustee fee, any administration fee payable by Designated Brokers or Underwriters in connection with the issuance of Units, any redemption fees payable by Unitholders upon the redemption of a Prescribed Number of Units, any withholding taxes and any income taxes.
21. Unitholders of XIC holding at least the Prescribed Number of Units will be entitled to vote a proportion of the securities of constituent issuers of the Capped Composite Index held by XIC equal to that Unitholder's proportion of outstanding Units. Unitholders holding less than a Prescribed Number of Units of XIC will have no rights to vote the securities of constituent issuers of the Capped Composite Index held by XIC.
22. Unitholders of XSP and XIN will have no right to vote the shares of iShares funds held by XSP and XIN.
23. As the Units are both voting and equity securities for the purposes of the Take-over Bid Requirements, anyone acquiring beneficial ownership of, or the power to exercise control or discretion over, 10% or more of the outstanding Units of an Affected iUnits Fund would be required to comply with the Early Warning Requirements but for Section 3.3 of NI 62-103. Securities of conventional mutual funds are not typically subject to the Take-over Bid Requirements because acquisitions of conventional mutual funds are made from treasury.
24. Although Units trade on the TSX and the acquisition of Units can therefore be subject to the Take-over Bid Requirements:
 - (a) it is not, and will not be, possible for one or more Unitholders to exercise control or direction over an Affected iUnits Fund as the declaration of trust of each Affected iUnit's Fund generally ensures, or will ensure, that there can be no changes made to the Affected iUnits Fund which do not have the support of Barclays Canada;

- (b) it is difficult for purchasers of Units to monitor compliance with Take-over Bid Requirements because the number of outstanding Units is always in flux as a result of the ongoing issuance and redemption of Units by the Affected iUnits Funds; and
 - (c) the way in which Units are, or will be, priced deters anyone from either seeking to acquire control, or offering to pay a control premium, for outstanding Units because Unit pricing is dependent upon, and generally represents a prescribed percentage of, the level of the relevant index (in the case of XSP and XIN under their proposed investment objectives, hedged to the Canadian dollar).
25. The application of the Take-over Bid Requirements to the Affected iUnits Funds can have an adverse impact upon Unit liquidity because they can cause both the Designated Broker and hedgers to cease trading Units once prescribed take-over bid thresholds are reached and this, in turn, can serve to provide conventional mutual funds with a competitive advantage over the Affected iUnits Funds.

Decision

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

The decision of the Decision Makers under the Legislation is that: (i) the Existing Decisions are revoked and replaced as of, and from, the date of this decision and (ii) the purchase of Units by a person or company (a "Unit Purchaser") in the normal course through the facilities of the TSX is exempt from the Take-over Bid Requirements for so long as the Affected iUnits Funds remain ETFs provided that, prior to making any take-over bid for Units that is not otherwise exempt from the Take-over Bid Requirements, the Unit Purchaser, and any person or company acting jointly or in concert with the Unit Purchaser (a "Concert Party"), provide Barclays, as trustee and manager of the Affected iUnits Funds, with an undertaking not to exercise any votes attached to the Units held by the Unit Purchaser and any Concert Party which represent more than 20% of the votes attached to all outstanding Units.

"Paul Moore"
Vice Chair
Ontario Securities Commission

"David Knight"
Commissioner
Ontario Securities Commission

SCHEDULE A**Changes to Investment Objectives and Strategies**

Barclays Canada proposes to change the investment objectives and strategies of the Affected iUnits Funds as follows:

iUnits Fund	Current Investment Objective and Strategy	Proposed Investment Objective and Strategy
XIC	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P/TSX 60 Capped Index through investments in the constituent issuers of such Index.	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P/TSX Capped Composite Index (the " Capped Composite Index "). To achieve this objective, XIC invests in the constituent issuers of the Capped Composite Index. S&P has publicly announced that it intends to add income trusts to the S&P/TSX Composite Index (the Capped Composite Index comprises the constituent issuers of the S&P/TSX Composite Index) starting in December 2005. S&P introduced a provisional S&P/TSX Composite Index, which included income trusts at their full weight, at the September 2005 rebalancing of the S&P/TSX Composite Index. If S&P continues with its currently published intention to add income trusts to the S&P/TSX Composite Index starting in December 2005, the new investment objective will allow XIC to invest in the constituent issuers of the provisional index until income trusts are included at full weight in the Capped Composite Index, at which time XIC will invest in the constituent issuers (including income trusts) of the Capped Composite Index.
XGV	To replicate, to the extent possible, the return of a bond issued by the Government of Canada with a five-year term to maturity. To achieve this objective, XGV invests in the Government of Canada bond selected by Barclays Canada from time to time that has a term to maturity that closely matches the benchmark bond maturity (a " 5-Year Benchmark Bond " or " Benchmark Bond "). XGV may hold bond futures contracts in order to provide market exposure for cash held by XGV.	To provide income by replicating, to the extent possible, the performance of the Scotia Capital Short Term Bond Index (the " SC Short Bond Index "). To achieve this objective, XGV invests in a regularly rebalanced portfolio of bonds, selected by Barclays Canada from time to time, that closely matches the characteristics of the SC Short Bond Index. XGV may invest in bond futures contracts in order to provide market exposure for cash held by XGV and may also hold money market instruments or cash to meet its current obligations.
XSP	To provide long term capital growth by replicating, to the extent possible, the performance of the S&P 500 Index. To achieve this objective, XSP invests primarily in exchange traded futures contracts based on the S&P 500 Index as well as high quality short term money market instruments. XSP will also use forward and futures contracts to match the currency exposure of the S&P 500 Index. XSP may also invest in the underlying securities of the S&P 500 Index, index participation units (including securities of certain iShares funds managed by an affiliate of Barclays Canada), trust units and other similar instruments.	To provide long-term capital growth by replicating, to the extent possible, the performance of the S&P 500 Hedged to Canadian Dollars Index, net of expenses. To achieve this objective, XSP invests primarily in iShares funds that track the S&P 500 Index and hedges any resulting currency exposure back to Canadian dollars. iShares funds are U.S.-based exchange traded funds managed by an affiliate of Barclays Canada. XSP will hedge its exposure to foreign currency by entering into currency forward contracts with financial institutions that have an "approved credit rating" as defined in NI 81-102.

iUnits Fund	Current Investment Objective and Strategy	Proposed Investment Objective and Strategy
XIN	To provide long term capital growth by replicating, to the extent possible, the performance of the MSCI EAFE® Index. To achieve its objective, XIN invests primarily in exchange traded futures contracts based on the stock market indices in countries that are included in the EAFE Index as well as high quality short term money market instruments. XIN will also use forward and futures contracts to match the currency exposure of the EAFE Index. XIN may also invest in the underlying securities of the stock market indices in countries that are included in the EAFE Index, index participation units (including securities of certain iShares funds managed by an affiliate of Barclays Canada), trust units and other similar instruments.	To provide long-term capital growth by replicating, to the extent possible, the performance of the MSCI EAFE 100% Hedged to CAD Dollars Index, net of expenses. To achieve this objective, XIN invests primarily in iShares funds that track the EAFE Index and hedges any resulting currency exposure back to Canadian dollars. XIN will hedge its exposure to foreign currency by entering into currency forward contracts with financial institutions that have an “approved credit rating” as defined in NI 81-102.

Changes to Declarations of Trust

In connection with the changes to the iUnits Funds’ investment objectives, Barclays Canada is seeking approval to make certain related amendments to the iUnits Funds’ Declarations of Trust including, without limitation, to reflect the following: (i) in the case of all iUnits Funds, changes in investment objectives, strategies and names; (ii) in the case of XGV, XSP and XIN, changes in subscription, exchange and redemption features; and (iii) in the case of XGV, changes in the valuation of securities held by XGV for the purpose of calculating the net asset value of XGV and contingencies in the event of a discontinuance of the SC Short Bond Index.

Proposed Name Changes

If the Proposed Changes are approved at the Meetings and implemented, Barclays Canada intends to change the English names of the Affected iUnits Funds as follows:

Old Name of iUnits Fund	New Name of iUnits Fund
iUnits S&P/TSX 60 Capped Index Fund	iUnits Composite Cdn Eq Capped Index Fund
iUnits Government of Canada 5-Year Bond Fund	iUnits Short Bond Index Fund
iUnits S&P 500 Index RSP Fund	iUnits S&P 500 C\$ Index Fund
iUnits MSCI® International Equity Index RSP Fund	iUnits International Equity C\$ Index Fund

In connection with the change in name and investment objective of XGV, its ticker symbol on the TSX will be changed to “**XSB**”.

2.1.20 Credit Suisse (UK) Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Filer granted an order exempting it from the dealer registration and prospectus requirements with respect to certain deposit-taking activities to be conducted by the Filer in Canada.

Statutes Cited

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

November 21, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK,
PRINCE EDWARD ISLAND, 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
CREDIT SUISSE (UK) LIMITED
(the Filer)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption (the Requested Relief) from the dealer registration and prospectus requirements (the Registration and Prospectus Requirements) of the Legislation with respect to certain deposit-taking activities to be conducted by the Filer in Canada.

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 limited liability corporation incorporated under the laws of the United Kingdom. Its head office is located in London, United Kingdom. It is a wholly-owned subsidiary of the Credit Suisse Group (Credit Suisse) and it is regulated as a bank by the United Kingdom Financial Services Authority (the FSA).
2. The Filer does not currently provide any services in any province or territory of Canada but it proposes to offer deposits to Canadian residents as part of the financial products and services that are to be offered to Canadian residents by affiliates of the Filer (Filer Affiliates).
3. The investment products that a Filer Affiliate may offer to Canadian residents from time to time include, but are not limited to, the following (the Investment Products):
 - (a) single manager and fund-of-fund hedge funds;
 - (b) certificates or notes that are fully linked to an index or other underlying interest;
 - (c) principal protected notes that have an interest rate component that is linked to an index or other underlying interest; and
 - (d) ISDA documented over-the-counter derivative contracts such as swaps and forward contracts.
4. The Investment Products will be offered for sale and sold in reliance upon exemptions from registration and prospectus requirements.
5. Any investor who wishes to acquire Investment Products from a Filer Affiliate will be required to establish a deposit account with the Filer for trade settlement purposes and to satisfy FSA client identification and anti-money laundering requirements.
6. Deposits with the Filer will be “securities” under the Legislation because the Filer is neither a Schedule I nor a Schedule II bank.
7. The offering of deposits by the Filer would constitute a “distribution” within the meaning of the Legislation. As such, the Filer would be required

- to conduct the offering and sale of deposits in accordance with the Registration and Prospectus Requirements.
8. It is commercially impractical for the Filer to qualify the offering and sale of deposits pursuant to a prospectus or to sell its deposits through registered dealers.
 9. The issuance of deposits by the Filer to Canadian residents will not contravene any federal or provincial deposit-taking legislation or any provisions of the Bank Act.
 10. The Filer is regulated as a bank by the FSA. The Filer has been authorized and regulated by the FSA to conduct deposit-taking activities in the United Kingdom since August 6, 2002.
 11. Deposits of the Filer that are purchased by residents of Canada will be subject to the same regulation and oversight by the FSA as deposits of the Filer that are purchased by residents of the UK.
 12. The Filer will comply with FSA supervision and record-keeping requirements to ensure that the Filer maintains adequate books and records, including accounting records, in respect of all aspects of the Filer's business including any off-balance sheet or agency/arranger business.
 13. The Filer will comply with the FSA's capital adequacy and large exposure requirements, including the requirement to maintain capital resources which are commensurate with the nature and scale of business and with the risks that are inherent in the business, which shall not be less than € 5 million.
 14. The Filer will report quarterly to the FSA any exposures in excess of its Large Exposure Capital Base (LECB). Any potential exposure greater than 25% of LECB must be preauthorized by the FSA.
 15. The Filer will prepare and file with the FSA prescribed consolidated capital adequacy information on a semi-annual basis and annual audited financial statements within 3 months of its financial year end.
 16. The UK has, through the FSA, established a scheme (the Deposit Protection Scheme) for compensating customers of insolvent authorized banks. The Deposit Protection Scheme provides compensation to the customers of a bank that is authorized to accept deposits by the FSA if and when the bank becomes insolvent. In order to qualify for such compensation, a customer must meet Financial Services Compensation Scheme Limited eligibility requirements which generally require the customer to be a private individual or a

prescribed form of small business. An eligible customer is entitled to full compensation for the first £ 2000 on deposit with an insolvent authorized bank and compensation equal to 90% of the next £ 33,000 on deposit for a maximum compensation amount that is equal to £ 31,700.

17. Deposits purchased by residents of Canada will remain throughout the term of such deposits fully entitled to the benefits of the Deposit Protection Scheme as if such deposits had been made by residents of the UK.
18. The Filer is therefore subject to a comprehensive scheme of regulation and supervision that is substantially similar to regulatory requirements governing Schedule I and Schedule II banks pursuant to the Bank Act and the supervisory responsibilities of The Office of the Superintendent of Financial Institutions.

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 the Decision has been met.

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

- (a) the Filer remains regulated as a bank in the United Kingdom;
- (b) deposits issued by the Filer are entitled to the benefits of the Deposit Protection Scheme whether or not the holders thereof are residents of the UK; and
- (c) details of the Deposit Protection Scheme are disclosed to each holder of a deposit before any deposits are issued to the holder by the Filer.

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

2.1.21 ClaringtonFunds Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – approval of the change of control of a mutual fund manager.

Rules Cited

National Instrument 81-102 Mutual Funds, ss. 5.5(2), 5.7(1).

December 21, 2005

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

AND

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

AND

**IN THE MATTER OF
CLARINGTONFUNDS INC. (THE “FILER”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) to approve the indirect change of control of the Filer, the manager of the Clarington Funds and the Clarington Target Click Funds listed in Appendix “A” (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. The following additional terms shall have the following meanings:

“**Bid**” means the take-over bid for all of the common shares of CC on a fully-diluted basis made by Industrial Alliance;

“**CC**” means Clarington Corporation;

“**CFI**” means ClaringtonFunds Inc., a wholly-owned subsidiary of CC;

“**Funds**” means the Clarington Funds and the Clarington Target Click Funds, as set out in Appendix “A”;

“**IAFM**” means Industrial Alliance Fund Management Inc., an affiliate of Industrial Alliance;

“**IAIM**” means Industrial Alliance Investment Management Inc., a wholly-owned subsidiary of Industrial Alliance; and

“**Industrial Alliance**” means Industrial Alliance Insurance and Financial Services Inc.

Representations

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

1. Under the Bid, Industrial Alliance has offered to acquire all of the outstanding shares of CC. The completion of the Bid is subject to the satisfaction of conditions customary for take-over bids of this nature, including the obtaining of all regulatory approvals.
2. CFI is a corporation incorporated under the laws of the Province of Ontario. It acts as the trustee and the manager of the Funds that are mutual fund trusts and as the manager of the Funds that are classes of shares of mutual fund corporations. CFI is registered as a mutual fund dealer and as a limited market dealer under the *Securities Act* (Ontario). CFI is not a member of the Mutual Fund Dealers Association of Canada. As at October 31, 2005, CFI had assets under management of approximately \$4.1 billion. Securities of the Funds are sold in all of the Jurisdictions through registered dealers. CC owns all of the issued and outstanding shares of CFI.
3. The Funds consist of the 22 Clarington Funds and the four Clarington Target Click Funds. The Funds are reporting issuers (where such status exists) in each of the Jurisdictions and are not in default of any of the requirements of the Jurisdictions. Securities of the Clarington Funds are qualified for distribution in all of the Jurisdictions by an amended and restated simplified prospectus and annual information form each dated August 26, 2005, as further amended.

- Units of the Clarington Target Click Funds are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated June 28, 2005.
4. Established in 1892, Industrial Alliance is a capital stock life insurance company that is incorporated, organized and validly existing under the *Companies Act* (Québec). Industrial Alliance's head office is located at 1080 Saint-Louis Road, Québec City, Québec. In addition to the *Companies Act* (Québec), Industrial Alliance is governed by the *Act respecting insurance* (Québec) and the *Act respecting Industrial-Alliance Life Insurance Company* (Québec).
 5. Industrial Alliance is a reporting issuer in all of the provinces of Canada and is not on any list of defaulting issuers maintained in any Jurisdiction.
 6. Industrial Alliance's common shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol IAG.
 7. The *Act respecting Industrial-Alliance Life Insurance Company* (Québec) prohibits the direct or indirect acquisition by any person of 10% or more of the outstanding voting shares of Industrial Alliance. To the best of the knowledge of the directors and officers of Industrial Alliance, no individual or corporation beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding voting shares of Industrial Alliance.
 8. Industrial Alliance is a leading financial institution in Canada and an industry leader in the insurance and financial services sectors. Operating its insurance and wealth management activities across Canada, Industrial Alliance is the fifth largest life and health insurance company in Canada. The Industrial Alliance group of companies insures more than 1.7 million Canadians, employs more than 2,600 people and manages or administers more than \$32.4 billion in assets, including managing over \$7.0 billion in segregated funds and over \$1.2 billion in mutual funds. Industrial Alliance distributes its wealth management products and services through both a dedicated sales force of approximately 1,400 representatives and a broad network of independent representatives, including those employed with leading mutual fund and securities firms within the Industrial Alliance group of companies. Industrial Alliance is one of the 100 largest public companies in Canada.
 9. Among other things, Industrial Alliance manufactures its own segregated funds and is among the largest promoters, manufacturers and distributors of segregated funds in Canada.
 10. Industrial Alliance owns all of the voting shares of IAFM, which is the trustee and the manager of 19 mutual funds known as the IA Funds and the R Funds and five fund-of-fund mutual funds known as the Distinction Portfolios. Units of the IA Funds and the R Funds are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated August 26, 2005. Units of the Distinction Portfolios are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated October 7, 2005.
 11. IAIM, a wholly-owned subsidiary of Industrial Alliance, is registered as an adviser in the categories of investment counsel and portfolio manager in Ontario, Québec and British Columbia. IAIM acts as portfolio adviser to 14 of the IA Funds and the R Funds and to the five Distinction Portfolios.
 12. Industrial Alliance also owns or controls several registrants that are also members of either the Mutual Fund Dealers Association of Canada or the Investment Dealers Association of Canada.
 13. By virtue of their roles as directors and/or officers of Industrial Alliance and/or its affiliates, the proposed new directors and officers of CFI have demonstrated that they have the necessary education, experience, integrity and competence to be directors and/or officers of CFI.
 14. Notice of the change in control was mailed to securityholders of the Funds on November 24, 2005. In the near term, the operation and administration of the Funds will not be materially affected by the change of control of CFI because, following the successful completion of the Bid: (i) CFI will continue to act as the trustee and/or manager of the Funds, although its operations may be merged with IAFM's operations; (ii) the investment objectives and strategies and the portfolio advisers of each of the Funds will remain the same for a minimum of 60 days following the change of control of CFI and any change to an investment objective of a Fund will be subject to securityholder approval; (iii) except for the position of President and Chief Operating Officer that will be assumed by an officer of IAFM, the officers of CFI will remain the same; (iv) the persons responsible for the administration of the Funds will continue in such capacities; (v) CFI will continue to provide wholesale and client service support for the Funds; and (vi) the management fees and operating expenses of the Funds will not be increased.

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.

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

Appendix "A"

List of Funds

Clarington Funds

Clarington Core Portfolio (formerly Clarington Canadian Core Portfolio)
Clarington Canadian Bond Fund
Clarington Money Market Fund
Clarington Short-Term Income Class*
Clarington Canadian Dividend Fund
Clarington Canadian Income Fund
Clarington Canadian Income Fund II
Clarington Diversified Income Fund
Clarington Global Income Fund
Clarington Income Trust Fund
Clarington U.S. Dividend Fund
Clarington Canadian Balanced Fund
Clarington Canadian Equity Class*
Clarington Canadian Equity Fund
Clarington Canadian Growth & Income Fund
Clarington Canadian Resources Class**
Clarington Canadian Small Cap Fund
Clarington Canadian Value Fund
Clarington Navellier U.S. All Cap Fund
Clarington Global Equity Class*
Clarington Global Equity Fund
Clarington Global Small Cap Fund

Clarington Target Click Funds

Clarington Target Click 2010 Fund
Clarington Target Click 2015 Fund
Clarington Target Click 2020 Fund
Clarington Target Click 2025 Fund

* each a class of shares of Clarington Sector Fund Inc.

** a class of shares of Clarington Canadian Resources Inc.

2.1.22 Resolute Growth Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the mutual fund conflict of interest provisions which prohibit certain related mutual funds from engaging in inter-fund trading, so as to permit a mutual fund to sell portfolio securities to another fund under common management in circumstances where the sale of portfolio securities arises upon a redemption of units of the first fund by a unitholder and a subscription for units of the second fund by that unitholder.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990 c. S.5, as am., ss. 118(2), 121.

Rules Cited

National Instrument 45-106 Prospectus and Registration Exemptions.

National Instrument 81-102 Mutual Funds.

December 29, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND BRITISH COLUMBIA**

AND

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

AND

**IN THE MATTER OF
RESOLUTE GROWTH FUND**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority (the “Decision Maker”) in each of the provinces of Ontario and British Columbia (the “Jurisdictions”) has received an application (the “Application”) from Resolute Funds Limited (the “Filer”) for a decision under the securities legislation of the Jurisdictions (the “Legislation”) that the mutual fund conflict of interest provisions of the Legislation not apply to the Resolute Growth Fund (the “Growth Fund”), such that the Growth Fund be permitted to sell portfolio securities directly to the Resolute Performance Fund (the “Performance Fund”).

Under the Mutual Reliance Review System for Exemptive Relief Applications,

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

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

Interpretation

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

Representations

This decision is based upon the following facts represented to the Decision Makers by the Filer:

1. The Filer is the manager and portfolio adviser of the Growth Fund within the meaning of such terms in National Instrument 81-102 *Mutual Funds* (“NI 81-102”).
2. The Growth Fund is a mutual fund as defined in the Legislation and is a reporting issuer in the provinces of Ontario, British Columbia and Alberta.
3. The Filer is registered as an adviser in the categories of investment counsel and portfolio manager under the *Securities Act* (Ontario).
4. The Filer is also the manager and portfolio adviser of the Performance Fund, a mutual fund as defined in the Legislation the units of which are offered by way of private placement pursuant to the provisions of section 2.10 of National Instrument 45-106 Prospectus and Registration Exemptions in Ontario and certain other provinces of Canada.
5. The Filer expects to provide unitholders of the Growth Fund with 60 days notice of its intention to terminate the Growth Fund, and has so advised unitholders of the Growth Fund. Upon notice of termination being sent to unitholders, all deferred sales charge fees will be waived by the Filer for all unitholders of the Growth Fund, both those who chose to redeem prior to the termination date and those whose units are redeemed on the termination date.
6. Many unitholders of the Growth Fund whose investment in the Growth Fund is valued at an amount greater than \$150,000 have told the Filer that they will seek to become unitholders in the Performance Fund if the Growth Fund is to be wound up.
7. It is anticipated by the Filer that many of such unitholders of the Growth Fund will not wait for the formal termination of the Growth Fund, but will redeem their units in the Growth Fund and subscribe for units of the Performance Fund.
8. The Growth Fund is already experiencing a very high level of redemptions, most of the proceeds of

- which are being used to purchase units of the Performance Fund.
9. Because most of the stocks held by the Performance Fund, and most of the stocks which the Filer currently wishes the Performance Fund to acquire with any new cash subscriptions, are the stocks now in the Growth Fund, this would require the Filer to sell stocks in the Growth Fund, for the cash proceeds from such sales to be contributed to the Performance Fund by the investor, and for the Filer to then buy the same stocks back for the Performance Fund with such cash.
10. In particular, the Growth Fund currently has only 10 stocks, several of which are small capitalization companies that are thinly traded, while the Performance Fund currently has a portfolio of these 10 stocks and three other small stocks, and as money moves out of the Growth Fund and into the Performance Fund, it is the Filer's current intention to acquire for the Performance Fund most or all of the same stocks that it would be liquidating in the Growth Fund.
11. If the Filer were to sell certain of these thinly traded stocks within the three day time period required under NI 81-102 into the market, the effect on the price of the stocks could be highly detrimental to investors in the Growth Fund, and to other holders of those securities.
- (d) trades will not be made on the TSX on any day if there are no reported transactions on that day, or if the closing sale price on the day is outside of the closing bid and closing ask price on the TSX;
- (e) the securities of the one issuer held by the Growth Fund that are listed on the TSX Venture Exchange ("TSX-V") will be executed during a trading day at a price equal to the most recent sale price of such security on the TSX-V on that day or, if such most recent sale price is then outside of the closing bid and closing ask price of such security on the TSX-V, the price will be the average of the highest current bid and lowest current ask price for the securities as displayed on the TSX-V;
- (f) the transaction will be subject to and conducted in accordance with any applicable requirements of the TSX and the Investment Dealers Association of Canada; and
- (g) the Funds will each keep written records of each transaction, including a record of each purchase (in the case of the Performance Fund) and sale (in the case of the Growth Fund) of securities made with the other Fund and the terms of the purchase or sale for a period of five years after the end of the fiscal year in which the trade occurs at the offices of the Filer.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met. The Decision under the Legislation is that the Decision Makers hereby exempt the Growth Fund from the mutual fund conflict of interest provisions in the Legislation such that the Growth Fund shall be permitted to sell its portfolio securities directly to the Performance Fund, provided that:

- (a) only securities of the Growth Fund for which a bid and ask price are readily available will be the subject of a cross-trade;
- (b) the only cost for the trade will be the normal brokerage costs incurred by the Growth Fund and the Performance Fund (the "Funds") to execute a cross trade through a registered broker;
- (c) all securities of the Growth Fund which are the subject of a cross trade that are listed on the Toronto Stock Exchange ("TSX") will be executed at the current market price of the security, which will be the closing sale price on the day of the transaction as reported on the TSX;

"S. Wolburgh Jenah"
Vice Chair
Ontario Securities Commission

"W. David Wilson"
Chair
Ontario Securities Commission

2.1.23 Shire Pharmaceuticals Group plc - s. 83

Le Chef du Service du financement des sociétés,

Headnote

“Benoit Dionne”

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

L’Autorite des marchés financiers

Ontario Statutes

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

Montréal, January 10th, 2006

Stikeman Elliott, LLP.

1155 René-Lévesque Blvd. West
40th Floor
Montréal, Québec
H3B 3V2

Attention: Mrs. Sophie Lamonde

Dear Madam,

Re: Shire Pharmaceuticals Group plc (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Ontario, Québec and Nova Scotia (the “Jurisdictions”)

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

As the Applicant has represented to the Decision Makers that:

1. the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
2. no securities of the Applicant are traded on a marketplace as defined in Regulation entitled 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 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.

2.2. Orders

2.2.1 PanGeo Pharma Inc. - s. 144

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

AND

IN THE MATTER OF
PANGEO PHARMA INC.

ORDER
(Section 144)

WHEREAS the securities of PanGeo Pharma Inc. (the Applicant) are subject to a temporary cease trade order made by the Director dated June 24, 2005 made under subsections 127(1) and 127(5) of the Act and a further cease trade order made by the Director dated July 4, 2005, made under subsection 127(8) of the Act directing that trading in the securities of the Applicant cease unless revoked by a further order of revocation (collectively, the Cease Trade Order);

AND WHEREAS the Applicant has applied to the Commission pursuant to section 144 of the Act (the **Application**) for an order to vary the Cease Trade Order with respect to: (i) the Stock Consolidation; and (ii) the Private Placement (each, as defined below).

AND WHEREAS the Applicant has represented to the Commission that:

The Applicant was formed on August 17, 1987 under the *Companies Act* (British Columbia). On September 12, 2000, the Applicant was continued as a federal company under the *Canada Business Corporations Act* (**CBCA**).

The Applicant is a reporting issuer under the securities legislation (the **Legislation**) of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

The authorized share capital of the Applicant consists of an unlimited number of common shares with no par value, of which 76,410,938 common shares were issued and outstanding.

The Order was issued as a result of the Applicant's failure to file its annual financial statements for the year ended January 31, 2003. Subsequently, the Applicant failed to file its audited financial statements for the years ended January 31, 2004 and 2005 and all interim financial statements since January 31, 2003.

The Applicant is also subject to cease trade orders issued by the British Columbia Securities

Commission dated July 10, 2003, the Autorité des Marchés Financiers dated June 23, 2003 and the Manitoba Securities Commission dated June 25, 2003 for failure to file its annual financial statements for the year ended January 31, 2003. The Applicant has concurrently applied for a partial revocation of these cease trade orders. The Applicant is not aware of any cease trade orders issued in the jurisdictions of Alberta, Saskatchewan, New Brunswick, Nova Scotia, Prince Edward Island, or Newfoundland and Labrador.

On July 10, 2003, the Applicant filed a petition under the *Canadian Creditors Arrangement Act* (**CCAA**) and on October 21, 2003, the creditors of the Applicant approved a Plan of Arrangement whereby all the assets of the Applicant would be liquidated and the proceeds distributed to creditors. The monitor of the Applicant's CCAA proceedings, Ernst & Young (**E&Y**), informed the Applicant that all assets were liquidated by the end of 2003 and one cash distribution to the unsecured creditors was remaining and should be completed within 90 days. Upon the final cash distribution to unsecured creditors, E&Y will be discharged as monitor and the CCAA proceedings will be terminated. E&Y has not objected to any of the actions to be undertaken by the Applicant pursuant to the partial revocation order.

An extraordinary general meeting of the shareholders of the Applicant was held on September 29, 2005. The Applicant shareholders were asked to approve, among other items, the election of N. Ross Wilmot, CA, as director, approve a stock consolidation on a basis of one new share for every twenty-five old share (the **Stock Consolidation**) and a change of name from "PanGeo Pharma Inc." to "Silvio Ventures Inc." These resolutions were passed by the shareholders of the Applicant. At the meeting, the Applicant accepted nominations from the floor for the election of two additional directors to satisfy minimum CBCA requirements. Kurt Lahey, CGA, and Brian Cheston were nominated and elected directors by the shareholders. The three elected directors are all British Columbia residents.

On November 12, 2004, the TSX Inc. (**TSX**) suspended trading of the shares of the Applicant for failure to meet certain continuous listing requirements of the TSX. On November 28, 2005, the Applicant's shares were accepted for listing on the NEX board of the TSX venture Exchange and delisted from the TSX. The NEX board accepts companies previously listed on the TSX which have failed to maintain compliance with the ongoing financial listing standards of the exchange. The NEX board allows "inactive" companies to maintain a listing while they complete their reorganizations. In order to qualify for the NEX board, the Applicant must, among

other conditions, be a reporting issue in good standing with all relevant securities regulatory authorities and under corporate law. Due to the Cease Trade Orders, the Applicant's shares will remain suspended on the NEX board. The Applicant's common shares are not listed or quoted on any other exchange or market in Canada or elsewhere.

To bring its continuous disclosure records up to date, the Applicant proposes to file on SEDAR its audited financial statements for the fiscal years ended January 31, 2004 and 2005, and its interim financial statements commencing April 30, 2005 to date (collectively, the **Financial Statements**). The Applicant is awaiting the completion of the audited and interim financial statements and they will be filed on SEDAR when completed.

In conjunction with the forgoing, the Applicant wishes to proceed with the proposed the Stock Consolidation and to change the name of the company to "Silvio Ventures Inc.", subject to regulatory approval. Following the Stock Consolidation, the Applicant will have approximately 3,056,000 common shares issued and outstanding

The Applicant is proposing to complete a private placement of equity securities to raise gross proceeds of \$150,000 (the **Private Placement**) by issuing 3,000,000 post-consolidated common shares at a price per share of \$0.05, subject to regulatory approvals. The proposed number of shares outstanding following the Private Placement will be approximately 6,056,000.

The Applicant proposes to use the proceeds from the Private Placement as follows:

- (a) completion of the audit and filing of the Financial Statements
- (b) issuance of the Stock Consolidation,
- (c) shareholder meetings,
- (d) the name change,
- (e) cost of legal and accounting professionals, and
- (f) for general working capital.

The Applicant cannot complete the issuance of the Stock Consolidation and Private Placement because of the Cease Trade Order.

The Private Placement is to be completed in compliance with all applicable policies of the NEX board of the TSX Venture Exchange and applicable securities legislation.

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Cease Trade Order be varied solely to permit:

- (a) the Stock Consolidation, as described in representation 7 of this Order, and
- (b) the issuance of the Private Placement shares, as described in representations 11, 12, 14 and 15 of this Order, provided that, prior to the completion of the Private Placement, each potential investor in securities of the Applicant will:
 - (i) receive a copy of the Cease Trade Order;
 - (ii) receive a copy of this Order; and
 - (iii) receive written notice from the Applicant and acknowledge that all of the Applicant's securities, including any common shares issued under the Private Placement, will remain subject to the Cease Trade Order until it is revoked by the Commission.

DATED at Toronto, this 21st day of December, 2005.

"John Hughes"
Manager, Corporate Finance

2.2.2 Centerfire Growth Fund Inc. - ss. 4.2 and 9.2 of NI 81-106 Investment Fund Continuous Disclosure

Headnote

Labour sponsored investment fund exempt from requirements to prepare and file annual information form and management report of fund performance for one financial year end as fund intends to sell substantially all of its assets to another fund.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.2, 9.2.

December 23, 2005

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE**

AND

**IN THE MATTER OF
CENTERFIRE GROWTH FUND INC.
(the Fund)**

ORDER

Background

The Ontario Securities Commission (the Commission) has received an application from the Fund for a decision pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) exempting the Fund from:

- (a) the requirement to prepare an annual information form (an AIF) as required by section 9.2 of NI 81-106 with respect to the fiscal period ended August 31, 2005; and
- (b) the requirement to prepare a management report of fund performance (an MRFP) as required by section 4.2 of NI 81-106 with respect to the fiscal period ended August 31, 2005.

Representations

This Order is based on the following facts represented by the Fund:

1. The Fund is a corporation incorporated under the *Canada Business Corporations Act*, is registered as a labour sponsored investment fund under the *Community Small Business Investment Funds Act* (Ontario) and is a reporting issuer in Ontario. The Fund is not in default of any requirement of Ontario's securities laws.

2. Lawrence Asset Management Inc. (LAMI) is the manager and investment adviser of the Fund.
3. Shares of the Fund are currently not qualified for sale to the public by means of a prospectus.
4. The financial year-end of the Fund is August 31st.
5. In accordance with the requirements of NI 81-106, the Fund is required to file its AIF for the fiscal period ended August 31, 2005 on or before December 29, 2005 (the Filing Date).
6. In accordance with the requirements of NI 81-106, the Fund is required to file its MRFP for the fiscal period ended August 31, 2005 and to deliver a copy to its shareholders on or before the Filing Date.
7. The Fund has been contemplating and intends to sell substantially all of its assets to Lawrence Enterprise Fund Inc. (LEFI) (the Transaction) in the near future. LAMI is also the manager and investment adviser of LEFI. The financial year-end of LEFI is also August 31st.
8. The Fund will deliver its audited annual financial statements for the fiscal period ended August 31, 2005, together with a cover letter describing the Transaction, to its shareholders on or before the Filing Date.

Order

The Commission is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Fund is exempt from the requirement to prepare and file a copy of its AIF and MRFP with respect to its fiscal period ended August 31, 2005 and, to the extent required, to deliver a copy of such documents to its shareholders, provided that:

- (a) the Fund delivers its audited annual financial statements for the fiscal period ended August 31, 2005, together with a cover letter describing the Transaction, to its shareholders on or before the Filing Date; and
- (b) a meeting of the Fund's shareholders for the purposes of approving the Transaction is held on or before February 28, 2006.

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

2.2.3 BMO Harris Investment Management Inc. - s. 147

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Registered dealer exempted from the requirements of section 36 of the Act, subject to certain conditions, to send trade confirmations for trades that the dealer executes on behalf of client where: client's account is fully managed by the dealer; account fees paid by the client are based on the amount of assets, and not the trading activity in the account; trades in the account are only made on the client's adviser's instructions; the client agreed in writing that confirmation statements will not be delivered to them; confirmations are provided to the client's adviser; and, the client is sent monthly statements that include the confirmation information.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 36, 147.

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

AND

**IN THE MATTER OF
BMO HARRIS INVESTMENT MANAGEMENT INC.**

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

WHEREAS the Ontario Securities Commission (the **OSC**) has received an application from BMO Harris Investment Management Inc. (the **Filer**) for an order pursuant to section 147 of the Act exempting the Filer from the requirement in section 36 of the Act that a registered dealer send to its clients a written confirmation of any trade in securities for transactions that the Filer conducts on behalf of its Clients with respect to transactions under the Filer's managed accounts programs (the **Programs**) (the **Confirmation Relief**).

AND WHEREAS the Filer has represented to the OSC that:

1. the Filer is a corporation incorporated under the federal laws of Canada with its head office located in Toronto, Ontario. The Filer is an indirect, majority-owned subsidiary of Bank of Montreal;
2. the Filer is registered under the Act as a limited market dealer and as an adviser in the categories of investment counsel and portfolio manager;
3. the Filer offers to its Clients, from time to time, Programs that consist of accounts that will be managed by a Sub-Adviser that has entered into a sub-advisory agreement with the Filer whereby the Filer has given that Sub-Adviser discretionary

authority to manage all or a portion of a Client's account;

4. to participate in the Filer's Programs, the Client:
 - (a) enters into a written agreement (the **Managed Account Agreement**) with the Filer establishing an account and setting out the terms and conditions and the respective rights, duties and obligations of the Client and the Filer; and
 - (b) with the assistance of the Filer, completes an investment policy statement that outlines the Client's investment objectives and level of risk tolerance;
5. under the Managed Account Agreement:
 - (a) the Client grants full discretionary trading authority to the Filer and the Filer is authorized to make investment decisions and to trade in securities on behalf of the Client's account without obtaining the specific consent of the Client to individual trades, provided such investment decisions and trades are made in accordance with the Client's investment policy statement referred to in paragraph 4(b) hereof;
 - (b) the Client participating in a Program authorizes the Filer to contract with Sub-Advisers to give the Sub-Advisers discretionary authority to manage all or a portion of the Client's account;
 - (c) the Client agrees to pay a fee calculated on the basis of the assets in the Client's account, which will be payable monthly or quarterly in arrears and will not be based on transactions effected in the Client's account; and
 - (d) unless otherwise requested, the Client waives receipt of trade confirmations as required under the Act;
6. in retaining the Sub-Advisers in respect of the Programs, the Filer complies with the requirements of section 7.3 of OSC Rule 35-502 *Non-Resident Advisers* and accordingly the Filer
 - (a) will agree under each Managed Account Agreement to be responsible for any loss that arises out of the failure of each Sub-Adviser:
 - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Filer and

the Client(s) for whose benefit the investment counseling or portfolio management services are to be provided, or

Client's accounts under the Programs; and

(ii) to exercise the degree of care, diligence or skill that a reasonably prudent person would exercise in the circumstances,

(b) in the case of each trade for an account under the Programs, the Filer sends to the Client the corresponding statement of account that includes the information referred to in paragraph 8.

(b) will not be relieved by the Clients from this responsibility under 6(a) above;

January 17, 2006

"Carol S. Perry"

7. the Filer will send each Client participating in its Programs, who has waived receipt of trade confirmations, a statement of account not less than once a month;

"Robert L. Shirriff"

8. the monthly statement of account will identify the assets being managed on behalf of that Client, including for each trade made during that month the information that the Filer would otherwise have been required to provide to that Client in a trade confirmation in accordance with the Legislation, except for the following information (the Omitted Information):

(a) the day and the stock exchange or commodity futures exchange upon which the trade took place;

(b) the fee or other charge, if any, levied by any securities regulatory authority in connection with the trade;

(c) the name of the salesman, if any, in the transaction;

(d) the name of the dealer, if any, used by the Filer as its agent to effect the trade; and

(e) if acting as agent in a trade upon a stock exchange the name of the person or company from or to or through whom the security was bought or sold; and

9. the Filer will maintain the Omitted Information with respect to a Client in its books and records and will make the Omitted Information available to the Client on request;

AND WHEREAS the OSC is satisfied that it would not be prejudicial to the public interest to make this Order.

IT IS HEREBY ORDERED pursuant to section 147 of the Act that the Confirmation Relief is granted provided that

(a) the Client has previously informed the Filer that the Client does not wish to receive trade confirmations for the

2.2.4 Mineralfield/ Energyfields Multi Series Fund Inc. - ss. 2.1(1) and 19.1 of NI-81-102 Mutual Funds

Headnote

Exemptive relief granted to a mutual fund involved in a rollover transaction with a limited partnership to exceed the concentration restriction for a period of time in order to permit the fund to sell off any holdings exceeding the concentration restriction as soon as commercially reasonable, and in any event no later than 180 days.

Rules Cited

National Instrument 81-102 - Mutual Funds, ss. 2.1(1) and 19.1.

November 30, 2005

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-102 MUTUAL FUNDS
(NI 81-102)**

AND

**IN THE MATTER OF
MINERALFIELD/ ENERGYFIELDS MULTI SERIES FUND
INC.
(the Fund)**

ORDER

BACKGROUND

The Ontario Securities Commission (the Commission) has received an application (the Application) from the Fund pursuant to section 19.1 of NI 81-102 for an exemption from the section 2.1(1) (the Concentration Restriction) of NI 81-102.

REPRESENTATIONS

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

1. The Fund is a corporation incorporated pursuant to articles of incorporation dated September 24, 2004 under the laws of the Province of Ontario. The Fund is a member of the MineralFields group of entities.
2. The Fund is not currently a reporting issuer in any jurisdiction of Canada; however, it has filed a preliminary simplified prospectus and annual information form with the OSC, in order to become a reporting issuer.
3. The Fund has not offered its securities to the public, except to limited partnerships with which it has participated in rollover transactions, as described below. Such securities have only been

offered pursuant to prospectus and registration exemptions.

4. The Fund's simplified prospectus and annual information form does not constitute an offer for the sale of its securities.

The Current Portfolio

5. The Fund accepts on a rollover basis, from limited partnerships in the MineralFields group, assets of such limited partnerships. The Fund enters into an asset transfer agreement with a limited partnership such that the assets of the partnership are transferred to the Fund in exchange for shares of the Fund. The assets of the limited partnerships that are transferred to the Fund consist of cash and an investment portfolio of securities of primarily resource and energy issuers.
 6. On January 15, 2005, the Fund received assets from two non-reporting MineralFields group limited partnerships as part of two rollover transactions.
 7. The limited partnerships from which the Fund accepts a rollover of assets, are not mutual funds and accordingly are not subject to NI 81-102. Therefore, the composition of these assets, as transferred to the Fund on a rollover basis, may not be in compliance with the concentration restrictions set out in subsection 2.1(1) of NI 81-102.
 8. Currently, the Fund is in violation of the concentration restrictions set out in subsection 2.1(1) of NI 81-102 because more than 10% of the net assets of the Fund are invested in the securities of a single issuer. As at November 25, 2005, more than 10% of the net assets of the Fund is invested in three issuers: Alpha Gold Corp. (23.07%), Globex Mining Enterprises Inc (19.90%) and Chapleau Resources Ltd. (12.01%).
 9. The Fund expects the next rollover transaction from a limited partnership to occur at the end of November 2005 (the "Rollover"). It is expected that immediately after the Rollover, more than 10% of the net assets of the Fund will be invested in the following issuers in approximately the following percentages: Band-Ore Resources Ltd. (11.76%) and Trade Winds Ventures Inc. (11.67%).
- The Proposal**
10. The Fund proposes to sell, as soon as is commercially reasonable, and in any event no later than 180 days after the date of the (final) simplified prospectus of the Fund, holdings of securities of those issuers that constitute more than 10% of the net assets of the Fund, such that none of its holdings will at that time constitute more than 10% of the net assets of the Fund.

11. The simplified prospectus of the Fund discloses the Rollover transaction, the Fund's intention to accept future rollover transactions and the relief provided in this order.

ORDER

The regulator of the Ontario Securities Commission orders that the Fund's application for exemption from the concentration restrictions in subsection 2.1(1) of NI 81-102 is granted, provided that the Fund will, as soon as is commercially reasonable, and, in any event, no later than 180 days after the date of the (final) simplified prospectus of the Fund, reduce its current holdings of securities of those issuers that constitute more than 10% of the net assets of the Fund, such that none of its holdings will at that time constitute more than 10% of the net assets of the Fund.

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

2.2.5 Brazilian Resources Inc. - s. 144

Headnote

Section 144 – full revocation of cease trade order upon remedying of defaults.

Statutes Cited

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

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

AND

**IN THE MATTER OF
BRAZILIAN RESOURCES INC.**

**ORDER
(Section 144)**

WHEREAS the securities of Brazilian Resources Inc. ("Brazilian") have been subject to a cease trade order (the "Ontario CTO") of the Ontario Securities Commission (the "Commission") pursuant to paragraph 2 of subsection 127(1) of the Act, issued on December 6, 2005 and extended December 16, 2005, directing that trading in securities of Brazilian cease until the Ontario CTO is revoked by the Director;

AND WHEREAS Brazilian has applied to the Commission pursuant to section 144 of the Act (the "Application") for a revocation of the Ontario CTO;

AND WHEREAS Brazilian has represented to the Commission that:

1. Brazilian was incorporated under the laws of the State of New Hampshire in the United States and is a reporting issuer in the Province of Ontario, British Columbia and Alberta.
2. The Ontario CTO was issued because Brazilian failed to file and deliver unaudited interim financial statements for the third quarter of the fiscal year 2005 ended September 30, 2005 and the management's discussion and analysis relating to such financial statements (collectively, the "Interim Statements").
3. Except for the Ontario CTO, Brazilian is not, to its knowledge, in default of any of the requirements of the Act or the rules and regulations made thereunder.
4. The Interim Statements were not filed in a timely manner with the Commission because of Brazilian's recent acquisition of an interest in a corporation in Brazil,

Prometálica Mineração Ltda. Brazilian sought an audit of the books of that company to assure accuracy before incorporating the figures in Brazilian's financial statements, and the audit was delayed.

5. On January 5, 2006 Brazilian filed the Interim Statements with the Commission by filing them on SEDAR, along with Cdn.\$2,400.00 of associated late fees

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

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

IT IS ORDERED, pursuant to section 144 of the Act, that the Ontario CTO be revoked.

Dated at Toronto this 17th day of January, 2006

"John Hughes"
Corporate Finance
Ontario Securities Commission

2.2.6 Andrew Stuart Netherwood Rankin

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

AND

**IN THE MATTER OF
ANDREW STUART NETHERWOOD RANKIN**

ORDER

WHEREAS on December 20, 2005, the Commission issued a Notice of Hearing pursuant to s.127 and 127.1 of the Act;

AND WHEREAS the first appearance for this matter is scheduled for Thursday, January 19, 2006;

AND WHEREAS Andrew Rankin and Staff consent to an adjournment of the hearing pending the outcome of appeals filed with the Superior Court of Justice in relation to the convictions and sentence of Andrew Rankin;

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

AND WHEREAS by Commission order made November 1, 2005 pursuant to section 3.5(3) of the Act, any one of W. David Wilson, Susan Wolburgh Jenah and Paul M. Moore, acting alone, is authorized to make orders under section 127 of the Act;

IT IS HEREBY ORDERED that the hearing into this matter be adjourned *sine die*.

Dated at Toronto this 18th day of January, 2006

"Susan Wolburgh Jenah"

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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
ACE/Security Laminates Corporation	17 Jan 06	27 Jan 06		
Brazilian Resources Inc.	06 Dec 05	16 Dec 06	16 Dec 06	17 Jan 06
Elite Technical Inc.	05 Jan 06	17 Jan 06	17 Jan 06	
Ialta Industries Ltd.	12 Jan 06	24 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
ACE/Security Laminates Corporation	06 Sep 05	19 Sep 05	19 Sep 06	17 Jan 06	
Allen-Vanguard Corporation	04 Jan 06	17 Jan 06	17 Jan 06		
Brainhunter Inc.	03 Jan 06	16 Jan 06	16 Jan 06		
BFS Entertainment & Multimedia Limited	04 Jan 06	17 Jan 06	17 Jan 06		
Cervus Financial Group Inc.	30 Dec 05	12 Jan 06	12 Jan 06		

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	17 Jan 06	
Allen-Vanguard Corporation	04 Jan 06	17 Jan 06	17 Jan 06		
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
BFS Entertainment & Multimedia Limited	04 Jan 06	17 Jan 06	17 Jan 06		
Brainhunter Inc.	03 Jan 06	16 Jan 06	16 Jan 06		
Cervus Financial Group Inc.	30 Dec 05	12 Jan 06	12 Jan 06		
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Franchise Bancorp Inc.	03 Jan 06	17 Jan 06			
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		

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
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		
South America Gold and Copper Company Limited	10 Jan 06	23 Jan 06			
Straight Forward Marketing Corporation	02 Nov 05	15 Nov 05	15 Nov 05		

Chapter 5

Rules and Policies

5.1.1 OSC Rule 13-502 Fees, Forms and Companion Policy 13-502CP Fees

NOTICE OF REVOCATION AND REPLACEMENT OF OSC RULE 13-502 FEES AND COMPANION POLICY 13-502CP FEES

Introduction

On January 10, 2006 the Commission made OSC Rule 13-502 *Fees* and adopted Companion Policy 13-502CP *Fees* (collectively, the “Proposed Materials”) under the *Securities Act*. The Proposed Materials were published for a 90-day comment period on August 12, 2005 and are intended to replace the rule and policy currently in force under the same number.

Under subsection 143.3 of the Act, the Rule was delivered to the Minister responsible for oversight of the Commission on January 19, 2006. Unless the Minister rejects the Rule or returns it to the Commission for further consideration, it will come into force on April 1, 2006.

Substance and Purpose of the Rule and Policy

The Proposed Materials are consistent with the current rule and policy. That is, the proposed Rule requires registrants, unregistered investment fund managers, and reporting issuers (other than most investment funds) to pay a “participation fee” each year. This fee is designed to reflect a market participant’s proportionate participation in Ontario’s capital markets in the upcoming year.

As with the current rule, the proposed Rule also requires the payment of “activity fees”. These fees are designed to represent our direct cost where Commission staff has undertaken certain activities for market participants (for example, reviewing a prospectus or a registration application).

While the basic principles of the current rule and policy remain, the Proposed Materials include a number of changes that are intended to:

- ensure that the fees charged are approximately equal to our costs of providing services,
- improve the “readability” and “user-friendliness” of the current rule and policy by employing plain language principles,
- simplify the activity fee schedule, and
- address a number of concerns and comments raised by stakeholders.

The proposed Rule also returns the surplus collected from market participants between April 2003 and March 2006 in the form of reduced participation fees.

Since the end of the comment period, we have made the following non-material changes to the Proposed Materials:

- Given that the capital markets participation fees paid on December 31, 2005 were larger than expected, we have applied these surplus fees to further reduce the capital markets participation fees in the Rule.
- We have amended the definition of “Class 3A reporting issuer”. This change is detailed below.
- We have changed some language in the materials to further improve their “readability”.

For a detailed description of other changes to the current rule and policy, please refer to the request for comment published by the Commission on August 12, 2005.

Summary of Comments Received

We received comment letters from the following commenters. Their comment letters are available on the Commission's website (www.osc.gov.on.ca).

- International Bar Association (letter dated November 14, 2005)
- Investment Dealers Association of Canada (letter dated November 14, 2005)
- Fasken Martineau DuMoulin LLP (letter dated November 10, 2005)
- Borden Ladner Gervais LLP (letter dated November 10, 2005)
- The Investment Funds Institute of Canada (letter dated November 10, 2005)
- Tradex Management Inc. (letter dated November 10, 2005)
- Heathbridge Capital Management Ltd. (letter dated November 9, 2005)
- Rogan Investment Management (letter dated November 9, 2005)
- McCarthy Tetrault LLP (letter dated August 15, 2005)

We would like to thank the commenters for taking the time to provide comments. We have carefully considered them and have provided summaries of the comments and our responses below.

1. Definition of 'Class 3A reporting issuer' (Fasken Martineau DuMoulin LLP)

One commenter provided the following suggestions regarding the definition of 'Class 3A reporting issuer':

- (i) Given the number of trustees that may be involved, an issuer with debt securities outstanding may be faced with costs that are disproportionate to the \$600 participation fee payable when determining whether its debt securities are registered in the names of Ontario persons or companies. The commenter suggested that reporting issuers with debt securities outstanding only be required to consider registers maintained by the issuer or by trustees located in Canada.
- (ii) The commenter recommended that guidance be provided on how an issuer is to aggregate its equity and debt securities to determine whether less than 1% of the outstanding securities of the issuer are registered in the names of Ontario persons or companies.
- (iii) An issuer may not know whether its securities trade on a 'marketplace' – in particular, those entities described in paragraphs (c) and (d) of the term (defined in National Instrument 21-101 *Marketplace Operations*). Given this, the commenter suggests the term 'marketplace' be narrowed for the purposes of Rule 13-502.
- (iv) The commenter suggested that if subparagraph (b)(iii) of the definition is just intended to capture trades that are capital-raising activities the use of the term "distribution" is too broad and should be reconsidered.

Response:

We agree with the commenter's suggestions and we have amended the definition of "Class 3A reporting issuers" as follows:

- (i) The change to the definition provides that a reporting issuer must determine the ownership of outstanding securities using lists of registered owners maintained by the issuer, its transfer agent or its registrar; it will not be required to consider registers maintained by others (whether located in Canada or not). However, even if its own lists indicate that persons or companies who are resident in Ontario own less than 1% of its securities, a reporting issuer is only a Class 3A reporting issuer if it also reasonably believes that its level of Ontario ownership is actually less than 1%.
- (ii) We will require the determination of the percentage of outstanding securities registered in the name of Ontario persons and companies to be based upon the market value of all outstanding securities.

- (iii) We have qualified the determination of a marketplace in Canada to be based upon the reasonable belief of the reporting issuer that no security of the reporting issuer traded on a marketplace in Canada during its previous fiscal year.
- (iv) We have replaced the term “distribution” with reference to an issue of securities and provided an additional exemption from an issuance of securities to include the exercise of rights previously granted.

In addition, we have added section 1.2, interpreting the meaning of “listed or quoted”. This interpretation requires reporting issuers to only include securities listed or quoted on a marketplace if the reporting issuer has applied for, or consented to, the listing or quotation.

2. Activity fee for Form 45-501F1 and Form 45-106F1 (McCarthy Tetrault LLP)

One commenter questioned whether the proposed activity fee of \$500 for the filing of a Form 45-501F1 or a Form 45-106F1 is appropriate. The commenter suggested that setting this fee is inconsistent with the intention of activity fees since \$500 may exceed the direct cost to the Commission of activities undertaken by staff when receiving either form.

The commenter also expressed concern that this fee will be required of an Ontario issuer that is distributing securities under an exemption in National Instrument 45-106 to purchasers that are all outside Ontario.

Response:

This fee has both an activity fee component and a participation fee component. That is, it reflects both the costs to the Commission of processing the filing and the issuer’s proportionate benefit of accessing the Ontario capital markets. This fee has been categorized as an activity fee for simplicity. We believe that charging a portion of this \$500 fee as a separate participation fee would create an unnecessary burden for stakeholders and the Commission.

Regarding the commenter’s second concern, in some circumstances there will be a distribution under the Act where an issuer is distributing securities to purchasers that are all outside Ontario. If such a distribution is an exempt distribution under National Instrument 45-106, the Commission believes that it should be treated the same as any other exempt distribution under that rule; that is, the issuer should file a Form 45-106F1 and pay the \$500 activity fee.

3. Additional tier for registrant participation fees (Rogan Investment Management and Heathbridge Capital Management Ltd.)

Two commenters strongly support the proposed new tier for participation fees for registrants with revenue between \$1 million and \$3 million.

4. Fee schedule should be more graduated (Tradex Management Inc.)

One commenter suggested that the tiers in the proposed participation fee schedule should be further subdivided. The commenter proposed a schedule under which fees would increase with each \$100,000 increase in revenue. The suggested advantage of having more tiers that each cover a smaller range of revenue is that a market participant that moves from one tier to another would be subject to a less dramatic change in its participation fee relative to its increase in revenue.

Response:

The goal of the current fee model is to create a clear and streamlined fee structure that reflects the Commission’s cost of providing services. Given that those costs are relatively stable, year to year, the structure of the participation fees and tiers is designed to minimize volatility in the Commission’s revenue and therefore better match revenue to costs. This also means that market participants generally experience stability in their fees from one year to the next.

The OSC appreciates the constructive suggestions made and understands that there is a significant marginal cost for firms that move up from one tier to the next. However, prior to moving to a higher tier, firms pay a lower fee than would be required if more tiers were used. That is, firms at the top end of each existing tier would see their fees increase so as to balance the decreased fees for firms at the lower end. Although this would reduce the fee increases of concern to the commenter, in our view it would also reduce the benefit of having a smaller change in fees.

A higher number of tiers also increases the complexity of the system and makes the Commission’s revenue more volatile. Given that over 81% of registrants have revenue below \$1 million, the suggested changes would have an impact on the bulk of participants and would greatly increase the volatility of the Commission’s revenue. Under the current system, an overall decrease in Ontario revenue of 5% results in fee changes for 13% of participants with revenue between \$500,000 and \$1,000,000. If \$100,000 increments are used that figure increases to 39% of

participants. Such a threefold increase in the variability of revenue would greatly increase the likelihood of the Commission not covering its operating costs at a given level of fees.

5. Calculation of registrant's participation fee (Heathbridge Capital Management Ltd. and Borden Ladner Gervais LLP)

Two commenters suggested that rather than basing an adviser's participation fee on the income allocated to Ontario on the adviser's tax return, the rule should permit advisers to use the proportion of that income that is attributable to revenue from its Ontario clients. The commenters indicated that the latter amount would be smaller for a firm that is located in Ontario but has clients in other jurisdictions.

Response:

We partly agree with the principle expressed in this comment. That is, where an adviser is adequately regulated in another jurisdiction it may be appropriate to exclude the revenue generated in that jurisdiction from the calculation of the adviser's participation fee. As one of the commenters noted, this rationale has formed the basis of partial exemptions from the Rule granted by the Director.

However, in our view the rule should not be amended at this time. Over the 2 ½ years the Rule has been in force, the Director has only granted 3 exemptions of this nature. Each exemption was based on the Director's assessment of the applicant's registration in another jurisdiction and each of the 3 cases was somewhat different. The Commission is of the view that until a clearer pattern and need emerges this matter is best dealt with through the exemption process.

6. Concern about accuracy of projected surplus (The Investment Funds Institute of Canada)

One commenter expressed concern that the Commission has generated "vast surpluses" since 1998 and has therefore been unsuccessful in setting fees that are roughly equal to its costs. The commenter is of the view that these past surpluses are evidence that the proposed fees are too high.

Response:

The comment letter refers to the eight year period of 1998 to 2005, during which the Commission's revenues exceeded its expenses by \$209.9 million. It is important to recognize that this covers a period of transition regarding how fees collected by the Commission were dealt with. Before the Fee Rule became effective in March 2003, we were required by legislation to remit our surpluses (less a small amount to build a reserve) to the Consolidated Revenue Fund (CRF) of the Ontario Government. Between 1998 and 2003 we remitted a total of \$145.1 million to the CRF and built a reserve of \$32 million. The reserve breaks down as follows:

- \$20 million is our general reserve. This represents about three months of operating expenditures and is necessary for us to manage our cash flow requirements arising from the timing of our revenues.
- \$12 million is designated by the Ontario Government for a specified purpose. Should that spending not occur we are obligated to return these funds to the Government.

Since March 2003, the Commission has been committed to collecting no more in fees than is required to cover its expenses and maintain its \$32 million reserve. We have done this by rebating \$15 million to market participants in March 2004 and by setting fees in the new Rule to significantly reduce our current surplus. The proposed fees have been set at levels that will generate a deficit of \$39.5 million across the next 3 years and that will allow us to maintain our \$32 million reserve.

With respect to the March 2004 rebate of \$15 million, the commenter notes that an IFIC member received only a \$12 refund cheque. While this amount is clearly small, it's important to note that the refunds were based on a percentage of the total fees paid. In this example, their member would have only paid \$100 in fees in relation to this refund.

7. Fees paid by mutual fund industry (The Investment Funds Institute of Canada)

One commenter suggested that the mutual fund industry pays fees that are too high relative to the Commission resources devoted to regulating the industry. The commenter is also of the view that some firms in the mutual fund industry will pay fees that are significantly higher under the proposed rule and that this increase is unjustified given both the Commission resources consumed by the industry and the past surpluses generated by the Fee Rule.

Response:

Our participation fees are set to recover our estimated costs to regulate our capital market. The increase in participation fees for the investment funds sector noted by this commenter is consistent with our increase in costs related to the sector since the introduction of the fee rule three years ago. During this period our staffing in this area has expanded by almost 50% to address growth in investment funds regulatory activities.

The commenter expresses the concern that under the proposed rule “many [IFIC] Members will be obliged to pay materially higher fees”. The majority of mutual fund industry participants realized a reduction in fees when our new fee structure was introduced 3 years ago, with larger participants typically realizing greater reductions. Under the fee rule now coming into effect, while fees will increase for some registrants, participation fees for 81% of registrants (namely, those with annual revenues below \$3 million) will decrease by between 20% and 50%. This is significant since participation fees make up the greater portion of fees paid by registrants and, in most instances, activity fees will be unchanged or lower.

8. Application of the rule to ‘unregistered investment fund managers’ (International Bar Association and Borden Ladner Gervais LLP)

Two commenters expressed the view that unregistered investment fund managers that manage investment funds distributed in Ontario pursuant to prospectus and registration exemptions should not be subject to participation fees. The commenters recommended that a participation fee should only be paid by an investment fund manager if the fund it manages is a reporting issuer.

The commenters suggested that unregistered investment fund managers should be treated the same as corporate finance issuers that distribute securities on an exempt basis; that is, only an activity fee, payable when filing a notice of the exempt distribution, should be required in the case of a privately placed fund.

Among the arguments made by one commenter, the commenter suggested that it is incongruous that a non-resident unregistered investment fund manager should be required to pay a participation fee when the portfolio adviser of the same fund may be exempt from registration and therefore not subject to a participation fee. Further, the commenter suggested that the concept of “capital markets activities in Ontario” is particularly meaningless for non-resident unregistered investment fund managers that manage off-shore investment funds that distribute securities in Ontario only pursuant to prospectus exemptions.

Response:

The inclusion of non-reporting investment funds

Prior to the existing fee rule, mutual fund manufacturers paid very high issuance fees. The purpose of this Rule was, and continues to be, to attribute costs more equitably among capital market participants. It is recognized that this Rule results in increases to certain firms that previously paid very low (or no) fees.

Our view is that investment funds rarely, if ever, function as entities separate from their management companies. Accordingly, we continue to believe that it is appropriate to capture as capital market activities the investment fund manager’s role either as a registrant or as an unregistered investment fund manager. Revenues from capital market activities, whether they relate to reporting issuers or not, are subject to capital market participation fees.

In our view, it is fair and reasonable to collect capital market participation fees from managers (resident or not) of investment funds (resident or not) that distribute their securities to Ontario investors. These managers derive revenue in connection with asset management services from capital raised in Ontario. Our focus on an investment fund’s management company and its capital market activities (rather than on the fund as an issuer) is further reflected in the Rule’s treatment of Form 45-501F1 and Form 45-106F1 filings. That is, under item B2 of the Activity Fee schedule, these filings, which notify the Commission of an exempt distribution, are not subject to an activity fee if the fund has a manager that has paid its participation fee.

The inclusion of non-resident investment fund managers

We do not consider whether a participant in the capital markets is registered to be the only determinable measure of whether the capital market participation fee is applicable. We note non-resident advisers are exempt from certain registration requirements only under specified conditions. These exemptions do not mean that non-resident advisers are not participating in the Ontario capital market.

On this point, a commenter suggested that the Commission is collecting multiple fees in respect of a foreign investment fund; namely, distribution fees by the foreign investment fund for any private placement, the participation fee payable by a limited market dealer, and the participation fee payable by the investment fund managers.

The same fees are applicable for reporting investment funds with unregistered investment fund managers with the exception of the activity fees relating to the filing of Form 45-106F1. That is, as mentioned above, no activity fee is required when filing a Form 45-106F1 for an investment fund whose manager pays a participation fee.

9. Reduction in activity fees attributable to NRD (Heathbridge Capital Management Ltd.)

One commenter commended the proposed fee reduction attributable to the cost saving the Commission has realized from the National Registration Database.

10. Registration-related activities performed by IDA (Investment Dealers Association of Canada)

The Commission has delegated certain activities related to the registration of individuals to the Investment Dealers Association. In circumstances where these activities are undertaken by the IDA, they are not done by Commission staff. The rule proposes that three of the fees associated with these activities be reduced. The IDA is of the view that the proposed reduction is justified in only two cases. Based on their own costs of processing registration applications, the IDA recommends that the fee for this activity not be reduced to \$200 but remain at \$400.

Response:

Each activity fee proposed in the Rule is based on the average cost to the Commission of undertaking the activity. Having reconsidered the activity fee proposed for processing registration applications, the Commission is still of the view that it should be reduced to \$200.

Text of the Proposed Materials

The text of the Proposed Materials follows. The Proposed Materials are also available on the Commission's website along with a blackline showing the changes made to the Proposed Materials after their publication for comment on August 12, 2005.

Questions

Please refer your questions to any of the following:

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January 20, 2006

**ONTARIO SECURITIES COMMISSION
RULE 13-502
FEES**

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**ONTARIO SECURITIES COMMISSION
RULE 13-502
FEES**

PART 1 – INTERPRETATION

1.1 Definitions – In this Rule

“capitalization” means the amount determined in accordance with section 2.11, 2.12, 2.13 or 2.14;

“capital markets activities” means

- (a) activities for which registration under the Act or an exemption from registration is required,
- (b) acting as an investment fund manager, or
- (c) activities for which registration under the *Commodity Futures Act*, or an exemption from registration under the *Commodity Futures Act*, is required;

“Class 1 reporting issuer” means a reporting issuer that is incorporated or organized under the laws of Canada or a jurisdiction in Canada and that has securities listed or quoted on a marketplace in Canada or the United States of America;

“Class 2 reporting issuer” means a reporting issuer that is incorporated or organized under the laws of Canada or a jurisdiction in Canada other than a Class 1 reporting issuer;

“Class 3A reporting issuer” means a reporting issuer that is not incorporated or organized under the laws of Canada or a jurisdiction in Canada and

- (a) has no securities listed or quoted on a marketplace located anywhere in the world, or
- (b) has securities listed or quoted on a marketplace anywhere in the world and
 - (i) at the end of its previous fiscal year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all outstanding securities of the reporting issuer for which the reporting issuer or its transfer agent or registrar maintains a list of registered owners,
 - (ii) the reporting issuer reasonably believes that persons or companies who are resident in Ontario beneficially own less than 1% of the market value of all outstanding securities of the reporting issuer,
 - (iii) the reporting issuer reasonably believes that no security of the reporting issuer traded on a marketplace in Canada during its previous fiscal year, and
 - (iv) the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than
 - (A) to employees of the reporting issuer or employees of a subsidiary entity of the reporting issuer, or
 - (B) pursuant to the exercise of a right previously granted by the reporting issuer or its affiliate to convert or exchange previously issued securities of the issuer without payment of any additional consideration;

“Class 3B reporting issuer” means a reporting issuer

- (a) that is not incorporated or organized under the laws of Canada or a jurisdiction in Canada,
- (b) that is not a Class 3A reporting issuer, and

- (c) whose trading volume of securities listed or quoted on marketplaces in Canada was less than the trading volume of its securities listed or quoted on marketplaces outside Canada during the reporting issuer's previous fiscal year;

"Class 3C reporting issuer" means a reporting issuer

- (a) that is not incorporated or organized under the laws of Canada or a jurisdiction in Canada, and
- (b) whose trading volume of securities listed or quoted on marketplaces in Canada was greater than the trading volume of its securities listed or quoted on marketplaces outside Canada during the reporting issuer's previous fiscal year;

"IDA" means the Investment Dealers Association of Canada;

"investment fund family" means two or more investment funds that have

- (a) the same investment fund manager, or
- (b) investment fund managers that are affiliates of each other;

"marketplace", subject to section 1.2, has the meaning ascribed to that term in National Instrument 21-101 *Marketplace Operation*;

"MFDA" means the Mutual Fund Dealers Association of Canada;

"Ontario percentage" means, for a fiscal year of a person or company

- (a) that has a permanent establishment in Ontario, the percentage of the income of the person or company allocated to Ontario for the fiscal year in the corporate tax filings made for the person or company under the ITA, or
- (b) that does not have a permanent establishment in Ontario, the percentage of the total revenues of the person or company attributable to capital markets activities in Ontario;

"parent" means a person or company of which another person or company is a subsidiary entity;

"registrant firm" means a person or company registered as a dealer or an adviser under the Act;

"specified Ontario revenues" means, for a registrant firm or an unregistered investment fund manager, the revenues determined under section 3.3, 3.4 or 3.5;

"subsidiary entity" has the meaning ascribed to "subsidiary" under Canadian GAAP; and

"unregistered investment fund manager" means an investment fund manager that is not registered under the Act.

- 1.2 Interpretation of "listed or quoted"** – In this Rule, a reporting issuer is deemed not to have securities listed or quoted on a marketplace that lists or quotes the reporting issuer's securities unless the reporting issuer or an affiliate of the reporting issuer applied for, or consented to, the listing or quotation.

PART 2 – CORPORATE FINANCE PARTICIPATION FEES

Division 1: General

2.1 Application – This Part does not apply to an investment fund if the investment fund has an investment fund manager.

2.2 Participation Fee

- (1) A reporting issuer must pay the participation fee shown in Appendix A opposite the capitalization of the reporting issuer, as its capitalization is determined under section 2.11, 2.12 or 2.14.
- (2) Despite subsection (1), a Class 3A reporting issuer must pay a participation fee of \$600.

- (3) Despite subsection (1), a Class 3B reporting issuer must pay the greater of
 - (a) \$600, and
 - (b) 1/3 of the participation fee shown in Appendix A opposite the capitalization of the reporting issuer, as its capitalization is determined under subsection 2.13.

2.3 Time of Payment – A reporting issuer must pay the participation fee required under section 2.2 by the earlier of

- (a) the date on which its annual financial statements are required to be filed under Ontario securities legislation, and
- (b) the date on which its annual financial statements are filed.

2.4 Disclosure of Fee Calculation – At the time that it pays the participation fee required by this Part,

- (a) a Class 1 reporting issuer must file a completed Form 13-502F1,
- (b) a Class 2 reporting issuer must file a completed Form 13-502F2,
- (c) a Class 3A reporting issuer must file a completed Form 13-502F3A,
- (d) a Class 3B reporting issuer must file a completed Form 13-502F3B, and
- (e) a Class 3C reporting issuer must file a completed Form 13-502F3C.

2.5 Late Fee

- (1) Subject to subsection (2), a reporting issuer that is late in paying a participation fee under this Part must pay an additional fee of one percent of the participation fee for each business day on which the participation fee remains due and unpaid.
- (2) A reporting issuer is not required to pay a fee under this section in excess of 25 percent of the participation fee payable under this Part.

Division 2: Exceptions

2.6 Participation Fee for New Reporting Issuers

- (1) A person or company that is not a reporting issuer and that has filed a prospectus to distribute securities must pay a participation fee before the issuance of a receipt or an MRRS decision document for the prospectus, calculated by multiplying
 - (a) the participation fee shown in Appendix A opposite the capitalization calculated under subsection (4), by
 - (b) the number of entire months remaining in the fiscal year of the person or company after it becomes a reporting issuer, divided by 12.
- (2) For the purposes of subsections (4) and (5), a person or company is deemed to be a reporting issuer.
- (3) For the purpose of subsection (4), a person or company is deemed to be a Class 1 reporting issuer if the person or company
 - (a) is incorporated or organized under the laws of Canada or a jurisdiction in Canada, and
 - (b) reasonably believes that it will have securities listed or quoted on a marketplace in Canada or the United States of America within 30 days of becoming a reporting issuer.
- (4) The capitalization of a person or company referred to in subsection (1) is determined as provided under section 2.11, 2.12, 2.13 or 2.14, adjusted by

- (a) for a Class 1, Class 3B or Class 3C reporting issuer, using the offering price of the securities being distributed under the prospectus, as disclosed in the prospectus, as the amount required to be calculated under subparagraph 2.11(a)(ii), paragraph 2.11(b), or paragraph 2.13(b),
 - (b) for a Class 2 reporting issuer, basing its capitalization on the audited financial statements for the most recent fiscal year contained in the prospectus, and
 - (c) assuming the completion of all distributions offered under the prospectus as at the date of filing of the prospectus.
- (5) A person or company that is not a reporting issuer and that has filed a non-offering prospectus must pay a participation fee before the issuance of a receipt or an MRRS decision document for the prospectus, calculated by multiplying
- (a) the participation fee shown in Appendix A opposite the capitalization calculated under section 2.12, using the audited financial statements for the most recent fiscal year contained in the prospectus, by
 - (b) the number of entire months remaining in the fiscal year of the person or company after it becomes a reporting issuer, divided by 12.
- (6) A person or company that becomes a reporting issuer, other than through the filing of a prospectus, must pay a participation fee within two business days of becoming a reporting issuer, calculated by multiplying,
- (a) for
 - (i) a Class 1 reporting issuer, the participation fee shown in Appendix A opposite the capitalization calculated under section 2.11,
 - (ii) a Class 2 reporting issuer, the participation fee shown in Appendix A opposite the capitalization calculated under section 2.12,
 - (iii) a Class 3A reporting issuer, \$600,
 - (iv) a Class 3B reporting issuer, the greater of \$600 and one-third of the participation fee shown in Appendix A opposite the capitalization calculated under section 2.13,
 - (v) a Class 3C reporting issuer, the participation fee shown in Appendix A opposite the capitalization calculated under section 2.14, by
 - (b) the number of entire months remaining in the fiscal year of the person or company after it becomes a reporting issuer, divided by 12.
- (7) For the purpose of subparagraphs (a)(i), (iv), and (v) of subsection (6), the value of each class or series of the reporting issuer's listed securities is calculated by multiplying the number of securities of the class or series outstanding by the closing price of the class or series on the day on which the listing occurred.
- (8) This section does not apply to a reporting issuer formed from a statutory amalgamation or arrangement, or to a person or company continuing from a transaction to which paragraph 2.11(1)(a) or (b) of National Instrument 45-106 *Prospectus and Registration Exemptions* applies, if the amalgamation, arrangement or other transaction occurs within a fiscal year of a predecessor issuer in which the predecessor issuer paid a participation fee under this Rule.

2.7 Participation Fee Exemption for New Reporting Issuers – Section 2.2 does not apply to a reporting issuer that has paid a participation fee under section 2.6 after its fiscal year end but before it is required to file financial statements in respect of that fiscal year end.

2.8 Participation Fee for an Issuer Ceasing to be a Reporting Issuer – An issuer that ceases to be a reporting issuer after its fiscal year end but before it has paid the participation fee required under Division 1, must pay a participation fee immediately before it ceases to be a reporting issuer, calculated by multiplying

- (a) the participation fee that would be payable at the time required under section 2.3 if the issuer remained a reporting issuer, by

- (b) the number of entire months in the fiscal year before it submitted its application to cease to be a reporting issuer, divided by 12.

2.9 Participation Fee Exemption for Subsidiary Entities

- (1) Section 2.2 does not apply to a reporting issuer that is a subsidiary entity if
 - (a) a parent of the subsidiary entity is a reporting issuer,
 - (b) the parent has paid the participation fee applicable to the parent under section 2.2,
 - (c) the capitalization of the subsidiary entity was included in the calculation of the participation fee referred to in paragraph (b), and
 - (d) the net assets and gross revenues of the subsidiary entity represent more than 90 percent of the consolidated net assets and gross revenues of the parent for the most recently completed fiscal year of the parent.
- (2) Section 2.2 does not apply to a reporting issuer that is a subsidiary entity if
 - (a) a parent of the subsidiary entity is a reporting issuer,
 - (b) the parent has paid the participation fee applicable to the parent under section 2.2,
 - (c) the capitalization of the subsidiary entity was included in the calculation of the participation fee referred to in paragraph (b), and
 - (d) the subsidiary entity is entitled to rely on an exemption, waiver or approval from the requirements in sections 4.1(1), 4.3(1), 5.1(1), 5.2 and 6.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.
- (3) If, under subsection (1) or (2), a reporting issuer has not paid a participation fee, the reporting issuer must file a completed Form 13-502F6 at the time it is otherwise required to pay the participation fee under section 2.3.
- (4) If, under subsection (2), a reporting issuer has not paid a participation fee and any of paragraphs (2)(a), (b), (c) or (d) cease to apply, the reporting issuer must pay, as soon as practicable, a participation fee calculated by multiplying the participation fee prescribed under section 2.2 by the number of entire months remaining in the fiscal year of the reporting issuer divided by 12.

2.10 Participation Fee Estimate for Class 2 Reporting Issuers

- (1) If the annual financial statements of a Class 2 reporting issuer are not available by the date referred to in section 2.3, the Class 2 reporting issuer must, on that date,
 - (a) file a completed Form 13-502F2 showing a good faith estimate of the information required to calculate its capitalization as at the end of the fiscal year, and
 - (b) pay the participation fee shown in Appendix A opposite the capitalization estimated under paragraph (a).
- (2) A Class 2 reporting issuer that estimated its capitalization under subsection (1) must, when it files its annual financial statements for the applicable fiscal year,
 - (a) calculate its capitalization under section 2.12,
 - (b) pay the participation fee shown in Appendix A opposite the capitalization calculated under section 2.12, less the participation fee paid under subsection (1), and
 - (c) file a completed Form 13-502F2A.
- (3) If a reporting issuer paid an amount paid under subsection (1) that exceeds the participation fee calculated under section (2), the issuer is entitled to a refund from the Commission of the amount overpaid.

Division 3: Calculating Capitalization

2.11 Class 1 Reporting Issuers – The capitalization of a Class 1 reporting issuer is the aggregate of

- (a) the average market value over the previous fiscal year of each class or series of the reporting issuer's securities listed or quoted on a marketplace, calculated by multiplying
 - (i) the total number of securities of the class or series outstanding at the end of the previous fiscal year, by
 - (ii) the simple average of the closing prices of the class or series on the last trading day of each month of the previous fiscal year of the reporting issuer on
 - (A) the marketplace in Canada on which the highest volume of the class or series was traded in that fiscal year, or
 - (B) if the class or series was not traded on a marketplace in Canada, the marketplace in the United States of America on which the highest volume of the class or series was traded in that fiscal year, and
- (b) the market value at the end of the fiscal year, as determined by the reporting issuer in good faith, of each class or series of securities of the reporting issuer not referred to in paragraph (a) if any securities of the class or series
 - (i) were initially issued to a person or company resident in Canada, and
 - (ii) trade over the counter or, after their initial issuance, are otherwise generally available for purchase or sale by way of transactions carried out through, or with, dealers.

2.12 Class 2 Reporting Issuers

- (1) The capitalization of a Class 2 reporting issuer is the aggregate of each of the following items, as shown in its audited balance sheet as at the end of the previous fiscal year:
 - (a) retained earnings or deficit;
 - (b) contributed surplus;
 - (c) share capital or owners' equity, options, warrants and preferred shares;
 - (d) long term debt, including the current portion;
 - (e) capital leases, including the current portion;
 - (f) minority or non-controlling interest;
 - (g) items classified on the balance sheet between current liabilities and shareholders' equity, and not otherwise referred to in this subsection;
 - (h) any other item forming part of shareholders' equity not otherwise referred to in this subsection.
- (2) Despite subsection (1), a reporting issuer may calculate its capitalization using unaudited annual financial statements if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.
- (3) Despite subsection (1), a reporting issuer that is a trust that issues only asset-backed securities through pass-through certificates may calculate its capitalization using the monthly filed distribution report for the last month of its fiscal year, if the reporting issuer is not required to prepare, and does not ordinarily prepare, audited annual financial statements.

2.13 Class 3B Reporting Issuers – The capitalization of a Class 3B reporting issuer is the aggregate of the value of each class or series of securities of the reporting issuer listed or quoted on a marketplace, calculated by multiplying

- (a) the number of securities of the class or series outstanding at the end of the reporting issuer's previous fiscal year, by
- (b) the simple average of the closing prices of the class or series on the last trading day of each month of the previous fiscal year on the marketplace on which the highest volume of the class or series was traded in that fiscal year.

2.14 Class 3C Reporting Issuers – The capitalization of a Class 3C reporting issuer at the end of a fiscal year is determined under section 2.11, as if it were a Class 1 reporting issuer.

2.15 Reliance on Published Information

- (1) Subject to subsection (2), in determining its capitalization for purposes of this Part, a reporting issuer may rely on information made available by a marketplace on which securities of the reporting issuer trade.
- (2) If a reporting issuer reasonably believes that the information made available by a marketplace is incorrect, subsection (1) does not apply and the issuer must make a good faith estimate of the information required.

PART 3 – CAPITAL MARKETS PARTICIPATION FEES

3.1 Participation Fee

- (1) On December 31, a registrant firm must pay the participation fee shown in Appendix B opposite the registrant firm's specified Ontario revenues, as that revenue is calculated under section 3.3, 3.4 or 3.5.
- (2) Not later than 90 days after the end of its fiscal year, an unregistered investment fund manager must pay the participation fee shown in Appendix B opposite the fund manager's specified Ontario revenues, as that revenue is calculated under section 3.4.

3.2 Disclosure of Fee Calculation

- (1) By December 1, a registrant firm must file a completed Form 13-502F4 showing the information required to determine the participation fee due on December 31.
- (2) At the time that it pays the participation fee required under subsection 3.1(2), an unregistered investment fund manager must file a completed Form 13-502F4 showing the information required to determine the participation fee.

3.3 Specified Ontario Revenues for IDA and MFDA Members

- (1) The specified Ontario revenues of a registrant firm that is a member of the IDA or the MFDA is calculated by multiplying
 - (a) the registrant firm's total revenue for its fiscal year ending on or before December 31 of the current year, less revenue not attributable to capital markets activities for its fiscal year, by
 - (b) the registrant firm's Ontario percentage for the fiscal year.
- (2) For the purpose of paragraph (1)(a), "total revenue" means,
 - (a) for an IDA member, the amount shown as total revenue on Statement E of the Joint Regulatory Financial Questionnaire and Report filed with the IDA by the registrant firm, and
 - (b) for an MFDA member, the amount shown as total revenue on Statement D of the MFDA Financial Questionnaire and Report filed with the MFDA by the registrant firm.

3.4 Specified Ontario Revenues for Others

- (1) The specified Ontario revenues of a registrant firm that is not a member of the IDA or the MFDA is calculated by multiplying

- (a) the registrant firm's gross revenues, as shown in the audited financial statements prepared for its fiscal year ending on or before December 31 of the current year, less deductions permitted under subsection (3), by
 - (b) the registrant firm's Ontario percentage for the fiscal year.
- (2) The specified Ontario revenues of an unregistered investment fund manager is calculated by multiplying
- (a) the fund manager's gross revenues, as shown in the audited financial statements for its previous fiscal year, less deductions permitted under subsection (3), by
 - (b) the fund manager's Ontario percentage for its previous fiscal year.
- (3) For the purpose of paragraphs (1)(a) and (2)(a), a person or company may deduct the following items otherwise included in gross revenues:
- (a) revenue not attributable to capital markets activities for the fiscal year;
 - (b) redemption fees earned during the fiscal year on the redemption of investment fund securities sold on a deferred sales charge basis;
 - (c) administration fees earned during the fiscal year relating to the recovery of costs from investment funds managed by the person or company for operating expenses paid on behalf of the investment fund by the person or company;
 - (d) advisory or sub-advisory fees paid during the fiscal year by the person or company to a registrant firm, as "registrant firm" is defined in this Rule and in Rule 13-503 (*Commodity Futures Act*) Fees;
 - (e) trailing commissions paid during the fiscal year by the person or company to a registrant firm.
- (4) Despite subsection (1), a registrant firm that is registered only as one or more of a limited market dealer, an international dealer or an international adviser may calculate its gross revenues using unaudited financial statements if it is not required to prepare, and does not ordinarily prepare, audited financial statements.
- (5) Despite subsection (2), an unregistered investment fund manager may calculate its gross revenues using unaudited financial statements if it is not required to prepare, and does not ordinarily prepare, audited financial statements.

3.5 Estimating Specified Ontario Revenues for Late Fiscal Year End

- (1) If the annual financial statements of a registrant firm have not been completed by December 1 in a year, the registrant firm must,
- (a) on December 1, file a completed Form 13-502F4 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the fiscal year, and
 - (b) on December 31, pay the participation fee shown in Appendix B opposite the specified Ontario revenues estimated under paragraph (a).
- (2) A registrant firm that estimated its specified Ontario revenues under subsection (1) must, when its annual financial statements for the applicable fiscal year have been completed,
- (a) calculate its specified Ontario revenues under section 3.3 or 3.4, as applicable,
 - (b) determine the participation fee shown in Appendix B opposite the specified Ontario revenues calculated under paragraph (a), and
 - (c) complete a Form 13-502F4 reflecting the annual financial statements.
- (3) If the participation fee determined under subsection (2) differs from the participation fee paid under subsection (1), the registrant firm must, not later than 90 days after the end of its fiscal year,

- (a) pay the participation fee determined under subsection (2), less the participation fee paid under subsection (1),
 - (b) file the Form 13-502F4 completed under subsection (2), and
 - (c) file a completed Form 13-502F5.
- (4) If a registrant firm paid an amount paid under subsection (1) that exceeds the participation fee determined under subsection (2), the registrant firm is entitled to a refund from the Commission of the amount overpaid.

3.6 Late Fee

- (1) Subject to subsection (2), a person or company that is late in paying a participation fee under this Part must pay an additional fee of one percent of the participation fee for each business day on which the participation fee remains due and unpaid.
- (2) A person or company is not required to pay a fee under subsection (1) in excess of 25 percent of the participation fee payable under this Part.

PART 4 – ACTIVITY FEES

4.1 Activity Fees – A person or company that files a document or takes an action listed in Appendix C must, concurrently with filing the document or taking the action, pay the activity fee shown in Appendix C opposite the description of the document or action.

4.2 Investment Fund Families – Despite section 4.1, only one activity fee must be paid for an application made by or on behalf of investment funds in an investment fund family, if the application pertains to each investment fund.

4.3 Late Fee

- (1) A person or company that files a document listed in item A of Appendix D after the document was required to be filed must, concurrently with filing the document, pay the late fee shown in Appendix D opposite the description of the document.
- (2) A person or company that files a Form 55-102F2 *Insider Report* after it was required to be filed must pay the late fee shown in item B of Appendix D upon receiving an invoice from the Commission.

PART 5 – CURRENCY CONVERSION

5.1 Canadian Dollars – If a calculation under this Rule requires the price of a security, or any other amount, as it was on a particular date and that price or amount is not in Canadian dollars, it must be converted into Canadian dollars using the daily noon exchange rate for that date as posted on the Bank of Canada website.

PART 6 – EXEMPTION

6.1 Exemption – The Director may grant an exemption from the provisions of this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 7 – REVOCATION AND EFFECTIVE DATE

7.1 Revocation – Ontario Securities Commission Rule 13-502 *Fees*, which came into force on March 31, 2003, is revoked.

7.2 Effective Date – This Rule comes into force on April 1, 2006.

APPENDIX A – CORPORATE FINANCE PARTICIPATION FEES

Capitalization	Participation Fee
under \$25 million	\$600
\$25 million to under \$50 million	\$1,300
\$50 million to under \$100 million	\$3,200
\$100 million to under \$250 million	\$6,700
\$250 million to under \$500 million	\$14,700
\$500 million to under \$1 billion	\$20,500
\$1 billion to under \$5 billion	\$29,700
\$5 billion to under \$10 billion	\$38,300
\$10 billion to under \$25 billion	\$44,700
\$25 billion and over	\$50,300

APPENDIX B – CAPITAL MARKETS PARTICIPATION FEES

Specified Ontario Revenues	Participation Fee
under \$500,000	\$800
\$500,000 to under \$1 million	\$2,500
\$1 million to under \$3 million	\$5,600
\$3 million to under \$5 million	\$12,600
\$5 million to under \$10 million	\$25,500
\$10 million to under \$25 million	\$52,000
\$25 million to under \$50 million	\$78,000
\$50 million to under \$100 million	\$156,000
\$100 million to under \$200 million	\$259,000
\$200 million to under \$500 million	\$525,000
\$500 million to under \$1 billion	\$678,000
\$1 billion to under \$2 billion	\$855,000
\$2 billion and over	\$1,435,000

APPENDIX C - ACTIVITY FEES

Document or Activity	Fee
A. Prospectus Filing	
1. Preliminary or Pro Forma Prospectus in Form 41-501F1 (including if PREP procedures are used)	\$3,000
<p><i>Notes:</i></p> <p>(i) <i>This applies to most issuers, including investment funds that prepare prospectuses in accordance with Form 41-501F1; investment funds that prepare prospectuses in accordance with Form 81-101F1, Form 15 or Form 45 must pay the fees shown in item 4 below.</i></p> <p>(ii) <i>Each named issuer should pay its proportionate share of the fee in the case of a prospectus for multiple issuers (other than in the case of investment funds).</i></p>	
2. Additional fee for Preliminary or Pro Forma Prospectus in Form 41-501F1 of a resource issuer that is accompanied by engineering reports	\$2,000
3. Preliminary Short Form Prospectus in Form 44-101F1 (including if shelf or PREP procedures are used) or a Registration Statement on Form F-9 or F-10 filed by an issuer that is incorporated or that is organized under the laws of Canada or a jurisdiction in Canada in connection with a distribution solely in the United States under MJDS as described in the companion policy to National Instrument 71-101 <i>The Multijurisdictional Disclosure System</i> .	\$3,000
4. Prospectus Filing by or on behalf of Certain Investment Funds	
(a) Preliminary or Pro Forma Simplified Prospectus and Annual Information Form in Form 81-101F1 and Form 81-101F2	\$400
<i>Note: Where a single prospectus document is filed on behalf of more than one investment fund, the applicable fee is payable for each investment fund.</i>	
(b) Preliminary or Pro Forma Prospectus in Form 15	The greater of (i) \$3,000 per prospectus, and (ii) \$600 per investment fund in a prospectus.
(c) Preliminary or Pro Forma Prospectus in Form 45	The greater of (i) \$3,000 per prospectus, and (ii) \$600 per investment fund in a prospectus.
<i>Note: Where a single prospectus document is filed on behalf of more than one investment fund and the investment funds do not have similar investment objectives and strategies \$3,000 is payable for each investment fund.</i>	
B. Fees relating to exempt distributions under Rule 45-501 Ontario Prospectus and Registration Exemptions and National Instrument 45-106 Prospectus and Registration Exemptions	
1. Application for recognition, or renewal of recognition, as an accredited investor	\$500

Document or Activity	Fee
<p>2. Filing of a Form 45-501F1 or Form 45-106F1 for a distribution of securities of an issuer that is not an investment fund and is not subject to a participation fee.</p> <p>Filing of a Form 45-501F1 or Form 45-106F1 for a distribution of securities of an issuer that is an investment fund, unless the investment fund has an investment fund manager that is subject to a participation fee.</p>	<p>\$500</p>
<p>3. Filing of a rights offering circular in Form 45-101F</p>	<p>\$2,000 (plus \$2,000 if neither the applicant nor an issuer of which the applicant is a wholly owned subsidiary is subject to, or is reasonably expected to become subject to, a participation fee under this Rule)</p>
<p>C. Provision of Notice under paragraph 2.42(2)(a) of National Instrument 45-106 Prospectus and Registration Exemptions</p>	<p>\$2,000</p>
<p>D. Filing of Prospecting Syndicate Agreement</p>	<p>\$500</p>
<p>E. Applications for Relief, Approval or Recognition</p> <p>1. Any application for relief, approval or recognition under any section of the Act, the Regulations or any Rule of the Commission not listed in item E(2), E(3) or E(4) below.</p> <p><i>Note: The following are included in the applications that are subject to a fee under this item:</i></p> <ul style="list-style-type: none"> (i) recognition of an exchange under section 21 of the Act, a self-regulatory organization under section 21.1 of the Act, a clearing agency under section 21.2 of the Act or a quotation and trade reporting system under section 21.2.1 of the Act; (ii) approval of a compensation fund or contingency trust fund under section 110 of the Regulations to the Act; (iii) approval of the establishment of a council, committee or ancillary body under section 21.3 of the Act; (iv) deeming an issuer to be a reporting issuer under section 83.1 of the Act. 	<p>\$3,000 for an application made under one section and \$5,000 for an application made under two or more sections (plus \$2,000 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or Rule 13-503 (<i>Commodity Futures Act</i>) Fees:</p> <ul style="list-style-type: none"> (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary; (iii) the investment fund manager of the applicant). <p>An application made under both the Act and the <i>Commodities Futures Act</i> does not require the applicant to pay an additional fee; i.e., the fee for an application under both statutes will not be greater than \$5,000 (or \$7,000 if none of the following is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or Rule 13-503 (<i>Commodity Futures Act</i>) Fees:</p> <ul style="list-style-type: none"> (i) the applicant; (ii) an issuer of which the applicant is a wholly owned subsidiary; (iii) the investment fund manager of the applicant).

Document or Activity	Fee
<p>2. An application for relief from any of the following:</p> <ul style="list-style-type: none"> (a) Rule 13-502 Fees; (b) Rule 31-506 <i>SRO Membership – Mutual Fund Dealers</i>; (c) Rule 31-507 <i>SRO Membership – Securities Dealers and Brokers</i>; (d) Multilateral Instrument 31-102 <i>National Registration Database</i>; (e) Multilateral Instrument 33-109 <i>Registration Information</i>; (f) Part 3 of Rule 31-502 <i>Proficiency</i>. 	\$1,500
<p>3. An application for relief from Part 1 or Part 2 of Rule 31-502 <i>Proficiency</i>.</p>	\$800
<p>4. Application</p> <ul style="list-style-type: none"> (a) under section 27, subsection 38(3), subsection 72(8) or section 83 of the Act or subsection 1(6) of the <i>Business Corporations Act</i>; (b) under section 144 of the Act for an order revoking a cease-trade order to permit trades solely for the purpose of establishing a tax loss in accordance with Commission Policy 57-602; and (c) other than a pre-filing, where the discretionary relief or regulatory approval is evidenced by the issuance of a receipt for the applicants' final prospectus (such as certain applications under Rule 41-501 or National Instrument 81-101). 	Nil
<p>5. Application for relief from section 213 of the <i>Loan and Trust Corporations Act</i>.</p>	\$1,500
<p>6.</p> <ul style="list-style-type: none"> (1) Application made under subsection 46(4) of the <i>Business Corporations Act</i> for relief from the requirements under Part V of that Act. (2) Application for consent to continue in another jurisdiction under paragraph 4(b) of <i>Forms – O. Reg. 289/00</i> to the <i>Business Corporations Act</i>. <p><i>Note: These fees are in addition to the fee payable to the Minister of Finance as set out in the Schedule attached to the Minister's Fee Orders relating to applications for exemption orders made under the Business Corporations Act to the Commission.</i></p>	\$400
<p>F. Pre-Filings</p> <p><i>Note: The fee for a pre-filing will be credited against the applicable fee payable if and when the formal filing (e.g., an application or a preliminary prospectus) is actually proceeded with; otherwise, the fee is non-refundable.</i></p>	\$3,000
<p>G. Take-Over Bid and Issuer Bid Documents</p>	

Document or Activity	Fee
1. Filing of a take-over bid or issuer bid circular under subsection 100(3) or (7) of the Act.	\$3,000 (plus \$2,000 if neither the offeror nor an issuer of which the offeror is a wholly-owned subsidiary is subject to, or reasonably expected to become subject to, a participation fee under this Rule)
2. Filing of a notice of change or variation under subsection 100(4) of the Act.	Nil
H. Registration-Related Activity	
1. New registration of a firm in any category of registration <i>Note: If a firm is registering as both a dealer and an adviser, it is required to pay two activity fees.</i>	\$600
2. Change in registration category <i>Note: This includes a dealer becoming an adviser or vice versa, or changing a category of registration within the general categories of dealer or adviser. A dealer adding a category of registration, such as a dealer becoming both a dealer and an adviser, is covered in the preceding section.</i>	\$600
3. Registration of a new director, officer or partner (trading or advising), salesperson or representative <i>Notes:</i> <i>(i) Registration of a new non-trading or non-advising director, officer or partner does not trigger an activity fee.</i> <i>(ii) If an individual is registering as both a dealer and an adviser, they are required to pay two activity fees.</i> <i>(iii) A registration fee will not be charged if an individual makes an application to register with a new registrant firm within three months of terminating employment with his or her previous registrant firm if the individual's category of registration remains unchanged.</i>	\$200 per person
4. Change in status from a non-trading or non-advising capacity to a trading or advising capacity	\$200 per person
5. Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of registrant firms	\$2,000
6. Application for amending terms and conditions of registration	\$500
I. Notice to Director under section 104 of the Regulation	\$3,000
J. Request for certified statement from the Commission or the Director under section 139 of the Act	\$100
K. Requests to the Commission	
1. Request for a photocopy of Commission records	\$0.50 per page
2. Request for a search of Commission records	\$150
3. Request for one's own Form 4	\$30

APPENDIX D – ADDITIONAL FEES FOR LATE DOCUMENT FILINGS

Document	Late Fee
<p>A. Fee for late filing of any of the following documents:</p> <ul style="list-style-type: none"> (a) Annual financial statements and interim financial statements; (b) Annual information form filed under National Instrument 51-102 <i>Continuous Disclosure Obligations</i>; (c) Form 45-501F1 or Form 45-106F1 filed by a reporting issuer; (d) Notice under section 104 of the Regulation; (e) Report under section 141 or 142 of the Regulation; (f) Filings for the purpose of amending Form 3 and Form 4 or Form 33-109F4 under Multilateral Instrument 33-109 <i>Registration Information</i>; (g) Any document required to be filed by a registrant firm or individual in connection with the registration of the registrant firm or individual under the Act with respect to <ul style="list-style-type: none"> (i) terms and conditions imposed on a registrant firm or individual, or (ii) an order of the Commission; (h) Form 13-502F4; (i) Form 13-502F5; (j) Form 13-502F6. 	<p>\$100 per business day</p> <p>(subject to a maximum aggregate fee of \$5,000</p> <ul style="list-style-type: none"> (i) per fiscal year, for a reporting issuer, for all documents required to be filed within a fiscal year of the issuer, and (ii) for a registrant firm and an unregistered investment fund manager for all documents required to be filed within a calendar year)
<p>B. Fee for late filing of Form 55-102F2 – <i>Insider Report</i></p>	<p>\$50 per calendar day per insider per issuer (subject to a maximum of \$1,000 per issuer within any one year beginning on April 1st and ending on March 31st.)</p> <p>The late fee does not apply to an insider if</p> <ul style="list-style-type: none"> (a) the head office of the issuer is located outside Ontario, and (b) the insider is required to pay a late fee for the filing in a jurisdiction in Canada other than Ontario.

FORM 13-502F1
CLASS 1 REPORTING ISSUERS – PARTICIPATION FEE

Reporting Issuer Name: _____

Fiscal year end date used
to calculate capitalization: _____

Market value of listed or quoted securities:

Total number of securities of a class or series outstanding as at the issuer's most recent fiscal year end _____ (i)

Simple average of the closing price of that class or series as of the last trading day of each month of the fiscal year (See clauses 2.11(a)(ii)(A) and (B) of the Rule) _____ (ii)

Market value of class or series (i) X (ii) = _____ (A)

(Repeat the above calculation for each class or series of securities of the reporting issuer that was listed or quoted on a marketplace in Canada or the United States of America at the end of the fiscal year) _____ (B)

Market value of other securities:

(See paragraph 2.11(b) of the Rule)
(Provide details of how value was determined) _____ (C)

(Repeat for each class or series of securities) _____ (D)

Capitalization

(Add market value of all classes and series of securities) (A) + (B) + (C) + (D) = _____

Participation Fee

(From Appendix A of the Rule, select the participation fee beside the capitalization calculated above) _____

New reporting issuer's reduced participation fee, if applicable
(See section 2.6 of the Rule)

Participation fee X Number of entire months remaining
_____ in the issuer's fiscal year = _____
12

Late Fee, if applicable

(As determined under section 2.5 of the Rule) _____

**FORM 13-502F2
CLASS 2 REPORTING ISSUERS – PARTICIPATION FEE**

Reporting Issuer Name: _____

**Fiscal year end date used
to calculate capitalization:** _____

Financial Statement Values:

(Use stated values from the audited financial statements of the reporting issuer as at its most recent audited year end)

Retained earnings or deficit _____ (A)

Contributed surplus _____ (B)

Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes) _____ (C)

Long term debt (including the current portion) _____ (D)

Capital leases (including the current portion) _____ (E)

Minority or non-controlling interest _____ (F)

Items classified on the balance sheet between current liabilities and shareholders' equity (and not otherwise listed above) _____ (G)

Any other item forming part of shareholders' equity and not set out specifically above _____ (H)

Capitalization

(Add items (A) through (H)) _____

Participation Fee

(From Appendix A of the Rule, select the participation fee beside the capitalization calculated above) _____

New reporting issuer's reduced participation fee, if applicable

(See section 2.6 of the Rule)

$$\frac{\text{Participation fee} \times \text{Number of entire months remaining in the issuer's fiscal year}}{12} = \underline{\hspace{2cm}}$$

Late Fee, if applicable

(As determined under section 2.5 of the Rule) _____

FORM 13-502F2A

ADJUSTMENT OF FEE PAYMENT
FOR CLASS 2 REPORTING ISSUERS

Reporting Issuer Name: _____

Fiscal year end date used
to calculate capitalization: _____

State the amount paid under subsection 2.10(1) of Rule 13-502: _____ (i)

Show calculation of actual capitalization based on audited financial statements:

Financial Statement Values:

(Use stated values from the audited financial statements of the reporting issuer as at its most recent audited year end)

Retained earnings or deficit _____ (A)

Contributed surplus _____ (B)

Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes) _____ (C)

Long term debt (including the current portion) _____ (D)

Capital leases (including the current portion) _____ (E)

Minority or non-controlling interest _____ (F)

Items classified on the balance sheet between current liabilities and shareholders' equity (and not otherwise listed above) _____ (G)

Any other item forming part of shareholders' equity and not set out specifically above _____ (H)

Capitalization

(Add items (A) through (H)) _____

Participation Fee

(From Appendix A of the Rule, select the participation fee beside the capitalization calculated above) _____ (ii)

Refund due (Balance owing)

(Indicate the difference between (i) and (ii)) (i) - (ii) = _____

FORM 13-502F3A
CLASS 3A REPORTING ISSUERS – PARTICIPATION FEE

Reporting Issuer Name: _____

Fiscal year end date: _____

Indicate, by checking the appropriate box, which of the following criteria the issuer meets:

(a) The issuer has no securities listed or quoted on a marketplace located anywhere in the world; or

(b) the issuer has securities listed or quoted on a marketplace anywhere in the world and

i. at the end of its previous fiscal year, securities registered in the names of persons or companies resident in Ontario represented less than 1% of the market value of all outstanding securities of the reporting issuer for which the reporting issuer or its transfer agent or registrar maintains a list of registered owners,

ii. the reporting issuer reasonably believes that persons or companies who are resident in Ontario beneficially own less than 1% of the market value of all outstanding securities of the reporting issuer,

iii. the reporting issuer reasonably believes that no security of the reporting issuer traded on a marketplace in Canada during its previous fiscal year, and

iv. the reporting issuer has not issued any of its securities in Ontario in the last 5 years, other than to

(A) employees of the reporting issuer or employees of a subsidiary entity of the reporting issuer, or

(B) pursuant to the exercise of a right previously granted by the reporting issuer or its affiliate to convert or exchange previously issued securities of the issuer without payment of any additional consideration.

Participation Fee

(From subsection 2.2(2) of the Rule)

\$600

New reporting issuer's reduced participation fee, if applicable

(See section 2.6 of the Rule)

Participation fee X Number of entire months remaining
_____ in the issuer's fiscal year =
12

Late Fee, if applicable

(As determined under section 2.5 of the Rule)

**FORM 13-502F3B
CLASS 3B REPORTING ISSUERS – PARTICIPATION FEE**

Reporting Issuer Name: _____

**Fiscal year end date used
to calculate capitalization:** _____

Market value of securities:

Total number of securities of a class or series outstanding as at the issuer's most recent fiscal year end _____ (i)

Simple average of the closing price of that class or series as of the last trading day of each month of the fiscal year (See section 2.13(b) of the Rule) _____ (ii)

Market value of class or series (i) X (ii) = _____ (A)

(Repeat the above calculation for each listed or quoted class or series of securities of the reporting issuer) _____ (B)

Capitalization
(Add market value of all classes and series of securities) (A) + (B) = _____

Participation Fee
(From Appendix A of the Rule, select the participation fee beside the capitalization calculated above) _____

Fee Payable
1/3 of the participation fee or \$600, whichever is greater
(See subsection 2.2(3) of the Rule) _____

New reporting issuer's reduced participation fee, if applicable
(See section 2.6 of the Rule)

Participation fee X Number of entire months remaining
_____ in the issuer's fiscal year = _____
12

Late Fee, if applicable
(As determined under section 2.5 of the Rule) _____

**FORM 13-502F3C
CLASS 3C REPORTING ISSUERS – PARTICIPATION FEE**

Reporting Issuer Name: _____

Fiscal year end date used to calculate capitalization: _____

Subsection 2.14 requires Class 3C reporting issuers to calculate their market capitalization in accordance with section 2.11.

Market value of listed or quoted securities:

Total number of securities of a class or series outstanding as at the issuer's most recent fiscal year end _____ (i)

Simple average of the closing price of that class or series as of the last trading day of each month of the fiscal year (See clauses 2.11(a)(ii)(A) and (B) of the Rule) _____ (ii)

Market value of the class or series (i) X (ii) = _____ (A)

(Repeat the above calculation for each class or series of securities of the reporting issuer that was listed or quoted on a marketplace in Canada or the United States of America at the end of the fiscal year) _____ (B)

Market value of other securities:

(See paragraph 2.11(b) of the Rule)
(Provide details of how value was determined) _____ (C)

(Repeat for each class or series of securities) _____ (D)

Capitalization

(Add market value of all classes and series of securities) (A) + (B) + (C) + (D) = _____

Participation Fee

(From Appendix A of the Rule, select the participation fee beside the Capitalization calculated above) _____

New reporting issuer's reduced participation fee, if applicable

(See section 2.6 of the Rule)

Participation fee	X	Number of entire months remaining in the issuer's fiscal year	=	
		12		

Late Fee, if applicable

(As determined under section 2.5 of the Rule) _____

FORM 13-502F4
CAPITAL MARKETS PARTICIPATION FEE CALCULATION

General Instructions

1. IDA members must complete Part I of this Form and MFDA members must complete Part II. Unregistered investment fund managers and registrant firms that are not IDA or MFDA members must complete Part III.
2. The components of revenue reported in each Part should be based on the same principles as the comparative statement of income which is prepared in accordance with generally accepted accounting principles ("GAAP"), or such equivalent principles applicable to the audited financial statements of international dealers and advisers and foreign investment fund managers, except that revenues should be reported on an unconsolidated basis.
3. Members of the Investment Dealers Association of Canada may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
4. Members of the Mutual Fund Dealers Association of Canada may refer to Statement D of the MFDA Financial Questionnaire and Report for guidance.
5. Comparative figures are required for the registrant firms' and unregistered investment fund managers' year end date.
6. Participation fee revenue will be based on the portion of total revenue that can be attributed to Ontario. The percentage attributable to Ontario for the reported year end should be the provincial allocation rate used in the corporate tax return for the same fiscal period. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from capital markets activities in Ontario.
7. All figures must be expressed in Canadian dollars and rounded to the nearest thousand.
8. Information reported on this questionnaire must be certified by two members of senior management in Part IV to attest to its completeness and accuracy.

Notes for Part III

1. Gross revenue is defined as the sum of all revenues reported on a gross basis as per the audited financial statements, except where unaudited financial statements are permitted in accordance with subsection 3.4(4) or (5) of the Rule. Audited financial statements should be prepared in accordance with GAAP, or such equivalent principles applicable to the audited financial statements of international dealers and advisers and foreign investment fund managers, except that revenues should be reported on an unconsolidated basis. Items reported on a net basis must be adjusted for purposes of the fee calculation.
2. Redemption fees earned upon the redemption of investment fund units sold on a deferred sales charge basis are permitted as a deduction from total revenue on this line.
3. Administration fees permitted as a deduction are limited solely to those that are otherwise included in gross revenue and represent the reasonable recovery of costs from the investment funds for operating expenses paid on their behalf by the registrant firm or unregistered investment fund manager.
4. Where the advisory services of another registrant firm, within the meaning of this Rule or Rule 13-503 (*Commodity Futures Act*) Fees, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line.
5. Trailer fees paid to other registrant firms are permitted as a deduction on this line.

Participation Fee Calculation

Firm Name: _____

Fiscal year end: _____

Part I – IDA Members

	Current Year \$	Prior Year \$ (if available)
1. Total revenue from Statement E of the Joint Regulatory Financial Questionnaire and Report	_____	_____
2. Less revenue not attributable to capital markets activities	_____	_____
3. Revenue subject to participation fee (line 1 less line 2)	_____	_____
4. Ontario percentage (See definition in Rule)	% _____	% _____
5. Specified Ontario revenues (line 3 multiplied by line 4)	_____	_____
6. Participation fee (From Appendix B of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)	_____	_____

Part II – MFDA Members

1. Total revenue from Statement D of the MFDA Financial Questionnaire and Report	_____	_____
2. Less revenue not attributable to capital markets activities	_____	_____
3. Revenue subject to participation fee (line 1 less line 2)	_____	_____
4. Ontario percentage (See definition in Rule)	% _____	% _____
5. Specified Ontario revenues (line 3 multiplied by line 4)	_____	_____
6. Participation fee (From Appendix B of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)	_____	_____

Part III – Advisers, Other Dealers, and Unregistered Investment Fund Managers

1. Gross revenue (note 1)	_____	_____
Less the following items:		
2. Revenue not attributable to capital markets activities	_____	_____
3. Redemption fee revenue (note 2)	_____	_____
4. Administration fee revenue (note 3)	_____	_____
5. Advisory or sub-advisory fees paid to registrant firms, as defined under this Rule and Rule 13-503 (<i>Commodity Futures Act</i>) Fees (note 4)	_____	_____
6. Trailer fees paid to other registrant firms (note 5)	_____	_____

Rules and Policies

- 7. Total deductions (sum of lines 2 to 6) _____
- 8. Revenue subject to participation fee (line 1 less line 7) _____
- 9. Ontario percentage _____
(See definition in Rule) % %
- 10. Specified Ontario revenues (line 8 multiplied by line 9) _____
- 11. Participation fee _____
(From Appendix B of the Rule, select the participation fee
beside the specified Ontario revenues calculated above) _____

Part IV - Management Certification

We have examined the attached statements and certify that, to the best of our knowledge, they present fairly the revenues of the firm for the period ended _____ and are prepared in agreement with the books of the firm.

We certify that the reported revenues of the firm are complete and accurate and in accordance with generally accepted accounting principles.

	Name and Title	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____

**FORM 13-502F5
ADJUSTMENT OF FEE FOR REGISTRANT FIRMS**

Registrant Firm Name: _____

Fiscal year end: _____

Note: Subsection 3.5(3) of the Rule requires that this Form must be filed concurrent with a completed Form 13-502F4 that shows the firm's actual participation fee calculation.

1. Estimated participation fee paid under subsection 3.5(1) of the Rule: _____
2. Actual participation fee calculated under subsection 3.5(2) of the Rule: _____
3. Refund due (Balance owing): _____
(Indicate the difference between lines 1 and 2)

**FORM 13-502F6
SUBSIDIARY ENTITY EXEMPTION NOTICE**

Name of Subsidiary Entity: _____

Name of Parent: _____

Fiscal Year End Date: _____

Indicate below which exemption the subsidiary entity intends to rely on by checking the appropriate box:

1. Subsection 2.9(1)

The reporting issuer (subsidiary entity) meets the following criteria set out under subsection 2.9(1) of the Rule:

- a) the parent of the subsidiary entity is a reporting issuer;
- b) the parent has paid the participation fee required;
- c) the parent company includes the market capitalization of the subsidiary entity in its calculation of its participation fee; and
- d) the net assets and gross revenues of the subsidiary entity represent more than 90 percent of the consolidated net assets and gross revenues of the parent for the previous financial year of the parent.

	Net Assets for the previous financial year	Gross Revenues for the previous financial year	
Reporting Issuer (Subsidiary)	_____	_____	(A)
Reporting Issuer (Parent)	_____	_____	(B)
Percentage (A/B)	_____ %	_____ %	

2. Subsection 2.9(2)

The reporting issuer (subsidiary entity) meets the following criteria set out under subsection 2.9(2) of the Rule:

- a) the parent of the subsidiary entity is a reporting issuer;
- b) the parent has paid the participation fee required;
- c) the parent company includes the market capitalization of the subsidiary entity in its calculation of its participation fee; and
- d) the subsidiary entity is entitled to rely on an exemption, waiver or approval from the requirements in sections 4.1(1), 4.3(1), 5.1(1), 5.2 and 6.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

**ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-502CP
FEES**

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**ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-502CP
FEES**

PART 1 PURPOSE OF COMPANION POLICY

- 1.1 Purpose of Companion Policy** – The purpose of this Companion Policy is to state the views of the Commission on various matters relating to Rule 13-502 Fees (the “Rule”), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2 PURPOSE AND GENERAL APPROACH OF THE RULE

2.1 Purpose and General Approach of the Rule

- (1) The purpose of the Rule is to establish a fee regime that creates a clear and streamlined fee structure and to adopt fees that accurately reflect the Commission’s costs of providing services.
- (2) The fee regime of the Rule is based on the concepts of “participation fees” and “activity fees”.

2.2 Participation Fees

- (1) Reporting issuers, registrant firms and unregistered investment fund managers are required to pay participation fees annually. Participation fees are designed to cover the Commission’s costs of providing services whose costs are not easily attributable to specific market participants. The participation fee required of each market participant is based on a measure of the market participant’s size, which is used to approximate its proportionate participation in the Ontario capital markets.
- (2) Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of \$39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The appendix to this Companion Policy shows how the Commission has applied the surplus to each participation fee level.

2.3 Participation Fees Payable in Advance

- (1) Although participation fees are determined by using information from the payor’s previous fiscal year, both corporate finance and capital markets participation fees are applied to the costs of the Commission of the payor’s participation in Ontario’s capital markets in the upcoming year.
- (2) This principle is reflected in section 2.6 of the Rule, which deals with the payment of a participation fee for a new reporting issuer. The section requires a new reporting issuer to calculate its annual participation fee as it normally would, but only pay a proportionate amount based on the number of months left in its fiscal year.

- 2.4 Registered Individuals** – The participation fee is paid at the firm level under the Rule. That is, a “registrant firm” is required to pay a participation fee, not an individual who is registered as a salesperson, representative, partner, or officer of the firm.

- 2.5 Activity Fees** – Activity fees are designed to represent the direct cost of Commission resources expended in undertaking the activities listed in Appendix C of the Rule (e.g., reviewing prospectuses, registration applications, and applications for discretionary relief). Activity fees are based on the average cost to the Commission of providing the service.

2.6 Registrants under the Securities Act and the Commodity Futures Act

- (1) The Rule imposes an obligation to pay a participation fee on registrant firms, defined in the Rule as a person or company registered as a dealer or adviser under the Act. An entity so registered may also be registered as a dealer or adviser under the *Commodity Futures Act*. Given the definition of “capital markets activities” under the Rule, the revenue of such an entity from its *Commodity Futures Act* activities must be included in its calculation of revenues when determining its fee under the Rule. Section 2.8 of Rule 13-503 (*Commodity Futures Act*) Fees exempts such an entity from paying a participation fee under that rule if it has paid its participation fees under the *Securities Act* Rule.

- (2) Note that dealers and advisers registered under the *Commodity Futures Act* are subject to activity fees under Rule 13-503 (*Commodity Futures Act*) Fees even if they are not required to pay participation fees under that rule.

2.7 No Refunds

- (1) Generally speaking, a person or company that pays a fee under the Rule is not entitled to a refund of that fee. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a reporting issuer, registrant firm or unregistered investment fund manager that loses that status later in the fiscal year for which the fee was paid.
- (2) An exception to this principle is provided in subsections 2.10(3) and 3.5(4) of the Rule. These provisions allow for a refund where a Class 2 reporting issuer or a registrant firm overpaid an estimated participation fee.
- (3) The Commission will also consider requests for adjustments to fees paid in the case of incorrect calculations made by fee payors.

2.8 Indirect Avoidance of Rule – The Commission may examine arrangements or structures implemented by market participants and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will be interested in circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm, thereby possibly artificially reducing the firm's specified Ontario revenues and, consequently, its participation fee.

PART 3 CORPORATE FINANCE PARTICIPATION FEES

3.1 Application to Investment Funds – Part 2 of the Rule does not apply to an investment fund if the investment fund has an investment fund manager. The reason for this is that under Part 3 of the Rule an investment fund's manager must pay a capital markets participation fee in respect of revenues generated from managing the investment fund.

3.2 Late Fees – Section 2.5 of the Rule requires a reporting issuer to pay an additional fee when it is late in paying its participation fee. Reporting issuers should be aware that the late payment of participation fees may lead to the reporting issuer being noted in default and included on the list of defaulting reporting issuers available on the Commission's website.

3.3 Determination of Market Value

- (1) Section 2.11 of the Rule requires the calculation of the capitalization of a Class 1 reporting issuer to include the aggregate market value of classes of securities that may not be listed or quoted on a marketplace, but trade over the counter or, after their initial issuance, are otherwise generally available for sale. Note that the requirement that securities be valued in accordance with market value excludes from the calculation securities that are not normally traded after their initial issuance.
- (2) When determining the value of securities that are not listed or quoted, a reporting issuer should use the best available source for pricing the securities. That source may be one or more of the following:
 - (a) pricing services,
 - (b) quotations from one or more dealers, or
 - (c) prices on recent transactions.
- (3) Note that market value calculation of a class of securities included in a calculation under section 2.11 includes all of the securities of the class, even if some of those securities are still subject to a hold period or are otherwise not freely tradable.
- (4) If the closing price of a security on a particular date is not ascertainable because there is no trade on that date or the marketplace does not generally provide closing prices, a reasonable alternative, such as the most recent closing price before that date, the average of the high and low trading prices for that date, or the average of the bid and ask prices on that date is acceptable.

- 3.4 Owners' Equity** – A Class 2 reporting issuer calculates its capitalization on the basis of certain items reflected in its audited balance sheet. One such item is “share capital or owners' equity”. The Commission notes that “owners' equity” is designed to describe the equivalent of share capital for non-corporate issuers, such as partnerships or trusts.
- 3.5 “Green Shoes” and Over-Allotment Options** – Paragraph 2.6(4)(a) of the Rule requires that the participation fee for Class 1, Class 3B and Class 3C reporting issuers be based on the offering price of the securities being distributed under a prospectus. The Commission notes that this calculation should assume the issue of any securities under “green shoes” or over-allotment options.

PART 4 CAPITAL MARKET PARTICIPATION FEES

- 4.1 Filing Forms under Section 3.5** – If the estimated participation fee paid under subsection 3.5(1) by a registrant firm does not differ from its true participation fee determined under subsection 3.5(2), the registrant firm is not required to file either a Form 13-502F4 or a Form 13-502F5 under subsection 3.5(3).
- 4.2 Late Fees** – Section 3.6 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm. The Commission may also consider measures in the case of late payment of fees by an unregistered investment fund manager, such as prohibiting the manager from continuing to manage any investment fund or cease trading the investment funds managed by the manager.
- 4.3 Form of Payment of Fees** – Unregistered investment fund managers make filings and pay fees under Part 3 of the Rule by paper copy. The filings and payment should be sent to the Ontario Securities Commission, Investment Funds. Registrant firms pay through the National Registration Database.
- 4.4 “Capital Market Activities”**
- (1) A person or company must consider its capital market activities when calculating its participation fee. The term “capital market activities” is defined in the Rule to include “activities for which registration under the Act or an exemption from registration is required”. The Commission is of the view that these activities include, without limitation, trading in securities, providing securities-related advice and portfolio management services. The Commission notes that corporate advisory services may not require registration or an exemption from registration and would therefore, in those contexts, not be capital markets activities.
 - (2) The definition of “capital market activities” also includes activities for which registration or an exemption from registration under the *Commodity Futures Act* is required. The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.
- 4.5 Permitted Deductions** – Subsection 3.4(3) permits certain deductions to be made for the purpose of calculating specified Ontario revenues for unregistered investment fund managers and certain registrant firms. The purpose of these deductions is to prevent the “double counting” of revenues that would otherwise occur.
- 4.6 Application to Non-resident Unregistered Investment Fund Managers** – For greater certainty, the Commission is of the view that Part 3 of the Rule applies to non-resident unregistered investment fund managers managing investment funds distributed in Ontario on a prospectus exempt basis.

PART 5 ACTIVITY FEES

- 5.1 Investment Funds** – Section 4.3 of the Rule provides for the payment of only one fee for an application made by or on behalf of investment funds in an investment fund family, if the application pertains to each investment fund. It is contemplated that discretionary relief required by investment funds in an investment fund family in circumstances that are the same for all of them can be sought by way of a single application.

APPENDIX – USE OF SURPLUS TO REDUCE PARTICIPATION FEES

Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of \$39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The charts below show how the Commission has applied the surplus to each participation fee level.

1. Corporate Finance Participation Fees

Capitalization	Pre-Surplus Participation Fee	Reduction due to Application of Surplus	Participation Fee
under \$25 million	\$930	\$330	\$600
\$25 million to under \$50 million	\$2,200	\$900	\$1,300
\$50 million to under \$100 million	\$5,300	\$2,100	\$3,200
\$100 million to under \$250 million	\$10,700	\$4,000	\$6,700
\$250 million to under \$500 million	\$23,200	\$8,500	\$14,700
\$500 million to under \$1 billion	\$32,300	\$11,800	\$20,500
\$1 billion to under \$5 billion	\$46,600	\$16,900	\$29,700
\$5 billion to under \$10 billion	\$60,100	\$21,800	\$38,300
\$10 billion to under \$25 billion	\$70,000	\$25,300	\$44,700
\$25 billion and over	\$79,000	\$28,700	\$50,300

2. Capital Markets Participation Fees

Specified Ontario Revenues	Pre-Surplus Participation Fee	Reduction due to Application of Surplus	Participation Fee
under \$500,000	\$1,000	\$200	\$800
\$500,000 to under \$1 million	\$3,500	\$1,000	\$2,500
\$1 million to under \$3 million	\$7,500	\$1,900	\$5,600
\$3 million to under \$5 million	\$14,100	\$1,500	\$12,600
\$5 million to under \$10 million	\$29,000	\$3,500	\$25,500
\$10 million to under \$25 million	\$59,000	\$7,000	\$52,000
\$25 million to under \$50 million	\$88,300	\$10,300	\$78,000
\$50 million to under \$100 million	\$177,000	\$21,000	\$156,000
\$100 million to under \$200 million	\$295,000	\$36,000	\$259,000
\$200 million to under \$500 million	\$595,000	\$70,000	\$525,000
\$500 million to under \$1 billion	\$770,000	\$92,000	\$678,000
\$1 billion to under \$2 billion	\$970,000	\$115,000	\$855,000
\$2 billion and over	\$1,600,000	\$165,000	\$1,435,000

5.1.2 OSC Rule 13-503 (Commodity Futures Act) Fees , Forms and Companion Policy 13-503CP (Commodity Futures Act) Fees

**NOTICE OF
REVOCATION AND REPLACEMENT OF OSC RULE 13-503 (COMMODITY FUTURES ACT) FEES
AND COMPANION POLICY 13-503CP (COMMODITY FUTURES ACT) FEES**

Introduction

On January 10, 2006 the Commission made OSC Rule 13-503 (*Commodity Futures Act*) Fees and adopted Companion Policy 13-503CP (*Commodity Futures Act*) Fees (collectively, the “Proposed Materials”) under the *Commodity Futures Act*. The Proposed Materials were published for a 90-day comment period on August 12, 2005 and are intended to replace the rule and policy currently in force under the same number.

Under section 68 of the Act, the Rule was delivered to the Minister responsible for oversight of the Commission on January 19, 2006. Unless the Minister rejects the Rule or returns it to the Commission for further consideration, it will come into force on April 1, 2006.

Substance and Purpose of the Rule and Policy

The Proposed Materials are consistent with the current rule and policy. That is, the proposed Rule requires registrants to pay a “participation fee” each year. This fee is designed to reflect a market participant’s proportionate participation in Ontario’s capital markets in the upcoming year.

As with the current rule, the proposed Rule also requires the payment of “activity fees”. These fees are designed to represent our direct cost where Commission staff has undertaken certain activities for market participants (for example, reviewing a registration application).

While the basic principles of the current rule and policy remain, the Proposed Materials include a number of changes that are intended to:

- ensure that the fees charged are approximately equal to our costs of providing services,
- improve the “readability” and “user-friendliness” of the current rule and policy by employing plain language principles,
- simplify the activity fee schedule, and
- address a number of concerns and comments raised by stakeholders.

The proposed Rule also returns the surplus collected from market participants between April 2003 and March 2006 in the form of reduced participation fees.

Since the end of the comment period, we have made the following non-material changes to the Proposed Materials:

- Given that the capital markets participation fees paid on December 31, 2005 were larger than expected, we have applied these surplus fees to further reduce the capital markets participation fees in the Rule.
- We have changed some language in the materials to further improve their “readability”.

For a detailed description of other changes to the current rule and policy, please refer to the request for comment published by the Commission on August 12, 2005.

Comments

We did not receive any comments in respect of this Rule.

Text of the Proposed Materials

The text of the Proposed Materials follows. The Proposed Materials are also available on the Commission's website along with a blackline showing the changes made to the Proposed Materials after their publication for comment on August 12, 2005.

Questions

Please refer your questions to:

Gina Sugden
Project Manager, Capital Markets
(416) 593-8162
gsugden@osc.gov.on.ca

January 20, 2006

**ONTARIO SECURITIES COMMISSION
RULE 13-503 (COMMODITY FUTURES ACT) FEES**

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**ONTARIO SECURITIES COMMISSION
RULE 13-503 (COMMODITY FUTURES ACT) FEES**

PART 1 DEFINITIONS

1.1 Definitions - In this Rule

“CFA” means the *Commodity Futures Act*;

“CFA activities” means activities for which registration under the CFA or an exemption from registration is required;

“IDA” means the Investment Dealers Association of Canada;

“Ontario percentage” means, for the fiscal year of a registrant firm

- (a) that has a permanent establishment in Ontario, the percentage of the income of the registrant firm allocated to Ontario for the fiscal year in the corporate tax filings made for the registrant firm under the *Income Tax Act* (Canada), or
- (b) that does not have a permanent establishment in Ontario, the percentage of the total revenues of the registrant firm attributable to CFA activities in Ontario;

“registrant firm” means a person or company registered as a dealer or an adviser under the CFA; and

“specified Ontario revenues” means the revenues determined in accordance with section 2.4, 2.5 or 2.6.

PART 2 PARTICIPATION FEES

2.1 Application – This Part does not apply to a registrant firm that is registered under the *Securities Act* and that has paid its participation fee under Rule 13-502 *Fees* under the *Securities Act*.

2.2 Participation Fee – On December 31, a registrant firm must pay the participation fee shown in Appendix A opposite the registrant firm’s specified Ontario revenues, as that revenue is calculated under section 2.4 or 2.5.

2.3 Disclosure of Fee Calculation – By December 1, a registrant firm must file a completed Form 13-503F1 showing the information required to determine the participation fee due on December 31.

2.4 Specified Ontario Revenues for IDA Members

- (1) The specified Ontario revenues of a registrant firm that is a member of the IDA is calculated by multiplying
 - (c) the registrant firm’s total revenue for its fiscal year ending on or before December 31 of the current year, less revenue not attributable to CFA activities for its fiscal year, by
 - (d) the registrant firm’s Ontario percentage for its fiscal year.
- (2) For the purpose of paragraph (1)(a), “total revenue” means the amount shown as total revenue on Statement E of the Joint Regulatory Financial Questionnaire and Report filed with the IDA by the registrant firm.

2.5 Specified Ontario Revenues for Others

- (1) The specified Ontario revenues of a registrant firm that is not a member of the IDA is calculated by multiplying
 - (a) the registrant firm’s gross revenues, as shown in the audited financial statements prepared for its fiscal year ending on or before December 31 of the current year, less deductions permitted under subsection (2), by
 - (b) the registrant firm’s Ontario percentage for its fiscal year.
- (2) For the purpose of paragraph (1)(a), a registrant firm may deduct the following items otherwise included in gross revenues:
 - (a) revenue not attributable to CFA activities for the fiscal year,

- (b) advisory or sub-advisory fees paid during the fiscal year by the registrant firm to a person or company registered as a dealer or an adviser under the CFA or under the *Securities Act*.

2.6 Estimating Specified Ontario Revenues for Late Fiscal Year End

- (1) If the annual financial statements of a registrant firm have not been completed by December 1 in a year, the registrant firm must,
 - (a) on December 1, file a completed Form 13-503F1 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the fiscal year, and
 - (b) on December 31, pay the participation fee shown in Appendix A opposite the specified Ontario revenues estimated under paragraph (a).
- (2) A registrant firm that estimated its specified Ontario revenues under subsection (1) must, when its annual financial statements for the applicable fiscal year have been completed,
 - (d) calculate its specified Ontario revenues under section 2.4 or 2.5, as applicable,
 - (e) determine the participation fee shown in Appendix A opposite the specified Ontario revenues calculated under paragraph (a), and
 - (f) complete a Form 13-503F1 reflecting the annual financial statements.
- (3) If the participation fee determined under subsection (2) differs from the participation fee paid under subsection (1), the registrant firm must, not later than 90 days after the end of its fiscal year,
 - (d) pay the participation fee determined under subsection (2), less the participation fee paid under subsection (1),
 - (e) file the Form 13-503F1 completed under subsection (2), and
 - (f) file a completed Form 13-503F2.
- (4) If a registrant firm paid an amount paid under subsection (1) that exceeds the participation fee determined under subsection (2), the registrant firm is entitled to a refund from the Commission of the amount overpaid.

2.7 Late Fee

- (1) Subject to subsection (2), a registrant firm that is late in paying a participation fee under this Part must pay an additional fee of one percent of the participation fee for each business day on which the participation fee remains due and unpaid.
- (2) A registrant firm is not required to pay a fee under subsection (1) in excess of 25 percent of the participation fee payable under this Part.

PART 3 ACTIVITY FEES

- 3.1 **Activity Fees** – A person or company that files a document or takes an action listed in Appendix B must, concurrently with filing the document or taking the action, pay the activity fee shown in Appendix B opposite the description of the document or action.
- 3.2 **Late Fee** – A person or company that files a document listed in Appendix C after the document was required to be filed must, concurrently with filing the document, pay the late fee shown in Appendix C opposite the description of the document.

PART 4 CURRENCY CONVERSION

- 4.1 **Canadian Dollars** - If a calculation under this Rule requires the price of a security, or any other amount, as it was on a particular date and that price or amount is not in Canadian dollars, it must be converted into Canadian dollars using the daily noon exchange rate for that date as posted on the Bank of Canada website.

PART 5 EXEMPTION

- 5.1 Exemption** - The Director may grant an exemption from the provisions of this Rule, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

PART 6 – REVOCATION AND EFFECTIVE DATE

- 6.1 Revocation** – Ontario Securities Commission Rule 13-503 (*Commodity Futures Act*) Fees, which came into force on November 29, 2003, is revoked.
- 6.2 Effective Date** - This Rule comes into force on April 1, 2006.

APPENDIX A – PARTICIPATION FEES

Specified Ontario Revenues	Participation Fee
under \$500,000	\$800
\$500,000 to under \$1 million	\$2,500
\$1 million to under \$3 million	\$5,600
\$3 million to under \$5 million	\$12,600
\$5 million to under \$10 million	\$25,500
\$10 million to under \$25 million	\$52,000
\$25 million to under \$50 million	\$78,000
\$50 million to under \$100 million	\$156,000
\$100 million to under \$200 million	\$259,000
\$200 million to under \$500 million	\$525,000
\$500 million to under \$1 billion	\$678,000
\$1 billion to under \$2 billion	\$855,000
\$2 billion and over	\$1,435,000

APPENDIX B - ACTIVITY FEES

Document or Activity	Fee
A. Applications for relief, approval and recognition	
<p>1. Any application for relief, regulatory approval or recognition under any section of the CFA, Regulation or any Rule of the Commission made under the CFA not listed in item A.2 or A.3.</p> <p><i>Note: The following are included in the applications that are subject to a fee under this item:</i></p> <p>(i) <i>recognition of an exchange under section 34 of the CFA, a self-regulatory organization under section 16 of the CFA or a clearing house under section 17 of the CFA;</i></p> <p>(ii) <i>registration of an exchange under section 15 of the CFA; and</i></p> <p>(iii) <i>approval of the establishment of a council, committee or ancillary body under section 18 of the CFA.</i></p>	<p>\$3,000 for each section under which an application is made (plus \$2,000 if the applicant is not subject to, and is not reasonably expected to become subject to, a participation fee under this Rule or Rule 13-502 under the <i>Securities Act</i>) subject to the overall limitation set out below</p> <p>The maximum fee for an application, regardless of the number of sections under which application is made, shall be \$7,500 if the applicant is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or Rule 13-502 under the <i>Securities Act</i>, or \$9,500 if the applicant is not subject to, and is not reasonably expected to become subject to, a participation fee under this Rule or Rule 13-502 under the <i>Securities Act</i>. These limits apply to the application even if the application is made under both the CFA and the <i>Securities Act</i>; i.e. an application under both statutes will not be subject to a fee of more than \$7,500 or \$9,500, as applicable.</p>
<p>2. Application under</p> <p>(a) Section 24, 36(1), 40, or 46(2) of the CFA, and</p> <p>(b) Subsection 27(1) of the Regulation to the CFA.</p>	Nil
<p>3. An application for relief from any of the following:</p> <p>(a) Rule 13-503 (<i>Commodity Futures Act</i>) Fees;</p> <p>(b) OSC Rule 31-509 (<i>Commodity Futures Act</i>) <i>National Registration Database</i>;</p> <p>(c) OSC Rule 33-506 (<i>Commodity Futures Act</i>) <i>Registration Information</i>.</p>	\$1,500
B. Registration-Related Activity	
<p>1. New registration of a firm in any category of registration</p> <p><i>Note: If a firm is registering as both a dealer and an adviser, it is required to pay two activity fees.</i></p>	\$600
<p>2. Change in registration category</p> <p><i>Note: This includes a dealer becoming an adviser or vice versa, or changing a category of registration within the general category of adviser. A dealer adding a category of registration, such as a dealer becoming both a dealer and an adviser, is covered in the preceding section.</i></p>	\$600

Document or Activity	Fee
<p>3. Registration of a new director, officer or partner (trading or advising), salesperson, floor trader or representative</p> <p>Notes:</p> <p>(i) <i>Registration of a new non-trading or non-advising director, officer or partner does not trigger an activity fee.</i></p> <p>(ii) <i>An individual registering as both a dealer and an adviser will be required to pay two activity fees.</i></p> <p>(iii) <i>A registration fee will not be charged if an individual makes application to register with a new registrant firm within three months of terminating employment with his or her previous registrant firm if the individual's category of registration remains unchanged.</i></p>	\$200 per person
<p>4. Change in status from a non-trading or non-advising capacity to a trading or advising capacity</p>	\$200 per person
<p>5. Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of registrant firms</p>	\$2,000
<p>6. Application for amending terms and conditions of registration</p>	\$500
<p>C. Application for Approval of the Director under Section 9 of the Regulation</p>	\$1,500
<p>D. Request for Certified Statement from the Commission or the Director under Section 62 of the CFA</p>	\$100
<p>E. Requests of the Commission</p>	
<p>1. Request for a photocopy of Commission records</p>	\$0.50 per page
<p>2. Request for a search of Commission records</p>	\$150
<p>3. Request for one's own Form 7</p>	\$30

APPENDIX C – ADDITIONAL FEES FOR LATE DOCUMENT FILINGS

Document	Late Fee
<p>1. Fee for late filing of any of the following documents:</p> <ul style="list-style-type: none"> (a) Annual financial statements and interim financial statements; (b) Report under section 15 of Regulation to the CFA; (c) Report under section 17 of Regulation to the CFA; (d) Filings for the purpose of amending Form 5 and Form 7 or Form 33-506F4 under Rule 33-506; (e) Any document required to be filed by a registrant firm or individual in connection with the registration of the registrant firm or individual under the CFA with respect to <ul style="list-style-type: none"> (i) terms and conditions imposed on a registrant firm or individual, or (ii) an order of the Commission; (f) Form 13-503F1; (g) Form 13-503F2. 	<p>\$100 per business day (subject to a maximum of \$5,000 for a registrant firm for all documents required to be filed within a calendar year)</p>

**FORM 13-503F1
(COMMODITY FUTURES ACT)**

PARTICIPATION FEE CALCULATION

General Instructions

1. IDA members must complete Part I of this Form. All other registrant firms must complete Part II.
2. The components of revenue reported in this Form should be based on the same principles as the comparative statement of income that is prepared in accordance with generally accepted accounting principles ("GAAP"), or such equivalent principles applicable to the audited financial statements of non-resident advisers, except that revenues should be reported on an unconsolidated basis.
3. Members of the Investment Dealers Association of Canada may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.
4. Comparative figures are required for the registrant firm's year end date.
5. Participation fee revenue will be based on the portion of total revenue that can be attributed to Ontario. The percentage attributable to Ontario for the reported year end should be the provincial allocation rate used in the corporate tax return for the same fiscal period. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from CFA activities in Ontario.
6. All figures must be expressed in Canadian dollars and rounded to the nearest thousand.
7. Information reported on this questionnaire must be certified by two members of senior management in Part IV to attest to its completeness and accuracy.

Notes for Part II

1. Gross Revenue is defined as the sum of all revenues reported on a gross basis as per the audited financial statements prepared in accordance with GAAP, or such equivalent principles applicable to the audited financial statements of non-resident advisers, except that revenues should be reported on an unconsolidated basis. Items reported on a net basis must be adjusted for purposes of the fee calculation. Gross revenues are reduced by amounts not attributable to CFA activities.
2. Where the advisory or sub-advisory services of another registrant firm are used by the registrant firm to advise on a portion of its assets under management, such advisory or sub-advisory costs are permitted as a deduction on this line.

Participation Fee Calculation

Firm Name: _____

Fiscal Year End: _____

PART I – IDA Members

	Current Year \$	Prior Year \$
1. Total revenue from Statement E of the Joint Regulatory Financial Questionnaire and Report	_____	_____
2. Less revenue not attributable to CFA activities	_____	_____
3. Revenue subject to participation fee (line 1 less line 2)	_____	_____

Part II – Advisers and Other Dealers

1. Gross revenue as per the audited financial statements (note 1)	_____	_____
Less the following items:		
2. Amounts not attributable to CFA activities	_____	_____
3. Advisory or sub-advisory fees paid to other registrant firms (note 2)	_____	_____
4. Revenue subject to participation fee (line 1 less lines 2 and 3)	_____	_____

Part III – Calculating Specified Ontario Revenues

1. Gross revenue subject to participation fee (line 3 from Part I or line 4 from Part II)	\$ _____
2. Ontario Percentage (See definition in Rule)	_____ %
3. Specified Ontario revenues (line 3 multiplied by line 4)	_____
4. Participation fee (From Appendix A of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)	_____

Part IV - Management Certification

We have examined the attached statements and certify that, to the best of our knowledge, they present fairly the revenues of the firm for the period ended _____ and are prepared in agreement with the books of the firm.

We certify that the reported revenues of the firm are complete and accurate and in accordance with generally accepted accounting principles.

	Name and Title	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____

**FORM 13-503F2
(COMMODITY FUTURES ACT)**

ADJUSTMENT OF FEE PAYMENT

Firm Name: _____

Fiscal Year End: _____

Note: Subsection 2.6(3) of the Rule requires that this Form must be filed concurrent with a completed Form 13-503F1 that shows the firm's actual participation fee calculation.

- 4. Estimated participation fee paid under subsection 2.6(1) of the Rule: _____
- 5. Actual participation fee calculated under subsection 2.6(2) of the Rule: _____
- 6. Refund due (Balance owing): _____
(Indicate the difference between lines 1 and 2)

**ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-503CP
(COMMODITY FUTURES ACT) FEES**

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**ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-503CP
(COMMODITY FUTURES ACT) FEES**

PART 1 PURPOSE OF COMPANION POLICY

- 1.1 Purpose of Companion Policy** – The purpose of this Companion Policy is to state the views of the Commission on various matters relating to Rule 13-503 (*Commodity Futures Act*) Fees (the “Rule”), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2 PURPOSE AND GENERAL APPROACH OF THE RULE

2.1 Purpose and General Approach of the Rule

- (1) The general approach of the Rule is to establish a fee regime that is consistent with the approach of Rule 13-502 (the “OSA Fees Rule”), which governs fees paid under the *Securities Act*. Both rules are designed to create a clear and streamlined fee structure and to adopt fees that accurately reflect the Commission’s costs of providing services.
- (2) The fee regime of the Rule is based on the concepts of “participation fees” and “activity fees”.

2.2 Participation Fees

- (1) Registrant firms are required to pay participation fees annually. Participation fees are designed to cover the Commission’s costs of providing services whose costs are not easily attributable to specific market participants. The participation fee required of each market participant is based on a measure of the market participant’s size, which is used to approximate its proportionate participation in the Ontario capital markets.
- (2) Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of \$39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The appendix to this Companion Policy shows how the Commission has applied the surplus to each participation fee level.

- 2.3 Participation Fees Payable in Advance** – Although participation fees are determined by using information from a registrant firm’s previous fiscal year, participation fees are applied to the costs of the Commission of the firm’s participation in Ontario’s capital markets in the upcoming year.

- 2.4 Registered Individuals** – The participation fee is paid at the firm level under the Rule. That is, a “registrant firm” is required to pay a participation fee, not an individual who is registered as a salesperson, representative, partner, or officer of the firm.

- 2.5 Activity Fees** – Activity fees are designed to represent the direct cost of Commission resources expended in undertaking the activities listed in Appendix B of the Rule (e.g., reviewing registration applications and applications for discretionary relief). Activity fees are based on the average cost to the Commission of providing the service.

2.6 Registrants under the CFA and the *Securities Act*

- (1) A registrant firm that is registered both under the CFA and the *Securities Act* is exempted by section 2.1 of the Rule from the requirement to pay a participation fee under the Rule if it is current in paying its participation fees under the OSA Fees Rule. The registrant firm will include revenues derived from CFA activities as part of its revenues for purposes of determining its participation fee under the OSA Fees Rule.
- (2) A registrant firm that is registered both under the CFA and the *Securities Act* must pay activity fees under the CFA Rule even though it pays a participation fee under the OSA Fees Rule.

2.7 No Refunds

- (1) Generally speaking, a person or company that pays a fee under the Rule is not entitled to a refund of that fee. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a registrant firm whose registration is terminated later in the year for which the fee was paid.

- (2) An exception to this principle is provided in subsection 2.6(4) of the Rule. This provision allows for a refund where a registrant firm overpaid an estimated participation fee.
- (3) The Commission will also consider requests for adjustments to fees paid in the case of incorrect calculations made by fee payors.

2.8 Indirect Avoidance of Rule – The Commission may examine arrangements or structures implemented by registrant firms and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will be interested in circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm, thereby possibly artificially reducing the firm's specified Ontario revenues and, consequently, its participation fee.

PART 3 PARTICIPATION FEES

- 3.1 Filing Forms under Section 2.6** – If the estimated participation fee paid under subsection 2.6(1) by a registrant firm does not differ from its true participation fee determined under subsection 2.6(2), the registrant firm is not required to file either a Form 13-503F1 or a Form 13-503F2 under subsection 2.6(3).
- 3.2 Late Fees** – Section 2.7 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm.
- 3.3 "CFA Activities"** – Calculation of the participation fee involves consideration of the CFA activities undertaken by a person or company. The term "CFA activities" is defined in section 1.1 of the Rule to include "activities for which registration under the CFA or an exemption from registration is required". The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

APPENDIX – USE OF SURPLUS TO REDUCE PARTICIPATION FEES

Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of \$39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The chart below shows how the Commission has applied the surplus to each participation fee level.

Specified Ontario Revenues	Pre-Surplus Participation Fee	Reduction due to Application of Surplus	Participation Fee
under \$500,000	\$1,000	\$200	\$800
\$500,000 to under \$1 million	\$3,500	\$1,000	\$2,500
\$1 million to under \$3 million	\$7,500	\$1,900	\$5,600
\$3 million to under \$5 million	\$14,100	\$1,500	\$12,600
\$5 million to under \$10 million	\$29,000	\$3,500	\$25,500
\$10 million to under \$25 million	\$59,000	\$7,000	\$52,000
\$25 million to under \$50 million	\$88,300	\$10,300	\$78,000
\$50 million to under \$100 million	\$177,000	\$21,000	\$156,000
\$100 million to under \$200 million	\$295,000	\$36,000	\$259,000
\$200 million to under \$500 million	\$595,000	\$70,000	\$525,000
\$500 million to under \$1 billion	\$770,000	\$92,000	\$678,000
\$1 billion to under \$2 billion	\$970,000	\$115,000	\$855,000
\$2 billion and over	\$1,600,000	\$165,000	\$1,435,000

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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
12/30/2005	1	1683464 Ontario Inc. - Flow-Through Shares	200,000.00	200,000.00
12/31/2005	1	AAF 2005-2 Limited Partnership - Units	10,000.00	2.00
12/29/2005	2	Action Minerals Inc. - Common Shares	250,000.00	1,666,666.00
12/28/2005 to 12/30/2005	12	Adroit Resources Inc. - Flow-Through Shares	1,064,475.00	N/A
12/19/2005	31	American Manor Enterprises Inc. - Common Shares	3,000,100.00	N/A
12/30/2005	7	Archer Education Group Inc. - Units	821,138.00	1,410,000.00
12/29/2005	2	Aries Resources Corp. - Common Shares	250,000.00	1,470,588.00
12/28/2005	1	ARLO IV Limited - Notes	58,195,000.00	58,195,000.00
12/19/2005	44	Ashton Mining of Canada Inc. - Flow-Through Shares	9,224,670.00	7,095,900.00
12/16/2005	84	Atna Resources Ltd. - Warrants	10,057,500.00	7,450,000.00
12/28/2005	2	Axela Biosensors Inc. - Preferred Shares	0.00	514,869.00
12/22/2005	49	Baffinland Iron Mines Corporation - Flow-Through Shares	11,880,000.00	5,940,000.00
12/21/2005	78	Baja Mining Corp. - Units	1,839,500.25	5,255,715.00
12/29/2005	13	Bannockburn Resources Limited - Common Shares	800,000.00	8,213,750.00
12/30/2005	5	Bell Resources Corporation - Units	1,000,000.00	2,222,222.00
12/30/2005	6	Birch Hill Equity Partners (Entrepreneurs) III, L.P. - L.P. Interest	1,625,000.00	1.00
12/30/2005	2	Birch Hill Equity Partners III, L.P. - L.P. Interest	5,050,000.00	1.00
12/14/2005	5	Bison Gold Exploration Inc. - Common Shares	1,090,000.00	N/A
01/04/2006	1	Blue Devil Pharmaceuticals Inc. - Receipts	2,001,920.00	368,000.00
12/28/2005	7	Bonanza Resources Corporation - Common Shares	85,000.00	500,000.00
01/05/2006	66	BrazAlta Resources Corp. - Units	15,043,947.60	21,073,246.00
12/21/2005	56	Canadian Royalties Inc. - Common Shares	6,461,500.00	4,450,000.00
12/30/2005	4	Canadian Shield Resources Inc. - Units	200,000.00	1,600,000.00
12/31/2005	6	Cannasat Pharmaceuticals Inc. - Option	6.00	6.00
12/21/2005	58	Capstone Gold Corp. - Units	12,397,409.75	13,049,905.00
12/22/2005 to 01/11/2006	2	Card One Plus Ltd. - Common Shares	280,000.00	70,000.00
12/23/2005	1	Cascadero Copper Corporation - Units	150,000.00	1,000,000.00
12/22/2005	5	Century Oilfield Services Inc. - Common Shares	5,000,000.00	4,000,000.00
12/20/2005	34	China Education Resources Inc. - Units	2,051,550.00	2,564,437.00
12/30/2005	113	Compliance Energy Corporation - Flow-Through Shares	5,046,412.50	2,105,606.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
12/30/2005	118	Compliance Energy Corporation - Units	5,628,312.30	4,040,576.00
12/01/2005	1	Consolidated Global Minerals Ltd. - Units	200,000.00	1,000,000.00
12/30/2005	19	Copper Reef Mines (1973) Limited - Units	100,000.00	500,000.00
12/09/2005	1	Copper Ridge Explorations Inc. - Common Shares	20,000.00	200,000.00
12/30/2005	1	Dios Exploration Inc. - Flow-Through Shares	8,000.00	32,000.00
12/29/2005 to 12/31/2005	102	Discovery Drilling Funds 2005 Oil and Gas Limited Partnership - Units	2,975,000.00	N/A
12/31/2005	1	Distributionco Inc. - Units	13,856.75	55,427.00
12/22/2005	36	Dual Exploration Inc. - Common Shares	3,080,000.00	1,100,000.00
12/16/2005	38	Eagle Plains Resources Ltd. - Common Shares	417,237.00	417,237.00
12/16/2005	23	Eagle Plains Resources Ltd. - Units	863,299.50	1,269,285.00
12/21/2005	84	EdgeStone Affiliate 2005 Equity Fund II, L.P. - L.P. Interest	11,987,600.00	11,987,600.00
12/21/2005	84	EdgeStone Affiliate 2005 Venture Fund, L.P. - L.P. Interest	2,996,900.00	2,996,900.00
12/28/2005	10	Emerald Bay Energy Inc. - Flow-Through Shares	875,000.00	2,916,667.00
12/20/2005	16	Energize Oil & Gas Ltd. - Common Shares	505,000.00	1,320,000.00
11/25/2005	2	Equinav Finance Limited Partnership - L.P. Units	800,000.00	160.00
12/22/2005 to 12/30/2005	50	ESO Uranium Corp. - Flow-Through Shares	2,255,898.00	2,506,554.00
12/22/2005 to 12/29/2005	25	Eurocontrol Technics Inc. - Units	6,849,061.05	10,537,017.00
01/05/2006	4	Exploration Tom Inc. - Flow-Through Shares	135,000.00	450,000.00
10/10/2005	1	EYI Industries, Inc. - Common Shares	250,000.00	250,000.00
01/04/2006	1	Fletcher Nickel Inc. - Notes	750,000.00	1.00
01/02/2006 to 01/06/2006	17	General Motors Acceptance Corporation of Canada, Limited - Notes	5,740,496.50	57,404.00
12/26/2005 to 12/30/2005	7	General Motors Acceptance Corporation of Canada, Limited - Notes	2,524,659.52	2,524,659.52
12/19/2005 to 12/23/2005	12	General Motors Acceptance Corporation of Canada, Limited - Notes	4,251,489.24	4,251,489.24
12/22/2005	18	Geodex Minerals Ltd. - Flow-Through Shares	278,590.00	1,857,266.00
12/22/2005	19	Geodex Minerals Ltd. - Non-Flow Through Units	251,460.00	2,095,500.00
12/22/2005	1	Geophysical Prospecting Inc. - Common Shares	10,000.00	1,000,000.00
12/19/2005	1	Geophysical Prospecting Inc. - Common Shares	300,000.00	5,000,000.00
12/23/2005	2	Geophysical Prospecting Inc. - Common Shares	26,000.00	2,600,000.00
12/23/2005	1	Geophysical Prospecting Inc. - Common Shares	50,000.00	5,000,000.00
01/06/2006	9	Gobimin Inc. - Units	1,274,000.00	1,160,000.00
12/22/2005	33	Gold Summit Corporation - Units	1,032,500.00	4,130,000.00
12/30/2005	13	Goldcliff Resource Corporation - Common Shares	220,000.00	880,000.00
11/30/2005 to 12/09/2005	3	Golden Chalice Resources Inc. - Common Shares	58,000.00	N/A
12/21/2005 to 12/29/2005	8	Golden Goose Resources Inc. - Common Shares	896,091.12	2,489,142.00
12/29/2005	24	Golden Valley Mines Ltd. - Common Shares	588,881.70	1,784,490.00
12/06/2004	1	Goldman Sachs Asia Portfolio - Units	143,148.00	9,295.12
12/19/2005	1	Goldman Sachs Global High Yield Portfolio - Units	677,901.96	50,290.32
11/30/2005	2	Goldman Sachs US Fixed Income Portfolio - Units	6,405,873.00	473,747.17

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
12/15/2005	50	Great Plains Explorations Inc. - Common Shares	14,502,000.00	2,420,000.00
12/30/2005	11	Guardian Exploration Inc. - Units	929,223.75	1,429,575.00
12/29/2005	1	Hawk Precious Minerals Inc. - Units	50,000.00	200,000.00
12/30/2005	258	High Plains Energy Inc. - Common Shares	8,699,172.00	2,586,000.00
12/01/2004 to 11/30/2005	241	Hillsdale Canadian Aggressive Hedged Equity Fund - Units	19,160,419.00	752,352.00
12/01/2004 to 11/30/2005	79	Hillsdale Canadian Market Neutral Equity Fund - Units	8,098,004.00	410,045.00
12/01/2004 to 11/30/2005	104	Hillsdale Canadian Performance Equity Fund - Units	23,934,780.00	253,651.00
12/01/2004 to 11/30/2005	30	Hillsdale US Aggressive Hedged Equity Fund - Units	2,622,351.00	277,660.00
11/02/2005 to 11/29/2005	13	Hillsdale U.S. Performance Equity Fund - Units	10,921,887.00	214,858.00
12/22/2005 to 12/31/2005	11	Houston Lake Mining Inc. - Units	298,300.00	1,104,813.00
12/28/2005 to 01/06/2006	12	IMAGIN Diagnostics, Inc. - Common Shares	175,000.00	87,500.00
12/23/2005 to 01/05/2006	9	IMRIS Inc. - Common Shares	4,000,000.00	2,349,515.00
01/10/2006	4	Intelligauge Inc. - Debentures	200,000.00	1.00
12/29/2005	15	International KRL Resources Corp. - Flow-Through Shares	590,000.00	2,460,000.00
12/30/2005	6	Intrepid Minerals Corporation - Flow-Through Shares	252,999.60	575,000.00
12/19/2005	82	Jinshan Gold Mines Inc. - Units	15,000,000.00	30,000,000.00
12/23/2005	30	Junex Inc. - Flow-Through Shares	1,860,000.00	1,488,000.00
12/22/2005	3	Keystone Communities Limited Partnership - L.P. Units	25,000,100.00	25,000,100.00
12/30/2005	10	Kodiak Exploration Limited - Common Shares	726,000.00	1,815,000.00
12/29/2005	25	Logan Resources Ltd. - Flow-Through Shares	303,250.00	1,213,000.00
11/25/2005	191	Lynden Ventures Ltd. - Units	6,272,500.25	8,363,334.00
12/21/2005	48	MAG Silver Corp. - Units	6,094,749.00	6,494,749.00
12/16/2005	10	Magnus Energy Inc. - Common Shares	2,220,000.00	1,200,000.00
12/30/2005	5	Maxxcapp Corporation - Units	160,000.00	2,000,000.00
12/30/2005	8	Mengold Resources Inc. - Units	232,500.00	860,000.00
12/30/2005	1	Metco Resources Inc. - Flow-Through Shares	50,000.00	416,650.00
12/20/2005	1	Minera Andes Inc. - Units	5,395,159.00	15,414,740.00
11/30/2005	8	Monet Land Development Inc. - Common Shares	478,000.00	478.00
12/23/2005	4	Monster Copper Corporation - Units	285,000.00	712,500.00
08/01/2005	1	Moondiale Offshore Fund Ltd. - Common Shares	12,110,000.00	10,000.00
11/30/2005 to 12/02/2005	36	Mustang Minerals Corp. - Flow-Through Shares	2,762,729.30	6,139,398.00
12/31/2005	1	NewQuant Trust I - Units	270,000.00	N/A

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
12/21/2005	1	Observatory Inlet Development Corp. - Flow-Through Shares	6,250,000.00	6,250,000.00
12/23/2005	12	Oromonte Resources Inc. - Units	342,500.00	3,389,286.00
12/16/2005	31	Photon Control Inc. - Units	4,500,000.00	11,250,000.00
01/02/2006	2	Protocol Energy International Inc. - Common Shares	125,000.00	250,000.00
12/19/2005	3	Raptor Capital Corporation - Common Shares	45,000.00	900,000.00
12/19/2005	3	Raptor Capital Corporation - Flow-Through Shares	579,000.00	8,271,429.00
12/19/2005	2	Raptor Capital Corporation - Units	400,000.00	400.00
12/30/2005	3	Ressources Strateco Resources Inc. - Flow-Through Shares	500,000.00	3,448,274.00
12/30/2005	1	Reworks Inc. - Units	25,000.00	83,333.00
12/14/2005	9	Roador Industries Ltd. - Common Shares	729,999.90	4,866,666.00
12/21/2005	45	Semafo Inc. - Common Shares	65,200,000.00	40,000,000.00
12/20/2005	27	SemBioSys Genetics Inc. - Units	15,456,000.00	3,864,000.00
01/05/2006	98	Sharon Energy Ltd. - Units	6,000,000.00	12,000,000.00
12/12/2005	1	Shelton Canada Corp. - Common Shares	230,000.00	821,428.00
12/31/2005	7	Signalta Resources Limited - Joint Ventures	7,650,000.00	N/A
12/30/2005	2	Signet Energy Inc. - Units	327,005.00	934,300.00
12/31/2005	25	Silver Eagle Mines Inc. - Units	632,617.00	632,617.00
12/14/2005	43	Silver Spruce Resources Inc. - Common Shares	1,050,000.00	5,250,000.00
12/19/2005	8	Skyharbour Resources Ltd. - Units	55,000.00	1,100,000.00
12/21/2005	11	SLM Corporation - Notes	200,000,000.00	200,000,000.00
12/29/2005	30	Southern Arc Minerals Inc. - Units	1,400,000.00	4,000,000.00
12/23/2005	15	Sparton Resources Inc. - Units	1,462,350.00	9,749,000.00
12/30/2005	9	Spider Resources Inc. - Units	192,000.00	3,840,000.00
12/29/2005	52	StageVentures III LP - L.P. Units	5,101,760.00	4,768.00
12/23/2005	2	Stealth Minerals Limited - Units	400,000.00	266,667.00
12/22/2005	12	Stratabound Minerals Corp. - Units	300,000.00	400,000.00
12/23/2005 to 12/29/2005	15	St. Andrew Goldfields Ltd. - Flow-Through Shares	5,999,999.98	46,153,846.00
12/23/2005	1	Sydney Resource Corporation - Units	150,000.00	468,750.00
01/10/2006	3	Symbium Corporation - Debentures	250,000.00	N/A
12/22/2005	3	The Canadian Investment Fund for Africa LP - L.P. Interest	61,257,000.00	N/A
12/19/2005	16	Tone Resources Limited - Units	514,000.00	2,570,000.00
12/23/2005	27	Tower Energy Ltd. - Common Shares	503,850.00	2,519,250.00
12/30/2005	1	Tri-Gold Resources Corp. - Units	375,000.00	2,500,000.00
12/28/2005	28	Triex Minerals Corporation - Flow-Through Shares	4,400,000.00	1,760,000.00
12/28/2005	8	Triex Minerals Corporation - Units	3,300,000.00	1,320,000.00
12/20/2005	17	Trigon Exploration Canada Ltd. - Common Shares	1,124,948.00	5,113,400.00
12/21/2005	35	Trimox Energy Inc. - Common Shares	2,300,000.00	1,000,000.00
12/21/2005	25	Trimox Energy Inc. - Flow-Through Shares	2,900,000.00	N/A
12/16/2005	37	U.S. Platinum Inc. - Units	261,200.00	3,265,000.00
12/16/2005	13	Vector Wind Energy Inc. - Common Shares	365,528.30	1,985,808.00
12/16/2005	4	Vector Wind Energy Inc. - Flow-Through Shares	215,500.40	651,667.00
12/29/2005	1	Viking Gold Exploration Inc. - Units	100,000.00	1,111,111.00
01/06/2006	75	Virgin Resources Limited - Common Shares	2,999,038.45	4,613,902.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
12/22/2005	69	Welton Energy Corporation - Common Shares	7,998,981.00	5,332,654.00
12/21/2005	66	Whiterock Real Estate Investment Trust - Debentures	3,000,000.00	300,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Addax Petroleum Corporation
Principal Regulator - Alberta

Type and Date:

Second Amended and Restated Preliminary PREP
Prospectus dated January 16, 2006
Mutual Reliance Review System Receipt dated January 16,
2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Merrill Lynch Canada Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
TD Securities Inc.
National Bank Financial Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Peters & Co. Limited

Promoter(s):

-

Project #867623

Issuer Name:

AGS Energy 2006-1 Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 12, 2006
Mutual Reliance Review System Receipt dated January 13,
2006

Offering Price and Description:

\$30,000,000.00 -1,200,000 Limited Partnership Units
Subscription Price: \$25.00 per Unit. Minimum Purchase:
200 Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Blackmont Capital Inc.
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Peters & Co. Limited
Queensbury Securities Inc.
Raymond James Ltd.
Richardson Partners Financial Limited
Wellington West Capital Inc.

Promoter(s):

AGS RESOURCE 2006-1 GP INC.

Project #878482

Issuer Name:

Bird Construction Income Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 11, 2006
Mutual Reliance Review System Receipt dated January 12,
2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.

Promoter(s):

Bird Construction Company Limited

Project #878058

Issuer Name:

Burgundy Compound Reinvestment Fund

Type and Date:

Preliminary Simplified Prospectus dated January 11, 2006
Received on January 13, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Burgundy Asset Management Ltd.
Burgundy Asset Management Ltd.

Promoter(s):

Burgundy Asset Management Ltd.

Project #878450

Issuer Name:

ClaymorETF FTSE RAFI Canadian Index Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 13, 2006
Mutual Reliance Review System Receipt dated January 16, 2006

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

Claymore Investments, Inc.

Promoter(s):

-

Project #878756

Issuer Name:

EnerVest Diversified Income Trust

Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 11, 2006
Mutual Reliance Review System Receipt dated January 11, 2006

Offering Price and Description:

Offering of Rights to Subscribe for Units

Subscription Price: Five Rights and \$ * per Unit

The Subscription Price is * % of the market price per Unit on January 1, 2006

Underwriter(s) or Distributor(s):

GMP Securities L.P.

Promoter(s):

-

Project #877903

Issuer Name:

Front Street Flow-Through 2006-I Limited Partnership

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated January 16, 2006
Mutual Reliance Review System Receipt dated January 16, 2006

Offering Price and Description:

\$125,000,000.00 (Maximum Offering) - (5,000,000 Units)

Price: \$25.00 per Unit. Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

National Bank Financial Inc.

RBC Capital Markets Inc.

Scotia Capital Inc.

TD Securities Inc.

Canaccord Capital Corporation

Raymond James Ltd.

Dundee Securities Corporation

HSBC Securities (Canada) Inc.

Richardson Partners Financial Ltd.

Tuscarora Capital Inc.

Berkshire Securities Inc.

Blackmont Capital Inc.

MGI Securities Inc.

Queensbury Securities Inc.

Wellington West Capital Inc.

Promoter(s):

Front Street Capital Management General Partner III Corp.

Project #878903

Issuer Name:

IA Clarington Canadian Conservative Equity Fund

IA Clarington Dividend Growth Fund

IA Clarington Dividend Income Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated January 13, 2006

Mutual Reliance Review System Receipt dated January 16, 2006

Offering Price and Description:

Series A and F Units

Underwriter(s) or Distributor(s):

ClaringtonFunds Inc.

ClaringtonFunds Inc.

Promoter(s):

ClaringtonFunds Inc.

Project #878716

Issuer Name:

Inter Pipeline Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated January 13, 2006
Mutual Reliance Review System Receipt dated January 13, 2006

Offering Price and Description:

\$150,000,000.00 - 15,000,000 Class A Units
Price: \$10.00 per Class A 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
FirstEnergy Capital Corp.
Peters & Co. Limited
Raymond James Ltd.

Promoter(s):

-

Project #878681

Issuer Name:

Long Harbour Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated January 12, 2006
Mutual Reliance Review System Receipt dated January 16, 2006

Offering Price and Description:

\$400,000.00 - 2,000,000 Common Shares
Price: \$0.20

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Howard Louie
Geoffrey Lee

Project #879272

Issuer Name:

Score Media Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated January 16, 2006
Mutual Reliance Review System Receipt dated January 17, 2006

Offering Price and Description:

\$• - • Class A Subordinate Voting Shares
Price: \$ * per Share

Underwriter(s) or Distributor(s):

Genuity Capital Markets

Promoter(s):

-

Project #879172

Issuer Name:

Yonge Street Capital Corp.
Principal Regulator - Ontario

Type and Date:

Preliminary CPC Prospectus dated January 12, 2006
Mutual Reliance Review System Receipt dated January 16, 2006

Offering Price and Description:

Minimum offering: \$200,000.00 (1,000,000 common shares)

Maximum offering: \$1,000,000.00 (5,000,000 common shares)

Price: \$0.20 per Common Share

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Gerald B. Ruth

Project #878783

Issuer Name:

CI Can-Am Small Cap Corporate Class
(Formerly Signature Canadian Small Cap Corporate Class)
Synergy Canadian Style Management Corporate Class
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated January 3, 2006 to Final Simplified Prospectuses and Annual Information Forms dated September 29, 2005
Mutual Reliance Review System Receipt dated January 11, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #814338

Issuer Name:

CI Explorer Fund
Synergy Extreme Canadian Equity Fund
Synergy Tactical Asset Allocation Fund
CI Explorer Corporate Class
Principal Regulator - Ontario

Type and Date:

Amendment #5 dated January 3, 2006 to Final Simplified Prospectuses and Annual Information Forms dated June 20, 2005
Mutual Reliance Review System Receipt dated January 11, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #784613

Issuer Name:

Emerald Balanced Fund
Emerald Canadian Equity Index Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated January 12, 2006 to Final Simplified Prospectuses and Annual Information Forms dated April 12, 2005

Mutual Reliance Review System Receipt dated January 16, 2006

Offering Price and Description:

Class A and B Units

Underwriter(s) or Distributor(s):

TD Asset Management Inc.

Promoter(s):

TD Asset Management Inc.

Project #749463

Issuer Name:

Institutional Managed Canadian Equity Pool
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated January 5, 2006 to the Amended and Restated Simplified Prospectus and Annual Information Form Dated October 21, 2005, amending and restating the Final Simplified Prospectus and Annual Information Form dated June 28, 2005

Mutual Reliance Review System Receipt dated January 11, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

United Financial Corporation
Assante Capital Management Ltd.
Assante Financial Management Ltd.
Assante Capital Management Ltd.
Assante Capital Management Ltd.

Promoter(s):

United Financial Corporation

Project #782529

Issuer Name:

Keystone AIM Trimark U.S. Companies Fund
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated January 4, 2006 to Final Simplified Prospectus and Annual Information Form dated May 30, 2005

Mutual Reliance Review System Receipt dated January 11, 2006

Offering Price and Description:

Series A, I and O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Mackenzie Financial Corporation

Project #767692

Issuer Name:

NeuroMedix Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated January 9, 2006
Mutual Reliance Review System Receipt dated January 11, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Dundee Securities Corporation

Promoter(s):

Calvin Stiller

Project #859653

Issuer Name:

RBC U.S. Equity Currency Neutral Fund
RBC U.S. Mid-Cap Equity Currency Neutral Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated January 12, 2006
Mutual Reliance Review System Receipt dated January 12, 2006

Offering Price and Description:

Series A and Series F Units

Underwriter(s) or Distributor(s):

Royal Mutual Funds Inc.
Royal Mutual Funds Inc.

Promoter(s):

RBC Asset Management Inc.

Project #856737

Issuer Name:

Rockhaven Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated January 12, 2006
Mutual Reliance Review System Receipt dated January 13, 2006

Offering Price and Description:

1,500,000 Common Shares
\$375,000.00 - (1,500,000 Common Shares)

Underwriter(s) or Distributor(s):

Leede Financial Markets Inc.

Promoter(s):

Quest Capital Corp.

Project #867715

Issuer Name:

Select Canadian Equity Managed Corporate Class
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated January 3, 2006 to Final Simplified
Prospectus and Annual Information Form dated November
7, 2005

Mutual Reliance Review System Receipt dated January 11,
2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

-

Promoter(s):

CI Investments Inc.

Project #840000

Issuer Name:

TD Canadian Index Fund
Principal Regulator - Ontario

Type and Date:

Amendment #1 dated January 12, 2006 to Final Simplified
Prospectus and Annual Information Form dated October 4,
2005

Mutual Reliance Review System Receipt dated January 16,
2006

Offering Price and Description:

Investor Series, e-Series and Institutional Series Units

Underwriter(s) or Distributor(s):

TD Investment Services Inc.

TD Investment Services Inc. (for Investor series units)

TD Investment Services Inc. (for Investor and Institutional
series units)

TD Investment Services Inc. (for Investor and Institutional
series units)

TD Investment Services Inc. (for Investor and e-Series
units)

TD Investment Services Inc. (for Investor and Institutional
series units)

TD Investment Services Inc. (for Investor, Institutional and
O-Series units)

TD Investment Services Inc. (for Investor series, e-Series
and Institutional series Units)

TD Investment Services Inc. (for Investor series, e-Series
and Institutional series units)

TD Investment Services Inc. (for Investor series,
Institutional series and O-Series units)

TD Investment Services Inc. (for Investor series and e-
Series units)

TD Investment Services Inc. (for Investor and Institutional
series units)

TD Investment Services Inc. (for Investor series and H-
Series units)

TD Investment Services Inc. (for Investor Series units)

TD Investment Services Inc. (for Investor series, e-Series
and Institutional series units)

TD Asset Management Inc. (for Investor and Institutional
series units)

TD Investment Services Inc. (for Investor series,
Institutional series and Premium series units)

TD Investment Services Inc. (for Investor series,
Institutional series and O-series units)

Promoter(s):

TD Asset Management Inc.

Project #818661/818876

Issuer Name:

TD Canadian Quantitative Research Portfolio
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated January 13, 2006
Mutual Reliance Review System Receipt dated January 16, 2006

Offering Price and Description:

Series A and Series F Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

First Defined Portfolio Management Co.
TD Waterhouse Canada Inc.

Project #841119

Issuer Name:

THE GOODWOOD CAPITAL FUND
Principal Regulator - Ontario

Type and Date:

Amendment #2 dated December 30, 2005 to Final
Simplified Prospectus and Annual Information Form dated
January 19, 2005
Mutual Reliance Review System Receipt dated January 12, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Goodwood Inc.
Goodwood Inc.

Promoter(s):

Goodwood Inc.
Project #720956

Issuer Name:

Toronto Hydro Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Shelf Prospectus dated January 13, 2006
Mutual Reliance Review System Receipt dated January 13, 2006

Offering Price and Description:

\$1,000,000,000.00 DEBENTURES

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Promoter(s):

-

Project #869935

Issuer Name:

VenGrowth Cash Management Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated January 10, 2006
Mutual Reliance Review System Receipt dated January 13, 2006

Offering Price and Description:

mutual fund units @ net asset value

Underwriter(s) or Distributor(s):

-

Promoter(s):

VenGrowth Capital Partners Inc.

Project #869539

Issuer Name:

Prime Forestry Investment Fund (2005)
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated August 11th, 2005
Withdrawn on January 11th, 2006

Offering Price and Description:

\$ * - * Units

Price: up to \$4,735 per 10 Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Prime Forestry Canada Inc.

Project #817360

Issuer Name:

Roxy Resources Ltd.
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Long Form Prospectus dated April 28th, 2005
Withdrawn on January 11th, 2006

Offering Price and Description:

\$ * - * Units

Price: \$ * per Unit

\$119,413 - 582,502 Special Warrants

Price: \$ 0.205 per Special Warrant

Underwriter(s) or Distributor(s):

Haywood Securities Inc.

Promoter(s):

Daniel Earle

Project #771329

Issuer Name:

First Trust/Highland Capital Senior Loan Income Fund
Principal Jurisdiction - Ontario

Type and Date:

Preliminary Prospectus dated August 23rd, 2005
Closed on January 13th, 2006

Offering Price and Description:

\$ * Maximum - * 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.

National Bank Financial Inc.

TD Securities Inc.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Canaccord Capital Corporation

Desjardins Securities Inc.

Dundee Securities Corporation

First Associates Investments Inc.

GMP Securities Inc.

Wellington West Capital Inc.

Promoter(s):

FT (NSI) Floating Rate Management Co.

First Defined Portfolio Management Co.

Project #822362

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Crown Hill Asset Management Inc.	Investment Counsel and Portfolio Manager	January 11, 2006
New Registration	Gartmore Distribution Services, Inc.	International Dealer	January 11, 2006
New Registration	Venable Park Investment Counsel Inc.	Investment Counsel and Portfolio Manager	January 11, 2006
New Registration	RDF Capital Management, Inc.	Limited Market Dealer	January 17, 2006
New Registration	Renvest Mercantile Bancorp. Inc.	Limited Market Dealer	January 16, 2006
Change of Name	From: Cap Investment Management Inc.	Limited Market Dealer and Investment Counsel and Portfolio Manager	January 6, 2006
Change in Category	To: Newhaven Asset Management Inc. Integra Capital Limited	From: Limited Market Dealer & Investment Counsel & Portfolio Manager	January 13, 2006
Consented to suspension pursuant to OSC Rule 33-501 – Surrender of Registration	Fisher Investments, Inc.	To: Limited Market Dealer & Investment Counsel & Portfolio Manager Commodity Trading Manager Non-Canadian Adviser (Investment Counsel & Portfolio Manager)	July 29, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Prairie Regional Council Hearing Panel Adjourns Glenn Murray Greyeyes Hearing to February 10, 2006

NEWS RELEASE
For immediate release

**MFDA PRAIRIE REGIONAL COUNCIL
HEARING PANEL ADJOURNS
GLENN MURRAY GREYEVES HEARING
TO FEBRUARY 10, 2006**

January 12, 2006 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Glenn Greyeyes by Notice of Hearing dated November 4, 2005.

The first appearance in this proceeding took place today at 12:00 p.m. (Mountain) by teleconference before the Chair of a Hearing Panel of the MFDA Prairie Regional Council.

The first appearance was adjourned to Friday, February 10, 2006 at 12:00 p.m. (Mountain), or as soon thereafter as can be held, and will be heard in the Hearing Room located at #2330, 355 – 4th Avenue, S.W., Calgary, Alberta.

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

The hearing will be 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.

For further information, please contact:

Gregory J. Ljubic
Corporate Secretary and Director, Regional Councils
(416) 943-5836 or gljubic@mfda.ca

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