The Ontario Securities Commission

OSC Bulletin

January 27, 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)

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JANUARY 27, 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 27, 2006 2:00 p.m.	**Xplore Technologies Corp.** s. 127 & 127.1 M. Britton in attendance for Staff Panel: RLS/PKB
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) April 10, 2006 to April 28, 2006 (except Tuesdays and not Good Friday April 14) May 1 to May 19; May 24 to May 26, 2006 (except Tuesdays) June 12 to June 30, 2006 (except Tuesdays) 10:00 a.m.	**Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule*, Robert Waxman and John Woodcroft** s. 127 K. Manarin in attendance for Staff Panel: PMM/RWD/DLK * Settled November 25, 2005

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

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. Boultbee 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

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

1.1.2 Notice of Commission Approval – Proposed IDA Policy No. 4 Minimum Standards for Institutional Account Opening, Operation and Supervision

THE INVESTMENT DEALERS ASSOCIATION (IDA)

PROPOSED POLICY NO. 4
REGARDING MINIMUM STANDARDS FOR INSTITUTIONAL ACCOUNT OPENING, OPERATION AND SUPERVISION

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission (OSC) approved proposed IDA Policy No. 4 regarding minimum standards for institutional account opening, operation and supervision. In addition, the Autorité des marchés financiers (AMF) approved, the Alberta Securities Commission (ASC) and the British Columbia Securities Commission (BCSC) did not object to the proposed policy. Customers of IDA members fall into two major categories: retail and institutional. The IDA currently has Policy No. 2 to provide minimum standards for retail account supervision; however, there have been no specific standards in place for institutional accounts. The IDA, therefore, developed Policy No. 4 to provide minimum standards for IDA members to open institutional accounts, conduct suitability reviews for these accounts and supervise these accounts.

Proposed Policy No. 4 was published for comment on February 11, 2005 at (2005) 28 OSCB 1747. Immaterial changes have been made to the proposed policy as a result of comments from the recognizing jurisdictions and the public. The IDA added certain requirements that are currently in IDA Policy No. 2 that apply to all customer accounts. In addition, in order to avoid duplication, the IDA amended section III.B. of proposed Policy No. 4 to remove references to certain account activities that are explicitly prohibited or controlled by the Universal Market Integrity Rules (UMIR) and UMIR Policies, and the obligation on firms to have supervisory procedures to detect them are also required under UMIR and UMIR Policies.

The proposed Policy No. 4 that was approved by the AMF and the OSC and non-objected to by the ASC and the BCSC is included in Chapter 13 of this Bulletin, along with the IDA's summary of the comments received and response. The policy has been black-lined to indicate the changes from the previously published version.

1.1.3 Notice of Commission Approval – Housekeeping Amendments to IDA By-law 15 – Association Accounts and Funds and Execution of Instruments

THE INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)

HOUSEKEEPING AMENDMENTS TO IDA BY-LAW 15 – ASSOCIATION ACCOUNTS AND FUNDS AND EXECUTION OF INSTRUMENTS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved housekeeping amendments to IDA By-law 15 – *Association accounts and funds and execution of instruments.* The amendments reflect current operation practices whereby the management is authorized by the board, within specified levels of authority, to carry out the daily banking transactions of the IDA and make other minor amendments to reflect current operations practices of the IDA. In addition, the Alberta Securities Commission and the Autorité des marchés financiers approved, and the British Columbia Securities Commission did not object to the amendments. The amendments are housekeeping in nature. The description and a copy of the amendments are contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.1.4 Notice of Commission Order – Application to Vary CDS' Recognition Order

APPLICATION TO VARY THE RECOGNITION ORDER OF THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

NOTICE OF COMMISSION ORDER

On January 9, 2006, the Commission issued an order (Order) pursuant to section 144 of the *Securities Act* (Ontario) to vary the recognition order dated July 12, 2005, recognizing CDS as a clearing agency (Recognition Order).

The purpose of the Order is to vary: (1) the timeframe for the completion and submission to the Commission of a governance report from six months to twelve months form the date of the Recognition Order; and (2) the requirement to file an annual report at the same time as the financial statements to filing the annual report at the same time it is provided to shareholders.

The Order is published in Chapter 2 of this Bulletin.

1.2 Notices of Hearing

1.2.1 Xplore Technologies Corp. - ss. 127, 127.1

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

AND

IN THE MATTER OF
XPLORE TECHNOLOGIES CORP.

NOTICE OF HEARING
(Sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") at the offices of the Commission on the 17th Floor, Main Hearing Room, 20 Queen Street West, Toronto, Ontario commencing on January 27, 2006 at 2:00 p.m. or as soon thereafter as the hearing can be held:

AND TAKE NOTICE that the purpose of the hearing is for the Commission to consider whether, pursuant to sections 127(1) and 127.1 of the Act, it is in the public interest to make an order that:

(a) a settlement agreement entered into by Staff of the Commission and the respondent be approved;

(b) to make an order pursuant to subsection 127(1), clause 6 that the respondent be reprimanded for having failed to file financial statements prepared in accordance with generally accepted accounting principles; and

(c) to make an order pursuant to subsection 127.1 of the Act that the respondent pay the costs or a portion of the costs related to this proceeding.

AND TAKE FURTHER NOTICE that the parties to the proceedings may be represented by counsel at the hearing; and

AND TAKE FURTHER NOTICE that if any party to the proceedings fails to attend, the hearing may proceed in the absence of the party and the party is not entitled to any further notice of the proceeding.

DATED at Toronto this 23rd day of January, 2006.

"Daisy G. Aranha"

Per: 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
XPLORE TECHNOLOGIES CORP.

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission make the following allegations:

I. THE RESPONDENT

1. Xplore Technologies Corp. ("Xplore" or the "Company") is a corporation amalgamated under the laws of Canada. It is listed on the Toronto Stock Exchange ("TSX") and is a reporting issuer in Ontario and other provinces in Canada.

II. BACKGROUND

2. Xplore was incorporated under the laws of Ontario in August 1996 and was continued under the *Canada Business Corporations Act* and amalgamated under such Act in March 2000. Xplore is engaged in the business of the development, integration and marketing of rugged mobile wireless Tablet PC computing systems. Xplore's products enable the extension of traditional computing systems to a range of field and on-site personnel, regardless of location or environment. Using a range of wireless communication mediums together with the Company's rugged computing products, the Company's customers are able to receive, collect, analyze, manipulate and transmit information in a variety of environments not suited to traditional non-rugged computing devices. Xplore's customers are in the following markets: utility, warehousing/logistics, public safety, field service, transportation, manufacturing, route delivery, military and homeland security. The company sells its product through distributors referred to as Value Added Resellers ("VARs") who have existing sales and local resource capabilities. The VARs have sales distribution agreements with Xplore and work closely with Xplore's sales force to identify and sell its products to end consumers.

3. Xplore's registered office is in Ontario and its head office was in Ontario until August 2004, when its head office was consolidated with its operations and management functions in Austin, Texas.

III. ALLEGATIONS

4. Staff allege that Xplore filed financial statements for fiscal 2002 (year ended March 31, 2002)

through to fiscal 2004, and for the first quarter ended June 30, 2004, that were not prepared in accordance with generally accepted accounting principles ("GAAP") and were materially misleading. In particular, in fiscal 2002, approximately $10 million of sales to VARs were accounted for as revenue, but should have been accounted for as inventory held by VARS. The overstatement in revenue had the effect of materially reducing the net loss for the year, and correspondingly overstating the shareholders' equity as of March 31, 2002. The comparative financial statements filed for fiscal 2003, fiscal 2004, and the interim statements for the first quarter ended June 30, 2004 continued to be misstated as a result of the initial overstatement of revenue, and the resultant misstatements in the accounts receivable balance, the inventory account and the shareholders equity (deficiency).

IV. IMPROPER REVENUE RECOGNITION

5. Revenue recognition under GAAP

Section 3400 of the *CICA Handbook – Accounting* deals with the timing of recognition of revenue in the financial statements of enterprises. Sections 3400.06 and 3400.07 state:

.06 "Revenue from sales and service transactions should be recognized when the requirements as to performance set out in paragraphs 3400.07 and 3400.08 are satisfied, provided that at the time of performance ultimate collection is reasonably assured."

.07 "In a transaction involving the sale of goods, performance should be regarded as having been achieved when the following conditions have been fulfilled:

a) the seller of the goods has transferred to the buyer the significant risks and rewards of ownership, in that all significant acts have been completed and the seller retains no continuing managerial involvement in, or effective control of, the goods transferred to a degree usually associated with ownership; and

b) reasonable assurance exists regarding the measurement of the consideration that will be derived from the sale of goods, and the extent to which goods may be returned.

6. In respect of its 2002 fiscal year, Xplore filed financial statements disclosing revenue of approximately $19.7 million. Included in this amount was approximately $10 million of revenue improperly recognized under GAAP (as more fully described below). In fiscal 2003 and 2004, Xplore took back inventory representing approximately $7.5 million of revenue receivable from its VARs. The approximately $7.5 million receivable taken back was part of the original approximately $10 million of overstated revenue accounted for in fiscal 2002. The difference between the approximately $10 million of improperly recognized revenue and the subsequent revenue reversal of approximately $7.5 million represents product for which Xplore was paid during 2003 and 2004 and for which revenue should have been appropriately recognized at that time. The "take-back" transactions were recorded as a reduction in revenue and accounts receivable.

7. The approximately $10 million which was recognized as revenue in 2002 (out of the $19.7 million of total revenue in such fiscal year) and the $7.5 million reduction of revenue transaction recorded in 2003 and 2004 did not comply with GAAP. With respect to the approximately $10 million of improperly recognized revenue, the risks and rewards of ownership had not been transferred by Xplore to the VARs. There was still ongoing involvement with the product, and ultimate collection was not reasonably assured. The payment terms set out in the VAR agreements were generally not observed. In particular, the VARs did not pay substantially in accordance with the terms of the VAR agreements, nor did Xplore charge interest on the unpaid balance. Xplore did not require payment according to the terms of the agreement. In essence, there was an implied understanding that payments were not due by the VARs until such time as the products were sold to the end customer. In short, the VARs acted as agents for Xplore and held inventory on consignment.

8. The overstated revenue in respect of the 2002 fiscal year in turn resulted in understated revenue in respect of the 2003 and 2004 fiscal years (which reflected the "take back" transaction described above and other consequential adjustments). Xplore's financial statements for each of the 2002, 2003 and 2004 fiscal years were audited by Deloitte & Touche LLP and were accompanied by unqualified auditor's reports.

9. In April 2005, Deloitte & Touche LLP resigned as Xplore's auditors, and new auditors were retained. Such resignation was not as a result of any disagreement or unresolved issue. Restated audited comparative financial statements have been subsequently filed in November 2005 for each of the fiscal years 2002, 2003 and 2004, and restated interims were filed for the three month period and nine month period ended December 31, 2004.

10. The restated financial statements reflected (as described above) that revenue in respect of the 2002 fiscal year was materially overstated and that revenue in respect of the subsequent fiscal years was materially understated. As a result, the financial statements for each such fiscal year, taken separately, included material misstatements, although the effect of the misstatements in the financial statements in respect of the 2003 and 2004 fiscal years was to adjust for the overstatement in respect of the 2002 fiscal year (Xplore hereby acknowledging that the cumulative result as aforesaid did not alter its obligations under the Act to ensure that each such financial statement be free of material misstatements when filed).

V. CONDUCT CONTRARY TO ONTARIO SECURITIES LAW AND CONTRARY TO THE PUBLIC INTEREST

11. Xplore filed comparative financial statements for fiscal 2002, 2003, and 2004, and interim statements for the quarter ended June 30, 2004, that reflected the accounting treatments described above, were materially misleading and were not prepared in accordance with GAAP. By way of example, the financial statements in respect of the 2002 fiscal year included a material misstatement of revenue and therefore contrary to sections 77 and 78 of the Act. By filing such financial statements, Xplore breached Ontario securities law and acted contrary to the public interest.

DATED at Toronto this 23rd day of January, 2006.

1.4 Notices from the Office of the Secretary

1.4.1 Xplore Technologies Corp.

FOR IMMEDIATE RELEASE
January 23, 2006

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

AND

IN THE MATTER OF
XPLORE TECHNOLOGIES CORP.

TORONTO – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on Friday, January 27, 2006 at 2:00 p.m. in the above noted matter to consider a settlement agreement entered into by Staff of the Commission and Xplore Technologies Corp.

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 Hollinger Inc. et al.

FOR IMMEDIATE RELEASE
January 24, 2006

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

AND

IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK,
F. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON

TORONTO – Following a hearing held on October 11 and November 16, 2005, to set a date for a hearing on the merits of the above matter, the Ontario Securities Commission issued its Reasons and Order today. The Commission set down the matter for a hearing on the merits commencing June 2007, subject to the individual Respondents agreeing to execute an undertaking to the Commission to abide by interim terms of a protective nature within 30 days of this Decision.

A copy of the Reasons and 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 Dundee Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Modified dutch auction issuer bid – With respect to securities tendered at or below clearing price – Offeror exempt from requirement in the legislation to take up and pay for securities proportionately according to number of securities deposited by each shareholder, the associated disclosure requirement – relief also granted from the valuation requirement on the basis that there is a liquid market for the securities under OSC Rule 61-501 and AMF Policy Q-27.

Applicable Ontario Statutory Provisions

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

January 11, 2006

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

AND

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

AND

IN THE MATTER OF
DUNDEE CORPORATION (THE FILER)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that, in connection with the proposed purchase by the Filer of a portion of its outstanding class A subordinate voting shares (Shares) by way of an issuer bid (the Offer), the Filer be exempt from the following:

   (a) the requirements in the Legislation to

      (i) take up and pay for securities on a pro rata basis according to the number of securities deposited by each security holder, and

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

   (b) the requirement in the Legislation of each of the Jurisdictions, except Ontario and Quebec, to obtain a formal valuation of the Shares (the Valuation Requirement),

   (the Requested Relief).

   Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

   1. the Filer was incorporated under the Ontario *Business Corporations Act* on November 2, 1984;

   2. the Filer is authorized to issue an unlimited number of Shares and an unlimited number of class B common shares (the Common Shares) of which 23,905,504 Shares and 1,048,416 Common Shares were outstanding on December 12, 2005;

   3. the Filer is a reporting issuer in each of the Jurisdictions where the concept

exists and its Shares trade on the Toronto Stock Exchange (the TSX);

4. the Filer is not in default of any requirement under the Legislation;

5. to the knowledge of the Filer, at December 12, 2005 the only security holders that held greater than 10% of the Shares were

   (a) Jodamada Corporation, a private company owned by the adult children of Ned Goodman, which owns 2,983,503 Shares and 140,299 Common Shares, representing 12.5% of the outstanding Shares and a 13.2% voting interest in the Filer,

   (b) AIC Limited, which, through managed accounts, holds 3,361,059 Shares representing 14.1% of the outstanding Shares and a 2.6% voting interest in the Filer, and

   (c) Private Capital Management, LP which, through managed accounts, holds 4,526,800 Shares representing 18.9% of the outstanding Shares and a 3.5% voting interest in the Filer;

6. Mr. Ned Goodman, the Filer's President and Chief Executive Officer, owns

   (a) 878,562 Common Shares, including 166,935 Common Shares under options, and

   (b) 1,387,978 Shares, including 509,000 Shares under options,

   representing 5.7% of the Shares and a 69.0% voting interest in the Filer, assuming the exercise of the options;

7. the Filer intends to acquire up to 2,500,000 Shares representing 10.46% of the outstanding Shares (the Specified Number);

8. the Filer has made the Offer under a modified dutch auction procedure as follows:

   (a) the Filer has offered to purchase up to the Specified Number of Shares,

   (b) the Filer will pay a price per Share (the Clearing Price) between a range of two prices specified in the Circular (the Price Range),

   (c) security holders wishing to tender to the Offer may

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

      (ii) elect to tender their Shares at the Clearing Price determined in accordance with paragraph (d) below (a Purchase Price Tender),

   (d) the Clearing Price will be the lowest price that will enable the Filer to purchase up to the Specified Number of Shares, and will be determined based on the number of Shares deposited under Auction Tenders and Purchase Price Tenders, with each Purchase Price Tender being considered a tender at the lowest price in the Price Range for the purposes of determining the Clearing Price,

   (e) the Filer will take up all Shares tendered at or below the Clearing Price under an Auction Tender and all Shares tendered under a Purchase Price Tender and pay for them at the Clearing Price, calculated to the nearest whole Share so as to avoid the creation of fractional Shares, subject to pro ration as described in paragraph (h) below,

   (f) the Filer will return all Shares tendered at prices above the Clearing Price to the appropriate security holders,

   (g) the Filer will not determine the total amount that it will expend under the Offer until it determines the Clearing Price,

   (h) if more than the Specified Number of Shares are tendered

for purchase at or below the Clearing Price the Filer will purchase the tendered Shares on a *pro rata* basis, except that the Filer will first accept for purchase, and will not pro rate, Shares properly deposited by any security holder who beneficially holds fewer than 100 Shares and who

(i) deposits all of the holder's Shares under either an Auction Tender at or below the Clearing Price or a Purchase Price Tender, and

(ii) checks the "Odd Lots" box in the Letter of Transmittal,

(i) all Shares tendered by security holders who specify a tender price that falls outside the Price Range will be considered to have been improperly tendered, will be excluded from the determination of the Clearing Price, will not be purchased by the Filer and will be returned to the tendering security holders,

(j) all Shares tendered by security holders who fail to specify any tender price for the tendered Shares and fail to indicate that they have tendered their Shares under a Purchase Price Tender will be deemed to have been tendered under a Purchase Price Tender, and

(k) tendering security holders who make either an Auction Tender or a Purchase Price Tender but fail to specify the number of Shares that they wish to tender will be considered to have tendered all Shares held by the security holder;

9. the Offer is subject to a condition that not less than 2,000,000 Shares be validly deposited to the Offer and not withdrawn;

10. during the 12 months before December 15, 2005,

(a) the number of outstanding Shares was at all times at least 5,000,000, excluding Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties of the Filer and Shares that were not freely tradable,

(b) the aggregate trading volume of the Shares on the TSX was at least 1,000,000,

(c) there were at least 1,000 trades in Shares on the TSX, and

(d) the aggregate trading value based on the price of the trades referred to in clause (c) above was at least $15,000,000;

11. the market value of the Shares on the TSX was at least $75,000,000 for the month of November 2005;

12. before the expiry of the Offer, all information regarding the number of Shares tendered and the prices at which the Shares are tendered will be kept confidential until the Clearing Price has been determined;

13. since the Offer will be for less than all the Shares, if the number of Shares tendered to the Offer at or below the Clearing Price exceeds the Specified Number of Shares, the Legislation would require the Filer to

(a) take up and pay for deposited Shares proportionately, according to the number of Shares deposited by each security holder, and

(b) disclose in the Circular that the Filer would, if Shares tendered to the Offer exceeded the Specified Number of Shares, take up the Shares proportionately according to the number of Shares tendered by each security holder to the Offer;

14. the Filer has determined it is reasonable to conclude that, following completion of the Offer, there will be a market for the beneficial owners of Shares who do not tender to the Offer that is not materially less liquid than the market that exists at the time the Offer is made and the Filer intends to rely upon the exemptions from the Valuation Requirement in sections 3.4(3) of Ontario Securities Commission

Rule 61-501 and Québec Local Policy Statement Q-27 (the Presumption of Liquid Market Exemptions); and

15. the Circular will

(a) specify that the total number of Shares that the Filer intends to purchase under the Offer will be up to the Specified Number of Shares,

(b) disclose the mechanics for the take up of and payment for, or the return of, Shares as described in paragraph 8 above,

(c) explain that, by tendering the Shares at the lowest price in the Price Range or under a Purchase Price Tender, a security holder can reasonably expect that the Shares tendered will be purchased at the Clearing Price, subject to pro ration as described above,

(d) disclose the facts supporting the Filer's reliance on the Presumption of Liquid Market Exemptions as updated to the date of the announcement of the Offer, and

(e) contain the disclosure prescribed by Legislation for issuer bids, except to the extent exemptive relief is granted by this decision.

Decision

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

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

(a) Shares deposited under the Offer and not withdrawn are taken up and paid for, or returned to security holders, in the manner described in paragraph 8, and

(b) the Filer can rely on the Presumption of Liquid Market Exemptions.

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

2.1.2 Matador Exploration 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 18, 2006

Miller Thomson LLP
3000, 700 - 9 Avenue SW
Calgary, AB T2P 3V4

Attention: Debra J. Poon

Dear Madam:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 18th day of January, 2006.

"Blaine Young"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.3 SEI Investments Canada Company - MRRS Decision

Headnote

Mutual reliance review system for exemptive relief applications – Applicant exempted from the dealer registration requirements in the Legislation in respect of trades in securities of its mutual funds to Capital Accumulation Plans, subject to terms and conditions.

Statutes Cited

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

Rules Cited

National Instrument 81-102 Mutual Funds.
National Instrument 45-106 Prospectus and Registration Exemptions.

Published Documents Cited

Amendments to NI 45-106 Registration and Prospectus Exemption for Certain Capital Accumulation Plans, October 21, 2005 (2005), 25 OSCB 8681.

January 16, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO AND QUEBEC (the Jurisdictions)

AND

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

AND

IN THE MATTER OF
SEI INVESTMENTS CANADA COMPANY (the Filer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for an exemption from the dealer registration requirements of the Legislation in respect of certain trading by the Filer and the officers and employees acting on the Filer's behalf in the securities of Mutual Funds (the **Mutual Funds**) of which the Filer is or becomes the manager and portfolio manager (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.

Interpretation

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

Representations

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

1. The Filer is a corporation governed by the laws of the Province of Nova Scotia. Its head office is located in Toronto, Ontario.

2. The Filer is registered as an adviser in the categories of investment counsel and portfolio manager in each of British Columbia, Alberta, Ontario and Nova Scotia, and as an adviser with an unrestricted practice in Quebec.

3. The Filer is registered as a dealer in the category of limited market dealer in Ontario. The Filer is also registered as a commodity trading manager in Ontario.

4. The Filer is the manager and portfolio manager of a total of 29 Mutual Funds which are prospectus qualified (27 of which are prospectus qualified pursuant to National Instrument 81-102 – Mutual Funds and two Mutual Funds that are distributed under exemptions from the prospectus requirements of the Legislation). The Filer may, in the future, be the manager and portfolio manager of additional Mutual Funds.

5. The Filer carries on business primarily as an investment counsel and portfolio manager. In connection with the principal business, the Filer distributes securities of its Mutual Funds on a prospectus-exempt basis directly to accredited investors (as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*) who are, primarily, trusts having net assets of at least $5,000,000.

6. The Filer intends to trade in the securities of its Mutual Funds to tax assisted investment or savings plans (**Capital Accumulation Plans** or **CAP**s), such as defined contribution registered pension plans, group registered retirement savings plans, group registered education savings plans or deferred profit sharing plans, that are established by a plan sponsor (**Plan Sponsor**), such as an employer, trustee, trade union or association, and that permit Members to make investment decisions among two or more

investment options offered within the Capital Accumulation Plan.

7. The Filer also intends to trade in the securities of its Mutual Funds to Members of Capital Accumulation Plans as a part of such Members' participation in the Capital Accumulation Plans. In particular, the Members of Capital Accumulation Plans with whom the Filer will trade its Mutual Funds will be current or former employees of an employer, or a person who belongs, or did belong to a trade union or association or,

   (a) his or her spouse;

   (b) a trustee, custodian or administrator who is acting on his or her behalf, or for his or her benefit, or on behalf of, or for the benefit of, his or her spouse; or

   (c) his or her holding entity or a holding entity of his or her spouse,

   that has assets in a CAP, and includes a person that is eligible to participate in a CAP (**Members**).

8. The Filer intends to trade securities of its Mutual Funds to a Capital Accumulation Plan or a Member in accordance with the conditions specified in proposed amendments to NI 45-106 related to CAPs which were published by the Canadian Securities Administrators on October 21, 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 has been met.

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

1. The relevant Plan Sponsor:

   (a) selects the Mutual Funds that Members will be able to invest in under the Capital Accumulation Plan;

   (b) establishes a policy, and provides Members with a copy of the policy and any amendments to it, describing what happens if a Member does not make an investment decision;

   (c) provides Members, in addition to any other information that the Plan Sponsor believes is reasonably necessary for a Member to make an investment decision within the CAP, and unless that information has previously been provided, the following information about each Mutual Fund the Member may invest in:

      (i) the name of the Mutual Fund;

      (ii) the name of the manager of the Mutual Fund and its portfolio adviser;

      (iii) the fundamental investment objective of the Mutual Fund;

      (iv) the investment strategies of the Mutual Fund or the types of investments the Mutual Fund may hold;

      (v) a description of the risks associated with investing in the Mutual Fund;

      (vi) where a Member can obtain more information about each Mutual Fund's portfolio holdings;

      (vii) where a Member can obtain more information generally about each Mutual Fund, including any continuous disclosure; and

      (viii) whether the Mutual Fund is considered foreign property for income tax purposes, and if so, a summary of the implications of that status for a Member who invested in that Mutual Fund;

   (d) provides Members with a description and amount of any fees, expenses and penalties relating to the Capital Accumulation Plan that are borne by the Members, including:

      (i) any costs that must be paid when the Mutual Fund is bought or sold;

      (ii) costs associated with accessing or using any of the investment information, decision-making tools or investment advice provided by the Plan Sponsor;

      (iii) Mutual Fund management fees;

      (iv) Mutual Fund operating expenses;

      (v) record keeping fees;

      (vi) any costs of transferring among investment options, including

penalties, book and market value adjustments and tax consequences;

(vii) account fees; and

(viii) fees for services provided by service providers,

provided that the Plan Sponsor may disclose the fees, penalties and expenses on an aggregate basis, if the plan sponsor discloses the nature of the fees, expenses and penalties, and the aggregated fees do not include fees that arise because of a choice that is specific to a particular Member;

(e) has within the past year, provided Members with performance information about each Mutual Fund the Members may invest in, including:

(i) the name of the Mutual Fund for which the performance is being reported;

(ii) the performance of the Mutual Fund, including historical performance for one, three, five and ten years if available;

(iii) a performance calculation that is net of investment management fees and Mutual Fund expenses;

(iv) the method used to calculate the Mutual Fund's performance return calculation, and information about where a Member could obtain a more detailed explanation of that method;

(v) the name and description of a broad-based securities market index, selected in accordance with National Instrument 81-106 *Investment Fund Continuous Disclosure*, for the Mutual Fund, and corresponding performance information for that index; and

(vi) a statement that past performance of the Mutual Fund is not necessarily an indication of future performance;

(f) has, within the past year, informed Members if there were any changes in the choice of Mutual Funds that Members could invest in and where there was a change, provided information about what Members needed to do to change their investment decision, or make a new investment;

(g) provides Members with investment decision-making tools that the Plan Sponsor reasonably believes are sufficient to assist them in making an investment decision within the Capital Accumulation Plan;

(h) provides the information required by paragraphs (b), (c), (d) and (g) prior to the Member making an investment decision under the CAP; and

(i) if the Plan Sponsor makes investment advice from a registrant available to Members, the Plan Sponsor must provide members with information about how they can contact the registrant.

2. This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate upon the coming into force of a registration exemption for Capital Accumulation Plans in National Instrument 45-106 – *Prospectus and Registration Exemptions*.

"Robert W. Davis"
Commissioner
Ontario Securities Commission

"Paul M. Moore"
Commissioner
Ontario Securities Commission

2.1.4 Creststreet Resource Class - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from s. 10.3 of NI 81-102 to permit a mutual fund, in substance, to suspend redemptions for approximately 140 days on shares issued to limited partners of a flow-through limited partnership in connection with the partnership's dissolution and rollover for income tax purposes – full true and plain disclosure regarding the purpose of the partnership and its dissolution given to investors in the partnership's prospectus – exemption granted in connection with future partnerships in addition to current partnership.

Rules Cited:

National Instrument 81-102 Mutual Funds, s. 10.3.

January 20, 2006

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

AND

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

AND

IN THE MATTER OF
CRESTSTREET RESOURCE CLASS
(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 Creststreet Asset Management Limited (the Manager), on behalf of the Filer, for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement contained in section 10.3 of National Instrument 81-102 to use the net asset value of certain series of shares of the Filer next determined after receipt by the Filer of a redemption order to calculate the redemption price of such series of shares (the Requested Relief).

Interpretation

Defined terms contained in National Instrument 14-101, *Definitions*, have the same meaning in this decision unless they are defined in this decision. In addition, the following terms have the following meanings:

"Issued Shares" means the 2006 Series shares of the Filer to be issued to Creststreet 2004 Limited Partnership on or about January 20, 2006, and each series of shares of the Filer as may be issued to Partnerships in the future on or about January 20 in each subsequent year in exchange for the acquisition by the Filer of the assets of such Partnerships;

"Partnerships" means one or more limited partnerships, including Creststreet 2004 Limited Partnership, as may be established by the Manager from time to time;

"Redemption Date" means, for each series of Issued Shares, a date which is not more than 140 days following the date of issuance of such Issued Shares and not more than three business days following the applicable Redemption Cut-off Date (as defined below); and

"*Valuation Date*" means, each Friday or in the event the Toronto Stock Exchange is not open for business on any such day, the first day thereafter that the Toronto Stock Exchange is open.

Representations

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

1) The Filer is a class of shares of Creststreet Mutual Funds Limited (formerly, Creststreet Resource Fund Limited), a mutual fund corporation established under the *Canada Business Corporations Act*. The Filer is a reporting issuer in each of the provinces of Canada pursuant to a simplified prospectus and annual information form dated December 30, 2004.

2) The Filer's head office is located at 70 University Avenue, Suite 1450, Toronto, Ontario, M5J 2M4.

3) All of the assets of the Partnerships, including certain common shares of resource issuers that are "flow-through shares" (Flow-Through Shares) as defined in the *Income Tax Act* (Canada) (the ITA), will, pursuant to transfer agreements entered into with the Filer from time to time, be transferred to the Filer on a tax-deferred "rollover" basis in exchange for Issued Shares on or about January 20 in each year.

4) The Issued Shares received by each Partnership will have the same aggregate net asset value as the aggregate net asset value of such Partnership, determined on the same basis as the net asset value of the Filer.

5) Following the transfer of assets to the Filer, each Partnership will be dissolved and upon dissolution, the limited partners and the general partner (collectively, the Partners) of each Partnership will

receive their pro rata interest in the Issued Shares on a tax-deferred basis.

6) Details describing the transfer of assets from Creststreet 2004 Limited Partnership to the Filer is described in the prospectus of Creststreet 2004 Limited Partnership dated April 23, 2004 (the 2004 LP Prospectus). The 2004 LP Prospectus disclosed that payment for 2006 Series shares, subject to written notices of redemption received by the Filer on or before May 26, 2006 would be made on May 31, 2006 based on the May 26, 2006 net asset value of the Filer. Thereafter, payment for 2006 Series shares subject to notices of redemption would be made weekly, on the third business day following the next Valuation Date.

7) Details describing the transfer of assets from each other Partnership to the Filer will be disclosed in the prospectus of the applicable Partnership (each, an LP Prospectus) to be filed with the Decision Makers upon the initial public offering of units of such Partnership. Each LP Prospectus will disclose that payment for the Issued Shares, subject to written notices of redemption received by the Filer on or before a specified date (the Redemption Cut-off Date), will be made on the Redemption Date specified in the LP Prospectus based on the net asset value of the Filer determined as of the Redemption Cut-off Date. Thereafter, payment for Issued Shares subject to notices of redemption will be made weekly, on the third business day following the next Valuation Date.

8) All Issued Shares transferred to Partners in a given calendar year upon the dissolution of the Partnerships that remain outstanding will be converted on a one-to-one basis into series A shares of the Filer as at September 30 in such year.

9) The Filer will hold and dispose of Flow-Through Shares and other securities acquired by the Filer from the Partnerships and invest the net proceeds of such dispositions and any cash on hand in a manner consistent with the investment portfolio of the Filer, being a diversified portfolio consisting principally of equity securities of Canadian issuers.

10) Except to the extent referenced in this application, and except as permitted by the MRRS Decision Document issued by the Decision Makers on November 3, 2004, the Filer will adopt the standard investment restrictions and practices set forth in NI 81-102.

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 so long as the prospectus of each Partnership contains the disclosure described in paragraph 7 above.

"Leslie Byberg"
Manager, Investment Funds

2.1.5 Newport Partners Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – s. 13.1 of National Instrument 51-102 and s. 80 of the Securities Act (Ontario)– Continuous Disclosure Obligations – BAR – issuer requires relief from the requirement in item 8.4 of NI 51-102 to include certain financial statements in a business acquisition report – issuer filed a prospectus that included financial information for acquired operating partnerships as a probable significant acquisition; the financial information in the prospectus is for a period that ended not more that one interim period before the financial information that would be required under Part 8 of NI 51-102; issuer will include the financial information for the operating partnerships that was in the prospectus in the BAR; the business of the operating partnerships are not the primary business of the issuer; issuer will include in the BAR the interim financial statements of the acquired entity which carries on the primary business of the issuer; the issuer will not account for the acquired operating partnerships as continuity of interests.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S-5, as amended, s. 80.
National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.4, 13.1.

December 23, 2005

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

AND

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

AND

IN THE MATTER OF
NEWPORT PARTNERS INCOME FUND (the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker", and collectively the "Decision Makers") in each of the Jurisdictions has received an application (the "Application") from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the Filer from the requirements prescribed by section 8.4 of National Instrument 51-102 ("NI 51-102") which require that unaudited interim financial statements for the period ended June 30, 2005 for seven of the operating partnerships be included in a business acquisition report ("BAR") to be filed by the Filer in connection with the Filer's indirect acquisition of such operating partnerships (the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

1. The Filer is an unincorporated, open-ended limited purpose trust established under the laws of Ontario.

2. The Filer's head office and principal business office is located in Toronto, Ontario.

3. Although the Filer is a reporting issuer, or the equivalent, in the Province of Prince Edward Island, the Yukon, the Northwest Territories and Nunavut, an application is not being made to the securities regulatory authorities in these jurisdictions as NI 51-102 has not been adopted in such jurisdictions.

4. Although the Filer is also a reporting issuer in the Province of British Columbia, an application is not being made in that jurisdiction as BC Implementing Rule 51-801 exempts issuers from part 8 of NI 51-102 in British Columbia.

5. The Filer is not in default of the Legislation, except that the Fund failed to file a BAR as required by section 8.4 of NI 51-102 on or before October 24, 2005.

6. The Fund intends to file a BAR as soon as possible, but is requesting certain relief from the form of the BAR required to be filed, in particular with respect to the financial information to be contained in the BAR as set out in more detail below.

7. On July 28, 2005, the Filer filed a final long form prospectus (the "IPO Prospectus") in connection with its initial public offering ("IPO") of 21,300,000

trust units of the Filer which was completed on August 8, 2005.

8. The Filer was created to acquire and indirectly hold an interest in Newport Private Yield LP ("NPY LP"), which in turn held interests, ranging from 45% to 100%, in 10 operating partnerships (the "Operating Partnerships") following the completion of the IPO.

9. The Fund is unique in that unlike many income funds which indirectly carry on a single business, the primary business being carried on by the Fund, indirectly through NPY LP, is the consolidated asset management business. As stated in the IPO Prospectus, the Fund indirectly through NPY LP partners with entrepreneurs who are known to NPY LP or who are introduced to NPY LP through the entrepreneurs or their network of business associates. NPY LP seeks to partner with entrepreneurs with a proven record of success and a desire to retain an equity interest in their business and who wish to continue to operate the business for the long-term. The Fund indirectly invests in businesses with a history of profitability and consistent cash flows, a strong record of growth and low maintenance capital expenditures. The entrepreneur typically retains a significant subordinated equity interest in either the Operating Partnership or NPY LP, thereby aligning the interests of the entrepreneur with those of NPY LP.

10. For purposes of NI 51-102, an acquisition of a business is a significant acquisition if it satisfies any of the asset test, the investment test or the income test set out in NI 51-102. Additionally, NI 51-102 provides that if an acquisition of a business is significant for purposes of NI 51-102, an issuer may recalculate the significance at a more recent date using the optional asset test, the optional investment test and the subsequent income test set out in NI 51-102. At the time of the IPO, all of the acquisitions completed by NPY LP prior to the IPO and those that were completed in connection with the IPO (including all "step-up" acquisitions) satisfied the investment test and the optional investment test at some level. However, the Filer requested and obtained relief from certain of the inclusion requirements from the various securities regulatory authorities in Canada.

11. If the Filer applies the financial statement inclusion requirements set out in NI 51-102 to the acquisitions that NPY LP completed prior to the IPO and contemporaneously with the completion of the IPO, the Filer would be required to update the financial statements included in the BAR to include unaudited interim financial statements for the period ended June 30, 2005 (as well as the comparable period in 2004) for seven of the Operating Partnerships.

12. Applying the financial statement inclusion requirements would impose unduly onerous requirements on the Filer. In lieu of these requirements, the Filer will include the following in respect to the financial statements to be included in the BAR:

    (a) All of the financial statements in respect of the Operating Partnerships that were included in the IPO Prospectus.

    (b) Pro forma financial statements for the year ended December 31, 2004 as well as the nine month period ended September 30, 2005.

    (c) The unaudited interim financial statements of NPY LP for the period ended June 30, 2005.

13. The financial statements to be included in the BAR will provide investors with appropriate and sufficient disclosure regarding the Filer, NPY LP and the Operating Partnerships.

14. The primary business being carried on by the Filer is the consolidated asset management business being carried on by the Filer indirectly through NPY LP. The businesses of the Operating Partnerships are not the primary business of the Filer. Therefore the financial statements that are currently of direct relevance for investors are the consolidated financial statements of the Filer and NPY LP, as well as the pro forma financial statements of the Filer, not the individual financial statements for the Operating Partnerships.

15. Providing financial statements for an additional quarter for the 7 Operating Partnerships will not provide additional relevant information to an investor, because:

    (a) the financial statements for the additional quarter are not materially different from the financial information related to the Operating Partnerships that was included in the IPO Prospectus;

    (b) providing the financial information related to the Operating Partnerships that was included in the IPO Prospectus in the BAR will result in the BAR containing a meaningful level of financial statement disclosure concerning the Operating Partnerships;

    (c) the Filer and NPY LP have included the results of each Operating Partnership in their consolidated interim financial statements for the nine month period ended September 30, 2005 (divided by operating segment); and

(d) the BAR will include the unaudited interim financial statements of NPY LP for the period ended June 30, 2005.

16. The Filer will include *pro forma* financial statements in the BAR which will combine the results of the Operating Partnerships for the nine month period ended September 30, 2005. This is the most relevant additional financial information being provided to investors since it will include the results of operations of all of the Operating Partnerships as though they had been acquired on January 1, 2004.

17. The Filer will not account for the acquisition of the Operating Partnerships as a continuity of interests.

18. Given the abundance of the proposed historical financial information to be included in the BAR, the provision of an additional quarter of financial information will not provide the investor with further relevant information.

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 form of BAR filed by the Filer includes the following:

1. All of the financial statements in respect of the Operating Partnerships that were included in the IPO Prospectus.

2. Unaudited pro forma consolidated statements of income of the Fund for the year ended December 31, 2004 as well as the nine month period ended September 30, 2005.

3. The unaudited interim financial statements of NPY LP for the three and six month period ended June 30, 2005.

"John Hughes"
Manager, Corporate Finance
Ontario Securities Commission

2.1.6 CapServCo Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – amendment to previous decision granting an exemption from prospectus and registration requirements in connection with the issuance of limited partnership units and promissory note – original decision amended to permit the proposed issuance of limited partnership units and promissory notes from time to time to certain additional persons – amendment required to reflect the creation of a new partnership in connection with a restructuring of the operations of Grant Thornton LLP – application is analytically indistinct from the circumstances described in the original decision.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

December 29, 2005

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

AND

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

AND

IN THE MATTER OF
CAPSERVCO LIMITED PARTNERSHIP (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 amend the decision document issued by the Decision Makers in the Matter of CapServCo Limited Partnership dated February 29, 2000 (the Original Decision) such that the prospectus and dealer registration requirement exemption granted in the Original Decision to permit the proposed issuance of limited partnership units and promissory notes from time to time by the Filer to certain persons be expanded to include issuance to additional persons.

Under the Mutual Reliance Review Systems for Exemptive Relief Applications

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

(b) the 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 the decision unless they are defined in this decision.

Representations

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

1. All representations contained in the Original Decision remain true and complete except for Paragraphs 11 and 12 and the addition of Paragraph 6A;

2. The amendments to the Original Decision will reflect the creation of the partnership, Grant Thornton Consulting (GTC) in connection with a restructuring of the operations of Grant Thornton LLP (GT). Following completion of the restructuring, GTC will provide GT with such accounting, management consulting and other professional services as GT may require from time to time and all fundamental decisions relating to the business and operations of the combined firms will be subject to the approval of the partners of GTC;

3. The amendments to the Original Decision will also reflect that each partner of GTC will make capital contributions to the Filer by subscribing for Class A and Class B Units of the Filer; and

4. The application to exempt from the prospectus and dealer registration requirement contained in the Legislation the proposed issuance of limited partnership units and promissory notes by the Filer to the partners of GTC is analytically indistinct from the circumstances described in the Original Decision, and implies no substantive difference to the reasons provided to justify the relief granted in the Original Decision.

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 pursuant to the Legislation is that:

1. Paragraph 6A is added to the Original Decision as follows:

"Grant Thornton Consulting ("GTC") is a partnership formed under the laws of Ontario to provide GT with such accounting, management consulting and other professional services as GT may require from time to time."

2. Paragraph 11 of the Original Decision is deleted and replaced with the following:

"The LP Agreement will provide that Units may be issued by the Applicant only to a person resident in Canada for purposes of the *Income Tax Act* (Canada) who is one of the following (each, a "Qualified Person"):

(i) a GT Partner;

(ii) where a GT Partner is a corporation where the sole shareholder, officer and director is an individual who would otherwise be a GT Partner (a "GT Individual");

(iii) a discretionary trust, the trustees of which will consist of one or more GT Partners or GT Individuals or corporations controlled by GT (a "Family Trust");

(iv) a GTC Partner;

(v) where a GTC Partner is a corporation where the sole shareholder, officer and director is an individual who would otherwise be a GTC Partner (a "GTC Individual"); or

(vi) a discretionary trust, the trustees of which will consist of one or more GTC Partners or GTC Individuals or corporations controlled by GTC (a "Family Trust")."

3. Paragraph 12 of the Original Decision is deleted and replaced with the following:

"The beneficiaries of a Family Trust consist of one or more of the following: (each an "Eligible Beneficiary"):

(i) a GT Partner or a GTC Partner;

(ii) a GT Individual or a GTC Individual;

(iii) a person who is married to a GT Partner, GT Individual, GTC Partner or GTC Individual who lives with a GT Partner, GT

Individual, GTC Partner or GTC Individual in a marriage-like relationship, which marriage-like relationship may be between persons of the same gender (a "Spouse");

(iv) the living issue, natural or adopted, of a GT Partner, of a GT Individual, of a GTC Partner, of a GTC Individual or of a Spouse;

(v) the siblings, natural or through adoption, of a GT Partner, of a GT Individual, of a GTC Partner, of a GTC Individual or of a Spouse;

(vi) the nieces and nephews, natural or through adoption, of a GT Partner, of a GT Individual, of a GTC Partner, of a GTC Individual or of a Spouse; or

(vii) any other person who is a dependent, wholly or partially, of a GT Partner, of a GT Individual, of a GTC Partner, of a GTC Individual or of a Spouse,

provided that, if a person referred to in (iii) above subsequently ceases to be a Spouse, the Family Trust may be permitted to continue to hold trust property for the benefit of such person and/or all any persons who initially became beneficiaries of the Family Trust by reason of their relationship to such person.

For greater clarification, a person under any of headings (iii) through (vii) above is not a Qualified Person."

"Paul M. Moore"

"Susan Wolburgh Jenah"

2.1.7 CapServCo Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – amendment to previous decision granting an exemption from prospectus and registration requirements, which decision was amended to permit the proposed issuance of limited partnership units and promissory notes from time to time to certain additional persons – second amendment required to make certain changes that are ancillary to, and substantively consistent with, the original decision, as amended, relating to family trusts that are entitled to acquire limited partnership units and promissory notes.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

January 20, 2006

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

AND

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

AND

IN THE MATTER OF
CAPSERVCO LIMITED PARTNERSHIP (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 amend the decision document issued by the Decision Makers in the Matter of CapServCo Limited Partnership dated February 29, 2000 (the 2000 Decision), as amended by the decision document issued by the Decision Makers in the Matter of CapServCo Limited Partnership dated December 29, 2005 (the Amending Decision and, together with the 2000 Decision, the Original Decision) to reflect certain changes that are ancillary to, and substantively consistent with, the amendments made to the 2000 Decision under the Amending Decision.

Under the Mutual Reliance Review Systems 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. All representations contained in the Original Decision remain true and complete except for Paragraphs 20 and 22;

2. The amendments to the Original Decision will clarify that all Eligible Beneficiaries (as that term is defined in Paragraph 12 of the Original Decision) are permitted to be involved in the decisions of a Family Trust (as that term is defined in Paragraph 11 of the Original Decision) to acquire limited partnership units and promissory notes of the Filer, and assist Family Trusts or permitted individuals in financing such acquisitions, including the persons contemplated in the Amending Decision; and

3. The amendments contemplated under this decision are supplementary to, and do not substantively vary, the exemption from the prospectus and dealer registration requirements granted under the Original Decision and do not provide for any substantive difference in the persons to whom the Filer is permitted to issue limited partnership units or promissory notes pursuant to such exemption.

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 pursuant to the Legislation is that:

1. Paragraph 20 of the Original Decision is deleted and replaced with the following:

   "No Eligible Beneficiary of a Family Trust other than a GT Partner, a GTC Partner, a GT Individual, a GTC Individual or a Spouse will directly or indirectly contribute money or other assets to such Family Trust, GT Individual or GTC Individual, as the case may be, in order to finance the subscription for Units or LP Notes, or will be liable for any loan or other forms of financing obtained by the Family Trust, GT Individual or GTC Individual, as the case may be, for that purpose. No Eligible Beneficiary of a Family Trust other than the GT Partner, the GTC Partner, the GT Individual or the GTC Individual, as the case may be, who is a trustee of such Family Trust will be involved in the decision to purchase Units or LP Notes."

2. Paragraph 22 of the Original Decision is deleted and replaced with the following:

   "Each holder of a Unit or an LP Note shall give to the Applicant an acknowledgment of receipt of a copy of this Decision Document and an acknowledgment that the protections of the applicable Legislation, including statutory rights of rescission and damages and continuous disclosure will not be available in respect of the Units and the LP Notes. Where the holder of a Unit or an LP Note is a Family Trust, such Family Trust shall provide an acknowledgment to the Applicant that no Eligible Beneficiary of such Family Trust, other than the GT Partner, the GTC Partner, the GT Individual or the GTC Individual, as the case may be, who is a trustee of such Family Trust or the Spouse of such GT Partner, GTC Partner, GT Individual or GTC Individual, as the case may be, has directly or indirectly contributed any money or other assets to such Family Trust in order to finance the subscription for Units or LP Notes and that no Eligible Beneficiary of such Family Trust other than the GT Partner, the GTC Partner, the GT Individual or the GTC Individual, as the case may be, who is a trustee of such Family Trust was involved in the decision to purchase Units or LP Notes."

"Paul M. Moore"

"Wendell S. Wigle"

2.1.8 Student Transportation of America Ltd. and Student Transportation of America ULC - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer of subordinated notes (STA ULC) forming part of income participating securities (IPSs) previously granted relief from the continuous disclosure and certification filing requirements – application to vary the previous decision to remove a condition contained in that decision that the obligations of STA ULC continue to be guaranteed by every other subsidiary of the issuer of the equity component of the IPSs (STA Ltd.) – relief granted subject to certain conditions, including (a) the operating entity (STA Holdco) and one or more of its wholly-owned subsidiaries fully and unconditionally guaranteeing the subordinated notes, and (b) STA Ltd. including prescribed financial information in the notes to its financial statements in order to enable investors to (i) effectively "de-consolidate" the financial results of STA ULC, STA Ltd. and STA Holdco, and (ii) determine the contribution of both the guarantor and non-guarantor subsidiaries of STA Holdco to STA ULC and STA Ltd.'s financial performance.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 144.

Ontario Regulations

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

January 20, 2006

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

AND

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

AND

IN THE MATTER OF
STUDENT TRANSPORTATION OF AMERICA LTD.
AND
STUDENT TRANSPORTATION OF AMERICA ULC

MRRS DECISION DOCUMENT

WHEREAS the local securities regulatory authority or regulator (the "**Decision Maker**"), in each of the Jurisdictions has received an application from Student Transportation of America Ltd. ("**STA Ltd.**") and Student Transportation of America ULC ("**STA ULC**", and together with STA Ltd., the "**Issuer**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that the decision document dated February 23, 2005 issued by the Decision Makers, and in Quebec, the order dated December 5, 2005 issued by the Decision Maker in respect of the Issuer (collectively the **"Original Decision Documents"**) be varied by removing the condition contained in the Original Decision Documents that STA ULC's obligations under its subordinated notes (the "**Subordinated Notes**") continue to be guaranteed by every other subsidiary of STA Ltd. (the "**Guarantee Requirement**").

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

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

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

Interpretation

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

Representations

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

1. Pursuant to the Original Decision Documents, STA ULC is exempt from:

   (a) except in the Northwest Territories, the requirements under the Legislation to:

      (i) issue press releases and file reports regarding material changes;

      (ii) file annual financial statements together with an auditor's report and annual MD&A, as well as interim financial statements together with a notice regarding auditor review or a written review report, if required, and interim MD&A;

      (iii) send annually a request form to the registered holders and beneficial owners of STA ULC's securities, other than debt instruments, that the registered holders and beneficial owners may use to request a copy of STA ULC's annual financial

statements and annual MD&A, interim financial statements and interim MD&A, or both, and to send a copy of financial statements and MD&A to registered holders and beneficial owners;

(iv) send a form of proxy and information circular with a notice of meeting to registered holders of voting securities and to file the information circular, form of proxy and all other material required to be sent in connection with the meeting to which the information circular or form of proxy relates;

(v) where applicable, file a business acquisition report, including any required financial statement disclosure, if STA ULC completes a significant acquisition;

(vi) file a copy of any disclosure material that it sends to its securityholders;

(vii) file an annual information form; and

(viii) where applicable, file a copy of any contract that it or any of its subsidiaries is a party to, other than a contract entered into in the ordinary course of business, that is material to STA ULC and was entered into within the last financial year, or before the last financial year but is still in effect,

(collectively, the "Continuous Disclosure Requirements"); and

(b) the requirements under the Legislation except in British Columbia to:

(i) file annual certificates in accordance with section 2.1 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* (MI 52-109); and

(ii) file interim certificates in accordance with section 3.1 of MI 52-109,

(collectively, the "Certification Filing Requirements").

2. Pursuant to the Original Decision Documents, the Continuous Disclosure Requirements and the Certification Filing Requirements do not apply to STA ULC, provided that, among other things, STA ULC complies with the Guarantee Requirement.

3. On July 22, 2005, STA Ltd. formed an indirect subsidiary, Student Transportation of Canada Inc. ("STC").

4. On July 29, 2005, STC closed its acquisition of the school bus division of Ayr Coach Lines, located in Waterloo, Ontario.

5. STC has guaranteed STA ULC's obligations under the Subordinated Notes (as defined in the Original Decision Document) pursuant to a limited duration guarantee (the "Limited Guarantee"), which guarantee will terminate in accordance with its terms on May 22, 2006.

6. Due to potential negative US tax consequences to STA Ltd., STC has not guaranteed STA ULC's obligations under the Subordinated Notes for an indefinite period.

7. The consolidated financial statements of STA Ltd. will include the financial results of STC for so long as STC remains a subsidiary of STA Ltd.

8. STA Ltd. will provide investors who hold Subordinated Notes (including Subordinated Notes that are represented by Income Participating Securities of the Issuer) with the information required to be included pursuant to item 13.2(f)(ii) of Form 44-101F1 of National Instrument 44-101 Short Form Prospectus Distributions in order to enable investors to effectively "de-consolidate" the financial results of the Issuer and determine the contribution of both the guarantor and the non-guarantor subsidiaries of the Issuer to the Issuer's financial performance.

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 pursuant to the Legislation is that the Original Decision Document be varied by removing the Guarantee Requirement, provided that:

1. STA Ltd. includes the following consolidating summary financial information in the notes to its interim and annual financial statements, presented with a separate column for each of (a) STA ULC, (b) Student Transportation of America Holdings, Inc. (STA Holdco), (c) each credit supporter on a combined basis, (d) the non-guarantor subsidiaries on a combined basis, (e)

consolidating adjustments and (f) the total consolidated amounts:

1. Sales or revenues;
2. Income from continuing operations before extraordinary items;
3. Net earnings;
4. Currents assets;
5. Non-current assets;
6. Current liabilities; and
7. Non-current liabilities;

2. The cover page of STA Ltd's financial statements includes a statement disclosing the notes where the consolidating summary financial information can be found; and

3. STA ULC's obligations under the Subordinated Notes are fully and unconditionally guaranteed by STA Holdco and one or more wholly-owned subsidiaries of STA Holdco, and the guarantees are joint and several.

"Iva Vranic"

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

Headnote

Novel future-oriented exemption from subsection 4.1(1) of National Instrument 81-102 Mutual Funds to enable mutual funds to purchase securities of an issuer during the period of distribution of the issuer's securities and for the 60 days following completion of the distribution in which a related underwriter acts in connection with the offering of securities, subject to a number of conditions including that the related underwriter does not have greater than a 5 percent underwriting interest in the offering of securities of the issuer.

Rule Cited

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

January 19, 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,
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
GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.
(the "Applicant")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application dated May 13, 2004 (the "**Application**") from the Applicant (or "**Dealer Manager**") on behalf of the mutual funds listed in Appendix "A" for which the Applicant currently acts as manager or portfolio adviser or both (the "**Existing Funds**") and any other mutual fund subject to National Instrument 81-102 *Mutual Funds* ("*NI 81-102*") which may be created in the future for which the Applicant or an affiliate of the Applicant will act as manager or portfolio adviser or both (the "**Future Funds**", and together with the Existing Funds, the "**Funds**" or "**Dealer Managed Funds**"), for a decision under section 19.1 of NI 81-102 (the "**Legislation**") for:

- an exemption from subsection 4.1(1) of NI 81-102, to enable the Dealer Managed Funds to purchase a preferred share, a common share or an income participating security of an issuer, or any security (such as a unit) of an issuer which allows the holder to participate in the earnings or growth of any entity, including any partnership or trust (the "**Securities**") during the period of distribution of the issuer's securities (the "**Distribution**") and for the 60-day period (the "**60-Day Period**") following completion of the Distribution (the Distribution and the 60-Day Period together, the "**Prohibition Period**"), notwithstanding that Dundee Securities Corporation ("**DSC**") (or a "**Related Underwriter**") acts as an underwriter in connection with the offering of Securities pursuant to a prospectus filed with the Canadian securities regulatory authorities (each a "**Relevant Offering**"), such relief 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 meanings in this decision (the "**Decision**") unless they are defined in this Decision. In addition to capitalized terms defined elsewhere in this Decision, the following terms have the following meanings:

"Bought Deal" means a Relevant Offering which is made pursuant to an agreement under which an underwriter or underwriters, as principal(s), agree(s) to purchase Securities from an issuer or selling security holder with a view to a distribution of such Securities pursuant to a short form prospectus filed in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* or any comparable system in any of the Jurisdictions and such agreement is entered into prior to or contemporaneously with the filing of the preliminary short form prospectus in respect of the Relevant Offering.

Representations

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

1. Each of the Dealer Managed Funds is or will be an open-ended mutual fund trust or corporation established under the laws of the Province of Ontario. The securities of each of the Dealer Managed Funds are or will be qualified for distribution in the Jurisdictions pursuant to simplified prospectuses and annual information forms that have been prepared and filed in accordance with the securities legislation of the Jurisdictions.

2. The Applicant is or will be the manager, trustee (where applicable), portfolio adviser to certain of the Funds, principal distributor and registrar of the Dealer Managed Funds. The Applicant currently is, and will be in the future, a "dealer manager" with respect to the Funds, and each Fund is or will be a "dealer managed fund", as such terms are defined in section 1.1 of NI 81-102.

3. The Applicant is a corporation incorporated under the laws of Ontario, and is registered as an adviser in the categories of investment counsel and portfolio adviser in Ontario. The Applicant holds similar adviser registrations in Quebec, British Columbia, Alberta, Manitoba, Saskatchewan, Nova Scotia and New Brunswick. The head office of the Dealer Manager is in Toronto, Ontario.

4. The investment objective of each Dealer Managed Fund permits it to invest in the relevant Securities.

5. DSC may be a party to the underwriting agreement with an issuer of Securities in a Relevant Offering. In respect of each Relevant Offering in which a Related Underwriter participates as an underwriter, the Dealer Manager may cause the Dealer Managed Funds to invest in Securities during the Prohibition Period of the Relevant Offering.

6. DSC will not have greater than a 5 percent underwriting interest in a Relevant Offering of Securities of an issuer.

7. The investment prohibition contained in subsection 4.1 of NI 81-102 (the "**Investment Prohibition**") provides an exemption if the dealer manager or any of its associates or affiliates only acts as a member of a selling group distributing five percent or less of the underwritten securities. However, this *de minimis* exemption is not available to entities that are underwriting a distribution (as opposed to being in the selling group), and therefore the Dealer Managed Funds cannot avail themselves of this exemption even in Relevant Offerings in which DSC has a relatively modest share.

8. DSC is comparatively smaller than the Dealer Managed Funds, which are part of one of the largest mutual fund groups in Canada and are investors in Relevant Offerings. As a result, issuers and underwriters creating syndicates may be discouraged from including DSC in an underwriting syndicate because they do not want to be in a position in which the Funds are precluded from investing in a distribution. DSC has

been particularly disadvantaged in terms of its ability to participate in income trust Distributions because of the importance of the Dealer Managed Funds as potential purchasers.

9. To the extent DSC does participate as an underwriter in a Relevant Offering, the Investment Prohibition restricts the Dealer Managed Funds from making certain investments in the issuer's Securities during the relevant Prohibition Period and can result in the portfolio adviser incurring extra costs, which are ultimately borne by the relevant Fund, to substitute investments for those that it is prohibited from buying.

10. The short timeframe to purchase Securities in Relevant Offerings done by way of Bought Deals does not give the Applicant the opportunity to apply for relief to purchase Securities during the Distribution.

11. Despite the affiliation between the Applicant and DSC, they operate independently of each other and in separate locations. In particular, the investment banking and related dealer activities of DSC and the investment portfolio management activities of the Applicant 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 Applicant and DSC communicate to enable the Applicant to maintain an up-to-date restricted-issuer list to ensure that the Applicant complies with applicable securities laws); and

    (b) the Applicant and DSC may share general market information such as discussion on general economic conditions, bank rates, etc.

12. The Applicant has not been and will not (going forward) be involved in the work of the Related Underwriter. Similarly, the Related Underwriter has not been and will not be involved in the decisions of the Applicant as to whether the Dealer Managed Funds will purchase Securities during the Prohibition Period of a Relevant Offering.

13. In respect of each Relevant Offering, the Dealer Managed Funds will not be required or obliged to purchase any of the Securities during the Prohibition Period prior to placing an order for such Securities.

14. Any purchase of Securities during the Prohibition Period of a Relevant Offering will be consistent with the investment objectives of the Dealer Managed Funds and represent the business judgment of the Applicant uninfluenced by considerations other than the best interests of the Dealer Managed Funds, or in fact be in the best interests of the Dealer Managed Funds.

15. To the extent that the Dealer Manager manages two or more Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the "**Managed Accounts**"), the Securities purchased for them in a Relevant Offering in which the Related Underwriter participates as an underwriter 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.

16. The Applicant will mandate its independent review committee (the "**Independent Committee**"), appointed in respect of the Dealer Managed Funds, to review each Dealer Managed Fund's purchases of Securities during the Prohibition Period of a Relevant Offering made pursuant to this Decision.

17. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with the Applicant, 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 judgement regarding conflicts of interest facing the Applicant.

18. Prior to the first reliance on this Decision, the Independent Committee will have reviewed and approved the Applicant's written policies or procedures regarding its purchases of Securities to be made pursuant to this Decision which, as a minimum, sets out the conditions of this Decision.

19. The Independent Committee may, at the request of the Dealer Manager, provide written instructions permitting, on a continuing basis (each a "**Standing Approval**"), purchases of Securities during the Prohibition Period for Relevant Offerings made by way of Bought Deals pursuant to this Decision; provided that the Standing Approval may only apply to purchases throughout the Prohibition Period for a Relevant Offering if the Dealer Managed Funds make a purchase of Securities during the Distribution for such Relevant Offering. The Standing Approval must at

a minimum include the terms and conditions of this Decision and (i) the maximum percentage of a Dealer Managed Fund's net asset value that the particular purchase in a Relevant Offering may represent, and (ii) the maximum percentage of the total Relevant Offering that the Dealer Manager may purchase in such Relevant Offering for a Dealer Managed Fund.

20. Prior to the first purchase by the Dealer Managed Funds of Securities of an issuer during the Prohibition Period for each Relevant Offering done by way of a Bought Deal to be made pursuant to this Decision, the Independent Committee will have provided a Standing Approval, which continues to be in effect throughout the Prohibition Period; provided, however, that if the Dealer Managed Funds do not purchase Securities in such Relevant Offering during the Distribution for such Relevant Offering, the Independent Committee will have reviewed and approved the proposed first purchase of Securities to be made pursuant to this Decision during the 60-Day Period following the Distribution for such Relevant Offering.

21. Prior to the first purchase by a Dealer Managed Fund of Securities of an issuer during the Prohibition Period for each Relevant Offering not done by way of a Bought Deal to be made pursuant to this Decision, the Independent Committee will have reviewed and approved the proposed first purchase of Securities to be made pursuant to this Decision during the Prohibition Period for such Relevant Offering.

22. The Independent Committee's approval in paragraphs 19, 20, and 21 will include a determination by the Independent Committee after reasonable inquiry, which may include but is not limited to engaging independent counsel and other advisors it determines necessary to carry out its duties, that purchases of Securities as proposed by the Dealer Manager and made in reliance on this Decision during the Prohibition Period for the Relevant Offering(s):

    (a) will be 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

    (b) will represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Funds, or

    (c) will, in fact, in the best interests of the Dealer Managed Funds; and

    (d) will be made in compliance with the Applicant's written policies or procedures referred to in paragraph IV of this Decision below.

23. 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.

24. The Independent Committee will review and assess on a regular basis, but not less frequently than once every calendar quarter, the adequacy and effectiveness of (i) any Standing Approvals that it has granted; and (ii) the Applicant's written policies and procedures referred to in paragraph IV of this Decision below, in ensuring compliance with this Decision.

Decision

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

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted, notwithstanding that the Related Underwriter may act as one of the underwriters in a Relevant Offering, provided that, in respect of the Dealer Manager and the Dealer Managed Funds, the following conditions are satisfied:

The Investment Decision

I. At the time of each purchase (the "Purchase") by a Dealer Managed Fund during a Prohibition Period for a Relevant Offering of Securities issued in such Relevant Offering, 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;

    (c) the Dealer Managed Fund does not accept solicitation by the Related

Underwriter for Purchases for the Dealer Managed Fund; and

(d) the issuer is not a "related issuer" or a "connected issuer", as defined in National Instrument 33-105 *Underwriting Conflicts*, of the Dealer Manager or its affiliates or associates;

(e) if the Relevant Offering is done by way of a Bought Deal, provided that the Dealer Managed Fund makes a Purchase in the Distribution for such Relevant Offering, the Purchase is made pursuant to a Standing Approval of the Independent Committee which continues to be in effect throughout the Prohibition Period;

(f) if the Relevant Offering is done by way of a Bought Deal and the Dealer Managed Fund does not make a Purchase during the Distribution for such Relevant Offering, the Independent Committee has, prior to the first Purchase to be made during the 60-Day Period, reviewed and approved the proposed first Purchase to be made during the 60-Day Period for such Relevant Offering;

(g) if the Relevant Offering is not done by way of a Bought Deal, the Independent Committee has reviewed and approved the proposed first Purchase to be made during the Prohibition Period for such Relevant Offering, prior to the first Purchase in the Prohibition Period for such Relevant Offering; and

(h) the approvals in paragraphs I(e), (f) and (g) above, shall include a determination that the Independent Committee has formed the opinion after reasonable inquiry, which may include but is not limited to engaging independent counsel and other advisors it determines necessary to carry out its duties, that purchases of Securities as proposed by the Dealer Manager and made in reliance on this Decision during the Prohibition Period for the Relevant Offering(s):

(i) will be 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

(ii) will represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund; or

(iii) will, in fact, be in the best interests of the Dealer Managed Fund; and

(iv) will be made in compliance with the Applicant's written policies or procedures referred to in paragraph IV of this Decision below;

Transparency

II. Prior to the first reliance on this Decision, the internet website of the Dealer Managed Fund or Dealer Manager, as applicable, discloses,

and

on the date which is the earlier of (i) the date when an amendment to the simplified prospectus of the Dealer Managed Fund is filed for reasons other than this Decision and (ii) the date on which the initial or renewal simplified prospectus is receipted, Part A of the simplified prospectus of the Dealer Managed Fund discloses,

(a) that the Dealer Managed Fund may invest in Securities during the Prohibition Period pursuant to this Decision, notwithstanding that the Related Underwriter has acted as underwriter in the Relevant Offering of the same class of such Securities;

(b) the existence, purpose, duties, obligations and standard of care of the Independent Committee, the names of its members and a brief description of pertinent personal background information on the Independent Committee members;

(c) the fact that they meet the independent requirements set forth in this Decision;

(d) whether and how they are compensated for their review; and

(e) that a securityholder of the Dealer Managed Fund may request a copy of the disclosure referred to in paragraph XXIII below (which may be provided by way of an electronic link to the location at which the SEDAR Report is filed on SEDAR);

III. On the date which is the earlier of

(i) the date when an amendment to the annual information form of the Dealer Managed Fund is filed for reasons other than this Decision and

(ii) the date on which the initial or renewal annual information form is receipted,

the annual information form of the Dealer Managed Fund discloses the information referred to in paragraph II(a) through (e) above and describes the policies or procedures referred to in paragraph IV below and the fact that Standing Approvals may be granted by the Independent Committee;

IV. Prior to effecting any Purchase pursuant to this Decision, the Dealer Manager has in place written policies or procedures to ensure that,

(a) there is compliance with the conditions of this Decision; and

(b) in connection with any Purchase,

(i) there are stated factors or criteria for allocating Securities purchased for two or more Dealer Managed Funds and other accounts managed by the Dealer Manager ("**Managed Accounts**"), and

(ii) there is full documentation of the reasons for any allocation to a Dealer Managed Fund or Managed Account that departs from the stated allocation factors or criteria;

V. On the request by a securityholder of a Dealer Managed Fund, the Dealer Manager shall disclose the information referred to in paragraph XXIII below (which may be provided by way of an electronic link to the location at which the SEDAR Report is filed on SEDAR);

The Nature of the Purchase

VI. The Dealer Manager does not place an order to purchase, on a principal or agency basis, with the Related Underwriter;

VII. For Purchases during the Distribution only, the Dealer Manager:

(a) expresses an interest to purchase on behalf of the Dealer Managed Funds and the Managed Accounts a fixed number of Securities (the "**Fixed Number**") to an underwriter other than the Related Underwriter;

(b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Manager, in the case of such Relevant Offering, no more than five (5) business days after the receipt for the final prospectus has been issued;

(c) does not place an order with an underwriter of the Relevant Offering to purchase an additional number of Securities under the Relevant Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number, in the case of a Relevant Offering, at the time the final prospectus was filed for the purposes of the closing of the Relevant Offering, the Dealer Manager may place an additional order for such number of additional Securities equal to the difference between the Fixed Number and the number of Securities allotted to the Dealer Manager at the time of the final prospectus in the event the underwriters exercise the over-allotment option; and

(d) in the case of a Relevant Offering, does not sell Securities purchased by the Dealer Manager under the Relevant Offering prior to the listing of such Securities on the Toronto Stock Exchange (the "**TSX**") or another recognized market.

VIII. Each Purchase during the 60-Day Period is made on the TSX or another recognized market;

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

X. Except to the extent evidenced by this Decision and specific approvals granted by the Decision Makers pursuant to the Legislation or securities legislation of the Jurisdictions, the Purchases comply with the Legislation and securities legislation of the Decision Makers.

The Nature of the Offering

XI. The Offering of the Securities is made by prospectus filed with one or more securities regulators in Canada;

XII. Except for Purchases done during the Prohibition Period for a Relevant Offering done by way of a Bought Deal, the minimum number of Securities in a Relevant Offering qualified for distribution under the prospectus in the Relevant Offering is sold on the closing date stated in the prospectus as the expected closing date;

XIII. The Related Underwriter does not purchase Securities for its own account except Securities sold by the Related Underwriter on the closing of such Relevant Offering;

Nature of the Underwriting Interest

XIV. DSC shall not have greater than a five percent underwriting interest in a Relevant Offering;

Independent Review

XV. The Dealer Managed Funds have an Independent Committee to review the Dealer Managed Funds' Purchases;

XVI. 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;

XVII. 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;

XVIII. The Independent Committee will review and assess on a regular basis, but not less frequently than once every calendar quarter, (i) the adequacy and effectiveness of any Standing Approvals granted by it; and (ii) the adequacy and effectiveness of the Applicant's written policies and procedures referred to in paragraph IV of this Decision to ensure compliance with this Decision;

Liability

XIX. A 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 XVII above;

XX. A Dealer Managed Fund does not indemnify the members of the Independent Committee against legal fees, judgments and amounts paid in settlement as a result of a breach of the standard of care set out in paragraph XVII above;

XXI. A 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 XVII above;

XXII. The cost of any indemnification or insurance coverage paid for by the Dealer Manager or any associate or affiliate of the Dealer Manager 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 XVII above is not paid either directly or indirectly by the Dealer Managed Fund;

Post-Transaction Disclosure

XXIII. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**") in respect of the Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period for each Relevant Offering if it made a Purchase during the Prohibition Period for the Relevant Offering, that contains a certification by the Dealer Manager that contains:

(a) the following particulars of each Purchase:

(i) the number of Securities purchased by the Dealer Managed Fund during the Prohibition Period of such Relevant Offering;

(ii) the date of the Purchase and purchase price;

(iii) if applicable, that the Securities were Purchased under a Standing Approval;

(iv) whether it is known that any underwriter or syndicate member has engaged in market stabilization activities in respect of the Securities in such Relevant Offering;

(v) if the Securities 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

(vi) the dealer from whom the Dealer Managed Fund purchased the Securities and the fees or commissions, if any, paid by the Dealer Managed Fund in respect of such Purchase;

(b) a certification by the Dealer Manager that each Purchase:

(i) was made free from any influence by the Related Underwriter or any affiliate or associate thereof and without taking into account any consideration relevant to the Related Underwriter or any associate or affiliate thereof; and

(ii) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interest of the Dealer Managed Fund, or

(iii) was, in fact, in the best interests of the Dealer Managed Fund;

(c) confirmation of the existence of the Independent Committee to review the Purchase by the Dealer Managed Fund during the Prohibition Period of each Relevant Offering, the names of the members of the Independent Committee, the fact that they meet the independence requirements set forth in this Decision, and whether and how they were compensated for their review; and

(d) a certification by each member of the Independent Committee that:

(i) where Purchases were made in the Distribution only, or in the Distribution and during the 60-Day Period, for a Relevant Offering done by way of a Bought Deal, the Standing Approval continued in effect throughout the Prohibition Period;

(ii) after reasonable inquiry, the terms and conditions of any Standing Approvals are adequate and effective and any necessary amendments to ensure that any Standing Approvals remain adequate and effective have been made;

(iii) where Purchases were made by the Dealer Managed Fund during the Prohibition Period for each Relevant Offering not done by way of a Bought Deal or only during the 60-Day Period for any Relevant Offering done by way of a Bought Deal, the Independent Committee reviewed and approved the proposed first Purchase during the Prohibition Period or the 60-Day Period as the case may be;

(iv) after reasonable inquiry the member is of the opinion that the policies and procedures referred to in paragraph IV above are adequate and effective to ensure compliance with this Decision and that any necessary amendments have been made to ensure such policies and procedures remain adequate and effective to ensure compliance with this Decision; and

(v) that the decision made on behalf of the Dealer Managed Fund by the Dealer Manager to purchase on behalf of the Dealer Managed Fund and each Purchase by the Dealer Managed Fund:

(A) was made in compliance with the conditions of this Decision, the Applicant's written policies or procedures referred to in paragraph IV of this Decision above, and if applicable, the terms and conditions of any Standing Approvals;

(B) 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

(C) represented the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or

(D) was, in fact, in the best interests of the Dealer Managed Fund.

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

(a) any determination by it that the condition set out in paragraph XXIII(d) above has not been satisfied with respect to any Purchase;

(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 in response to the determinations referred to above.

Sunset

XXV. This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate the earlier of:

(a) one year from the date of the Decision; or

(b) the coming into force of any legislation or rule of the Decision Makers dealing with matters regulated by Section 4.1 of NI 81-102.

Yours truly,

"Leslie Byberg"

APPENDIX "A" – Existing Mutual 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 Dividend Fund
Dynamic Dividend Income Fund

Dynamic Power Funds
Dynamic Power American Currency Neutral Fund
Dynamic Power American Growth Fund
Dynamic Power Balanced Fund
Dynamic Power Canadian Growth 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

DYNAMIC CORPORATE CLASS FUNDS
Corporate Class Power Funds
Dynamic Power American Growth Class
Dynamic Power Canadian Growth Class
Dynamic Power Global Growth Class

Corporate Class Value Funds
Dynamic Canadian Value Class
Dynamic Global Value Class

Dynamic Managed Portfolios
DMP Canadian Dividend Class
DMP Canadian Value Class
DMP Global Value Class
DMP Power Canadian Growth Class
DMP Power Global Growth Class
DMP Resource Class

2.1.10 YEARS U.S. Trust - s. 83

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Closed-end investment trust is deemed to have ceased to be a reporting issuer in compliance with the requirements set out in CSA Notice 12-307.

Applicable Ontario Statutory Provisions, Rules and Notices

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

January 19, 2006

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario
M5X 1B8

Attention: Bridget Campbell

Dear Ms. Campbell:

Re: YEARS U.S. Trust (the "Applicant")
Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland & Labrador (the "Jurisdictions")
Application No.: 912/05

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

As the Applicant has represented to the Decision Makers that,

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

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

"Leslie Byberg"
Manager, Investment Funds

2.1.11 Telesystem International Wireless 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 20, 2006

Telesystem International Wireless Inc.
1250 René-Lévesque Blvd. West
38th Floor
Montreal, Québec H3B 4W8

Dear Madams/Sirs,

Re: Telesystem International Wireless Inc. (the "Applicant") – Application to cease to be a reporting issuer under the securities legislation of the provinces of Québec, Alberta, Manitoba, New Brunswick, Nova Scotia, Ontario, Saskatchewan and Newfoundland and Labrador (the "Jurisdictions")

The Applicant has applied to the local securities regulatory authority or regulator (the "Decision Makers") 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 securityholders in each of the Jurisdiction in Canada and less than 51 securityholders in total in Canada;

2. No securities of the Applicant are traded on a market place as defined in National Instrument 21-102 – Market Place Operation;

3. The Application 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 tests contained in the Legislation that provide the Decision Makers with the Jurisdictions to make the decision have been met and orders that the Applicant is deemed to have ceased to be a reporting issuer.

"Marie-Christine Barrette"
Manager of the Corporate Financing Department
L'Autorite des marches financiers

2.2 Orders

2.2.1 Megawheels Technologies Inc. - s. 104(2)(c)

Headnote

Relief from issuer bid requirements – In settlement of claims or potential claims by the Applicant against a shareholder, the shareholder agreed to transfer 4,000,000 common shares to the Applicant for cancellation – no consideration is being paid for the common shares other than a release – shareholder and Applicant not related parties and settlement negotiated at arm's length.

Applicable Ontario Statutory Provisions

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

January 17, 2006

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

AND

IN THE MATTER OF
MEGAWHEELS TECHNOLOGIES INC.

ORDER
(Clause 104(2)(c))

UPON the application (the "**Application**") of Megawheels Technologies Inc. (the "Applicant") to the Ontario Securities Commission (the "**Commission**") for an order pursuant to clause 104(2)(c) of the Act exempting the Applicant from the requirements of sections 95 through 98 and 100 of the Act (the "**Issuer Bid Requirements**") in connection with the acquisition (the "**Acquisition**") by the Applicant of securities of its own issue in settlement of certain claims it has against Bell Globemedia Publishing Inc. ("Globe").

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is incorporated under the laws of Canada and has a head office located in Calgary, Alberta.

2. The Applicant is a reporting issuer in the jurisdictions of British Columbia, Alberta and Ontario and is not in default of any requirement of the legislation of the Act.

3. The Applicant's issued and outstanding capital consists of 27,826,761 common shares (the "**Common Shares**"), 13,444,547 Series B preferred shares (the "**Series B Shares**") and 33,291,647 Series C preferred shares (the "**Series C Shares**"). Each Series B Share carries the right to one half of a vote at a meeting of the shareholders. Each Series C Share and Common Share carry the right to one vote at a meeting of the shareholders. Each Series B Share is convertible at the option of the holder into one half of a Common Share. Each Series C Share is convertible at the option of the holder into one Common Share.

4. The Common Shares are listed on the TSX Venture Exchange (the "**Venture Exchange**") under the stock symbol "MWT". The last closing price of the Common Shares on the Venture Exchange on November 23, 2005 and on January 12, 2006 was $0.035.

5. The Applicant is in the business of providing classified advertising technology with a focus on the automotive and real estate sectors.

6. Globe is the beneficial owner of 4 million Common Shares (the "**Settlement Shares**"). Globe acquired the Settlement Shares on conversion of a convertible debenture with a principal amount of $1,000,000.

7. Globe is a company incorporated under the laws of Ontario and has a head office in Scarborough, Ontario.

8. Since 2004, the Applicant and Globe have been embroiled in a dispute with respect to, among other things, certain claims by the Applicant against Globe (the "**Claims**") arising from certain agreements between the Applicant and Globe related to the creation and publication of online print automotive sections and products and other related matters. On November 23, 2005 the Applicant and Globe agreed to a settlement arrangement under which Globe will transfer all of the Settlement Shares to the Applicant in consideration for the entering into by the Applicant of a full and final release of the Claims (the "**Settlement Arrangement**"). No consideration will be paid for the Settlement Shares by the Applicant other than the execution of a full and final release by the Applicant with respect to the Claims. Upon being acquired by the Applicant, the Settlement Shares will immediately be cancelled.

9. The Applicant and Globe were arms-length parties at time the Settlement Arrangement was agreed and were not related parties as such term is defined in Ontario Securities Commission Rule 61-501.

10. The Settlement Arrangement does not provide greater value to Globe for the Settlement Shares

than the value Globe paid to acquire the Settlement Shares.

11. In approving the Settlement Arrangement, the board of directors of the Applicant (the "**Board**"), acting in good faith, concluded that the value of the Claims did not exceed the market value of the Settlement Shares on November 23, 2005. In reaching this conclusion, the Board considered the merits of the Claims and the likelihood of success, the cost of pursuing the Claims, including both management time and the monetary costs of engaging external advisors, and the ability to collect on any judgment.

12. There has been no material change in the market price of the Common Shares since the date of the Settlement Arrangement and the date of the Application.

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

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

IT IS ORDERED pursuant to clause 104(2)(c) of the Act that the Applicant is exempt from the Issuer Bid Requirements in connection with the Acquisition.

"Paul M. Moore"
Commissioner

"Robert L. Shirriff"
Commissioner

2.2.2 Wenzel Downhole Tools Ltd. - s. 144

Headnote

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

Statutes Cited

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

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

AND

IN THE MATTER OF
WENZEL DOWNHOLE TOOLS LTD.

ORDER
(Section 144)

WHEREAS the securities of Wenzel Downhole Tools Ltd. (Wenzel) are subject to a Temporary Order of the Director dated July 29, 2004 under paragraph 127(1)2 and subsection 127(5) of the Act, as extended by an Order of the Director dated August 10, 2005 under subsection 127(1) of the Act (together, the Cease Trade Order) directing that trading in the securities of Wenzel cease until the Cease Trade Order is revoked by the Director;

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

AND UPON Wenzel having represented to the Commission that:

1. Wenzel was incorporated under the *Business Corporations Act* (Alberta) on June 9, 1994. Its head office is located in Edmonton, Alberta.

2. Wenzel is a reporting issuer in Alberta, British Columbia and Ontario.

3. The authorized capital of Wenzel is comprised of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which 30,697,924 common shares are issued and outstanding, 2,400,000 common shares are reserved for issuance pursuant to the exercise of stock options and 4,600,000 Series 1 preferred shares are issued and outstanding.

4. The common shares of Wenzel are listed for trading on the Toronto Stock Exchange but are

currently suspended from trading as a result of the Cease Trade Order and the cease trade orders issued against Wenzel by the securities commissions in Alberta and British Columbia.

5. On March 19, 2004, the Alberta Securities Commission (ASC) issued an interim cease trade order and a Notice of Hearing against Wenzel, Douglas Brian Wenzel and 376348 Alberta Ltd. With respect to Wenzel, the Notice of Hearing alleged that its 2002 year-end audited financial statements were not prepared in accordance with generally accepted accounting principles and contained false or misleading statements.

6. Wenzel retained PricewaterhouseCoopers LLP to conduct a forensic investigation (the PwC investigation) of Wenzel's 2002 financial statements and the affairs that were the subject of the Notice of Hearing.

7. Wenzel waited for PricewaterhouseCoopers LLP to complete its forensic investgation of the 2002 financial statements, which was completed in February 2005, before preparing and filing further financial statements.

8. The Cease Trade Order was issued as a result of Wenzel's failure to file its audited annual financial statements for the year ended December 31, 2003 and interim statements for the three-month period ended March 31, 2004 as required by Ontario securities law.

9. Once the PwC investigation was completed in February 2005, Wenzel restated its financial statements for the year ended December 31, 2002 and prepared, and had audited, comparative annual financial statements for the year ended December 31, 2003 and then December 31, 2004.

10. Wenzel has filed the following documents with the Commission on SEDAR:

    (a) audited annual financial statements, related management discussion and analysis and certificates (Certificates) required under Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* for the years ended December 31, 2003 and December 31, 2004 and the interim periods ended March 31, 2005, June 30, 2005 and September 30, 2005 respectively;

    (b) an annual information form dated October 14, 2005 for the year ended December 31, 2004;

    (c) a notice and information circular for its annual general and special meeting of shareholders, which was held on November 18, 2005;

    (d) restated audited annual financial statements for the year ended December 31, 2004; and

    (e) restated management discussion and analysis for the interim period ended September 30, 2005.

11. Wenzel is up-to-date with all its other continuous disclosure obligations, has paid all filing fees associated with those obligations and has complied with National Instrument 51-102 *Continuous Disclosure Obligations* regarding delivery of financial statements.

12. In 2005 Wenzel underwent a corporate reorganization and restructuring that included the appointment of new members to the board of directors, new officers and a reorganization of internal controls over Wenzel's operations in Canada and the United States.

13. On October 28, 2005 Wenzel applied to the Alberta Securities Commission for an order to revoke the cease trade order issued by the Alberta Securities Commission, which was granted at a hearing held November 2, 2005.

14 Except for the Cease Trade Order, Wenzel is not otherwise in default of any requirement of Ontario securities law.

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

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

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

DATED January 23, 2006.

"Iva Vranic"
Manager, Corporate Finance
Ontario Securities Commission

2.2.3 Medical Innovations Management Inc. - s. 74(1)

Headnote

B.C. registered investment adviser operating out of Ontario exempted from the adviser registration requirement of the Act in connection with advising an investment fund registered and distributed only in BC provided that the registerable activities of the investment adviser are limited to advising the fund and investment adviser and its officers and employees maintain registration in BC.

Statutes Cited

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

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

AND

IN THE MATTER OF
MEDICAL INNOVATIONS MANAGEMENT INC.

ORDER
(Section 74(1))

WHEREAS the Ontario Securities Commission (the **OSC**) has received an application from Impax Capital Corp. (the **Filer**) for a decision pursuant to subsection 74(1) of the *Securities* Act (Ontario) (the **Act**) that the adviser registration requirement contained in section 25 of the Act shall not apply to each of:

(i) Medical Innovations Management Inc. (**MIMI**); and

(ii) the officers and employees acting on MIMI's behalf;

in respect of advising BC Medical Innovations (EVCC) Inc. (the **Fund**) (the **Requested Relief)**.

AND WHEREAS the Filer has represented to the OSC that:

1. The Filer is a corporation incorporated under the laws of Ontario with its head office located in Toronto, Ontario. The Filer controls Impax Funds Management Inc. (**IFMI**), which is registered under the Act as an adviser in the categories of investment counsel and portfolio manager. The Filer itself is not registered under the Act.

2. MIMI is a corporation incorporated under the laws of Canada with its head office located in Vancouver, B.C.. MIMI is an indirect, wholly-owned subsidiary of MDS Capital Corp. (**MDS**).

3. MIMI is registered as an adviser with the British Columbia Securities Commission (the **BCSC**). The registration of MIMI in British Columbia is subject to terms and conditions which limit it to advising "prescribed venture capital corporations" and "prescribed labour-sponsored venture capital corporations" under the *Income Tax Act* (Canada). MIMI is not registered in any category under the Act.

4. MIMI is the manager and portfolio manager of the Fund. The Fund is an investment fund registered under the *Employee Investment Act* (British Columbia) and is distributed only in the province of British Columbia.

5. The Filer is proposing to acquire control of MIMI as part of a transaction (the **Transaction**) whereby the Filer will also acquire control of Medical Discovery Management Corporation (MDMC) from MDS. The Filer has made all required filings or applications with Canadian securities regulators in respect of the Transaction. The Transaction is scheduled to close on or about January 20, 2006 (the **Closing**).

6. Upon the Filer acquiring control of MIMI, Steven Hawkins will become the sole advising officer of MIMI. Mr. Hawkins resides in Ontario and it is anticipated that he will continue to do so while advising the Fund on behalf of MIMI, whose head office will move to Toronto.

7. Mr. Hawkins is registered under the Act as an advising officer, ultimate responsible person and chief compliance officer for IFMI.

8. After the Filer assumes control of MIMI, the activities of MIMI will be limited to advising the Fund.

9. The Filer considered registering IFMI in British Columbia so that it could take on the roles of manager and portfolio manager of the Fund. However, even if IFMI were able to be registered in British Columbia in time for the Closing, approval of the securityholders of the Fund would be required in order to change the manager and portfolio manager to IFMI. That cannot be accomplished before the Closing, although consideration may be given to doing so at a later date. It is therefore necessary that MIMI continue as manager and portfolio manager of the Fund, if the Closing is to proceed.

10. The BCSC has advised the Filer that it will not approve the change of control of MIMI unless MIMI becomes registered in Ontario in the appropriate categories of adviser or obtains an exemption from the adviser registration requirement in Ontario.

11. Since MIMI will become subject to the adviser registration requirement in Ontario solely because it will engage in the business of advising from a

location in Ontario after Closing, its business otherwise being entirely in British Columbia and subject to the regulatory oversight of the BCSC, and the Fund only having assets of approximately $5 million, the relative costs of obtaining and maintaining registration in Ontario would outweigh the benefits of registration.

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 74(1) the Act that the Requested Relief is hereby granted provided that:

a) the Fund is distributed only in British Columbia;

b) the registerable activities of MIMI are limited to advising the Fund; and

c) MIMI, Mr. Hawkins and any other officers or employees undertaking registerable activity on its behalf are registered with the BCSC in the appropriate categories of registration.

January 20, 2006

"Robert L. Shirriff"

"Paul M. Moore"

2.2.4 Notice of Commission Order – Application for Order Varying CDS' Recognition Order

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

AND

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

AND

IN THE MATTER OF
THE CANADIAN DEPOSITORY
FOR SECURITIES LIMITED

ORDER
(Section 144 of the Act)

WHEREAS the Ontario Securities Commission (the "Commission") issued an order dated February 25, 1997, which became effective on March 1, 1997, recognizing The Canadian Depository for Securities Limited ("CDS") as a clearing agency pursuant to subsection 21.2(1) of the Act and designating CDS as a recognized clearing agency for the purposes of Part VI of the OBCA (the "1997 Order");

AND WHEREAS the Commission issued an order dated July 12, 2005 pursuant to section 144 of the Act varying and restating the 1997 Order (the "Recognition Order");

AND WHEREAS CDS has applied for an order pursuant to section 144 of the Act to vary certain terms and conditions of the Recognition Order;

AND WHEREAS the Commission has received certain representations from CDS in connection with CDS' application to vary the Recognition Order;

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

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

1. The first sentence of item 3 of Schedule A of the Recognition Order is repealed and replaced by the following:

   CDS shall complete the current review of its governance structure and submit for the Commission's consideration a report containing recommendations to amend the governance structure within

twelve months from the date of the Recognition Order.

2. Item 19 of Schedule A of the Recognition Order is repealed and replaced by the following:

> CDS shall file with Commission staff unaudited quarterly financial statements within 60 days of each quarter end and audited annual financial statements, prepared in accordance with generally accepted accounting principles, within 90 days of each year end. The quarterly and annual financial statements of CDS shall be provided on an unconsolidated and consolidated basis. Any annual report provided to shareholders shall be concurrently filed by CDS with Commission staff.

DATED January 9, 2006

"Susan Wolburgh Jenah"

"David Wilson"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Hollinger Inc.et al.

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

AND

IN THE MATTER OF
HOLLINGER INC., CONRAD M. BLACK,
F. DAVID RADLER, JOHN A. BOULTBEE,
AND PETER Y. ATKINSON

Hearing:	October 11, 2005 and November 16, 2005		
Panel:	Susan Wolburgh Jenah	-	Vice-Chair (Chair of the Panel)
	M. Theresa McLeod	-	Commissioner
	Robert W. Davis, FCA	-	Commissioner
Counsel:	Johanna Superina	-	For Staff of the Ontario Securities Commission
	Edward L. Greenspan, Q.C. Todd B. White	-	For Conrad M. Black
	Michael Code David J. Martin	-	For F. David Radler
	Don Jack	-	For John A. Boultbee
	C. Clifford Lax, Q.C.	-	For Peter Y. Atkinson
	Edward J. Babin Matthew P. Gottlieb	-	For Hollinger Inc.

REASONS AND ORDER

BACKGROUND

[1] On March 18, 2005, the Ontario Securities Commission (the Commission) issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act,* R.S.O. 1990 c. S.5, as amended (the Act) accompanied by a Statement of Allegations issued by Staff of the Commission (Staff) with respect to Hollinger Inc. (Hollinger), Conrad M. Black (Black), F. David Radler (Radler), John A. Boultbee (Boultbee) and Peter Y. Atkinson (Atkinson) (collectively, the Respondents).

[2] The Statement of Allegations sets out a variety of allegations regarding the conduct of the Respondents which include: diversion of funds from Hollinger International Inc. to Hollinger in connection with sales by the former of certain U.S. community newspapers; non-compliance by Hollinger with its continuous disclosure obligations; misstatements and omissions in the continuous disclosure filings of Hollinger; failure to disclose the interests of insiders in material transactions; failure to make the required disclosure of executive compensation arrangements; failure to file the required financial statements; failure to implement effective conflict of interest practices; and breach of the fiduciary duties owed by Black, Radler, Boultbee and Atkinson to Hollinger and Hollinger International Inc.

[3] Staff alleges that the conduct of the Respondents as outlined in the Statement of Allegations violates securities laws and constitutes conduct contrary to the public interest.

[4] On October 11, 2005, we convened to set a date for a hearing on the merits of this matter to proceed. Staff's proposal was for the hearing to take place over the period of April, May and June, 2006. It was generally acknowledged that further dates might be required to complete the hearing on the merits. Several of the Respondents took issue with the dates proposed by Staff for various reasons and the Panel requested that the parties provide us with their written submissions. We adjourned the scheduling hearing to be continued on November 16, 2005.

[5] Prior to November 16, 2005, we were advised that Hollinger had retained new counsel to represent it in this matter. Hollinger's new counsel indicated that they had a conflict with the April 2006 dates proposed by Staff but otherwise had no difficulty with the dates proposed and were taking no position on the arguments advanced by certain of the Respondents as outlined below.

[6] Counsel for the Respondent Atkinson indicated to the Panel on October 11 that he would not be present on November 16, would not be making any submissions in that regard and would be governed by the Panel's decision with regard to an appropriate hearing date.

[7] Written submissions filed by the remaining Respondents Black, Boultbee and Radler advance arguments for setting a hearing date on the merits to commence June 2007. The main reasons for opposing the dates proposed by Staff relate to the outstanding and parallel criminal proceedings against these Respondents in the United States (the U.S.) and the right of Black to be represented by his counsel of choice in the Commission's administrative proceeding.

[8] Black originally resisted the dates proposed by Staff on the basis that his counsel of choice is unavailable due to his involvement in a criminal trial scheduled for most of calendar year 2006. Accordingly, he submits, setting a hearing date for spring 2006 would be tantamount to a removal by the Commission of his counsel of choice from the record.

[9] Counsel for Radler and Boultbee support Black's submissions regarding his right to counsel of choice. However, Boultbee's arguments focused primarily on the impact of proceeding on the dates proposed by Staff on his right under the *Canadian Charter of Rights and Freedoms,* (the Charter) to be protected against self-incrimination given that testimony he could be compelled to give during the course of the Commission's administrative proceeding may be obtained and used against him in any criminal proceeding that may be launched in the U.S.

[10] Radler advanced five reasons in support of the June 2007 hearing date. Most of these reasons pertained to the merits of proceeding with related Canadian regulatory proceedings in the face of outstanding or expected U.S. criminal proceedings. At the time these submissions were made, only Radler had been indicted by criminal law authorities in the U.S. and he had entered a plea of guilty to the charges laid against him in the U.S.

[11] Staff rejected Black's arguments on the right to counsel of choice in these circumstances where, due to lengthy and conflicting trial obligations to other clients, the result would be to unduly delay the course of this proceeding. Staff further opposed the position advanced by Radler and Boultbee on the basis that the spectre of proceedings in another jurisdiction should not interfere with the scheduling of a hearing before this Commission and further, as regards Black and Boultbee, there were no outstanding indictments against either of them and no indication as to if or when indictments might be laid.

[12] On November 17, 2005, one day after the scheduling hearing, criminal indictments were laid against Black, Boultbee and Atkinson in the U.S. As a result of this development, the Panel invited all of the parties to make supplementary written submissions as they might consider appropriate in light of these developments. Staff, Black and Boultbee filed supplementary submissions.

[13] At the conclusion of the scheduling hearing on November 16, we reserved our decision. Having considered the original and supplementary written submissions as well as oral arguments advanced by the parties, we have determined that this matter should be set down for a hearing on the merits commencing June 2007, subject to the individual Respondents agreeing to execute an undertaking to the Commission to abide by interim terms of a protective nature as discussed more fully below. Our reasons follow.

THE ISSUES

[14] The issues that are dealt with in these Reasons are as follows:

(a) The merits of a fractured hearing;

(b) The right to counsel of choice;

(c) What impact should the existence of related criminal proceedings against the individual Respondents in a foreign jurisdiction have on this administrative proceeding; and

(d) What interim terms are appropriate in these circumstances?

Analysis of the Issues

(a) The merits of a fractured hearing

[15] The Panel raised the possibility of a fractured hearing, or splitting up the proceeding into two blocks, as a means of accommodating scheduling conflicts. Staff and counsel for certain of the Respondents, notably Hollinger and Boultbee, expressed significant concern as to the merit of such an approach on the basis that it would be undesirable and unfair to both the Panel and the parties and would increase costs due to duplicative preparation time.

[16] Staff referred us to the decision of Justice Chapnik in *R. v. Sahota*, which highlights concerns regarding prejudice to the parties and trier of fact resulting from a fractured trial schedule:

> What particularly concerns me is the scheduling of preliminary inquiries and trials in a fashion that allows evidence to be heard intermittently over extensive periods of time. This lends to serious repercussions including the potential of weak memories, forgotten testimony, faulty reasons and in the end, more and more miscarriages of justice.
>
> *R. v. Sahota* [2003] O.J. No. 2830 (Ont. S.C.J.) (QL) at para. 25

[17] We note, however, that *Sahota* involved a situation where evidence for a three-day trial had spanned a period of four months. Including sentencing, the three-day trial took seven months to complete. While the specific context within which Justice Chapnik's concerns were expressed should be borne in mind, we are nonetheless persuaded that it would be preferable, from the perspective of fairness and efficiency, to set aside a sufficient period of time for all of the evidence and submissions of the parties to be heard in a single block of time, to the extent possible**.**

(b) The right to counsel of choice

[18] Black's submissions focused on his right to counsel of choice. He resisted the dates proposed by Staff for the hearing on the merits to proceed due to the unavailability of his counsel during 2006. While conceding that section 10(b) of the Charter does not apply to administrative proceedings, counsel for Black argued that section 7 of the Charter is applicable. He cited a number of cases in support of his submissions regarding his client's right to counsel of choice. Staff argued strenuously against Black's position and cited a number of cases in support of Staff's position.

[19] In view of our analysis of the remaining issues set out below, it is unnecessary for us to deal with this matter in detail. In particular, we need not make a determination as to the application of the Charter and we decline to do so.

[20] Although the Commission is "master of its own house," as recognized by the Supreme Court of Canada, it must comply with rules of fairness and principles of natural justice in the conduct of its proceedings.

> *Prassad v. Canada (Minister of Employment and Immigration)*, [1989] 1 S.C.R. 560 (S.C.C.) at para. 16.

[21] Both the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22 and the Commission's *Rules of Practice* provide that a party appearing before the Commission has the right to be represented by counsel. However, that right is not absolute.

[22] The cases cited by Staff make it clear that, in an administrative context, limitations have been placed on the right of a party to be represented by counsel of choice, particularly in circumstances where the unavailability of counsel would unduly and unreasonably delay the course of the proceedings. Parties do not have the right to insist on adjournments or dates of their choice if their counsel are not available.

> *Aseervatham v. Canada (Minister of Citizenship and Immigration)* [2000] F.C.J. No. 804 at para. 16 (F.C.T.D.); leave to appeal to the Supreme Court of Canada dismissed in *Aseervatham v. Canada (Minister of Citizenship and Immigration),* [2000] S.C.C.A. No. 578 (QL)

[23] In *Pierre v. Minister of Manpower and Immigration*, the limitation on the right to counsel of choice was underscored. In that case, where counsel could not be present for a hearing, an adjournment to accommodate counsel's schedule was refused, resulting in counsel's withdrawal from the case. On appeal, the Federal Court deferred to the tribunal's discretion in determining whether an adjournment was reasonable and discussed the right to counsel in the context of administrative proceedings as follows:

> Where the person has a right to choose counsel to represent him, a choice must be from amongst those who are ready and able to appear on his behalf within the reasonable time requirements of the officer or tribunal. Thus, a person

> cannot select the busiest counsel in the area and insist on being represented by him when that counsel, on account of prior commitments, would not be able to appear . . . without unduly delaying the course of the proceedings.
>
> *Pierre v. Minister of Manpower and Immigration,* [1978] 2 F.C. 849 at para. 89 (F.C.A.); leave to appeal to the Supreme Court of Canada dismissed in (1978) 24 N.R. 358n.

[24] Accordingly, while the Commission will strive to accommodate respondents' requests to be represented by counsel of choice in accordance with rules of fairness and principles of natural justice, such requests must be reasonable in the circumstances.

(c) Impact of the U.S. criminal proceedings against the individual Respondents

[25] Not surprisingly, the submissions of the parties focused heavily on this issue, with the exception of Hollinger and Atkinson who took no position on the matter. The views and submissions of the parties are summarized below.

Mr. Radler's Submissions

[26] Counsel for Radler advanced five reasons in support of a June 2007 hearing as proposed by counsel for Black, three of which are relevant to the subject at issue and are as follows:

(i) There was a pending judgment of the Ontario Court of Appeal in a closely related proceeding which was then on reserve but subsequently released. One of the issues in that appeal was whether related Canadian civil and regulatory proceedings, which will generate a record of evidence from three of the Respondents, ought to proceed in the face of U.S. criminal proceedings. The appeal involved complex Charter issues with respect to the protection against self-incrimination afforded by section 7 of the Charter. Counsel for Radler cautioned us against setting an early hearing date without considering the guidance provided by the Court of Appeal's decision given that similar issues are likely to arise if this hearing proceeds in advance of the related U.S. criminal proceeding;

(ii) The U.S. Attorney with carriage of the related criminal proceeding in Chicago had moved to stay two related U.S. civil and regulatory proceedings with the consent of the U.S. Securities and Exchange Commission (the SEC). Counsel for Radler noted that the Commission's Notice of Hearing substantially duplicates the SEC action and that no principled reason was advanced to justify Staff taking a position different from that of the SEC; and

(iii) Practical common sense and judicial economy favour allowing the U.S. criminal proceeding to take place in advance of the related Commission and SEC proceedings. As counsel for Radler put it: ". . . there is no practical justification for embarking on a lengthy contested hearing in advance of a U.S. criminal proceeding that will likely resolve many of the outstanding factual issues."

Mr. Boultbee's Submissions

[27] Counsel for Boultbee was principally concerned that the schedule proposed by Staff would place Boultbee in the unfair position of having to choose between preserving his right against self-incrimination in the U.S. and defending himself against the allegations in the Commission proceeding. This difficult position results from the differences in how the same right against self-incrimination is protected in Canada versus in the U.S. Briefly, it is argued, any evidence Boultbee is compelled to give in the Commission's administrative proceeding could be used against him in a subsequent U.S. criminal proceeding.

[28] Counsel for Boultbee, like counsel for Radler, also referred to the Court of Appeal's decision in *Catalyst Fund General Partner Inc. v. Hollinger Inc.* [2005], O.J. No. 4666 (Ont. C.A.) (*Catalyst*) in which the Court dismissed the appeal. However, counsel invited us to consider that:

(i) the Court of Appeal recognized the seriousness of the constitutional issue raised by Boultbee and others, and left open the question of Charter protection, in the form of a stay, against the risk of self-incrimination in the U.S. once criminal proceedings are commenced;

(ii) Justice Campbell's approach, endorsed by the Court of Appeal, of dealing with Charter protection against the risk of self-incrimination in foreign proceedings on a question-by-question basis is likely to be protracted; and

(iii) in the event that Staff should call Boultbee as a witness, or indeed Boultbee voluntarily chooses to testify, he would be forced to renew objections on a question-by-question basis in order to ensure that his right against self-incrimination in the U.S. remains protected. This process would result in numerous unavoidable interruptions which should be avoided to the extent possible.

[29] In view of the significant overlap between the U.S. criminal indictments and the allegations set out in Staff's Statement of Allegations, the hearing before the Commission should not proceed until 2007.

[30] Given the speedy trial entitlement available in the U.S., counsel for Boultbee indicated his expectation that the U.S. criminal proceedings will have concluded by June 2007, thereby obviating self-incrimination concerns.

Mr. Black's Submissions

[31] Counsel for Black focused principally on the difficulties posed by the conflicting demands of his trial schedule and how they affected his client's right to have the counsel of his choice represent him at this hearing.

[32] Counsel for Black initially took the position in oral argument before us that, despite his unavailability for most of calendar 2006, he would be available for most of mid-July to the end of August, every Friday during 2006 and would be prepared to do "night court" as he put it. In other words, he was prepared to do his best to accommodate the Commission in terms of a reasonable start date for this hearing.

[33] As regards the impact of pending U.S. criminal proceedings against the Respondents, counsel for Black indicated that his views were "slightly different" from those we had heard from counsel for Radler and Boultbee. He did not argue before us that the Commission proceeding ought not to commence prior to the related U.S. criminal proceedings. However, if it did, he indicated that Black would not testify at the Commission proceeding.

[34] Following the indictments laid against Black, Boultbee and Atkinson in the U.S. on November 17, 2005, counsel for Black adopted the supplementary written submissions of Boultbee that the hearing should take place across a single span of time, that it should commence in June 2007 and that, in the event the evidentiary phase of the U.S. criminal trial is not yet complete at that time, he will seek to make further submissions before the Panel. This position differed from the oral submissions made on November 16, 2005 as summarized above.

Staff's Submissions

[35] Staff urged the Commission to exercise caution in making any determination or finding of prejudice in the absence of any direct evidence by Boultbee or the other Respondents in support of such a finding.

[36] Staff referred to *R. v. Eurocopter Canada Ltd.* (2004), 185 C.C.C. (3d) (Ont. S.C.J.) (QL) 233 at 254, where Justice Morin pointed out that the applicant would be prejudiced only if a number of contingencies occur: he testifies, his testimony is incriminatory, evidence of such testimony is obtained, the evidence is declared admissible in the foreign court and the evidence contributes to his conviction.

[37] In this case, Staff submits, none of the Respondents have been summonsed to testify, there is no evidence that the testimony, if sought, would be incriminatory, that it would be admitted in the U.S. court or that the evidence would contribute to a conviction. There is therefore no direct evidence or factual basis to support the Respondents' position that their right to be protected against self-incrimination is in jeopardy. The alleged prejudice is merely anticipated and, as yet, uncertain.

[38] Staff points out that it is uncertain whether the U.S. criminal proceeding will have concluded by June 2007 and there is no assurance that Black, Boultbee and Radler will be willing to proceed in 2007 in the event it has not concluded. To the contrary, these Respondents have indicated that they will likely resist a hearing should the U.S. criminal process not be completed.

[39] Finally, Staff submits that in balancing the interests of the Respondents and greater societal interests, the Commission may reasonably conclude that there are no extraordinary circumstances in this case that warrant a significant delay of the Commission's proceeding. Indeed, the public interest would be better served by completing the hearing on the merits on a timely basis given the distinct mandate of the U.S. Attorney for the Northern District of Illinois (the U.S. Attorney) as compared to that of the Commission and despite the apparent overlap in the allegations in the two proceedings.

Our Analysis

[40] The parties indicated that they were not aware of any precedent involving parallel U.S. criminal and Canadian administrative proceedings against the same respondents, with similar and overlapping allegations arising out of substantially the same transactions.

[41] Although the Respondents submit that the Commission hearing ought to await the outcome of the U.S. criminal proceeding, or at least the evidentiary phase thereof, they strenuously maintain that they are not seeking a stay of the Commission proceeding. Indeed, as is clear from the reasons of the Commission in *Re Robinson et al.* (1993), 16 O.S.C.B.

5667 (*Robinson*), the Respondents face a major hurdle when seeking a stay or a significant adjournment of Commission proceedings.

[42] In *Robinson*, the Commission declined to order a stay of proceedings in circumstances where the Robinsons faced related charges under the *Criminal Code*, R.S. 1985, c. C-46 (*Criminal Code*), stating as follows:

> . . . the interests of society include the interest in protecting the investing public and the capital market against market participants who have allegedly engaged in conduct that is abusive of the capital markets and contrary to the public interest. This protection should be given now and not at some indeterminate date in the future if these allegations are proved to be true.
>
> *Re Robinson et al.* (1993), 16 O.S.C.B. 5667

[43] Counsel for Radler asks us to consider that the SEC has consented to a stay of U.S. civil and regulatory proceedings at the request of the U.S. Attorney with carriage of the related criminal proceeding in Chicago. He argues that no principled reason has been advanced by Staff that would justify the Commission taking a different position from the SEC.

[44] Our position is different from that of the SEC. In particular, there are no related Canadian criminal proceedings pending in connection with this matter and the U.S. Attorney General has not sought a stay of this proceeding. More importantly, we must consider the appropriate course of action having regard to our own statutory mandate.

[45] Counsel for Radler referred us to other cases involving complex multi-party and parallel related proceedings in support of his position that the hearing date proposed by the Respondents in this case is not unusual. One of the cases cited was *Re Livent Inc*. (2002), 25 O.S.C.B. 7805 (*Livent*), a Canadian case involving parallel criminal and Commission proceedings against various respondents. In *Livent*, the Commission proceeding was adjourned *sine die* by Order dated November 15, 2002, pending the conclusion of the trial relating to the *Criminal Code* charges. The criminal trial in that case remains pending. The resulting delay to the Commission proceeding was not likely foreseeable at the time.

[46] We have carefully considered the recent decision of the Ontario Court of Appeal in *Catalyst*. In that case, the Court of Appeal dismissed the Respondents' (Black, Boultbee and Radler) appeal from an order compelling them to testify under oath as part of an inspection process under the *Canada Business Corporations Act*, R.S. 1985, c. C-44. The Respondents had argued on appeal that testifying under oath would violate their protection against self-incrimination rights afforded by the U.S. Constitution and the Charter. In dismissing the appeal, the Court of Appeal stated as follows:

> 4. In both Canada and the United States, the right to protection from self-incrimination is an important right that is safeguarded. The difference between how that right is protected in Canada and in the United States lies at the heart of this appeal. In Canada, a person has the right not to have any incriminating evidence that the person was compelled to give in one proceeding used against him or her in another proceeding except in a prosecution for perjury or for the giving of contradictory evidence. Thus, in Canada, a witness cannot refuse to answer a question on the grounds of self-incrimination, but receives full evidentiary immunity in return. In the United States, a witness can claim the protection of the Fifth Amendment and refuse to answer an incriminating question. Once the answer is given, however, there is no protection.
>
> . . .
>
> 7. The next issue is whether the appellants are entitled to a constitutional exemption from answering any questions. They are not. They are only entitled to a constitutional exemption if their evidence would be used against them in a criminal prosecution here. A constitutional exemption is not appropriate in the circumstances of this case as the purpose of the inquiry being conducted under the *Canada Business Corporations Act* is fact-finding only and not prosecutorial.
>
> . . .
>
> 9. . . . The appellants seek protection in a factual vacuum and boldly assert that no measures imposed by any judge or taken by the Minister of Justice could protect them once they have been compelled to answer questions in Canada.
>
> 10. Campbell J. set up a procedure specifically to deal with the anticipated conflict in how Canada and the United States approach protection from self-incrimination, however. That procedure is designed to enable the parties to make submissions as a result of which the Court will craft a protective mechanism tailored to the situation. The parties have yet to engage this process. As a result, no one knows yet what protective mechanism will be crafted. We cannot decide that *Charter* rights will be infringed in a vacuum or engage in speculation. The particular Order that is before us under appeal does not as yet lead us to conclude that the appellants' *Charter* rights will be violated.

Catalyst Fund General Partner Inc. v. Hollinger Inc., [2005] O.J. No. 4666 (Ont. C.A.) (Q.L.)

[47] The Court of Appeal noted in *Catalyst* that protection under the Charter is witness-specific and fact-specific and that the balancing of potential prejudice to a particular individual against the necessity of obtaining their evidence must be undertaken in context. As the Court of Appeal stated at paragraph 12, ". . . by his plea of guilty in the United States, Mr. Radler may be in a different position in some respects than the other two appellants and may not need protection from the use that can be made of his answers at least in respect of the matters to which he has already pled guilty." The Court was careful to avoid any determination that Charter rights would be infringed in a vacuum or engage in speculation. The Court of Appeal's reasons do not lead to the conclusion that we ought not to proceed with this hearing.

[48] There are a number of cases in which the Courts have considered applications to stay Canadian civil proceedings in the face of pending U.S. criminal proceedings. In all but one of the cases noted below (i.e., *Gillis v. Eagleson*) the Courts refused the stay application on the basis that the extraordinary and exceptional circumstances necessary to justify a stay had not been established:

Royal Trust Corporation of Canada v. Fisherman (2000), 49 O.R. (3d) 187 (Ont. S.C.J.) (Q.L.)

Gillis v. Eagleson (1995), 23 O.R. (3d) 164 (Gen. Div.)

National Financial Services Corporation v. Wolverton Securities Ltd. (1998), 46 B.C.L.R. (3d) 275 (B.C. S.C.)

United States (Securities & Exchange Commission) v. Shull, 1999 CarswellBC 1772 (B.C. S.C.)

[49] Justice Cumming's comments in *Fisherman* are instructive:

> 38. Mr. Bogatin suggests, in effect, that the Canadian court should adopt a higher standard for the admission of evidence in an American criminal trial than the American court itself adopts. He submits, in effect, that this Court should ensure that the possible gap in the United States law of the Fifth Amendment (through its presumed non-application to evidence gained through extraterritorial civil proceedings) is rectified by giving a stay in the Canadian civil proceedings.
>
> 39. In my view, this Court should not give a stay for the purpose of denying the American authorities access to incriminating evidence where the American court would admit such evidence because its admission would not shock the judicial conscience or violate baseline due process requirements. This is a matter of standards for the American court to determine when applying American law. The principles at stake arise from American constitutional requirements and not Canadian constitutional requirements: see *National Financial Services Corp.* at page 289. **The principle of comity and respect for the sovereignty of another nation applies, particularly when that other country is a recognized democracy governed by the rule of law**. (Emphasis added.)
>
> . . .
>
> 41. To accept Mr. Bogatin's position would also, in effect, have the paradoxical result that the laws of the United States would shape the conduct of Ontario civil proceedings.
>
> *Royal Trust Corporation of Canada v. Fisherman* (2000), 49 O.R. (3d) 187 (Ont. S.C.J.) (Q.L.)

[50] In Canada and in the U.S., the right to protection against self-incrimination is an important right which is safeguarded but in different ways. In Canada, a person generally has the right not to have incriminating evidence that he or she was compelled to give in one proceeding used against him or her in another proceeding. By contrast, in the U.S., a witness can refuse to answer an incriminating question but, once the answer is given, the protection is waived and the answer can be used against him or her. It is this difference which lies at the heart of the concerns raised about proceeding with this Commission hearing in advance of the evidentiary phase of the U.S. criminal proceeding.

[51] Staff submits that the public interest would be better served by completing this hearing on a timely basis. This is a laudatory objective. The Commission has previously stated that in fulfilling its public interest mandate to regulate capital markets effectively, it must be clear to market participants that the Commission can and will deal with enforcement matters in an expeditious fashion. Indeed, this principle was perhaps best expressed by the Commission in *Robinson*, a case involving parallel *Criminal Code* proceedings where the Respondents sought to stay the Commission proceeding but declined to be subject to interim terms:

> It is in the public interest for this Commission to hear this matter as soon as possible to determine whether we ought to make an order removing the respondents from participation in the public markets and thereby protect those public markets.

> . . .
>
> Furthermore, in order to be able to regulate the capital markets effectively, it must be clear to market participants that the Commission can and will deal with matters such as these in a reasonably expeditious way. We are troubled by the trend that is developing in hearings before the Commission towards a proliferation of pre-hearing proceedings resulting in lengthy delays . . .
>
> *Re Robinson et al*, at paras. 13 and 14

[52] In determining the appropriateness of adjournments in individual cases, whether they involve parallel Canadian or foreign criminal proceedings, the Commission must balance a variety of considerations: legal, equitable, circumstantial and practical. These considerations will include, among others, the extent of the delay to the Commission proceedings that would be occasioned and the resulting impact on the Commission's ability to discharge its mandate effectively and efficiently as against practical and fairness considerations including the extent to which interim terms and conditions may adequately protect the public interest in the event of an adjournment.

[53] The practical reality is that all of the individual Respondents have been criminally indicted in the U.S. and face the possibility of incarceration if convicted. Additional indictments were recently issued against the Respondent Black which include charges of racketeering and obstruction of justice. There is significant overlap in the nature of the allegations in the two proceedings albeit they are not identical. In these circumstances, we find compelling the submission that common sense and judicial economy argue in favour of allowing the U.S. criminal proceedings to take place in advance of this hearing provided, however, that the latter proceeds in a reasonably expeditious fashion as currently contemplated. In balancing the Commission's public interest mandate, considerations of practical and judicial economy in view of the pending U.S. criminal proceedings and the significant overlap in the allegations against the individual Respondents in the two proceedings, we have concluded that a June 2007 hearing date is not unreasonable subject to the comments below.

[54] We emphasize that the public interest mandate of the Commission is distinct from the mandate of the U.S. Attorney. As Justice Iacobucci observed in the Supreme Court of Canada decision in *Asbestos*, quoting Laskin J.A., "the purpose of the Commission's public interest jurisdiction is neither remedial nor punitive; it is protective and preventive, intended to be exercised to prevent likely future harm to Ontario's capital markets."

> *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)* (2001), 199 D.L.R. (4th) 577 (S.C.C.) at para. 42.

[55] By contrast, the mandate of the U.S. Attorney includes seeking punishment for those found guilty of unlawful behaviour through the prosecution of alleged criminal activity.

[56] Accordingly, the U.S. criminal proceedings in this matter ought not to be viewed as a proxy for the regulatory proceeding before the Commission.

[57] In view of the protective and preventive role of the Commission in safeguarding the capital markets, the Respondents' agreement to provide an undertaking to the Commission that they will abide by appropriate terms and conditions restricting their participation in the capital markets is critical to a lengthy adjournment of this proceeding. Our discussion of the importance of interim terms follows.

(d) What interim terms are appropriate in these circumstances?

[58] The Panel requested that the parties address interim terms as against the individual Respondents in the event the hearing is scheduled to commence June 2007. Staff have proposed that the individual Respondents execute an undertaking in accordance with the following terms:

(a) the individual Respondents agree to refrain from:

(i) acting or becoming an officer or director of a "reporting issuer" or "affiliated company" of a reporting issuer, as these terms are defined in the Act, and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;

(ii) applying to become a "registrant" of, from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

(iii) engaging directly or indirectly in the solicitation of investment funds from the general public;

(b) Black will notify forthwith, in writing, the Secretary's Office, OSC counsel and counsel for the Respondents in the event that there is any change in Mr. Greenspan's schedule in relation to the trials referred to in Mr. White's affidavit sworn October 28, 2005; and

(c) the undertakings remain in effect until the Commission's final decision on liability and sanctions in this proceeding, or an Order of the Commission releasing the Respondents from the undertakings or aspects of the undertakings.

[59] Staff has not proposed, nor do we consider it necessary or appropriate, that the individual Respondents refrain from acting as officers or directors of private companies.

[60] The interim terms proposed by Staff in this case are substantially the same as those which were sought in the *Livent* matter as reflected in the Order of the Commission dated November 18, 2002. As the Commission does not have the authority to make a temporary order pursuant to subsection 127(5) of the Act prohibiting a person from becoming or acting as a director or officer of an issuer, the interim terms would take the form of an undertaking from the individual Respondents.

[61] The Respondents Black, Atkinson and Radler have indicated that the interim terms proposed by Staff are acceptable to them. Black has requested, and Staff has indicated that she would not oppose, a minor exemption for Conrad Black Capital Corporation (CBCC) for the sole purpose of permitting Black to continue as a director or officer of CBCC which is an affiliated company of the reporting issuers Argus Corp. Limited, Hollinger, and Hollinger International. Having regard to the receivership of Argus and other companies, the Panel does not object provided that there is no change in the receivership status of the companies.

[62] Boultbee is also prepared to agree to the interim terms proposed by Staff but seeks an exemption so as to permit him to continue acting as a director of Iamgold Corporation, a reporting issuer in all jurisdictions across Canada. Staff objects to this exemption sought by Boultbee.

[63] We are of the view that the interim terms proposed by Staff are appropriate on a principled basis. In the event that Staff and the Respondents, including Boultbee, are unable to settle the terms of the undertaking to the Commission within 30 days of this Decision, the Panel will reconvene to hear any submissions and to resolve the form of the Undertaking to be provided to the Commission by the Respondents in connection with this matter.

ORDER

[64] For these Reasons, this matter is set down for a hearing on the merits commencing June 2007, subject to the individual Respondents agreeing to execute an undertaking to the Commission to abide by interim terms within 30 days of this Decision.

[65] In the event that Staff and the Respondents, including Boultbee, are unable to settle the terms of the undertaking to the Commission, the Panel will reconvene to hear any submissions and to resolve the form of the Undertaking to be provided to the Commission by the Respondents in connection with this matter.

Dated at Toronto this 24th day of January, 2006

"Susan Wolburgh Jenah"

"M. Theresa McLeod"

"Robert W. Davis"

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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
Ialta Industries Ltd.	12 Jan 06	24 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
Franchise Bancorp Inc.	03 Jan 06	17 Jan 06		19 Jan 06	
South American Gold and Copper Company Limited	10 Jan 06	23 Jan 06	23 Jan 05		
Straight Forward Marketing Corporation	02 Nov 05	15 Nov 05	15 Nov 05	20 Jan 05	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
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		19 Jan 06	
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
Hollinger Canadian Newspapers, Limited Partnership	21 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International	18 May 04	01 Jun 04	01 Jun 04		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
South American Gold and Copper Company Limited	10 Jan 06	23 Jan 06	23 Jan 05		
Straight Forward Marketing Corporation	02 Nov 05	15 Nov 05	15 Nov 05	20 Jan 05	

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
12/30/2005	1	Adex Mining Corp. - Debentures	21,534.62	21,532.62
12/19/2005	2	Airline Intelligence Systems Inc. - Common Shares	80,000.00	160,000.00
01/06/2006	5	Airline Intelligence Systems Inc. - Common Shares	52,500.00	105,000.00
01/10/2006	1	AmberCore Software Inc. - Common Shares	76,600.00	200,000.00
12/22/2005	8	Aranka Gold Inc. - Units	1,062,500.00	1,250,000.00
01/03/2006	3	Ares Corporate Opportunities Fund II, L.P. - L.P. Interest	704,340,000.00	600,000,000.00
01/04/2006	2	Auramex Resource Corp. - Units	9,000.00	90,000.00
01/03/2006	24	Aurogin Resources Ltd. - Units	1,000,000.00	10,000,000.00
05/20/2005	1	Austin Ventures IX, L.P. - Limited Liability Interest	4,663,337.15	1.00
12/14/2005	17	AXMIN Inc. - Common Shares	20,000,006.00	38,461,550.00
12/30/2005	3	Blue Note Metals Inc. - Common Shares	429,900.00	1,433,333.00
01/10/2006	31	Bluerock Resources Ltd. - Units	243,000.00	1,215,000.00
12/21/2005	38	Breakwater Resources Ltd. - Flow-Through Shares	6,000,000.00	10,000,000.00
12/22/2005	1	BSM Technologies Inc. - Common Shares	10,700.00	107,000.00
12/31/2005	9	CablesEdge Software Inc. - Units	512,500.00	512,500.00
01/03/2006	1	Canadian Golden Dragon Resources Ltd. - Common Shares	6,250.00	50,000.00
12/30/2005	1	Canadian Golden Dragon Resources Ltd. - Flow-Through Shares	15,000.00	350,000.00
12/30/2005	3	Canadian Golden Dragon Resources Ltd. - Units	35,000.00	187,500.00
12/30/2005	4	Canadian Zinc Corporation - Flow-Through Shares	675,000.00	666,666.00
01/13/2006	24	CareVest Blended Mortgage Investment Corporation - Preferred Shares	755,337.00	755,337.00
01/13/2006	31	CareVest First Mortgage Investment Corporation - Preferred Shares	2,413,711.00	2,413,711.00
12/29/2005	6	Champion Bear Resources Ltd. - Flow-Through Shares	1,159,999.20	1,933,332.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
12/29/2005	2	Champion Bear Resources Ltd. - Units	150,000.00	300,000.00
12/28/2005	1	Columbia Metals Corporation Limited - Units	250,000.00	500,000.00
08/22/2005	1	Commodities Investment Trust - Trust Units	24,844,264.96	2,063,306.00
12/16/2005 to 01/13/2006	14	Currency Capital Corp. - Common Shares	62,400.00	16,100.00
12/30/2005	3	DoveCorp Enterprises Inc. - Common Shares	990,000.00	4,500,000.00
01/13/2006	16	Dynacor Mines Inc. - Units	3,135,998.52	14,254,539.00
12/22/2005	2	DynaMotive Energy Systems Corporation - Common Shares	433,609.00	342,287.00
01/06/2006	21	EarthRenew Organics Ltd. - Warrants	9,586,020.00	3,994,175.00
01/13/2006	31	Ecu Silver Mining Inc. - Units	1,951,894.70	5,576,842.00
12/01/2005	1	Elmwood Investment Partners LP - L.P. Interest	116,470.00	100,000.00
12/21/2006	77	Exeter Resources Corporation - Units	7,773,134.20	5,979,334.00
12/21/2005	1	Fort Chimo Minerals Inc. - Units	25,000.00	100,000.00
04/01/2005 to 08/01/2005	11	Fulcrum Small Cap. L.P. #2 - L.P. Units	865,694.36	859.00
12/30/2005	20	Glacier Ventures International Corp. - Common Shares	50,399,998.50	17,684,210.00
01/13/2006	1	Glass Earth Limited - Units	500,000.00	3,333,333.00
01/06/2006	4	GlobeeCom International Inc. - Common Share Purchase Warrant	300,400.00	1,668,888.00
12/28/2005	2	Greentree Gas & Oil Ltd. - Flow-Through Shares	875,000.00	2,500,000.00
12/30/2005	50	Greyhawke Resources Ltd. - Flow-Through Shares	4,992,401.60	2,109,334.00
09/21/2005 to 12/31/2005	2	GWLIM Canadian Growth Fund - Units	754,075.24	58,185.64
09/14/2005 to 12/31/2005	1	GWLIM Canadian Mid Cap Fund - Units	347,172.35	26,761.00
09/14/2005 to 12/31/2005	1	GWLIM Corporate Bond Fund - Units	1,601,733.88	156,668.00
09/14/2005 to 12/31/2005	2	GWLIM US Mid Cap Fund - Units	500,323.54	43,163.00
01/09/2006	1	Helius Canada Limited Partnership - L.P. Units	500,000.00	500.00
12/22/2005	10	Hornby Bay Exploration Limited - Flow-Through Shares	1,514,804.90	4,300,014.00
12/19/2005	12	HydraLogic Systems Inc. - Units	720,825.00	1,441,650.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/05/2006	91	Impact Silver Corp. - Units	2,500,000.00	6,250,000.00
12/21/2005	4	Jatheon Technologies Inc. - Preferred Shares	430,437.00	2,142,400.00
12/30/2005	7	Kenrich Eskay Mining Corp. - Units	500,000.00	500,000.00
01/04/2006	2	Killam Properties Inc. - Debentures	5,000,000.00	5,000.00
11/25/2005	69	Liberty Mines Inc. - Common Shares	2,999,999.55	5,070,639.00
09/14/2005 to 12/31/2005	4	LLIM Canadian Bond Fund - Units	2,929,443.91	282,820.00
09/14/2005 to 12/31/2005	4	LLIM Canadian Diversified Equity Fund - Units	1,276,261.88	100,199.00
09/14/2005 to 12/31/2005	6	LLIM Income Plus Fund - Units	3,658,146.20	336,314.09
09/14/2005 to 12/31/2005	2	LLIM US Equity Fund - Units	545,652.86	54,246.00
09/14/2005 to 12/31/2005	2	LLIM US Growth Sectors Fund - Units	920,757.44	89,755.00
12/08/2005	9	Long View Resources Corporation - Common Shares	2,002,000.00	3,080,000.00
01/04/2006	9	Macarthur Minerals Limited - Common Shares	1,200,000.00	4,000,000.00
09/14/2005 to 12/31/2005	2	Mackenzie Ivy European Capital Class - Units	784,128.69	74,148.00
09/14/2005 to 12/31/2005	2	Mackenzie Ivy Foreign Equity Fund - Units	7,727,463.88	786,347.34
09/14/2005 to 12/31/2005	6	Mackenzie Maxxum Canadian Balanced Fund - Units	11,276,910.49	902,215.78
09/14/2005 to 12/31/2005	5	Mackenzie Maxxum Canadian Equity Growth Fund - Units	4,416,233.40	197,366.52
09/14/2005 to 12/31/2005	7	Mackenzie Maxxum Dividend Fund - Units	13,436,939.27	788,054.03
09/14/2005 to 12/31/2005	2	Mackenzie Select Managers Canada Fund - Units	303,374.46	26,943.00
09/14/2005 to 12/31/2005	3	Mackenzie Select Managers Far East Capital Class - Units	1,686,895.24	144,410.03
09/14/2005 to 12/31/2005	2	Mackenzie Select Managers Japan Capital Class - Units	1,784,532.68	161,847.56
09/14/2005 to 12/31/2005	1	Mackenzie Sentinel Corporate Bond Fund - Units	621,000.00	62,581.74
09/14/2005 to 12/31/2005	2	Mackenzie Universal American Growth Capital Class Series - Units	516,235.20	47,221.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
09/14/2005 to 12/31/2005	5	Mackenzie Universal Canadian Resource Fund - Units	16,768,138.41	783,872.03
09/14/2005 to 12/31/2005	5	Mackenzie Universal Emerging Markets Capital Class - Units	1,725,132.24	113,516.21
09/14/2005 to 12/31/2005	0	Mackenzie Universal Global Future Fund - Units	0.00	57,821.33
09/14/2005 to 12/31/2005	1	Mackenzie Universal International Stock Fund - Units	5,573,044.92	550,492.04
09/14/2005 to 12/31/2005	1	Mackenzie Universal Precious Metals Fund - Units	5,102,180.37	346,243.65
09/14/2005 to 12/31/2005	5	Mackenzie Universal U.S. Growth Leaders Fund - Units	730,723.69	91,832.03
12/23/2005	25	Manicouagan Minerals Inc. - Flow-Through Shares	1,500,000.00	10,000,000.00
12/01/2005	1	MCAN Performance Strategies - L.P. Units	500,000.00	2,143.90
12/01/2005	1	Meridian Diversified ERISA Fund, Ltd. - Units	10,007,000.00	85,486.87
11/30/2005	17	Monet Land Development Inc. - Common Shares	635,000.00	635.00
01/01/2006	6	Montrachet Investments Limited Partnership - Units	2,200,000.00	220,000.00
12/20/2005 to 12/31/2005	23	Mooncor Energy Inc. - Flow-Through Shares	992,300.00	N/A
12/23/2005	40	Nemi Northern Energy & Mining Inc. - Flow-Through Shares	2,000,000.00	2,000,000.00
12/23/2005	18	Nemi Northern Energy & Mining Inc. - Units	3,438,886.10	2,645,297.00
12/23/2005	7	Nemi Northern Energy & Mining Inc. - Units	3,564,113.80	2,741,626.00
01/13/2006	11	Neterion Corp. - Common Shares	4,802,343.32	823,210.00
01/13/2006	12	Neterion Inc. - Common Shares	7,719,342.45	1,515,425.00
12/02/2005	11	New Gold Inc. - Flow-Through Shares	4,000,000.00	500,000.00
07/08/2005 to 12/30/2005	12	Niagara Legacy Class B Fund - L.P. Units	8,033,448.20	693,093.46
01/03/2006	1	NIR Diagnostics Inc. - Common Shares	3,696,750.00	1,081,620.00
01/05/2006	2	Olympus Re Holdings Ltd. - Common Shares	11,616,602.70	541,400.00
12/29/2005 to 01/11/2006	11	OnBus Technologies Inc. - Flow-Through Shares	106,500.00	532,500.00
01/10/2006	90	Open Range Energy Corp. - Common Shares	7,008,250.00	1,649,000.00
12/29/2005	11	Patricia Mining Corp. - Units	1,363,640.00	1,585,625.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
12/30/2005	5	Petromin Resources Ltd. - Flow-Through Shares	210,000.00	1,400,000.00
12/19/2005	15	PharmaGap Inc. - Common Shares	191,000.42	191,000.42
01/13/2006	1	Planet Trust - Bonds	193,278.77	193,278.77
12/21/2005	32	ProspEx Resources Ltd. - Flow-Through Shares	6,090,000.00	1,400,000.00
09/14/2005 to 12/31/2005	4	Quadrus AIM Canadian Equity Growth Fund - Units	12,413,485.09	727,456.00
09/14/2005 to 12/31/2005	7	Quadrus Laketon Fixed Income Fund - Units	33,985,336.09	5,828,377.11
09/14/2005 to 12/31/2005	4	Quadrus Templeton Canadian Equity Fund - Units	954,814.39	84,883.00
09/14/2005 to 12/31/2005	5	Quadrus Templeton Canadian Equity Fund - Units	5,494,836.93	468,440.86
09/14/2005 to 12/31/2005	6	Quadrus Templeton International Equity Fund - Units	2,012,130.18	177,525.15
09/14/2005 to 12/31/2005	4	Quadrus Trimark Global Balanced Fund - Units	1,001,762.76	93,966.43
06/01/2006	1	Real Assets Canadian Social Equity Index Fund - Units	30,000.00	2,807.00
12/23/2005 to 12/30/2005	1	Real Assets US Social Equity Index Fund - Units	72,760.80	9,910.00
09/21/2005	74	Red Mile Resources Fund LP No. 2 - L.P. Units	25,932,110.00	22,583.00
10/26/2005	9	Red Mile Resources Fund LP No. 2 - L.P. Units	1,588,860.00	1,358.00
11/26/2005	19	Red Mile Resources Fund LP No. 2 - L.P. Units	6,186,960.00	5,288.00
12/29/2005	181	Red Mile Resources Fund LP No. 2 - L.P. Units	71,120,400.00	60,576.00
12/21/2005	6	redCity Search Company Inc. - Units	800,000.00	3,200,000.00
12/29/2005	60	Samba Gold Inc. - Units	724,800.00	4,832,000.00
12/28/2005 to 12/30/2005	3	SciVest Canadian Holdings Inc. - Debentures	225,000.00	225,000.00
12/30/2005	6	Sea Green Capital Corp. - Flow-Through Shares	105,000.00	700,000.00
12/30/2005	2	Slam Exploration Ltd. - Units	400,000.00	3,333,333.00
01/13/2006	1	SMART Trust - Notes	762,129.13	762,129.13
01/12/2006	1	SMART Trust - Notes	1,330,148.79	1.00
12/30/2005	1	SouthernEra Diamonds Inc. - Common Shares	9,410,400.00	15,684,000.00
12/30/2005	1	Sprott Foundation Unit Trust - Trust Units	34,680.77	861.63
12/30/2005	17	Sydney Resource Corporation - Units	500,000.00	1,111,111.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
12/29/2005	2	Temex Resource Corp. - Units	550,000.00	1,000,000.00
01/19/2006	40	The Canadian Professionals Services Trust - Trust Units	53,868.80	107,737.67
02/01/2005	1	The Strategic Opportunities Master Fund L.P. - L.P. Interest	1,000,000.00	1,000.00
12/30/2005	9	Threegold Resources Inc. - Common Shares	560,400.00	1,245,334.00
12/30/2005	3	Thundermin Resources Inc. - Flow-Through Shares	5,679,970.00	6,683,000.00
11/29/2005	1	Trez Capital Corporation - Mortgage	115,460.00	115,460.00
01/04/2006	1	Trez Capital Corporation - Mortgage	508,874.08	508,874.08
12/09/2005	1	Trez Capital Corporation - Mortgage	146,956.80	146,956.80
01/05/2006	39	Trident Resources Corp - Common Shares	119,165,000.00	2,383,300.00
01/18/2006	5	Trigence Corp. - Debentures	600,000.00	600,000.00
12/23/2005	11	UC Resources Ltd. - Units	320,000.00	3,200,000.00
01/17/2006	10	UC Resources Ltd. - Units	400,000.00	4,000,000.00
01/06/2006	3	Urban Communications Inc. - Units	139,000.00	1,390,000.00
01/10/2006	3	Valencia Ventures Inc. - Units	210,000.00	1,050,000.00
12/30/2005	15	ValGold Resources Ltd. - Flow-Through Shares	330,150.00	2,000,000.00
12/30/2005 to 01/06/2006	9	Vedron Gold Inc. - Flow-Through Shares	400,000.00	1,000,000.00
01/05/2006 to 01/13/2006	12	Vismand Exploration Inc. - Preferred Shares	3,862,701.00	1,287,567.00
01/05/2006	8	Wavefront Energy and Environmental Services Inc. - Common Shares	9,501,310.80	7,038,008.00
01/10/2006	3	Westlake Chemical Corporation - Notes	4,632,000.00	4,039.00
12/30/2005	2	WF Fund II Sidecar Limited Partnership - L.P. Units	2,500,000.00	2,500.00
01/19/2006	8	Wildcat Exploration Ltd. - Units	377,000.00	887,500.00
12/22/2005 to 12/23/2005	32	Wilderness Energy Corp. - Common Shares	9,920,560.00	547,850.00
12/22/2005 to 12/23/2005	37	Wilderness Energy Corp. - Flow-Through Shares	10,666,000.00	2,184,000.00
12/15/2005	16	Winslow Resources Inc. - Flow-Through Shares	1,750,000.00	7,000,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Atna Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 17, 2006
Mutual Reliance Review System Receipt dated January 18, 2006
Offering Price and Description:
$10,057,500.00 - 7,450,000 Common Shares to be issued upon exercise of
7,450,000 previously issued Special Warrants and
521,500 Underwriters' Warrants to be issued upon exercise of 521,500 previously issued Underwriters' Special Warrants
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Haywood Securities Inc.
Pacific International Securities Inc.
Promoter(s):
-
Project #879733

Issuer Name:
Canada Dominion Resources 2006 Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 18, 2006
Mutual Reliance Review System Receipt dated January 19, 2006
Offering Price and Description:
$125,000,000.00 (maximum) - 5,000,000 Limited Partnership Units
Price per Unit: $25.00.
Minimum Subscription: $5,000 (200 Units)
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Canada Dominion Resources 2006 Corporation
Project #880341

Issuer Name:
Canadian Energy Services L.P.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated January 19, 2006
Mutual Reliance Review System Receipt dated January 19, 2006
Offering Price and Description:
$ * - * Class A Common Limited Partnership Units
Price: $ * per Class A Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Blackmont Capital Inc.
Sprott Securities Inc.
Haywood Securities Inc.
Promoter(s):
Impact Fluid Systems Inc.
Canadian Fluid Systems Ltd.
Project #880534

Issuer Name:
Coalcorp Mining Inc. (formerly: Adobe Ventures Inc.)
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 18, 2006
Mutual Reliance Review System Receipt dated January 19, 2006
Offering Price and Description:
$140,000,000.00 Minimum and $170,000,000 Maximum
A minimum of - a maximum of - Subscription Receipts, each representing the right to
receive one Common Share and one-half of one Common Share purchase warrant
Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Capital Corporation
Promoter(s):
-
Project #880548

Issuer Name:
Creststreet 2006 Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 20, 2006
Mutual Reliance Review System Receipt dated January 20, 2006
Offering Price and Description:
$40,000,000.00 (Maximum Offering) - $5,000,000.00 (Minimum Offering)
A maximum of 4,000,000 and a minimum of 500,000 Limited Partnership Units
Price: $10.00 Per Unit
Minimum Purchase: 250 Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
Peters & Co. Limited
GMP Securities L.P.
HSBC Securities (Canada) Inc.
Tristone Capital Inc.
Canaccord Capital Corporation
Acumen Financial Partners Limited
Promoter(s):
Creststreet 2006 General Partner Limited
Creststreet Asset Management Limited
Project #880712

Issuer Name:
Duvernay Oil Corp.
Principal Regulator – Alberta
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2006
Mutual Reliance Review System Receipt dated January 24, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Promoter(s):
-
Project #881905

Issuer Name:
Dynamic Global Dividend Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated January 16, 2006
Mutual Reliance Review System Receipt dated January 19, 2006
Offering Price and Description:
Series A, F, I and T Units
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #880456

Issuer Name:
Eldorado Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 23, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
$162,000,00000 - 30,000,000 Common Shares
Price: $5.40 per Common Share
Underwriter(s) or Distributor(s):
Orion Securities Inc.
National Bank Financial Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Sprott Securities Inc.
Raymond James Ltd.
Salaman Partners Inc.
Promoter(s):
-
Project #881519

Issuer Name:
GBS Gold International Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 24, 2006
Mutual Reliance Review System Receipt dated January 24, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
-
Project #881949

Issuer Name:
GE Capital Canada Funding Company
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated January 24, 2006
Mutual Reliance Review System Receipt dated January 24, 2006
Offering Price and Description:
Cdn. $4,000,000,000.00
Medium Term Notes (unsecured)
Unconditionally guaranteed as to principal, premium (if any),
interest and certain other amounts by
GENERAL ELECTRIC CAPITAL CORPORATION
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Promoter(s):
-
Project #881710

Issuer Name:
NovaGold Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form PREP Prospectus dated January 24, 2006
Mutual Reliance Review System Receipt dated January 24, 2006
Offering Price and Description:
$ * - 11,000,000 Common Shares
Price: $ * - per Common Share
Underwriter(s) or Distributor(s):
CitiGroup Global Markets Canada Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #881663

Issuer Name:
Permanent Value Asset Management (Canada) Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 18, 2006
Mutual Reliance Review System Receipt dated January 20, 2006
Offering Price and Description:
Maximum Offering US$ 130,000,000.00 – 2,5000,000 Secured Debentures
Underwriter(s) or Distributor(s):
M Partners Inc.
Fraser Mackenzie Limited
Promoter(s):
Jeffrey Lipton
Project #880520

Issuer Name:
Quadra Mining Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 23, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
Cdn $ *- * Common Shares
Price: Cdn $ * per Common Share
Underwriter(s) or Distributor(s):
Orion Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
GMP Securities L.P.
Promoter(s):
William H. Myckatyn
Paul M. Blythe
Project #881445

Issuer Name:
RAMTELECOM INC.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated January 18, 2006
Mutual Reliance Review System Receipt dated January 18, 2006
Offering Price and Description:
$2,500,000.00 - 5,000,0000 Units
Price: $0.50 per Unit
Underwriter(s) or Distributor(s):
Octagon Capital Corporation
Promoter(s):
Ralph A. Misener
Project #880154

Issuer Name:
Roadrunner Capital Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 20, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
$ * - * Common Shares
Price: $ * per Common Shares
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
Wellington West Capital Markets Inc.
Promoter(s):
John R. Ing
Shawn McReynolds
Harold M. Wolkin
Project #881366

Issuer Name:
Western Forest Products Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 19, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
$295,000,000.00
Rights to Subscribe for up to * Subscription Receipts
each Subscription Receipt representing the right to receive one Common Share
at a Price of $ * per Subscription Receipt
Subscription Price: $ * per Subscription Receipt
(upon the exercise of one Right for * Subscription Receipts)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #881186

Issuer Name:
YM BioSciences Inc.
Type and Date:
Preliminary Short Form Shelf Prospectus dated January 24, 2006
Receipted on January 24, 2006
Offering Price and Description:
US$75,000,000.00
Common Shares
Warrants - Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #881818

Issuer Name:
Acadian Timber Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 23, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
$84,506,430.00 - 8,450,643 Units
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Trilon Securities Corporation
Promoter(s):
Fraser Papers Inc.
Project #871306

Issuer Name:
Clarington Canadian Balanced Fund
Clarington Canadian Bond Fund
Clarington Core Portfolio
Clarington Canadian Dividend Fund
Clarington Canadian Equity Fund
Clarington Canadian Equity Class
Clarington Canadian Growth & Income Fund
Clarington Canadian Income Fund
Clarington Canadian Income Fund II
Clarington Canadian Resources Class
Clarington Canadian Small Cap Fund
Clarington Canadian Value Fund
Clarington Diversified Income Fund
Clarington Global Equity Class
Clarington Global Equity Fund
Clarington Global Income Fund
Clarington Global Small Cap Fund
Clarington Income Trust Fund
Clarington Money Market Fund
Clarington Navellier U.S. All Cap Fund
Clarington Short-Term Income Class
Clarington U.S. Dividend Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated January 13, 2006 to Amended and Restated Final Simplified Prospectuses and Annual Information Forms dated June 28, 2005
Mutual Reliance Review System Receipt dated January 18, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
ClaringtonFunds Inc.
Promoter(s):
Clarington Sector Fund Inc.
Project #787914

Issuer Name:
Clarington Target Click 2010 Fund
Clarington Target Click 2015 Fund
Clarington Target Click 2020 Fund
Clarington Target Click 2025 Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated January 13, 2006 to Final Simplified Prospectuses and Annual Information Forms dated June 28, 2005
Mutual Reliance Review System Receipt dated January 18, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
Clarington Funds Inc.
Promoter(s):
ClaringtonFunds Inc.
Project #787888

Issuer Name:
CMP 2006 Resource Limited Partnership
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 23, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
$200,000,000.00 (Maximum)
200,000 Limited Partnership Units
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Wellington West Capital Inc.
GMP Securities L.P.
Richardson Partners Financial Limited
Promoter(s):
CMP 2006 Corporation
Project #874871

Issuer Name:
Financial Industry Opportunities Fund Inc.
Type and Date:
Final Prospectus dated January 16, 2006
Receipted on January 19, 2006
Offering Price and Description:
Class A Shares, Series I and Class A Shares, Series II @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CFPA Sponsor Inc.
Covington Group of Funds Inc.
Project #870437

Issuer Name:
Frontiers Canadian Equity Pool
Frontiers Canadian Fixed Income Pool
Frontiers Canadian Monthly Income Pool
Frontiers Canadian Short Term Income Pool
Frontiers Emerging Markets Equity Pool
Frontiers Global Bond Pool
Frontiers International Equity Pool
Frontiers U.S. Equity Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated January 20, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
Class A, C and I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
CIBC Asset Management Inc.
Project #868139

Issuer Name:
Harmony Americas Small Cap Equity Pool
Harmony Balanced and Income Portfolio
Harmony Balanced Portfolio
Harmony Canadian Equity Pool
Harmony Canadian Fixed Income Pool
Harmony Conservative Portfolio
Harmony Growth Plus Portfolio
Harmony Growth Portfolio
Harmony Maximum Growth Portfolio
Harmony Money Market Pool
Harmony Overseas Equity Pool
Harmony RSP Balanced Portfolio
Harmony RSP Growth Plus Portfolio
Harmony RSP Growth Portfolio
Harmony RSP Maximum Growth Portfolio
Harmony U.S. Equity Pool
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated January 18, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
Mutual fund trust units at net asset value
Underwriter(s) or Distributor(s):
AGF Fund Inc.
Promoter(s):
AGF Funds Inc.
Project #869789

Issuer Name:
Inter Pipeline Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated January 23, 2006
Mutual Reliance Review System Receipt dated January 23, 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:
LAURENTIAN BANK OF CANADA
Principal Regulator - Quebec
Type and Date:
Final Short Form Prospectus dated January 18, 2006
Mutual Reliance Review System Receipt dated January 18, 2006
Offering Price and Description:
$150,000,000.00 4.90% Debentures, Series 10, Due 2016 (subordinated indebtedness)
Underwriter(s) or Distributor(s):
Laurentian Bank Securities Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #876329

Issuer Name:
Pure Energy Services Ltd.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated January 19, 2006
Mutual Reliance Review System Receipt dated January 19, 2006
Offering Price and Description:
$50,000,000.00 - 3,125,000 Common Shares
Price: $16.00 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Sprott Securities Inc.
TD Securities Inc.
Promoter(s):
-
Project #870867

Issuer Name:
RedStar Oil & Gas Inc.
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated January 18, 2006
Mutual Reliance Review System Receipt dated January 19, 2006
Offering Price and Description:
$45,101,370.00
2.70 per Common Share
3.30 per Flow-Through Share
14,562,700 Common Shares Issuable Upon the Exercise of 14,562,700 Special Warrants
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
Blackmont Capital Inc.
Canaccord Capital Corporation
Orion Securities Inc.
Raymond James Ltd.
Acumen Capital Finance Partners Limited
Jennings Capital Inc.
Promoter(s):
-
Project #865293

Issuer Name:
Sentry Select Dividend Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated January 20, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
Series A and F Units @ Net Asset Value per unit
Underwriter(s) or Distributor(s):
Sentry Select Capital Corp.
NCE Financial Corporation
Promoter(s):
Sentry Select Capital Corp.
Project #872986

Issuer Name:
TD Private Small/Mid-Cap Equity Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated January 12, 2006 to Final Simplified Prospectus and Annual Information Form dated April 11, 2005
Mutual Reliance Review System Receipt dated January 19, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
TD Asset Management Inc.
Project #744041

Issuer Name:
The Business, Engineering, Science & Technology Discoveries Fund Inc.
Type and Date:
Final Prospectus dated January 18, 2006
Receipted on January 19, 2006
Offering Price and Description:
Class A Shares, Series I, Class A Shares, Series II and Class A Shares, Series III
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #868977

Issuer Name:
TTM Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Final Prospectus dated January 18, 2006
Mutual Reliance Review System Receipt dated January 23, 2006
Offering Price and Description:
$1,500,000.00 - 5,000,000 Units
Price: $0.30 per Unit
Underwriter(s) or Distributor(s):
Bolder Investment Partners, Ltd.
Promoter(s):
W.K. Crichy Clarke
Project #785636

Issuer Name:
Welton Energy Corporation
Principal Regulator - Alberta
Type and Date:
Final Long Form Prospectus dated January 17, 2006
Mutual Reliance Review System Receipt dated January 18, 2006
Offering Price and Description:
Rights to Subscribe for up to $10,500,000.00 principal amount of 8% Convertible Debentures
Subscription Price: $1,000 per Convertible Debenture
(Upon the exercise of 3,667 Rights)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #842861

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Quantitative Management Associates, LLC	International Adviser	January 24, 2006
New Registration	Barrington Capital Corp.	Limited Market Dealer	January 23, 2006
Change of Name	From: Credit Suisse First Boston Canada Inc. To: Credit Suisse Securities (Canada), Inc.	Broker & Investment Dealer	January 16, 2006
Change of Name	From: Credit Suisse First Boston LLC To: Credit Suisse Securities (USA) LLC	International Dealer, International Adviser (Investment Counsel and Portfolio Manager), Limited Market Dealer	January 16, 2006
Change in Category	Addenda Capital Inc.	From: Limited Market Dealer & Investment Counsel & Portfolio Manager To: Limited Market Dealer & Investment Counsel & Portfolio Manager & Commodity Trading Manager	January 19, 2006
Consent to Suspension pursuant to OSC Rule 33-501 – Surrender of Registration	Odyssey Capital Corporation	Mutual Fund Dealer & Limited Market Dealer	January 19, 2006
Suspended Due to Voluntary Non-Renewal	Charles Schwab & Co., Inc.	International Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	D.E. Shaw Valence, LLC	International Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Deutsche Asset Management Investment Services Limited	International Adviser	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Duncannon Corporation	Limited Market Dealer	December 31, 2005

Type	Company	Category of Registration	Effective Date
Suspended Due to Voluntary Non-Renewal	East Asia Securities Inc.	Mutual Fund Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Firefly Strategy Capital Inc.	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Frank Russell Company	Commodity Trading Manager (Non-Resident)	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Pacific Financial Research, Inc.	International Adviser (Investment Counsel & Portfolio Manager)	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Pictet Overseas Inc./Pictet Outre-Mer Inc.	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Polysecurities Inc.	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Premium Participation Services Inc.	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Sayer Securities Limited	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	SCM Investors LLC	International Adviser (Investment Counsel & Portfolio Manager)	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Starwood Capital Corporation	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	The Putnam Advisory Company, LLC	International Adviser (Investment Counsel & Portfolio Manager)	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Tiros Asset Management Ltd.	Limited Market Dealer & Investment Counsel & Portfolio Manager	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Vengrowth Advanced Life Sciences	Investment Counsel	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Vengrowth II Capital Management Inc.	Investment Counsel	December 31, 2005

Type	Company	Category of Registration	Effective Date
Suspended Due to Voluntary Non-Renewal	Wells Capital Management, Inc.	International Advisor (Investment Counsel & Portfolio Manager)	December 31, 2005
Suspended Due to Voluntary Non-Renewal	GMP Private Client Ltd.	Investment Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	GMP Securities Ltd.	Investment Dealer	December 13, 2005
Suspended Due to Voluntary Non-Renewal	GOODHOPE MANAGEMENT LTD./GESTION GOODHOPE LTEE	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Harrar Capital Partners Inc.	Investment Counsel and Portfolio Manager	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Kamen Capital Management Inc.	Commodity Trading Manager (Non-Resident)	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Leesh Investment Inc.	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Mark Weisdorf Associates Ltd.	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Medallion Capital Corp.	Limited Market Dealer	December 31, 2005
Suspended Due to Voluntary Non-Renewal	Morneau D.C. Services Inc.	Mutual Fund Dealer and Limited Market Dealer	December 31, 2005

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Proposed IDA Policy No. 4 – Minimum Standards for Institutional Account Opening, Operation and Supervision

INVESTMENT DEALERS ASSOCIATION OF CANADA
POLICY NO. 4 – MINIMUM STANDARDS FOR INSTITUTIONAL
ACCOUNT OPENING, OPERATION AND SUPERVISION

This Policy No. 4 is blacklined to indicate amendments from the version that was published on February 11, 2005 at (2005) 28 OSCB 1747.

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By adding new Policy No. 4 as follows:

"POLICY NO. 4
MINIMUM STANDARDS FOR INSTITUTIONAL
ACCOUNT OPENING, OPERATION AND SUPERVISION

INTRODUCTION

This Policy covers the opening, operation and supervision of institutional accounts, which are accounts for investors that are not individuals who meet the requirements of the definition herein.

This document sets out minimum standards governing the opening, operation and supervision of institutional accounts.

Pursuant to IDA By-laws 29.27 and 38, the Member must provide adequate resources and qualified supervisors to achieve compliance with these standards.

Adherence to the minimum standards requires that a Member have in place procedures to properly open and operate institutional accounts and monitor their activity. Following these minimum standards, however, does not:

(a) relieve a Member from complying with specific SRO by-laws, rules, regulations and policies and securities or other legislation applicable to particular trades or accounts; (e.g. best execution obligation, restrictions on short selling, order designations and identifiers, exposure of customer orders, trade disclosures);

(b) relieve a Member from the obligation to impose higher standards where circumstances clearly dictate the necessity to do so to ensure proper supervision; or

(c) preclude a Member from establishing higher standards.

Any account which is not an institutional account governed by these standards will be governed by the Minimum Standards for Retail Account Supervision (Policy No. 2).

A Member may, with the written approval of the Association, establish policies and procedures that differ from this Policy, provided that, in the opinion of the Association, the Member's policies and procedures are appropriate to supervise trading of its institutional customers.

I. ACCOUNT OPENING

A. Definition of an Institutional Customer

For the purposes of this Policy, the following are defined as institutional customers:

1. Acceptable Counterparties (as defined in Form 1);

2. Acceptable Institutions (as defined in Form 1);

3. Regulated entities (as defined in Form 1);

4. Registrants (other than individual registrants) under securities legislation;

5. A non-individual with total securities under administration or management exceeding $10 million.

B. Customer Suitability

1. When dealing with an institutional customer, a Member must make a determination whether the customer is sufficiently sophisticated and capable of making its own investment decisions in order to determine the level of suitability owed to that institutional customer. Where a Member has reasonable grounds for concluding that the institutional customer is capable of making an independent investment decision and independently evaluating the investment risk, then a Member's suitability obligation is fulfilled for that transaction. If no such reasonable grounds exist, then the Member must take steps to ensure that the institutional customer fully understands the investment product, including the potential risks.

2. In making a determination whether a customer is capable of independently evaluating investment risk and is exercising independent judgment, relevant considerations could include:

   ~~i~~(a) any written or oral understanding that exists between a Member and its customer regarding the customer's reliance on the Member;

   ~~ii~~(b) the presence or absence of a pattern of acceptance of the Member's recommendations;

   ~~iii~~(c) the use by a customer of ideas, suggestions, market views and information obtained from other Members, market professionals or issuers particularly those relating to the same type of securities;

   ~~iv~~(d) the use of one or more investment dealers, portfolio managers, investment counsel or other third party advisors;

   ~~v~~(e) the general level of experience of the customer in financial markets;

   ~~vi~~(f) the specific experience of the customer with the type of instrument(s) under consideration, including the customer's ability to independently evaluate how market developments would affect the security and ancillary risks such as currency rate risk; and

   ~~vii~~(g) the complexity of the securities involved.

3. No suitability obligation shall exist pursuant to Section B(1) nor is a determination required under Section B(2) where a Member executes a trade on the instructions of another Member, a portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer.

C. New Account Documentation and Approval

The following documentation is required for each institutional account opening:

1. New customer account form; and

2. All documentation as required by the self-regulatory organization governing the Member.

The Member may establish a 'master' new account documentation file, containing full documentation and, when opening sub-accounts, it should refer to the principal or 'master' account with which it is associated.

Each new account must be approved by the Department Head or his/her designate who is a partner, director or officer, prior to the initial trade or promptly thereafter. Such approval must be documented in writing or auditable electronic form.

The Member must exercise due diligence to ensure that the new customer account form is updated whenever the Member becomes aware that there is a material change in customer information.

II. ESTABLISHING AND MAINTAINING PROCEDURES, DELEGATION AND EDUCATION

Introduction

Effective self-regulation begins with the Member establishing and maintaining a supervisory environment which fosters both the business objectives of the Member and maintains the self-regulatory process. To that end, a Member must establish and maintain procedures which are supervised by qualified individuals.

A. Establishing Procedures

1. Members must appoint a designated supervisor, who is a partner, director or officer and has the necessary knowledge of industry regulations and Member policy to properly establish procedures reasonably designed to ensure adherence to regulatory requirements and to supervise Institutional Accounts.

2. Written policies must be established to document and communicate supervisory requirements.

3. All supervisory alternates must be advised of and adequately trained for their supervisory roles.

4. All policies established or amended should have senior management approval.

B. Maintaining Procedures

1. Evidence of supervisory reviews must be maintained for seven years and on-site for one year.

2. A periodic review of supervisory policies and procedures should be carried out by the Member to ensure they continue to be effective and reflect any material changes to the businesses involved.

C. Delegation of Procedures

1. Tasks and procedures may be delegated but not responsibility.

2. The supervisor delegating the task must take steps designed to ensure that these tasks are being performed adequately and that exceptions are brought to his/her attention.

3. Those to whom tasks are delegated must have the qualifications to perform them and should be advised in writing what is expected.

D. Education

1. The Member's current sales practices and policies must be made available to all sales and supervisory personnel. Members should obtain and record acknowledgements from all sales and supervisory personnel that they have received, read and understood the policies and procedures relevant to their responsibilities.

2. A major aspect of self-regulation is the ongoing education of staff. The Member is responsible for appropriate training of institutional sales and trading staff, as well as ensuring that Continuing Education requirements are being met.

E. Compliance Monitoring Procedures

Members must establish compliance procedures for monitoring and reporting adherence to rules, regulations, requirements, policies and procedures. A compliance monitoring system should be reasonably designed to prevent and detect violations. The compliance monitoring system will ordinarily include a procedure for reporting results of its monitoring efforts to management and, where appropriate, the Board of Directors or its equivalent.

III. SUPERVISION OF ACCOUNTS

A. Policies and Procedures

1. Members must implement policies and procedures for the supervision and review of activity in the accounts of institutional customers. Such procedures may include periodic reviews of account activity, exception reports or other means of analysis.

2. The policies and procedures may vary depending on factors including, but not limited to, the type of product, type of customer, type of activity or level of activity.

3. The policies and procedures should outline the action to be taken to deal with problems or issues identified from supervisory reviews.

B. Account Activity Detection

The supervisory procedures and the compliance monitoring procedures should be reasonably designed to detect account activity that is or may be a violation of applicable securities legislation, requirements of any self-regulatory organization applicable to the account activity and the rules and policies of any marketplace on which the account activity takes place, and would include the following:

1. Manipulative or deceptive methods of trading;

~~2. Establishing artificial prices;~~

~~3.~~2. Trading in restricted list securities;

~~4.~~3. Employee or proprietary account frontrunning;

~~5. Sales from control blocks;~~

~~6.~~4. Exceeding position or exercise limits on derivative products; and

5. ~~7.~~ Transactions raising a suspicion of money laundering or terrorist financing activity".

IV. CLIENT COMPLAINTS

1. Each Member must establish procedures to deal effectively with client complaints.

(a) The Member must acknowledge all written client complaints.

(b) The Member must convey the results of its investigation of a client complaint to the client in due course.

(c) Client complaints involving the sales practices of a Member, its partners, directors, officers or employees must be in writing and signed by the client and then handled by sales supervisors or compliance staff. Copies of all such written submissions must be filed with the compliance department of the Member.

(d) Each Member must ensure that registered representatives and their supervisors are made aware of all complaints filed by their clients.

2. All pending legal actions must be made known to head office.

3. Each Member must put procedures in place so that senior management is made aware of complaints of serious misconduct and of all legal actions.

4. Each Member must maintain an orderly record of complaints together with follow-up documentation for regular internal/external compliance reviews. This record must cover the past two years at least.

5. Each Member must establish procedures to ensure that breaches of the by-laws, regulations, rules and policies of the SROs as well as applicable securities legislation are subjected to appropriate internal disciplinary procedures.

6. When a Member finds complaints to be a significant factor, internal procedures and practices should be reviewed, with recommendations for changes to be submitted to the appropriate management level."

PASSED AND ENACTED BY THE Board of Directors this 19th day of January 2005, to be effective on a date to be determined by Association staff.

IDA Response to Comment Received on Proposed Policy No. 4 – Minimum Standards for Institutional Account Opening, Operation and Supervision

INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)
RESPONSE TO COMMENT RECEIVED ON PROPOSED POLICY NO. 4 – MINIMUM STANDARDS FOR INSTITUTIONAL ACCOUNT OPENING, OPERATION AND SUPERVISION

On February 11, 2005 the Investment Dealers Association of Canada (IDA) published for comment Policy No. 4 Minimum Standards for Institutional Account Opening, Operation and Supervision.

One comment letter was received from Market Regulation Services Inc. (RS).

SUMMARY OF WRITTEN COMMENTS RECEIVED ON THE PROPOSED POLICY

Part II – Establishing and Maintaining Procedures, Delegation and Education

Comment

RS is concerned that use of language in Section E of Part II entitled *Compliance Monitoring Procedures* that is so similar to that in UMIR may erroneously imply that the IDA has jurisdiction to regulate and monitor compliance with UMIR trading supervision obligations. RS suggests that the IDA explicitly set out that Part II refers specifically to Member firms' obligations to prevent and detect undesirable account activity that is within the IDA's jurisdiction to regulate.

Response

The IDA does not believe that Members are under the impression that the IDA has jurisdiction to regulate and monitor compliance with UMIR. Member firms understand the regulatory functions of RS and the IDA. Furthermore, the IDA is of the view that a reference to a statement regarding Members who are not subject to UMIR will cause confusion as such statements are not included elsewhere in the IDA Rulebook. Members may query why it was necessary to add such a statement in Policy No. 4 but not in Policy No. 2 or other IDA by-laws, regulations or policies.

In addition, the provision is not intended to focus solely on trade desk reviews but also applies to sales compliance and the handling and supervision of client accounts and thus the provision is not duplicative but necessary and appropriate.

Furthermore, similar language does not lead to the assumption that jurisdiction is granted to the IDA. The IDA Rulebook includes language similar to securities legislation, but Members do not assume that the IDA has primary jurisdiction over securities law.

There is nothing in Policy No. 4 that indicates that a Member is relieved from its obligations under UMIR. Policy No. 4 must be read in its entirety. Specifically, RS's concern is currently addressed in the Introduction, found in Part I. The Introduction makes it clear that the standards set out in Policy No. 4 are the minimum standards but also states that:

"Following these minimum standards, however, does not:

(a) relieve a Member from complying with specific SRO by-laws, rules, regulations and policies and securities or other legislation applicable to particular trades or accounts; (e.g.: best execution obligation, restrictions on short selling, order designations and identifiers, exposure of client orders, trade disclosures);".

However, the IDA is prepared to include a statement in the Bulletin that accompanies the implementation of Policy No. 4 which would outline that Part II applies to Member firms with respect to activities within the IDA's jurisdiction to regulate such as cash account violations and client suitability and for those Members who are not Participants of a marketplace regulated by RS. The Bulletin would go on to explain that Members subject to UMIR would still be required to comply with UMIR Policy 7.1.

Part III – Supervision of Accounts

Comment

RS is concerned that the listed trading activities in Section B of Part III entitled *Account Activity Detection* are activities which are explicitly prohibited or controlled by UMIR and UMIR Policies and are therefore within RS's jurisdiction. RS stated that there is no regulatory gap that requires the IDA to incorporate specific UMIR matters into IDA Policies. RS is of the view that the MOU protocols adequately manage the pre-existing overlap between Policy No. 2 and UMIR. RS suggests that the standards imposed by regulation services providers for particular marketplaces should be given primacy in order to avoid duplication and the possibility of conflicts with the requirements of other self-regulatory entities. RS also suggests that if the IDA wishes to make

a statement in Policy No. 4 as to supervision of accounts for possible manipulative or deceptive methods of trading, establishing artificial prices, trading in restricted list securities and frontrunning, that the IDA must clarify that the statement applies specifically to Member firms in respect of trading that is not subject to UMIR.

Response

Since RS acknowledges that the IDA has primary jurisdiction over trading and conducts trade desk reviews for those Members firms who are not Participants of a marketplace regulated by RS, Section B should remain.

For the same reasons set out above, reference to “Member firms not subject to UMIR” will not be incorporated in Policy No. 4 but an explanation will be provided in the Bulletin.

13.1.2 IDA Proposed Amendments to the Insurance Requirements – Regulation 400

INVESTMENT DEALERS ASSOCIATION OF CANADA –

PROPOSED AMENDMENTS TO THE INSURANCE REQUIREMENTS – REGULATION 400

I OVERVIEW

A Current Rules

The current rules, as set out in Regulation 400.1, require every Member to keep in force mail insurance against loss arising by reason of any out-going shipments of money or securities, negotiable or non-negotiable, by first class mail, registered mail, registered air mail, express or air express, such insurance to provide at least 100 percent coverage.

B The Issue(s)

Insurance companies have expressed concern about using the word "money" in Regulation 400.1, which can be interpreted as "cash" since they do not insure such shipments. Furthermore, insurers have also stated they would not insure any mail shipment that is not registered.

The proposed revision removes the reference to "money" since no "money" should be shipped using mail. The wording proposes to limit mail shipments to "registered mail" since no insurance provider will insure any shipment using mail other than registered mail. References to first-class mail, registered air mail, express or air express were therefore dropped.

C Objective(s)

The objective of the proposed amendments to the insurance requirements, as set out in Regulation 400.1, is to simplify and bring the wording in line with present day accepted practices.

D Effect of Proposed Rules

The Association has determined that the entry into force of the proposed amendments to Regulation 400.1 would have no effect on market structure or other rules.

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Policy

The proposed amendments outlined below are the result of the recommendations outlined by the Association.

It was concluded that it is incorrect for Members to have mail insurance coverage for money and that mail shipments should be limited to registered mail.

B Issues and Alternatives Considered

No other alternatives were considered.

C Comparison with Similar Provisions

No comparisons were done.

D Systems Impact of Rule

The Association has determined that the proposed rule amendment will have no impact on IDA Members' systems.

E Best Interests of the Capital Markets

The Association has determined that the public interest Rule is not detrimental to the best interests of the capital markets.

F Public Interest Objective

According to the IDA's Order of Recognition as a self regulatory organization, the IDA shall, where requested, provide in respect of a proposed rule change "a concise statement of its nature, purposes (having regard to paragraph 13 above) and effects,

including possible effects on market structure and competition". Statements have been made elsewhere as to the nature and effects of the proposals with respect to insurance requirements for members. The purpose of the proposed amendments is to standardize industry practices where necessary or desirable for investor protection; and to facilitate an efficient capital-raising process and to facilitate transparent, efficient and fair secondary market trading and the availability to members and investors of information with respect to offers and quotations for and transactions in securities, and efficient clearance and settlement procedures.

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

As a result the proposed amendments are considered to be in the public interest.

III COMMENTARY

A Filing in Other Jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia, Quebec and Ontario and will be filed for information in Manitoba, Nova Scotia and Saskatchewan.

B Effectiveness

The proposed amendments are simple and effective.

C Process

The proposed amendments were approved by the FAS Insurance Subcommittee and the Financial Administrators Section.

IV SOURCES

IDA Regulation 400

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying Regulation so that the issue referred to above may be considered by OSC staff.

The Association has determined that the entry into force of the proposed Regulation would be in the public interest. Comments are sought on the proposed Regulation. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Maysar Al-Samadi, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Maysar Al-Samadi
Vice President, Professional Standards
Investment Dealers Association of Canada
(416) 943-6902
mal-samadi@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA

PROPOSED AMENDMENTS TO THE INSURANCE REQUIREMENTS – REGULATION 400

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. Regulation 400.1 Mail Insurance, is repealed and replaced as follows:

> "Every Member shall have mail insurance that covers 100% of losses arising from any out-going shipments of securities, negotiable or non-negotiable, by registered mail. The Vice President of Financial Compliance may exempt a Member from the requirements of Regulation 400.1 if the Member delivers a written undertaking to the Vice President of Financial Compliance that it will not use registered mail for out-going shipments of securities. "

PASSED AND ENACTED BY THE Board of Directors this 18th day of January 2006, to be effective on a date to be determined by Association staff.

INVESTMENT DEALERS ASSOCIATION OF CANADA

REGULATION 400.1 - CLEAN COPY

400.1. Registered Mail Insurance - Every Member shall have mail insurance that covers 100% of losses arising from out-going shipments of securities, negotiable or non-negotiable, by registered mail. The Vice President of Financial Compliance may exempt a Member from the requirements of Regulation 400.1 if the Member delivers a written undertaking to the Vice President of Financial Compliance that it will not use registered mail for out-going shipments of securities.

INVESTMENT DEALERS ASSOCIATION OF CANADA

REGULATION 400.1 - BLACKLINE COPY

400.1. Mail Insurance - Every Member shall have mail insurance that covers 100% of losses arising from ~~effect and keep in force mail insurance against loss arising by reason of~~ any out-going shipments of ~~money or~~ securities, negotiable or non-negotiable, by ~~first class mail~~, registered mail~~, registered air mail, express or air express, such insurance to provide at least 100 percent coverage~~. The Vice President of Financial Compliance may exempt a Member from the requirements of Regulation 400.1 if the Member delivers a written undertaking to the Vice President of Financial Compliance that it will not use registered mail for out-going shipments of ~~money or~~ securities~~, negotiable or non-negotiable, by first class, registered mail, registered air mail, express or air express~~.

13.1.3 IDA Regulation 100.5 - Capital Requirements for Certain Private Placements of Restricted Securities during the Distribution Period

INVESTMENT DEALERS ASSOCIATION OF CANADA –
REGULATION 100.5 - CAPITAL REQUIREMENTS FOR CERTAIN PRIVATE PLACEMENTS OF RESTRICTED SECURITIES DURING THE DISTRIBUTION PERIOD

I OVERVIEW

A Current Rules

The current capital and margin rules effectively require 100% margin for restricted securities at all times by virtue of the fact that the security trading restriction renders the security "not readily marketable" and therefore not eligible for regulatory loan value.

B The Issue(s)

In the case of four-month restricted security issuances that are privately placed (pursuant to Multilateral Instrument 45-102 or a similar provincial securities legislation exemption), the underwriting risk borne by the Member firm during the underwriting distribution period is less than 100%. This is because the firm may sell the underwriting to any interested accredited investor during the underwriting period without additional ownership transfer conditions.

C Objective(s)

The objective of the proposed rule change is to amend the existing capital requirements for underwriting requirements to properly reflect the lower risk associated with private placements of four-month restricted securities during the underwriting distribution period.

D Effect of Proposed Rules

The proposed rule change is not expected to have any negative impact on market structure, member versus non-member competition or costs of compliance. It is anticipated that the proposed rule change will have a positive impact on the ability of the smaller Member firms to compete for underwriting opportunities by reducing the existing conservative capital requirements that apply during the underwriting distribution period.

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Policy

Present Rules and Relevant History

As previously stated, the current capital and margin rules effectively require 100% margin for restricted securities at all times. The current requirements that apply to four-month restricted security issuances that are privately placed (pursuant to Multilateral Instrument 45-102 or a similar provincial securities legislation exemption) are set out in IDA Member Regulation Notice MR0244, issued on October 6, 2003. The requirements state that for restricted securities:

- where the underwriting proceeds are held in trust in an escrow account at an acceptable institution, the underwriting position capital requirement during the underwriting distribution period shall be that ordinarily required for the underlying security plus any conversion loss (subject offering meeting certain other conditions); and

- where the underwriting proceeds are available to the issuer, the underwriting position capital requirement during the underwriting distribution period shall be 100% of the market value reported for the underwriting position

Since, the underwriting proceeds related to private placements of four-month restricted security offerings are almost always made available to the issuer company at the underwriting close date (and not at the end of the four-month restricted period), these offerings are not generally currently eligible for regulatory loan value.

Proposed Rule Amendment

The proposed rule amendment seeks to permit that a margin rate of less than 100% may be used in determining the capital requirement for a private placement of a four-month restricted security offering. The amendment will determine the appropriate rate to be used taking into consideration the margin rate that would be used for the same issuer security if unrestricted. To accomplish this it proposed that IDA Regulation 100.5 be amended to incorporate the following wording:

"**Margining of private placements of restricted equity securities**

For a private placement of a equity security subject to a four-month trading restriction (issued pursuant to Multilateral Instrument 45-102 or a similar provincial securities legislation exemption), the margin rate to be used during the distribution period shall be the greater of:

(i) The margin rate that would be otherwise applicable to the security if the restriction were not present, subject to the margin rate reductions available in this Regulation 100.5; and

(ii) (a) where it is five business days or less subsequent to the offering commitment date, 25%;

(b) where it is greater than five business days subsequent to the offering commitment date, 50%.

The margin rate to be used commencing on the offering settlement date shall be 100%."

The effect of this amendment for the existing underlying security margin rate categories (and assuming a disaster out clause is in effect until offering settlement date) would be as follows:

Primary distribution period			
Five business days or less subsequent to the offering commitment date	**Greater than five business days subsequent to the offering commitment date**	**Restricted period** (generally four-months)	**Unrestricted and trading in secondary market** (reference underlying security margin rate)
25.00%	50.00%	100.00%	25.00%
25.00%	50.00%	100.00%	50.00%
30.00%	50.00%	100.00%	60.00%
40.00%	50.00%	100.00%	80.00%
50.00%	50.00%	100.00%	100.00%

B Issues and Alternatives Considered

The only other alternative considered was to leave the current capital requirements unchanged. This alternative was dismissed as the current capital requirements that apply to certain restricted security offerings during the underwriting distribution period are considered to be overly conservative.

C Comparison with Similar Provisions

The use of the "not readily marketable" concept in determining whether or not a security position (including a restricted security position) should receive regulatory loan value is also the standard used in both the United Kingdom and the United States.

The practice of dealers entering into committed offerings is relatively unique to Canada and therefore a comparison to specific underwriting capital requirements in the United Kingdom and the United States was considered of little relevance.

D Systems Impact of Rule

Implementation of this proposed rule amendment will result in little or no systems impacts as the calculation of underwriting position capital requirements is already a largely manual process. The Bourse de Montreal is also in the process of passing this amendment. Implementation of this amendment will therefore take place once both the IDA and the Bourse de Montreal have received approval to do so from their respective recognizing regulators.

E Best Interests of the Capital Markets

The Board has determined that this public interest amendment is not detrimental to the best interests of the capital markets

F Public Interest Objective

According to the IDA's Order of Recognition as a self regulatory organization, the IDA shall, where requested, provide in respect of a proposed rule change "a concise statement of its nature, purposes (having regard to paragraph 13 above) and effects, including possible effects on market structure and competition". Statements have been made elsewhere as to the nature and effects of the proposals with respect to capital requirements for certain private placements of restricted securities during the distribution period. The purposes of the proposal are to: "facilitate an efficient capital-raising process and to facilitate transparent, efficient and fair secondary market trading and the availability to members and investors of information with respect

to offers and quotations for and transactions in securities, and efficient clearance and settlement procedures" and to "standardize industry practices where necessary or desirable for investor protection".

The proposal does not permit unfair discrimination among customers, issuers, brokers, dealers, members or others. It does not impose any burden on competition that is not necessary or appropriate in furtherance of the above purposes.

Because of the potential impact of this amendment on the reported regulatory capital of IDA Member firms, it has been determined to be in the public interest.

III COMMENTARY

A Filing in Other Jurisdictions

These proposed amendments will be filed for approval in Alberta, British Columbia, Quebec and Ontario and will be filed for information in Manitoba, Nova Scotia and Saskatchewan.

B Effectiveness

It is believed that adoption of these amendments will be effective in reducing the existing conservative capital requirements that apply to private placements of four-month restricted security offerings during the underwriting distribution period without permitting Member firms to unduly leverage their regulatory capital.

C Process

This proposal was developed and recommended for approval by the FAS Capital Formula Subcommittee and reviewed and recommended for approval by the Financial Administrators Section.

IV SOURCES

References:

- IDA Regulation 100.5
- IDA Form 1, General Notes and Definitions - definition of "market value of securities"
- Member Regulation Notice MR0244, "Capital and Margin Requirements for Special Warrants, Subscription Receipts and Restricted Securities"

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying proposed rule amendment.

The Association has determined that the entry into force of the proposed amendment would be in the public interest. Comments are sought on the proposed amendment. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Richard J. Corner, Vice President, Regulatory Policy, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Richard J. Corner
Vice President, Regulatory Policy
Investment Dealers Association of Canada
(416) 943-6908
rcorner@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA
REGULATION 100.5 - CAPITAL REQUIREMENTS FOR CERTAIN PRIVATE PLACEMENTS OF RESTRICTED SECURITIES DURING THE DISTRIBUTION PERIOD

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By-law 100.5 is amended by adding the following new section 100.5(g):

"(g) **Margining of private placements of restricted equity securities during the distribution period**

For a private placement of a equity security subject to a four-month trading restriction (issued pursuant to Multilateral Instrument 45-102 or a similar provincial securities legislation exemption), the margin rate to be used during the distribution period shall be the greater of:

(i) The margin rate that would be otherwise applicable to the security if the restriction were not present, subject to the margin rate reductions available in this Regulation 100.5; and

(ii) (a) where it is five business days or less subsequent to the offering commitment date, 25%;

(b) where it is greater than five business days subsequent to the offering commitment date, 50%.

The margin rate to be used commencing on the offering settlement date shall be 100%."

PASSED AND ENACTED BY THE Board of Directors this 18th day of January 2006, to be effective on a date to be determined by Association staff.

13.1.4 Investment Dealers Association of Canada – By-Law 15 - Association Accounts and Funds and Execution of Instruments

INVESTMENT DEALERS ASSOCIATION OF CANADA

BY-LAW 15 - ASSOCIATION ACCOUNTS AND FUNDS AND EXECUTION OF INSTRUMENTS

I OVERVIEW

A Current Rules

By-law 15 delegates the authority to transact certain daily banking functions of the Investment Dealers Association of Canada to specified Directors, Officers and District Council members of the Association.

B The Issue

The Canadian Institute of Chartered Accountants has prepared a document entitled "Guidance for Directors – Governance Processes for Control". That document focuses on the unique contributions of the board of directors to control within an organization, and describes how the board can discharge its control responsibilities. The guidelines set out six overriding control responsibilities for directors:

(a) Approving and monitoring mission, vision and strategy;

(b) Approving and monitoring the organization's ethical values;

(c) Monitoring management control;

(d) Evaluating senior management;

(e) Overseeing external communications;

(f) Assessing the board's effectiveness.

The guidance goes on to state that, in normal circumstances, the board should not intrude on the prerogatives and responsibilities of management: day-to-day management functions should not be performed, even partially, by the board. Members of the IDA's Board have suggested that, in their opinion, signing of cheques is a day-to-day management function and is inconsistent with the board's management oversight responsibilities. The control responsibilities set out above would seem to support this assertion.

IDA By-law No. 11, District Councils and Meetings, states that there shall be a District Council for each District and shall have supervision over the affairs of such District. While the By-law does not set out detailed responsibilities for or objectives of the District Councils it does state that District Councils may appoint Standing Committees to deal with matters such as the nomination of hearing committee members, education, provincial government legislation, tax policy, public information, stock exchange liaison and exemption requests. There does not seem to be any suggestion that the District Councils will have any active involvement with the management of the IDA's daily operations such as authorizing expenditures or signing cheques.

C Objective

The objectives of the changes are to update the language and simplify the rules so that they better reflect modern governance and operational practices whereby the board authorizes management, within specified levels of authority, to carry out the daily banking transactions of the Investment Dealers Association. In addition, the use of imprest bank accounts is archaic and is no longer required pursuant to current operational practices as presented in the resolution Attachment I. All other aspects of By-Law No. 15 will remain unchanged except as required to amend references to By-law 15.5. and 15.6., and some minor amendments to By-law 15.2, 15.3. and 15.9 are also required to reflect current operational practices as can be seen in the black lined version of the current By-law 15 as presented in Attachment II.

D Effect of Proposed Rules

The impact of the proposed rules on each of the following is minimal. As stated the proposed changes are a matter of housekeeping only. The following description outlines the changes on:

- market structure - none,
- members, non-members – none
- competition - none,
- costs of compliance – none and
- other rules –none.

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Policy

Present Rules

Due to the straight forward nature of the proposed amendments a detailed explanation and discussion of the relevant history and proposed policy was considered unnecessary.

B Issues and Alternatives Considered

- Current By-law 15.2 requires that the budget of the Investment Dealers Association be presented to and approved by the Board on or before March 31st. The quarterly meeting of the Board takes place after the end of the calendar quarter. The Board meets in January and early to mid April and therefore Board approval of the budget does not take place until early to mid April. This may result in a technical breach of the by-law if the material for the budget is not in the hands of the Board until after March 31st. The proposed revised By-law requires a meeting of the Board to approve the budget for each fiscal year without a specific deadline.

- Current By-law 15.5 sets out specific cheque signing authorities and limits that may be approved by position and by authorization level. Over the last five years, banking resolutions setting out authorization levels by region and by specific position have been approved by the Executive Committee for each and every change. The proposed revised By-law continues the power of the Board to authorize specific individuals however it does so by resolution with simplified language empowering the Board to set the authorization levels and controls required to manage the banking facilities of the IDA.

- Current By-law 15.9 (proposed renumbered 15.8.) requires the management of the funds of the Investment Dealers Association to be under the direction of a sub-committee of the Board consisting of the Chair, Vice-Chair and the President. Banking and management of monies of the Investment Dealers Association is governed through internal controls that are reviewed by external independent auditors and approved by the Audit Committee. This By-law is inconsistent with modern governance practices such that Directors should not perform day-to-day management activities. The proposed revised By-law eliminates the requirement that the banking facility be governed by a committee of specific individuals named in the By-law as the governance of the IDA includes the Audit Committee who review and approve the financial statements of the IDA as well as approve internal control processes and systems. The proposed By-law specifically designates management to manage the Association's funds – this is a much simpler and more efficient process.

- Current By-Law 15.10 (proposed renumbered 15.9.) requires deeds, transfers, assignments, contracts, obligations and other instruments to be signed by specified Directors, Chairs of District Councils or by specified employees or to be signed by those authorized to do so by a resolution of the Board. As discussed earlier in this paper, neither Directors nor District Councils should be involved with the day-to-day operations of the Association. Requiring signatures for all significant contracts and obligations by those authorized to do so by a resolution of the Board is both practical and appropriate.

C Comparison with Similar Provisions

- The MFDA has similar authorization requirements to those proposed. Management signs all cheques subject to the Board's delegation and authorization by resolution.

- CIPF requires signing by a governor if a cheque exceeds $25,000. If a change were required, it would be achieved through Board resolution.

- RS Inc. has similar authorization requirements to those proposed. Once authorization has been received, Management signs all cheques. Any changes are accomplished through Board resolution.

D Systems Impact of Rule

Whenever a change of signatories is required, a resolution will be tabled with the Board for approval, outlining levels of authorization and positions. Once approved, the bank will be notified of changes. There will be no impact on systems.

E Best Interests of the Capital Markets

These changes provide for more effective Board oversight by removing the necessity of the Board to be involved with daily management activities and will make the cash management and payments processes more efficient and save time.

F Public Interest Objective

The proposal is designed to provide for the efficient administration of the affairs of the IDA.

III COMMENTARY

A Filing in Other Jurisdictions

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. As a result, a determination has been made that the proposed by-law amendments need not be published for comment.

These proposed amendments will be filed for information in Alberta, British Columbia, Quebec, Ontario, Manitoba, Nova Scotia and Saskatchewan.

B Effectiveness

The Board will approve a budget inclusive of certain implicit and explicit costs and projects. Management will manage the banking (deposits and expenditures) within those budget parameters and within an approved internal control process. For items approved within the budget, expenditures will be approved and cheques issue with management's approval. For items not previously approved in the budget, and that exceed specified limits, management will seek approval at the Executive Committee level prior to implementation in accordance with the purchasing policy. Certain other large expenditures or commitments will also require the approval of the Executive Committee and/or the Board of Directors. Once approval has been received, expenditures will be approved and cheques issued by management. The Board will not be involved in operational activities except at a governance level.

C Process

The internal control processes have been approved by the Audit Committee.

IV SOURCES

References:

- CICA Guidance for Directors – Governance Processes for Control
- The Mutual Funds Dealers Association
- Regulation Market Services Incorporated
- The Canadian Investor Protection Fund
- IDA By-law 15

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. As a result, a determination has been made that the proposed by-law amendments need not be published for comment.

ATTACHMENT I

CERTIFIED
INVESTMENT DEALERS ASSOCIATION OF CANADA
BY-LAW NO.15 ASSOCIATION ACCOUNTS AND FUNDS AND EXECUTION OF INSTRUMENTS
BOARD RESOLUTION

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby makes the following amendments to the By-laws, Regulations, Forms and Policies of the Association:

1. By-law 15.2 is amended by deleting and replacing the words "on or before the 31st day of March" with the words "for approval".

2. By-Law 15.3 is amended by:

   (a) deleting and replacing the words "or other officer designated by the Board of Directors" with the words "or such others designated by the Board of Directors pursuant to By-Law 15.5";

   (b) deleting the words "shall be the custodian of the funds of the Association, and"; and

   (c) deleting and replacing the word "officer" with the word "persons".

3. By-law 15.5 is repealed and replaced with the following:

   "**15.5.** Subject to By-law 15.6, all cheques and orders for the payment of money and other instruments or instructions necessary or desirable in connection with the banking business and accounts approved in accordance with By-law 15.4 may be signed, given or authorized by such person or persons as designated by the Board of Directors by resolution from time to time to such extent and in such manner as the Board may determine at the time of such designation."

4. By-law 15.6 is repealed.

5. By-law 15.7 is renumbered 15.6 and is amended by:

   (a) deleting and replacing the words "borrow money" with the words "authorize the borrowing of money";

   (b) deleting and replacing the words "any two members of the Board of Directors who are authorized signing officers under By-law 15.5 or by any one of such members and the President" with the words "such person or persons as designated by the Board of Directors by resolution from time to time to such extent and in such manner as the Board may determine at the time of such designation."

6. By-law 15.8 is renumbered 15.7.

7. By-law 15.9 is renumbered 15.8 and is amended by deleting the words "under the direction of a sub-committee of the Board of Directors, consisting of the Chair, the Vice-Chair and the President."

8. By-law 15.10 is renumbered 15.9 and is repealed and replaced by:

   "**15.9.** The Board of Directors may authorize deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed in the name of the Association by any two officers or employees of the Association from time to time authorized to do so by resolution of the Board of Directors."

9. By-law 15.11 is renumbered 15.10 and is amended by:

   (a) changing the reference to By-law 15.7 is changed to 15.6; and

   (b) deleting and replacing the words "by any two members of the Executive Committee of the Board of Directors provided that one of such members is the Chair, Vice-Chair or President, or by any other person or persons as may be authorized by the Board of Directors." with the words "by person or persons authorized by a resolution of the Board of Directors."

PASSED AND ENACTED BY THE Board of Directors this 26th day of October 2005, to be effective on a date to be determined by Association staff.

ATTACHMENT II

BY-LAW NO. 15
ASSOCIATION ACCOUNTS AND FUNDS AND EXECUTION OF INSTRUMENTS
Black Lined Copy

15.1. The fiscal year of the Association shall terminate on the 31st day of March in each year.

15.2. The President shall cause to be prepared and submitted to the Board of Directors for approval ~~on or before the 31st day of March~~ in each fiscal year a budget setting forth the estimated receipts and expenditures of the Association for the ensuing fiscal year together with such financial proposals as the Executive Committee may deem desirable.

15.3. The President or such other ~~officer~~s designated by the Board of Directors pursuant to By-law 15.5 ~~shall be the custodian of the funds of the Association, and~~ shall cause to be deposited to the credit of the Association in a chartered bank or a trust company approved as indicated in By-law 15.4 all moneys received. Such persons ~~officer~~ shall keep proper books of account and shall exhibit ~~them~~them at all reasonable times to any member of the Board of Directors. A proper voucher shall be obtained for every expenditure made on behalf of the Association.

15.4. The Association may transact its banking business with and keep one or more bank accounts at any office or offices of any one or more chartered banks and/or trust companies in Canada (hereinafter called the "Bank") approved by the Board of Directors.

15.5. Subject to By-law 15.6, all cheques and ~~other~~ orders for the payment of money ~~up to~~ and other instruments or instructions necessary or desirable in connection with the banking business and accounts approved in accordance with By-law 15.4 may be signed, given or authorized by such person or persons as designated by the Board of Directors by resolution from time to time to such extent and in such manner as the Board may determine at the time of such designation. ~~including the sum of $25,000 shall be signed in the name of the Association by any two of the Chair, the Vice Chair, any Chair, Vice Chair or Past Chair of a District Council, the President, Senior Vice Presdient, the Secretary, and any Vvice Ppresident or regional director of the Association, the Chair, Vice Chair or Past Chair of a District Council as authorized to do so by resolution of the Board of Directors (but without power to overdraw except as provided by By-law 15.7). Cheques and other orders for the payment of money over $25,000 shall be signed by~~

~~any two the President or a the Senior Vice President, Finance & Administration, and the Chair or Vice Chair, and any member of the Executive Committee with the exception of~~

~~(i) Payments to the Canadian Investor Protection Fund which shall be signed by one Association Vice President and any of the Chair, Vice Chair or President; and or~~
Any employee group benefit payment or payroll benefit related payment or

~~(ii) Rent payments or remittance to securities commissions of fees collected on their behalf which shall be signed as described in the first sentence of this By-law 15.5. which shall be signed by those designated in the first paragraph of by-law 15.5~~.

~~Any one of the said persons or any one of any persons from time to time designated in writing by the President or the , a Senior Vice President, Finance or the Secretary shall have power on behalf of the Association to negotiate with, deposit with or transfer to the Bank (but for the credit of the account of the Association only) all cheques and other orders for the payment of money and for such purpose to endorse the same or any of them on behalf of the Association, and from time to time to arrange, settle, balance and reconcile certify all books and accounts between the Association and the Bank, to receive all paid cheques and vouchers and to sign and deliver the Bank's form of settlement of balances and release. Any endorsement in the name of the Association by rubberstamp or otherwise shall be valid and binding.~~

~~15.6. The Association may keep a special bank account, to be designated "Special Imprest Bank Account", at any office of any chartered bank in Canada, in which there may be desposited from time to time to the credit of the Association sums not in excess of $10,000 in the aggregate and on which cheques may be drawn up to a maximum amount of $500 per cheque. Cheques upon the Special Imprest Bank Account may be signed in the name of the Association either as provided by By-law 15.5 or by any two of the following: President, Senior Vice Presidents, Secretary or anyVice President, Financial Compliance.~~

15.~~7~~6. The Board of Directors may from time to time (and either by way of overdrawing the Association's bank account or otherwise) authorize the borrowing of money on the credit of the Association up to but not exceeding fifty per cent of the principal amount of the securities for the time being constituting investments of the funds of the Association, and as security for any such borrowing may pledge any or all of such securities. ~~All promissory notes and other instruments necessary or desirable in connection with such borrowings and pledges shall be signed in the name of the Association by any two members of the~~

~~Board of Directors who are authorized signing officers under By-law 15.5 or by any one of such members and the President.~~All promissory notes and other instruments necessary or desirable in connection with such borrowings and pledges shall be signed in the name of the Association by such person or persons as designated by the Board of Directors by resolution from time to time to such extent and in such manner as the Board may determine at the time of such designation.

15.7~~8~~. The Board of Directors may from time to time authorize the investment of any funds of the Association in securities issued or guaranteed by a Canadian government with a single A or higher rating by any of Canadian Bond Rating Service, Dominion Bond Rating Service, Moody's Investors Service or Standard and Poor's Bond Rating Service and the sale of any such securities and the reinvestment of all or any part of the proceeds in any such securities. No individual security may have a term of more than ten years and the portfolio should have a balanced maturity schedule.

15.8~~9~~. The President or other officer designated under By-law 15.3 shall manage the funds of the ~~Association~~ Association.~~under the direction of a sub-committee of the Board of Directors, consisting of the Chair, the Vice-Chair and the President~~.

15.9~~10~~. ~~Subject to By-law 15.5, deeds, transfers, assignments, contracts, obligations, certificates and other instruments shall be signed in the name of the Association by any two of the Chair, and the Vice-Chair, the President, Senior Vice-Presidents, Secretary or any Vice-President or by any two the Chair, Vice-Chair or Past Chair s of the District Councils or by any one of the foregoing and one of the President and Secretary or by any two of the officers or employees of the Association from time to time authorized to do so by resolution of the Board of Directors.~~

The Board of Directors may authorize deeds, transfers, assignments, contracts, obligations, certificates and other instruments which shall be signed in the name of the Association by any two officers or employees of the Association from time to time authorized to do so by resolution of the Board of Directors.

15.~~1~~10~~1~~. Notwithstanding the provisions of By-law 15.6~~7~~, the Board of Directors may from time to time for and on behalf of the Association:

(i) obtain or provide letters of credit as security; or

(ii) otherwise guarantee the obligations; or

(iii) otherwise provide financial assistance or support, to, of or in respect of any person or organization, except Members, engaged in regulation, education, registration, operations, trading, customer protection or other participation in or in respect of the Canadian capital markets and the business of Members of the Association and, without limitation, such persons or organizations shall include the Canadian Investor Protection Fund, Market Regulation Services Inc., any stock exchange in Canada, The Canadian Depository for Securities Limited, the Canadian Securities Institute, the Canadian Capital Markets Association and any other such person or organization as may be determined by the Board of Directors. Any documents or instruments necessary or desirable in connection with the foregoing may be executed and delivered by or on behalf of the Association by ~~any~~ person or persons ~~two members of the Executive Committee of the Board of Directors provided that one of such members is the Chair, Vice-Chair or President, or by any other person or persons as may be~~ authorized by a resolution of the Board of Directors.

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