The Ontario Securities Commission

OSC Bulletin

February 3, 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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Table of Contents

Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

FEBRUARY 03, 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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THE COMMISSIONERS

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Paul K. Bates	—	PKB
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David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Mary Theresa McLeod	—	MTM
Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

February 8, 2006 2:00 p.m.	**Maitland Capital Ltd., Allen Grossman, Hanouch Ulfan, Leonard Waddingham, Ron Garner, Gord Valde, Marianne Hyacinthe, Diana Cassidy, Ron Catone, Steven Lanys, Roger McKenzie, Tom Mezinski, William Rouse and Jason Snow** s.127 & 127.1 D. Ferris in attendance for Staff Panel: TBA
February 21, 2006 2:30 p.m.	**Fulcrum Financial Group Inc., Secured Life Ventures Inc., Zephyr Alternative Power Inc., Troy Van Dyk and William L. Rogers** s. 127 and 127.1 G. Mackenzie in attendance for Staff Panel: TBA
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 and 3, 2006 10:00 a.m.	**Christopher Freeman** s. 127 and 127.1 P. Foy in attendance for Staff Panel: TBA

March 6-10, 2006 (except Tuesday) April 10-28, 2006 (except Tuesdays and not Good Friday April 14) May 1-12; 17-19; 24-26, 2006 (except Tuesdays) June 12-19; 26-30, 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
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
March 30, 2006 10:00 a.m.	**Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** S. 127 T. Hodgson in attendance for Staff Panel: TBA
April 3, 5 to 7, 2006 10:00 a.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
April 4, 2006 2:30 p.m.	
July 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
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** * Malone settled December 22, 2005
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 – Housekeeping Amendments to IDA By-laws 10.26, 10.27 and 10.28 – Member Regulation Oversight Committee and Additional Board Committees

THE INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)

HOUSEKEEPING AMENDMENTS TO IDA BY-LAWS 10.26, 10.27 AND 10.28 – MEMBER REGULATION OVERSIGHT COMMITTEE AND ADDITIONAL BOARD COMMITTEES

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved housekeeping amendments to IDA By-laws 10.26, 10.27 and 10.28 – *Member Regulation Oversight Committee and additional Board Committees.* The objective of the amendments is to establish the Member Regulation Oversight Committee and provide the Board of Directors with the ability to create other standing committees from time to time. In addition, the Autorité des marchés financiers approved, and the Alberta Securities Commission and the British Columbia Securities Commission did not object to the amendments. The description and a copy of the amendments are contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.1.3 Notice and Request for Comment – Material Amendments to CDS Rules Relating to Access to the Account Transfer Online Notification (ATON) Service

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

MATERIAL AMENDMENTS TO CDS RULES ACCESS TO THE ACCOUNT TRANSFER ONLINE NOTIFICATION (ATON) SERVICE

REQUEST FOR COMMENTS

The Ontario Securities Commission is publishing for a 30-day comment period the amendments filed by The Canadian Depository for Securities Limited (CDS) relating to Access to the Account Transfer Online Notification (ATON) Service. The description of the amendments is contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.1.4 Notice and Request for Comment – Material Amendments to CDS Rules Relating to Cross-Border Services – Regulation SHO

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

MATERIAL AMENDMENTS TO CDS RULES REGULATION SHO

REQUEST FOR COMMENTS

The Ontario Securities Commission is publishing for a 30-day comment period the amendments filed by The Canadian Depository for Securities Limited (CDS) relating to cross-border services – Regulation SHO. The description of the amendments is contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.1.5 Notice of Commission Approval – Repeal of CNQ Rule 10-105 – Risk Disclosure Statement

CANADIAN TRADING AND QUOTATION SYSTEM INC. (CNQ)

REPEAL OF RULE 10-105 – RISK DISCLOSURE STATEMENT

NOTICE OF COMMISSION APPROVAL

On January 24, 2006 the Commission approved the repeal of CNQ Rule 10-105 regarding the risk disclosure statement. The proposal to repeal Rule 10-105 was published for comment on August 12, 2005, at (2005) 28 OSCB 6793. Seven submissions were received during the comment period. A summary of the comments received and the responses of CNQ are published in Chapter 13 of this Bulletin.

1.2 Notices of Hearing

1.2.1 Maitland Capital Ltd. et al. - 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
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOUCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE and JASON SNOW

NOTICE OF HEARING
Sections 127 and 127(1)

WHEREAS on the 24th day of January, 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to paragraph 2 of subsection 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "*Act*") that all trading by Maitland Capital Ltd. ("Maitland") and its officers, directors, employees and/or agents in securities of Maitland shall cease (the "Temporary Order");

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 2 of subsection 127(1) of the *Act*, the Respondents cease trading in all securities;

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 3 of subsection 127(1) of the *Act*, any exemptions contained in Ontario securities law do not apply to the Respondents;

AND WHEREAS the Commission further ordered as part of the Temporary Order that, pursuant to paragraph 6 of subsection 127(1) of the *Act*, that the Temporary Order shall take effect immediately and shall expire on the fifteenth day after its making unless extended by the Commission;

TAKE NOTICE that the Commission will hold a hearing pursuant to section 127 of the *Securities Act*, at its offices at 20 Queen Street West, 17th Floor Hearing Room on Wednesday, the 8th day of February, 2006 at 2:00 p.m. or as soon thereafter as the hearing can be held as to consider whether, pursuant to s. 127 and s. 127.1 of the *Act*, it is in the public interest for the Commission:

(1) to extend the Temporary Order made January 24, 2006 until the conclusion of the hearing, pursuant to s. 127(7);

(2) at the conclusion of the hearing, to make an order pursuant to paragraph 2 of s. 127(1) that trading in

the securities of Maitland cease until further order by this Commission;

(3) at the conclusion of the hearing, to make an order against any or all of the Respondents that:

(a) trading in any securities of or by the Respondents cease permanently or for such period as is specified by the Commission, pursuant to paragraph 2 of s. 127 (1);

(b) any exemptions contained in Ontario securities law do not apply to the Respondents permanently or for such period as is specified by the Commission, pursuant to paragraph 3 of s. 127(1);

(c) the Respondents be reprimanded, pursuant to paragraph 6 of s. 127(1);

(d) the Respondents pay an administrative penalty for failing to comply with Ontario securities law, pursuant to paragraph 9 of s. 127(1);

(e) the Respondents disgorge to the Commission any amounts obtained as a result of non-compliance with Ontario securities law, pursuant to paragraph 10 of s. 127(1); and

(f) the Respondents be ordered to pay the costs of the Commission investigation and hearing, pursuant to s. 127.1; and

(4) to make such further orders as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations dated January 24, 2006 and such further additional allegations as counsel may advise and the Commission may permit;

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

AND TAKE FURTHER NOTICE that upon failure of any party to attend at the time and place aforesaid, the hearing may proceed in the absence of that party and such party is not entitled to any further notice of the proceeding.

DATED at Toronto this 24th day of January, 2006.

"John P. 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
MAITLAND CAPITAL LTD., ALLEN GROSSMAN, HANOUCH ULFAN, LEONARD WADDINGHAM, RON GARNER, GORD VALDE, MARIANNE HYACINTHE, DIANA CASSIDY, RON CATONE, STEVEN LANYS, ROGER MCKENZIE, TOM MEZINSKI, WILLIAM ROUSE and JASON SNOW

STATEMENT OF ALLEGATIONS
OF STAFF OF THE
ONTARIO SECURITIES COMMISSION

Staff of the Ontario Securities Commission (the "Commission") make the following allegations:

THE PARTIES

1. Maitland Capital Ltd. ("Maitland") is an Ontario corporation incorporated on November 2, 2004. Maitland is not registered in any capacity with the Commission.

2. The president and director of Maitland is Allen Grossman of Toronto, Ontario. Allen Grossman is not registered in any capacity with the Commission.

3. The secretary-treasurer of Maitland is Hanouch Ulfan. Hanouch Ulfan is not currently registered with the Commission.

4. The balance of the individual respondents were employed by or acted as agents for Maitland and acted as salespersons for Maitland shares.

SALE OF SHARES TO THE PUBLIC

5. On or about December 30, 2004, Maitland filed a form 45-103F4 – Report of Exempt Distribution ("Form F4") with the Commission relating to the distribution of common shares of Maitland to 73 investors in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia and the Northwest Territories.

6. The Form F4 did not list or disclose any commissions or finder's fees paid in connection with the distribution of Maitland shares.

7. Since November 2004, Maitland, through its officers, directors, employees and/or agents including the individual respondents, has continued selling Maitland shares to residents of Ontario and elsewhere.

8. In selling the Maitland shares to Ontario residents, Maitland has relied upon the exemption for selling securities to accredited investors contained in OSC Rule 45-501 in circumstances where the exemption contained therein is not available.

9. The individual respondents (except Allen Grossman and Hanouch Ulfan) acted as salespersons or investor relation representatives for Maitland shares and received a 17% commission on the sale of Maitland shares which they sold.

10. The trades in Maitland shares are trades in securities not previously issued and are therefore distributions. No prospectus receipt has been issued to qualify the sale of Maitland shares.

11. Maitland and its representatives including the individual respondents made representations regarding the future value of Maitland shares and representations regarding Maitland being listed on a stock exchange with the intention of effecting trades in Maitland shares.

RELATED PROCEEDINGS

12. On July 22, 2005, the Saskatchewan Financial Services Commission (the "SFSC") issued a temporary cease trade order against Maitland, Al Grossman and Steven Lanys on the basis that the respondents traded in securities of Maitland in Saskatchewan when they were not registered and when no receipt for prospectus had been issued with respect to these securities.

13. On August 8, 2005, the SFSC extended the SFSC temporary cease trade order and this order remains in effect.

14. Maitland, Al Grossman and Steven Lanys are all subject to the SFSC cease trade order dated July 22, 2005.

15. On November 8, 2005, the Alberta Securities Commission (the "ASC") issued a temporary cease trade order against Maitland, Al Grossman, Gail Rubin, Jack Elliot, William Rouse, Ralph Jay, Jason Snow, Rick Blaine, Robert Thorne, Ron Gardner, Jack Travin, Tom Mezinski, Ron Catone, Robert Sinclair and Dianna Cassidy on the basis that ASC Staff had established a *prima facie* case that Maitland and the individual respondents breached Alberta securities law.

16. On November 21, 2005, the ASC extended the ASC cease trade order and this order remains in effect.

17. Maitland, Grossman, William Rouse, Jason Snow, Ron Garner, Tom Mezinski, Ron Catone and Diana Cassidy are all currently subject to the ASC cease trade order dated November 8, 2005.

CONDUCT CONTRARY TO THE PUBLIC INTEREST

18. Maitland and its representatives including the individual respondents, have made misleading misrepresentations to investors, including representations regarding the future listing and future value of Maitland shares with the intention of effecting sales of Maitland shares contrary to s. 38 of the *Securities Act* and contrary to the public interest.

19. Maitland and the individual respondents are not registered with the Commission in any capacity. The respondents have traded in securities contrary to s. 25 of the *Securities Act* and contrary to the public interest.

20. No prospectus receipt has been issued to qualify the sale of Maitland shares contrary to s. 53 of the *Securities Act* and contrary to the public interest.

21. As officers and directors of Maitland, Grossman and Ulfan have authorized, permitted or acquiesced in breaches of s. 25, s. 38 and s. 53 of the *Securities Act* by Maitland and its representatives including the individual respondents and in doing so have engaged in conduct contrary to the public interest.

22. Such additional allegations as Staff may advise and the Commission may permit.

Dated at Toronto this 24th day of January, 2006

1.3 News Releases

1.3.1 Dealers Agree to Return Portus Referral Fees to Investors

FOR IMMEDIATE RELEASE
January 31, 2006

DEALERS AGREE TO RETURN
PORTUS REFERRAL FEES TO INVESTORS

TORONTO – Investment and mutual fund dealers contacted by regulators have agreed to a plan that will see more than $12 million in client referral fees returned to Portus investors by May 31, 2006. On January 13, 2006, the Ontario Securities Commission (OSC), the Mutual Fund Dealers Association of Canada (MFDA) and the Investment Dealers Association of Canada (IDA) asked the dealers to voluntarily agree to terms and conditions that require the reimbursement to investors.

The terms and conditions also require the participation in regulatory studies relating to referral fee arrangements and the adoption and compliance with practices, policies and procedures that reflect the findings of the studies.

A total of 57 Ontario-registered dealers received letters from the regulators and agreed to the plan that was included in the terms and conditions, which will be applied to the dealers' registration with the OSC. A list of the participating dealers is attached as "Appendix A".

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"Appendix A"

1. Aegon Dealer Services Canada Inc.
2. Altimum Mutuals Inc.
3. Argosy Securities Inc.
4. Armstrong & Quaile Associates Inc.
5. ASL Direct Inc.
6. AXA Financial Services Inc.
7. Berkshire Investment Group Inc.
8. Berkshire Securities Inc.
9. Blueprint Investment Corp.
10. Brownstone Investment Planning
11. Burgeonvest Securities Limited
12. Candor Financial Group Inc.
13. Canfin Magellan Investments Inc.
14. Doheny Securities Limited
15. Equity Associates Inc.
16. Excel Financial Growth Inc.
17. Family Investment Planning Inc.
18. Farm Mutual Financial Services Inc.
19. Fundex Investments Inc.
20. Fundtrade Financial Corp.
21. Global Maxfin Investments Inc.
22. GP Capital Corporation
23. Independent Accountants' Investment Group
24. Info Financial Consulting Group Inc.
25. Interglobe Financial Services Corp.
26. International Capital Management Inc.
27. Investia Financial Services Inc.
28. IPC Investment Corporation
29. IQON Financial Inc.*
30. Keybase Financial Group Inc.
31. Legacy Associates Inc.
32. Levine Financial Group Inc.
33. Manulife Securities International Ltd.*
34. Merchant Capital Wealth Management Corp.*
35. Meta Financial Management Ltd.
36. Monarch Wealth and Investment Group Inc.
37. Odyssey Capital Corporation
38. Olympian Financial Inc.
39. Partners In Planning Financial Services Ltd.
40. Peak Investment Services Inc.*
41. Planmar Financial Corp.
42. Polyfunds Investment Inc.
43. Portfolio Strategies Corporation
44. Professional Investments (Kingston) Inc.
45. Quadrus Investment Services Ltd
46. Queensbury Securities Inc.
47. Queensbury Strategies Inc.
48. Target Investment Planners Inc.
49. Ten Star Financial Inc.
50. The Investment House of Canada Inc.
51. Value Investment Planning Centre Inc.
52. W.H. Stuart Mutuals Ltd.
53. Wellington West Capital Inc.
54. Wellington West Financial Services Inc.
55. WFG Securities of Canada Inc.
56. Worldsource Financial Management Inc.
57. Y.I.S. Financial Inc.

* Note the following variances from the terms and conditions that had been published with the OSC's January 13, 2006, media release. The specific

terms and conditions that apply to each dealer are available on the OSC's web site: (www.osc.gov.on.ca).

- For IQON Financial Inc., Manulife Securities International Ltd. and Peak Investment Services Inc., the financial reimbursement requirements do not apply as these dealers have already made arrangements to return fees to their investors.

- For Merchant Capital Wealth Management Corp., the requirements to participate in industry studies and to implement procedures regarding referral arrangements do not apply as Merchant is in the process of winding down its operations.

1.3.2 OSC Seeks Court Approval to Extend Freeze Orders on Accounts of Martin Tremblay

FOR IMMEDIATE RELEASE
January 31, 2006

OSC SEEKS COURT APPROVAL TO EXTEND FREEZE ORDERS ON ACCOUNTS OF MARTIN TREMBLAY

TORONTO – At an appearance before the Ontario Superior Court of Justice to be heard at 9:30 a.m. on February 1, 2006, the Ontario Securities Commission (OSC) will seek a court order to continue the Directions issued by the OSC to Research Capital and Jones Gable directing the two financial institutions to retain the funds, securities or property held in accounts in the name of or otherwise under the control of Martin Tremblay. The OSC is investigating trading in the Tremblay accounts.

Copies of the Directions issued by the OSC orders on January 25 and 26, 2006, are available on the OSC's web site (**www.osc.gov.on.ca**).

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1.4 Notices from the Office of the Secretary

1.4.1 Martin Tremblay

FOR IMMEDIATE RELEASE
January 26, 2006

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

AND

IN THE MATTER OF
MARTIN TREMBLAY

TORONTO – The Ontario Securities Commission announced today that on January 25, 2006 the Commission issued a Direction pursuant to s. 126 of the *Securities Act* freezing accounts held at Research Capital in the name of Martin Tremblay and a number of companies related to Mr. Tremblay, including Dominion Investments. In accordance with s. 126(5) of the Act, the Commission will appear before the Ontario Superior Court no later than February 1, 2006 to seek the Court's approval to continue the Direction.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.2 Martin Tremblay

FOR IMMEDIATE RELEASE
January 27, 2006

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

AND

IN THE MATTER OF
MARTIN TREMBLAY

TORONTO – The Ontario Securities Commission announced today that on January 26, 2006 the Commission issued a Direction pursuant to s. 126 of the *Securities Act* freezing accounts held at Jones Gable in the name of Martin Tremblay and in his related account known as Kenneth W. Salomon Investment Funds Ltd. In accordance with s. 126(5) of the Act, the Commission will appear before the Ontario Superior Court no later than February 1, 2006 to seek the Court's approval to continue the Direction.

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

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1.4.3 Xplore Technologies Corp.

FOR IMMEDIATE RELEASE
January 27, 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 Commission issued an Order approving the settlement agreement reached between Staff of the Commission and Xplore Technologies Corp. today.

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

OFFICE OF THE SECRETARY
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1.4.4 Firestar Capital Management Corp. et al.

FOR IMMEDIATE RELEASE
January 30, 2006

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

AND

IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON

TORONTO – The Commission issued today a Temporary Order in the above named matter continuing the existing Temporary Cease Trade Orders currently in place as against the Respondents to July 31, 2006. The Commission also ordered that the hearing to consider whether to continue the Temporary Cease Trade Orders be adjourned to July 31, 2006.

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

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1.4.5 Maitland Capital Ltd. et al.

FOR IMMEDIATE RELEASE
January 30, 2006

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

AND

IN THE MATTER OF
MAITLAND CAPITAL LTD., ALLEN GROSSMAN,
HANOUCH ULFAN, LEONARD WADDINGHAM,
RON GARNER, GORD VALDE,
MARIANNE HYACINTHE,
DIANA CASSIDY, RON CATONE, STEVEN LANYS,
ROGER MCKENZIE, TOM MEZINSKI,
WILLIAM ROUSE and JASON SNOW

TORONTO – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on February 8, 2006 at 2:00 p.m. in the above noted matter.

A copy of the Notice of Hearing and the Statement of Allegations are available at **www.osc.gov.on.ca**.

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1.4.6 Philip Services Corp. et al.

FOR IMMEDIATE RELEASE
January 31, 2006

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

AND

IN THE MATTER OF
PHILIP SERVICES CORP.,
ALLEN FRACASSI, PHILIP FRACASSI,
MARVIN BOUGHTON, GRAHAM HOEY,
ROBERT WAXMAN
AND JOHN WOODCROFT

TORONTO – The Commission issued an Order today adjourning the commencement of the Hearing in the above noted matter to March 6, 2006.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 KHD Humboldt Wedag International Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – trades by an issuer to its shareholders in securities of another company that it owns (spin-off transaction) – the issuer will distribute the shares of the other company as a dividend to the issuer's shareholders – the other company is not a reporting issuer – the issuer has a de minimus connection to Canada – as a result of the transfer, the shareholders of the issuer will hold their interests in the subsidiary directly as opposed to indirectly through their shareholders of the issuer – relief from prospectus and dealer registration requirements for distribution to Canadian shareholders and for resale of shares.

Applicable Ontario Statutory Provisions

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

Applicable National Instrument

National Instrument 45-106 Prospectus and Registration Exemptions.

January 4, 2006

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

AND

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

AND

IN THE MATTER OF
KHD HUMBOLDT WEDAG INTERNATIONAL LTD. (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 prospectus and dealer registration requirements for its proposed distribution of Class A common shares (the Sutton Park Shares) of Sutton Park International Ltd. (Sutton Park) to holders of shares of common stock of the Filer (the KHD Shareholders) resident in Canada by way of pro rata dividend in kind (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

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 British Columbia corporation with its head office in Hong Kong;

2. the Filer is a reporting issuer in British Columbia, Alberta and Québec and is not in default of the Legislation in those jurisdictions;

3. KHD operates two business segments: (1) industrial and engineering services and (2) financial services;

4. KHD is currently realigning its business to focus on expanding its industrial and engineering services and to align the financial services segment to compliment the industrial and engineering segment;

5. as part of its realignment, the Filer intends to spin-off its wholly-owned subsidiary, Sutton Park;

6. Sutton Park is a Barbados corporation, is not a reporting issuer in Canada and has no intention of becoming a reporting issuer in Canada;

7. the common shares of KHD (the KHD Shares) are listed on the NASDAQ National Market (the NASDAQ);

8. as of December 21, 2005, to the best of the Filer's information, the Filer's registered and beneficial shareholders resident in Canada hold approximately 167,321 KHD Shares, constituting less than 1.3 % of the approximately 13,629,935 outstanding KHD Shares (after KHD Shares held by affiliates are cancelled);

9. the Filer intends to distribute all of the outstanding Sutton Park Shares to KHD Shareholders on a pro rata basis (the Spin-Off) using the following steps:

   (a) the Filer will transfer approximately twenty-one of its subsidiaries, which are involved or related to financial services and not complimentary to the Filer's industrial and engineering business, to Sutton Park,

   (b) the capital of Sutton Park will be altered to create the Sutton Park Shares and Class A preferred shares (the Preferred Shares),

   (c) the Filer will exchange its common shares in Sutton Park for the Preferred Shares and the Sutton Park Shares,

   (d) the Filer will declare a dividend payable to the KHD Shareholders payable by distribution of the Sutton Park Shares that the Filer received on the exchange, and

   (e) as a result of the distribution, each KHD Shareholder will receive one Sutton Park Share for each KHD Share held by such shareholder;

10. KHD Shareholders will not be required to pay for Sutton Park Shares they receive in the Spin-Off, to surrender or exchange their KHD Shares, or to take any other action in connection with the Spin-Off;

11. after the Spin-Off, KHD Shares will continue to be listed and traded on the NASDAQ and Sutton Park will apply to be listed and traded on the Cayman Islands Stock Exchange or other acceptable exchange or market;

12. Sutton Park does not intend to list its shares on any stock exchange in Canada or to become a reporting issuer in any jurisdiction in Canada;

13. the dividend and Spin-Off will be effected in compliance with the corporate laws of British Columbia;

14. the Filer will prepare an information circular that will contain information substantially similar to that information which would be made available to shareholders in a proxy or information statement, complying with Schedule 14A or 14C of the 1934 Act, describing the Spin-Off and Sutton Park (the Information Statement);

15. KHD Shareholders will receive a copy of the Information Statement;

16. shareholder approval of the proposed Spin-Off is not required under the laws of British Columbia;

17. there are no exemptions available to distribute the Sutton Park Shares under the Spin-Off because Sutton Park is not a reporting issuer in any Jurisdiction;

18. the Filer will send all materials relating to the Spin-Off and the dividend that it sends in the United States (including the Information Statement) to the KHD Shareholders resident in Canada at the same time; and

19. following the Spin-Off, Sutton Park will send to its shareholders the disclosure materials required under Barbados law and the rules of the Cayman Islands Stock Exchange, which include audited annual financial statements, annual reports by the directors on the operations of Sutton Park, interim reports with financial statements in respect of the first six months of Sutton Park's financial year and other continuous disclosures, or the rules of another acceptable exchange or market.

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 first trade of Sutton Park Shares acquired under this decision is deemed to be a distribution or primary distribution to the public under the Legislation of the Jurisdiction in which the trade takes place unless the conditions in section 2.6(3) or, in Manitoba, section 2.14, of National Instrument 45-102 *Resale of Securities* are satisfied.

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

2.1.2 Adams Harkness, Inc. - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities Commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

January 24, 2006

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

AND

IN THE MATTER OF
ADAMS HARKNESS, INC.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and section 6.1 of Rule 13-502 Fees)

UPON the Director having received the application of Adams Harkness, Inc. (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (**MI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) in respect of this discretionary relief;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the **Commission**);

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is organized under the laws of the State of Delaware in the United States of America. The Applicant is not a reporting issuer in any province or territory of Canada. The Applicant is seeking registration under the Act as an international dealer. The head office of the Applicant is located in Boston, Massachusetts.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (**electronic funds transfer requirement** or, the **EFT Requirement**).

3. The Applicant anticipates encountering difficulties in setting up its own Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it does not intend to register in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

"David M. Gilkes"

2.1.3 Goldman Sachs Execution & Clearing, L.P. - s. 7.1(1) of MI 33-109 Registration Information

Headnote

Application pursuant to section 7.1 of MI 33-109 that the Applicant be relieved from the Form 33-109F requirements in respect of certain of its nominal officers. The exempted officers are without significant authority over any part of the Applicant's operations and have no connection with its Ontario operation. The Applicant is still required to submit 33-109 F4's on behalf of its directing minds, who are certain "Executive Officers" and its Registered Individuals which are those officers involved in the Ontario business activities.

Statutes Cited

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

Rules Cited

Multilateral Instrument 33-109 - Registration Information.

January 24, 2006

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

AND

IN THE MATTER OF
GOLDMAN SACHS EXECUTION & CLEARING, L.P.

DECISION
(Subsection 7.1(1) of Multilateral Instrument 33-109)

UPON the application (the **Application)** of Goldman Sachs Execution & Clearing, L.P. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) pursuant to section 7.1 of Multilateral Instrument 33-109 -- *Registration Information* (**MI 33-109**) for an exemption from the requirement in subsection 2.1(c) and section 3.3 of MI 33-109 that the Applicant submit a completed Form 33-109F4 for all Non-Registered Individuals of the Applicant in connection with the Applicant's registration as a dealer in the category of a limited market dealer (**LMD**);

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

AND UPON the Applicant having represented to the Director that:

1. The Applicant is a limited partnership governed by the laws of the State of New York of the United States of America and is indirectly wholly-owned by The Goldman Sachs Group, Inc. The head office of the Applicant is located in Jersey City, New Jersey.

2. The Applicant is registered under the Ontario *Securities Act* (the **Act)** as an international dealer and intends to maintain such registration. The Applicant is also registered as a broker-dealer with the U.S. Securities and Exchange Commission and in all of the states in the United States and is a member of the NASD, the New York Stock Exchange, Inc. and all other major United States securities and futures exchanges.

3. The Applicant has applied to the Commission for registration under the Act as a dealer in the category of a LMD.

4. The Applicant provides trade execution and clearing services to its clients in respect of securities traded on exchanges and other marketplaces throughout the world.

5. Pursuant to MI 33-109, a LMD is required to submit, in accordance with Multilateral Instrument 31-102 -- *National Registration Database* (**MI 31-102**), a completed Form 33-109F4 for each Non-Registered Individual of the Applicant, including all officers who have not applied to become Registered Individuals of the Applicant under subsection 2.2(1) of MI 33-109.

6. Of the Applicant's approximately 123 officers, not more than 9 will be involved in the Applicant's trading activities in Ontario. All officers, and any new officers, who become involved in trading securities in Ontario on behalf of the Applicant, will register as Registered Individuals in accordance with the registration requirement under section 25(1) of the Act and the requirements of MI 31-102, by submitting a Form 33-109F4 completed with all the information required for a Registered Individual.

7. Other than the Executive Officers (as defined below), the Applicant's remaining officers would not reasonably be considered to be senior officers of the Applicant from a functional point of view. These officers (the **Nominal Officers**) have the title "vice president" or a similar title but are not in charge of a principal business unit, division or function of the Applicant and, in any event, will not be involved in or have oversight of the Applicant's dealer activities in Ontario. As disclosed on the Applicant's Form BD filed with the U.S. Securities and Exchange Commission, the Applicant's executive officers include the following: Chief Executive Officer, Chief Financial Officer, Co-Chief Operating Officers, Co-Chief Compliance Officers and Registered Options Principal (the **Executive Officers**).

8. The Applicant is a limited partnership and as such does not have any directors. It is managed primarily by its Executive Officers and other employees.

9. The Applicant will designate an officer who is registered with the Commission, as the compliance officer (the **Designated Compliance Officer**) who will monitor and supervise the Ontario trading activities of the Applicant and will be responsible for compliance with Ontario securities law and any conditions of the Applicant's registration as a LMD in Ontario.

10. The Applicant will submit a Form 33-109F4 for each of the Executive Officers completed with all the information required for a Non-Registered Individual.

11. The Applicant will also submit a Form 33-109F4 for the Designated Compliance Officer.

12. The Applicant seeks relief from the requirement to submit Form 33-109F4's for its Nominal Officers.

13. In the absence of the requested exemption, subsection 2.1(c) of MI 33-109 would require that in conjunction with its LMD registration, the Applicant submit a completed Form 33-109F4 for each of its Non-Registered Individuals, which would include its nearly 107 Nominal Officers. These individual registrations would also need to be monitored on a constant basis to ensure that notices of change were submitted in accordance with the requirements of section 5.1 of MI 33-109 and that all information was kept current. Given the limited scope of the Applicant's activities in Ontario and the number of Nominal Officers, none of whom will have any involvement in the Applicant's Ontario activities, the preparation and filing of Form 33-109F4's on behalf on each Nominal Officer would achieve no regulatory purpose, while imposing an unwarranted administrative and compliance burden on the Applicant and the Commission.

AND WHEREAS the Director is **s**atisfied that it would not be prejudicial to the public interest to make the requested Order on the basis of the terms and conditions proposed,

IT IS ORDERED pursuant to section 7.1 of MI 33-109 that the Applicant is exempt from the requirement in subsection 2.1(c) of MI 33-109 and section 3.3 of MI 33-109 to submit a completed Form 33-109F4 for each of its Non-Registered Individuals who are Nominal Officers not involved in its Ontario business, provided that at no time will the Nominal Officers include any Executive Officer or Designated Compliance Officer, or other officer who will be involved in, or have oversight of, the Applicant's activities in Ontario in any capacity.

"David M. Gilkes"

2.1.4 Wellington West Capital Inc. and Wellington West Asset Management Inc. - MRRS Decision

Headnote

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

Applicable Ontario Statutory Provisions

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

January 20, 2006

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

AND

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

AND

IN THE MATTER OF
WELLINGTON WEST CAPITAL INC.
AND
WELLINGTON WEST ASSET MANAGEMENT INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from Wellington West Capital Inc. ("Wellington West") and, in British Columbia, Wellington West Asset Management ("WWAM") (collectively, the "Filer") for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the requirements of the Legislation:

(a) except in Ontario, to be registered as an adviser for certain foreign portfolio and Canadian portfolio managers (the "Sub-Advisers") who provide investment counseling and/or portfolio management services to client accounts ("Managed Accounts") of Wellington West or WWAM in which the investment decisions are made on a continuing basis by Wellington West or WWAM, or by a Sub-Adviser hired by the Wellington West or WWAM, for the benefit of the Participating Clients (as defined below) who are resident in the Jurisdictions where the Sub-Advisers are not registered (the "Registration Relief");

(b) that a registered dealer send to its clients a written confirmation of any trade in securities for transactions that the Filer conducts on behalf of Participating Clients (as defined below) with respect to transactions under the managed account program of the Filer (the "Confirmation Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) The Manitoba 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* has the same meaning in this decision unless they are otherwise defined in this decision.

Representations

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

1. Wellington West is registered under the Legislation as an investment dealer, or equivalent, and is a member of the Investment Dealers Association of Canada (the "IDA") and has its head office in Winnipeg, Manitoba.

2. WWAM is registered under the *Securities Act* (British Columbia) as a portfolio manager. The Filer currently owns 49% of the voting shares of WWAM and 60% of the participating shares of WWAM, with rights to acquire 100% of the voting and participating shares of WWAM upon the occurrence of certain events;

3. Wellington West is permitted to have Managed Accounts by virtue of being a member of the IDA and WWAM is permitted to have Managed Accounts by virtue of its registration as a portfolio manager.

4. The Managed Accounts will be "managed accounts" as defined under Regulation 1300 of the IDA and the Filer will comply with applicable

IDA requirements with respect to managed accounts.

5. The Filer intends to offer the investment counseling and portfolio management services of Sub-Advisers to clients (the "Participating Clients") who wish to have exposure to capital markets located in a jurisdiction in which the Sub-Advisers are resident or otherwise wish to benefit from the portfolio management services of the Sub-Advisers.

6. Each Sub-Adviser is or will be registered as investment counsel or portfolio manager in a Canadian jurisdiction or otherwise licensed or qualified to provide investment counseling and portfolio management services in the foreign jurisdiction where its head office is located. Certain of the Sub-Advisers may also be subsidiaries or associates of the Filer.

7. Each Sub-Adviser provides investment counseling and portfolio management services to clients resident in the jurisdiction where its head office is located and in other jurisdictions where it is registered or otherwise qualified to provide such services.

8. Each Participating Client will enter into an investment management agreement ("IMA") with Wellington West or WWAM pursuant to which:

   (a) the Participating Client grants full discretionary authority to Wellington West or WWAM to make investment decisions and to trade in securities on behalf of the Participating Client without obtaining the specific consent of the Participating Client to individual trades, and authorizes Wellington West or WWAM to delegate its discretionary authority over all or a portion of the Participating Client's assets to the Sub-Advisers;

   (b) the Participating Client will agree to pay a flat annual fee and an annual fee calculated on the basis of the assets in the Participating Client's account, which is payable monthly or quarterly in arrears, and is not based on transactions effected in the Participating Client's account; and

   (c) unless otherwise requested, the Participating Client waives receipt of trade confirmation as required under the Legislation.

9. Wellington West or WWAM will enter into an agreement with each Sub-Adviser which will set out the obligations and duties of each party in connection with the investment counseling and portfolio management services provided to each Participating Client and under which the Sub-Adviser will agree to act as sub-adviser to the Filer for the benefit of Participating Clients. Each Sub-Adviser will exercise discretionary authority over the assets of the Participating Clients who wish to have exposure to capital markets located in jurisdictions in which such Sub-Adviser has experience and expertise.

10. Wellington West or WWAM will:

   (a) make inquiries with each Participating Client to learn the essential facts about each Participating Client, to determine the general investment needs and objectives of, the appropriateness of the recommendations made to and the suitability of proposed transactions for the Participating Client, and to otherwise comply with the "know your client" obligations under the Legislation, and will provide the information to each Sub-Adviser who exercises discretionary authority over the assets of a Participating Client.

   (b) send to each Participating Client quarterly statements and performance reports prepared by the Filer.

11. Wellington West or WWAM will agree under any IMA it enters into to be responsible for any loss that arises out of the failure of a Sub-Adviser:

   (a) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Filer and the Participating Client for whose benefit the investment advice is, or portfolio management services are, to be provided, or

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

   and acknowledges that it cannot be relieved by Participating Clients from this responsibility (collectively, the "Assumed Obligations").

12. A Participating Client will obtain all advice and give all instructions through the Filer with which they have entered into an IMA.

13. If there is any direct contact between a Participating Client and a Sub-Adviser, a registered representative of the Filer registered in the Jurisdiction where the Participating Client is resident will be present at all times, either in person or by telephone and, the Participating Client and a Sub-Adviser will not meet in person without such registered representative of the Filer.

14. The Sub-Advisers will not have any contact with Participating Clients, except that:

    (a) from time to time, written reports prepared by the Sub-Adviser containing commentary on markets in which they have experience may be delivered by the Filer to Participating Clients; and

    (b) from time to time individuals who are investment counsel or portfolio managers, or equivalent, who are officers or employees of the Sub-Advisers may conduct presentations or seminars in the Jurisdictions regarding the status of the economies and capital markets in the jurisdictions where they are authorized to carry on business; in such cases, a registered representative of the Filer will be present at all times and such presentations will be limited to Participating Clients.

15. Each Sub-Adviser would be considered to be an "adviser" under the Legislation and, in the absence of the Registration Relief, would be subject to the registration requirement under the Legislation.

16. Sub-Advisers who are not registered in Ontario are not required to register as advisers under the *Securities Act* (Ontario) as they rely on the exemption from registration in section 7.3 of Ontario Securities Commission Rule 35-502 *Non-Resident Advisers*.

17. The Filer will send each Participating Client in its managed account program who has waived receipt of trade confirmations, a statement of account not less than monthly.

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

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

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

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

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

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

19. The Filer will maintain the Omitted Information with respect to a Participating Client in its books and records and will make the Omitted Information available to the Participating Client upon request.

Decision

Each of the Decision Makers is satisfied that the test under 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:

(a) except in Ontario, the Registration Relief be granted, provided that:

    (i) the obligations and duties of the Sub-Adviser are set out in a written agreement between the Sub-Adviser and Wellington West or WWAM;

    (ii) Wellington West or WWAM contractually agrees with Participating Clients to be responsible for any loss that arises out of the Sub-Adviser's failure:

        (A) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Wellington West or WWAM and the Participating Client for whose benefit the investment advice is, or portfolio manage-ent services are, to be provided, or

        (B) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circum-tances;

    (iii) neither Wellington West nor WWAM is relieved by the Participating Client from its responsibility for loss under paragraph (ii) above;

    (iv) each Sub-Adviser that is not resident in Canada will be licensed or otherwise legally permitted to provide investment advice and portfolio management

services under the applicable laws of the jurisdiction in which it resides;

(v) each Sub-Adviser, if resident in a jurisdiction of Canada, is registered as an adviser in such jurisdiction; and

(vi) in Manitoba, the Registration Relief is available only to Sub-Advisers who are not registered in any Canadian jurisdiction; and

(b) The Confirmation Relief is granted provided that:

(i) the Participating Client has previously informed the Filer that the Participating Client does not wish to receive trade confirmations for the Participating Client's Managed Account;

(ii) in the case of each trade for a Managed Account, the Filer sends to the Participating Client the corresponding statement of account that includes the information referred to in paragraph 18 above.

"Chris Besko"
Deputy Director – Legal and Enforcement
Manitoba Securities Commission

2.1.5 CI Investments Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemptive relief granted to allow new mutual funds to be created pursuant to conversions, to use Start Date and Financial Data of predecessor funds for the purposes of Items 5(b), 8, 11, and 13 of Part B of Form 81-101F1 and for the purposes of Part 15 of National Instrument 81-102.

Exemptive relief also granted from the prohibitions in section 3.1 and section 3.2 of National Instrument 81-102 in respect of the $150,000 seed money required when establishing a new mutual fund.

Rules Cited

National Instrument 81-102 - Mutual Funds, ss. 3.1, 3.2, 9.1, and Part 15.

September 28, 2005

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

AND

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

AND

IN THE MATTER OF
CI INVESTMENTS INC.
AND
SYNERGY CANADIAN STYLE MANAGEMENT CORPORATE CLASS,
SYNERGY CANADIAN EQUITY CORPORATE CLASS,
AND
SIGNATURE CANADIAN SMALL CAP CORPORATE CLASS
(collectively, the "Funds")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from CI Investments Inc. (CI or the Filer), the manager of the Funds for a decision under the securities legislation of the Jurisdictions (the Legislation):

1. providing that for the purposes of:

   (a) Items 5(b) (Date the mutual fund was started), 8 (Top Ten Holdings), 11 (Past Performance) and 13 (Financial Highlights) of Part B of Form 81-101F1, and

   (b) Section 15 (Sales Communications and Prohibited Representations) of National Instrument 81-102 ("NI 81-102") ,

   the date which is considered to be:

   (c) the inception of the mutual fund,

   (d) the time when the mutual fund first offered its securities under a prospectus, and

   (e) the date the mutual fund was started

(collectively, the "Start Date") of each class of shares of CI Corporate Class Limited ("CI Corporate") referred to below under the heading "Replacement Class" (each, a "Replacement Class") shall be the Start Date of the series of shares of Synergy Canadian Fund Inc. ("Synergy Canadian") identified below under the heading "Existing Series" (each, an "Existing Series") opposite the name of such Replacement Class:

Replacement Class	Existing Series
Synergy Canadian Style Management Corporate Class A Shares	Synergy Canadian Style Management Class A Shares
Synergy Canadian Style Management Corporate Class F Shares	Synergy Canadian Style Management Class F Shares
Synergy Canadian Style Management Corporate Class I Shares	Synergy Canadian Style Management Class I Shares
Synergy Canadian Equity Corporate Class A Shares	Synergy Canadian Class A Shares
Synergy Canadian Equity Corporate Class F Shares	Synergy Canadian Class F Shares
Synergy Canadian Equity Corporate Class I Shares	Synergy Canadian Class I Shares
Synergy Canadian Equity Corporate Class Insight Shares	Synergy Canadian Class Insight Shares
Signature Canadian Small Cap Corporate Class A Shares	Signature Canadian Small Cap Class A Shares
Signature Canadian Small Cap Corporate Class F Shares	Signature Canadian Small Cap Class F Shares
Signature Canadian Small Cap Corporate Class I Shares	Signature Canadian Small Cap Class I Shares

and that the Financial Data (as defined below) of each Replacement Class may incorporate the Financial Data of its corresponding Existing Series; and

2. exempting the Manager from the requirements set out in Section 3.1 and the prohibition in Section 3.2 of NI 81-102 in respect of the $150,000 seed money required when establishing a new mutual fund

(collectively, the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

1. Synergy Canadian is a mutual fund corporation subsisting under the laws of the Province of Ontario. Synergy Canadian offers multiple mutual funds to the public, using a multiple class structure, pursuant to a simplified prospectus and annual information form dated June 20, 2005, as amended from time to time, (collectively, the "Current Synergy Prospectus"). Three such mutual funds are the Synergy Canadian Style Management Class, Synergy Canadian Class and Signature Canadian Small Cap Class (collectively, the "Synergy Funds") of Synergy Canadian. The principal advantage to investors of the multiple class structure of Synergy Canadian is the ability of taxable investors to switch their investments between different mutual funds within Synergy

Canadian on a tax-deferred basis. For purposes of NI 81-102, the Manager is considered to be the manager of each mutual fund within Synergy Canadian, including the Synergy Funds.

2. Each Synergy Fund offers three Existing Series of shares designated as A, F and I which are referable to the same portfolio of securities held by the Synergy Fund. Synergy Canadian Class also offers a fourth Existing Series of shares, Insight shares. The principal difference between the different Existing Series of the same Synergy Fund relates to the allocation of expenses (primarily management fees) attributable to each Existing Series.

3. In order to provide investors in the Synergy Funds with a broader choice of mutual funds into which they may switch their assets on a tax-deferred basis, the Manager intends to convert each Synergy Fund into its corresponding Fund on a tax-deferred basis (collectively, the "Conversions"). Each Fund will be comprised of three or more classes of shares (i.e. certain Replacement Classes) of CI Corporate referable to the same portfolio of securities. Similar to Synergy Canadian, CI Corporate offers multiple mutual funds to the public using a multiple class structure. For purposes of NI 81-102, the Manager is considered to be the manager of each mutual fund within CI Corporate, including the Funds. CI Corporate currently offers to its shareholders the ability to switch between any of 42 mutual funds on a tax-deferred basis.

4. The Conversions of the Synergy Funds into the Funds are expected to be effected through an amalgamation involving Synergy Canadian and CI Corporate. Pursuant to the amalgamation, investors in each Existing Series of a Synergy Fund will receive shares of its corresponding Replacement Class in its Fund on a dollar-for-dollar basis. Shares of the Funds will not be available to new investors until after the Conversions have been completed.

5. The Conversions of the Synergy Funds into the Funds is subject to any necessary securityholder and regulatory approvals. Shareholders of Synergy Canadian will be asked to approve the amalgamation involving Synergy Canadian and CI Corporate at a special meeting of securityholders which has been tentatively scheduled for the second half of November, 2005.

6. Each Fund will be newly created for purposes of implementing the Conversions. Subject to receipt of the relief requested from Sections 3.1 and 3.2 of NI 81-102, the Funds will not have any assets or liabilities. In addition, the Funds will not have their own past performance data on the date the Conversions are implemented. In order to render the Conversion "seamless" for existing investors in the Synergy Funds, the investment objectives, investment strategies, management fees and administrative fees for each Fund will be identical to those of its corresponding Synergy Fund.

7. The Manager anticipates that the rate of return of each Replacement Class of a Fund will be the same as the Existing Series of the Synergy Fund it will replace.

8. The Manager has filed a preliminary simplified prospectus and annual information form dated August 5, 2005 (collectively, the "Prospectus") in respect of the Replacement Classes of the Funds. The Prospectus has been prepared on the basis that the relief requested herein will be granted. Accordingly, in the Prospectus:

   (a) the Start Date for each Replacement Class is based upon the Start Date of its corresponding Existing Series; and

   (b) information derived from the annual financial statements and performance data (as defined in NI 81-102) (collectively, the "Financial Data") of each Replacement Class (including, without limitation, the information prescribed by Items 8, 11 and 13 of Part B of Form 81-101F1) incorporates the Financial Data of its corresponding Existing Series.

9. The Synergy Funds will continue to distribute the Existing Series to the public pursuant to the Current Synergy Prospectus until the Conversions are implemented. If the Conversions are approved and implemented, then by operation of the amalgamation:

   (a) the Synergy Funds will cease to exist;

   (b) the assets of each Synergy Fund will become assets of its corresponding Fund; and

   (c) each holder of an Existing Series of shares will receive shares of an equivalent value of its Replacement Class.

   The Funds will not commence distributing their Replacement Classes pursuant to the Prospectus until after the Conversions are approved and implemented.

10. The Financial Data of each Existing Series is significant information which can assist investors in determining whether to purchase shares of a Replacement Class. In the absence of the Requested Relief, investors will have no Financial Data (such as past performance) on which to base such an investment 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 under the Legislation is that the Requested Relief is granted.

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

2.1.6 Natcan Investment Management Inc. - MRRS Decision

Headnote

Novel future-oriented relief granted from section 4.1(1) of NI 81-102 for Bought Deals involving Preferred shares, subject to prior IRC review of dealer manager's policies and procedures, and IRC standing approval. Non-bought deals subject to IRC pre-approval of first purchase of Preferred Shares irrespective of whether purchase made during the Distribution Period or the 60-Day Period. Quebec as PR.

Rule Cited

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

December 14, 2005

UNOFFICIAL TRANSLATION

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
NATCAN INVESTMENT MANAGEMENT INC.
(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 August 26, 2005 from the Applicant (or "**Dealer Manager**"), the portfolio manager of the National Bank Dividend Fund (the "**Dealer Managed Fund**"), for a decision from:

- the Decision Maker in each Jurisdiction, under section 19.1 of National Instrument 81-102 *Mutual Funds* ("**NI 81-102**") granting an exemption from subsection 4.1(1) of NI 81-102, to enable the Dealer Managed Fund to invest in Preferred Shares (as defined herein) of an issuer of the same class of Preferred Shares

offered by way of a public offering where National Bank Financial Inc. ("**NBF**") or another associate or affiliate of the Applicant (each referred to herein as a "**Related Underwriter**") acts as an underwriter (each a "**Relevant Offering**") during the period of distribution (the "**Distribution**") for the Relevant Offering and for the 60-day period (the "**60-Day Period**") following completion of the Distribution for the Relevant Offering (the Distribution and the 60-Day Period together, the "**Prohibition Period**"), such relief referred to as the "**81-102 Requested Relief**"; and

- the Autorité des Marchés Financiers (the "**AMF**") granting an exemption from the prohibition in Section 236 of the Regulations under the *Securities Act* (Québec) in the same circumstances, such relief referred to as the "**Québec Requested Relief**".

The 81-102 Requested Relief and the Québec Requested Relief are together referred to as the "**Requested Relief**", and NI 81-102 and the *Securities Act* (Québec) and Regulations under such Act are together referred to as the "**Legislation**".

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the AMF 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:

"Approved Credit Rating" has the meaning given to it in National Instrument 51-102 Continuous Disclosure;

"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 Preferred Shares from an issuer or selling security holder with a view to a distribution of such Preferrerd Shares 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.

"Preferred Shares" means the following types of preferred shares: (i) soft retractable preferred shares; (ii) hard retractable preferred shares; (iii) perpetual preferred shares; (iv) floating rate preferred shares; (v) fixed-floater preferred shares; and (vi) the preferred share portion (but not the common portion) of any split share offering of preferred and common shares; provided such shares are non-participating and non-voting under normal circumstances, and are not convertible into common shares of the issuer at the option of the holder, and that such shares pay a dividend set on a fixed rate basis or floating rate basis where the floating rate is tied to a money market indicator. For greater certainty, where upon redemption, the issuer has the option of repaying the par value for the shares being redeemed in cash or common shares, such shares shall not be considered convertible for common shares.

Representations

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

The Applicant

1. The Applicant is a subsidiary of the National Bank of Canada (the "**Bank**"), incorporated under the laws of Québec, specializing in portfolio management for pension funds, mutual funds and wealth management.

2. The Applicant is registered as an adviser in the categories of investment counsel and portfolio adviser or the equivalent in Quebec, Ontario, British Columbia, Alberta, Manitoba, Saskatchewan, Nova Scotia and New Brunswick, Northwest Territories and Newfoundland. The head office of the Applicant is in Montréal, Québec.

3. The Applicant is a "dealer manager" with respect to the Dealer Managed Fund, as such term is defined in section 1.1 of NI 81-102.

The Dealer Managed Fund

4. The Dealer Managed Fund is a "dealer managed fund", as such term is defined in section 1.1 of NI 81-102.

5. The Dealer Managed Fund is an open-ended mutual fund trust established under the laws of the Province of Ontario. The securities of the Dealer Managed Fund are qualified for distribution in each of the Jurisdictions pursuant to a simplified prospectus and an annual information form that have each been prepared and filed in accordance with securities legislation in each of the Jurisdictions.

6. The investment objective (the "**Investment Objective**") for the Dealer Managed Fund is to provide high dividend income to its unitholders

while preserving capital and permits the Dealer Managed Fund to invest in Preferred Shares.

7. In furtherance of the Investment Objective of the Dealer Managed Fund, a principal investment strategy of the Dealer Manager has been to invest a significant portion of the investment portfolio of the Dealer Managed Fund in Preferred Shares of Canadian issuers. Notwithstanding that the Dealer Managed Fund is also permitted to invest in preferred shares of U.S. issuers, there are tax disadvantages associated with such an investment strategy. To this end, the Dealer Manager believes that it is considerably more beneficial for unitholders of the Dealer Managed Fund for the Dealer Managed Fund to continue to invest a significant portion of its portfolio in preferred shares of Canadian issuers.

8. More particularly, the Dealer Manager's investment strategy for the Dealer Managed Fund includes having the Dealer Managed Fund target an investment of 50% of its investment portfolio in preferred shares with the remainder of the investment portfolio invested in common shares and other investments including debt securities.

The Transfer Investment

9. National Bank Securities Inc. (the "Manager" of the Dealer Managed Fund, and an affiliate of the Dealer Manager) administers National Bank Strategic Portfolios (collectively, the "**Strategic Portfolios**" and each individually, a "**Strategic Portfolio**") which offer investors portfolios in mutual funds that most match their investment goals and risk tolerance. Each portfolio (and the investors' monies) is invested among specified mutual funds for the particular portfolio, and each portfolio's investments are rebalanced every six months to maintain the original asset mix.

10. Traditionally, the asset mix for the Strategic Portfolios available for registered and non-registered investment plans differed, in part due to foreign content requirements in the *Income Tax Act* (Canada) (the "**Tax Act**").

11. As a result of changes to the Tax Act, the registered versions of the Strategic Portfolio accounts were restructured such that the asset mix of the registered and non-registered versions of Strategic Portfolios are now the same. As part of this restructuring, the Dealer Managed Fund (one of the funds in a number of the non-registered Strategic Portfolios) received a significant transfer investment (the "**Transfer Investment**") in an aggregate amount of approximately $275 million on September 30, 2005.

Preferred Share Offerings

12. The Related Underwriter is a wholly-owned subsidiary of the Bank and an affiliate of the Dealer Manager, and has historically been, and continues to be, a consistent participant in the underwriting of preferred share offerings in Canada. Since the beginning of 2004, the Related Underwriter has acted as an underwriter in the underwriting syndicates of more than 90% of the new issues of preferred shares in Canada and, as a result, the investment prohibition in Section 4.1 of NI 81-102 has frequently prohibited the Dealer Managed Fund from accessing preferred shares during the Prohibition Period for such offerings.

13. It is the understanding of the Dealer Manager that the publicly traded preferred share market in Canada is approximately $24 billion. A majority, representing 57% of the public preferred share market in Canada, is split among the Canadian Imperial Bank of Commerce (12.5%) and the following three groups of related issuers, the Power Corporation of Canada group (16.4%), the Brookfield Asset Management group (15.9%), and the BCE Inc. group (12.0%). The related issuers in each of the related groups are as follows: (i) the Power Corporation of Canada group includes Power Corporation of Canada, Power Financial Corporation, Great-West Life Assurance Company, Great-West Lifeco Inc. and IGM Financial Inc.; (ii) the Brookfield Asset Management group includes Brookfield Asset Management, Brookfield Properties Corporation, BPO Properties Ltd. and Falconbridge Limited; and (iii) the BCE Inc. group includes BCE Inc., Bell Canada, Bell Nordiq Group Inc. and Aliant Inc.

14. The Dealer Manager estimates that more than 90% of preferred share offerings in Canada (other than offerings of split shares and through structured products) are done by way of bought deals.

15. In an effort to attain the fullest value through the use of the above-noted investment strategy, the Dealer Manager would like to be able to continue targeting 50% of the Dealer Managed Fund's portfolio in preferred shares of issuers, and would like to invest the Transfer Investment in an efficient and effective manner so as to allow it to meet that target. To efficiently and effectively meet its target by investing an adequate portion of Transfer Investment in Preferred Shares, the Dealer Manager has determined that it needs to be able to invest in Relevant Offerings during the Prohibition Period, which is why the Dealer Manager is seeking the Requested Relief.

16. 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.

Relationship between the Dealer Manager and Related Underwriter

17. Despite the affiliation between the Dealer Manager and the Related Underwriter, they operate independently of each other. In particular, the investment banking and related dealer activities of the Related Underwriter and the investment portfolio management activities of the Dealer Manager are separated by "ethical" walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:

    (a) in respect of compliance matters (for example, the Dealer Manager and the Related Underwriter may communicate to enable the Dealer Manager to maintain an up to date restricted-issuer list to ensure that the Dealer Manager complies with applicable securities laws); and

    (b) the Dealer Manager and the Related Underwriter may share general market information such as discussion on general economic conditions, bank rates, etc.

18. The Dealer Manager 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 Dealer Manager as to whether the Dealer Managed Fund will purchase preferred shares during the Prohibition Period of a Relevant Offering.

19. In respect of each Relevant Offering, the Dealer Managed Fund will not be required or obliged to purchase any Preferred Shares during the Prohibition Period for a Relevant Offering prior to placing an order for such Preferred Shares.

Purchases of Preferred Shares

20. The Dealer Manager will obtain the agreement of the Manager to pursue the investment opportunities proposed herein.

21. In respect of each Relevant Offering, the Dealer Manager may cause the Dealer Managed Fund to invest in Preferred Shares during the Prohibition Period of the Relevant Offering.

22. Any purchase of Preferred Shares of an issuer during the Prohibition Period of a Relevant Offering will be consistent with the Investment Objective of the Dealer Managed Fund and represent the business judgment of the Dealer Manager uninfluenced by considerations other than the best interests of the Dealer Managed Fund, or in fact be in the best interests of the Dealer Managed Fund.

23. To the extent that the Dealer Manager manages other client accounts that are managed on a discretionary basis (the "**Managed Accounts**"), the Preferred Shares purchased in a Relevant Offering will be allocated:

    (a) in accordance with the allocation factors or criteria stated in the written policies or procedures put in place by the Dealer Manager for the Dealer Managed Fund and Managed Accounts; and

    (b) taking into account the amount of cash available to the Dealer Managed Fund for investment.

Independent Review

24. There will be an independent review committee (the "**Independent Committee**") appointed in respect of the Dealer Managed Fund to review the Dealer Managed Fund's investments in Preferred Shares during the Prohibition Period of a Relevant Offering.

25. The Dealer Manager will mandate its Independent Committee to review the Dealer Managed Fund's purchases of Preferred Shares pursuant to this Decision.

26. 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 Dealer Manager, the Dealer Managed Fund, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member's independent judgement regarding conflicts of interest facing the Dealer Manager.

27. Prior to the first reliance on this Decision, the Independent Committee will have reviewed and approved the Dealer Manager's written policies or procedures regarding its purchases of Preferred Shares to be made pursuant to this Decision which, as a minimum, will set out the conditions of this Decision.

28. 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 Preferred Shares 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 Fund makes a purchase of Preferred Shares during the Distribution for such Relevant Offering. The Standing Approval must at a minimum include the terms and conditions of this Decision and (i) details as to the class of Preferred Shares that may be purchased, (ii) the minimum rating for such Preferred Shares, (iii) the maximum percentage of the Dealer Managed Fund's net asset value that the purchase of Preferred Shares during the Distribution of a Relevant Offering may represent, (iv) the maximum percentage of the total Preferred Shares issued in a Relevant Offering that the Dealer Manager may purchase in such Relevant Offering, and (v) that at least one underwriter in addition to the Related Underwriter will participate in the Relevant Offering.

29. Prior to the first purchase by the Dealer Managed Fund of Preferred Shares 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 Fund does not purchase Preferred Shares in such Relevant Offering during the Distribution for such Relevant Offering, the Independent Committee will have reviewed and approved the proposed first purchase of Preferred Shares to be made pursuant to this Decision during the 60-Day Period following the Distribution for such Relevant Offering.

30. Prior to the first purchase by a Dealer Managed Fund of Preferred Shares 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 Preferred Shares to be made pursuant to this Decision during the Prohibition Period for such Relevant Offering.

31. The Independent Committee's approval in paragraphs 28, 29 and 30 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 it has received reasonable assurances from the Dealer Manager and has a reasonable basis for believing that purchases of Preferred Shares 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 Fund, or

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

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

32. The members of the Independent Committee will exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Fund and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

33. 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 tests contained in NI81-102 and the *Securities Act* (Québec) (collectively the "**Legislation**"), as applicable, that provide the Decision Maker with the jurisdiction to make this Decision has or have been met, as the case may be.

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 Fund, the following conditions are satisfied:

The Investment Decision

I. At the time of each purchase by the Dealer Managed Fund, during a Prohibition Period for a Relevant Offering, of Preferred Shares of the class being issued in such Relevant Offering (each, a "Purchase"), the following conditions are satisfied:

    (a) Prior to the Relevant Offering, the issuer in the Relevant Offering is a reporting issuer in more than one Jurisdiction and

has issued and outstanding Preferred Shares that:

(i) are listed on the TSX;

(ii) have or are expected, at the time of the Purchase, to have an Approved Credit Rating; and

(iii) have an aggregate market value of $200 million based on the public asking price at the close of trading on the TSX on the last day on which trading takes place on the TSX prior to the Relevant Offering being announced;

(b) the Preferred Shares being purchased in reliance on this Decision have been issued pursuant to a final prospectus filed in more than one Jurisdiction and are or are reasonably expected to be listed on the TSX;

(c) 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;

(d) the Purchase is consistent with, or is necessary to meet, the Investment Objective of the Dealer Managed Fund as disclosed in its simplified prospectus;

(e) the Dealer Manager does not accept solicitation by the Related Underwriter for Purchases for the Dealer Managed Fund;

(f) the issuer is not a "related issuer", as defined in National Instrument 33-105 *Underwriting Conflicts* ("**NI33-105**"), of the Dealer Manager or its affiliates or associates;

(g) if the issuer is a "connected issuer", as defined in NI33-105, of a Related Underwriter, because a Related Underwriter is a subsidiary or affiliate of a lender (the "**Lender**") that has made credit facilities (the "**Credit Facilities**") available to the issuer,

(i) no material portion of the proceeds received by the issuer from the Relevant Offering will be used to reduce indebtedness under the Credit Facilities; and

(ii) the Related Underwriters will derive no benefit related to the Relevant Offering other than the remuneration described in the prospectus payable by the issuer;

(h) 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;

(i) 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;

(j) 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

(k) the approvals in paragraphs I(h), (i) and (j) 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 it has received reasonable assurances from the Dealer Manager and has a reasonable basis for believing that purchases of Preferred Shares 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 Preferred Shares 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 Preferred Shares;

(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 XX 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, or

(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 Managed Fund has in place written policies or procedures to ensure that,

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

(b) in connection with any Purchase,

(i) there are stated factors or criteria for allocating the preferred shares purchased for the Dealer Managed Fund and other Managed Accounts; and

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

V. On the request by a securityholder of the Dealer Managed Fund, the Dealer Manager shall disclose the information referred to in paragraph XX 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 Managed Fund does not place the 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 Fund and Managed Accounts a fixed number of Preferred Shares (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 a Relevant Offering, no more than five (5) business days after a 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 Preferred Shares 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 Preferred Shares equal to the difference between the Fixed Number and the number of Preferred Shares 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 Preferred Shares purchased by the Dealer Manager under the Relevant Offering, prior to the listing of such Preferred Shares 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.

Nature of the Underwriting Interest

XI. Except for Purchases done during the Prohibition Period for a Relevant Offering done by way of a Bought Deal, the minimum number of Preferred Shares 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 and the Related Underwriter does not purchase Preferred Shares for its own account except Preferred Shares sold by the Related Underwriter on the closing of such Relevant Offering;

Independent Review

XII. The Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's Purchases;

XIII. 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;

XIV. The members of the Independent Committee exercise their powers and discharge their duties honestly, in good faith, and in the best interests of investors in the Dealer Managed Fund and, in so doing, exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

XV. 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

XVI. The Dealer Managed Fund does not relieve the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph 0 above;

XVII. The 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 0 above;

XVIII. 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 0 above;

XIX. 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 0 above is not paid either directly or indirectly by the Dealer Managed Fund;

Post-Transaction Disclosure

XX. 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 (or if that day falls on a weekend or holiday, the next business day following that date) where 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 Preferred Shares purchased by the Dealer Managed Fund during the Prohibition Period of such Relevant Offering;

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

(iii) the yield of the Preferred Shares Purchased;

(iv) if applicable, that the Preferred Shares were Purchased under a Standing Approval;

(v) whether it is known whether any underwriter or syndicate member has engaged in market stabilization activities in respect of the Preferred Shares issued in such Relevant Offering;

(vi) if the Preferred Shares were purchased for the Dealer Managed Fund and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to the Dealer Managed Fund; and

(vii) the dealer from whom the Dealer Managed Fund purchased the Preferred Shares 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;

(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, respectively, as the case may be;

(iv) after reasonable inquiry the member is of the opinion that the policies and procedures referred to in Condition 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 Approval;

(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.

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

(a) any determination by it that the condition set out in paragraph XX d) 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

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

(i) the date on which the Dealer Manager has made purchases of Preferred Shares totalling an amount equal to half of the Transfer Investment, which is no more than $140 million, in reliance on this Decision;

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

(iii) 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.

Josée Deslauriers
Director Capital Market

Nancy Chamberland
Executive Director,
Distribution Lawyer

2.1.7 True Energy Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from certain filing requirements under NI 51-101, NI 51-102 and MI 52-109

Rules cited

National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities.
National Instrument 51-102 Continuous Disclosure Obligations.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.

Citation: True Energy Inc., 2006 ABASC 1017

January 26, 2006

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

AND

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

AND

IN THE MATTER OF
TRUE ENERGY INC. (THE FILER)

MRRS DECISION DOCUMENT

Background

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

    1.1 Except in Yukon Territory, Northwest Territories and Nunavut, the Filer be exempted from Part 2 (Annual Filing Requirements) and Part 3 (Responsibilities of Reporting Issuers and Directors) of National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (NI 51-101) (the NI 51-101 Relief);

    1.2 Except in Yukon Territory, Northwest Territories and Nunavut, the Filer be exempted from National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) and from any comparable continuous disclosure requirements under the Legislation that has not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 (the Continuous Disclosure Requirements) (collectively, the Continuous Disclosure Relief);

    1.3 Except in Yukon Territory and Nunavut, the Filer be exempted from Multilateral Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109) (the MI 52-109 Relief); and

    1.4 Except in Nova Scotia, Northwest Territories and Saskatchewan, the exemptive relief regarding the Continuous Disclosure Relief that was previously granted to the Filer pursuant to Section 6.4 of a MRRS Decision Document dated November 11, 2004 (the Previous Decision) be revoked.

2. Under the Mutual Reliance Review System for Exemptive Relief (the MRRS):

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

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

Interpretation

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

Representations

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

4.1 The Filer was amalgamated under the *Business Corporations Act* (Alberta) on November 2, 2005;

4.2 The head office and registered office of the Filer is in Calgary, Alberta;

4.3 As at November 2, 2005, all of the issued and outstanding common shares of the Filer are owned by True Energy Trust (the Trust), and 895,097 exchangeable shares (Exchangeable Shares) are issued and outstanding;

4.4 Neither the common shares of the Filer nor the Exchangeable Shares are listed or quoted on any marketplace;

4.5 The Filer is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador;

4.6 The Trust was originally formed as TKE Energy Trust pursuant to a trust indenture dated September 27, 2004 under the laws of Alberta;

4.7 The head office of the Trust is located in Calgary, Alberta;

4.8 The Unitholders are the sole beneficiaries of the Trust. Computershare Trust Company of Canada (the Trustee) is the trustee of the Trust. The Filer is the administrator of the Trust;

4.9 The Trust Units are listed and posted for trading on The Toronto Stock Exchange (the TSX);

4.10 The Trust is a reporting issuer in each of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick and Nova Scotia;

4.11 The Exchangeable Shares are, to the extent possible, the economic equivalent of the Trust Units;

4.12 The Exchangeable Shares have voting attributes equivalent to those of the Trust Units;

4.13 Holders of Exchangeable Shares receive all disclosure materials that the Trust is required to send to holders of Trust Units under the Legislation;

4.14 Pursuant to the Previous Decision, the Filer was exempted from, in all of the Jurisdictions, other than Nova Scotia, Prince Edward Island, Northwest Territories and Saskatchewan, the requirements to issue a press release and file a report with the Jurisdictions upon the occurrence of a material change, file an annual report, where applicable, file interim financial statements and audited annual financial statements with the Jurisdictions and deliver such statements to the securityholders of the Filer, file and deliver an information circular or make an annual filing with the Jurisdictions in lieu of filing an information circular, file an annual information form, file a business acquisition report if required, and provide management's discussion and analysis of financial condition and results of operations, all as more particularly set out in NI 51-102;

4.15 MI 52-109 requires every issuer to file certain certificates at the time of filing an AIF, annual financial statements and annual MD&A. As the Filer has been exempted from continuous disclosure obligations under the Previous Decision and is seeking similar relief hereunder, the required certification is not useful;

4.16 NI 51-101 requires reporting issuers to file certain information with respect to the issuer's oil and gas activities. The Filer has applied to be exempted from the filing requirements under NI 51-101 as the Trust is required to file the same information.

Decision

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

6. The decision of the Decision Makers under the Legislation is as follows:

6.1 Section 6.4 of the Previous Decision is revoked;

6.2 the Continuous Disclosure Relief is granted for so long as:

6.2.1 the Trust is a reporting issuer in at least one of the jurisdictions listed in Appendix "B" of Multilateral Instrument 45-102 – *Resale of Securities* and is an electronic filer under System for Electronic Documents Analysis and Retrieval (SEDAR);

6.2.2 the Filer sends, or causes the Trust to send on the Filer's behalf, concurrently to all holders of Exchangeable Shares resident in the Jurisdictions, all disclosure material that is sent to holders of Trust Units under the Continuous Disclosure Requirements in the manner and time required by securities legislation;

6.2.3 the Trust files with each Decision Maker copies of all documents required to be filed by it pursuant to NI 51-102;

6.2.4 concurrently with the filing of the documents required to be filed by the Trust pursuant to the Continuous Disclosure requirements and MI 52-109 (the Trust Documents), the Filer files, or causes the Trust to file on its behalf, in electronic format under the SEDAR profile of the Filer either,

6.2.4.1 the Trust documents, or

6.2.4.2 a notice that indicates:

6.2.4.2.1 that the Filer has been grant-ed an exemption from the Continuous Disclosure Require-ments and the require-ments of MI 52-109,

6.2.4.2.2 that the Trust has filed the Trust Documents, and

6.2.4.2.3 where a copy of the Trust Documents can be found for viewing on SEDAR by electronic means;

6.2.5 the Trust is in compliance with the requirements in the securities legislation of the Jurisdictions and of any marketplace on which the securities of the Trust are listed or quoted in respect of making public disclosure of material information on a timely basis;

6.2.6 the Filer issues a news release and files a material change report in accordance with Part 7 of NI 51-102 for all material changes in respect of the affairs of the Filer that are not also material changes in the affairs of the Trust;

6.2.7 the Trust includes in all mailings of proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement that explains the reason the mailed material relates solely to the Trust, indicates that Exchangeable Shares are the economic equivalent to the Trust Units and describes any rights associated with the Exchangeable Shares;

6.2.8 the Trust remains a direct or indirect beneficial owner of all of the issued and outstanding voting securities of the Filer; and

6.2.9 the Filer does not issue any securities other than Exchangeable Shares, securities issued to the Trust or its affiliates or debt securities issued to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

6.3 The NI 51-101 Relief is granted for so long as:

6.3.1 the Filer files with each Decision Maker, or causes the Trust to file on its behalf, copies of all documents required to be filed by the Trust pursuant to NI 51-101 (the 51-101 Documents) and concurrently with the filing

of the NI 51-101 Documents, the Filer files, or causes the Trust to file on its behalf, in electronic form and under the SEDAR profile of the Filer either:

6.3.1.1 the NI 51-101 Documents, or

6.3.1.2 a notice that indicates:

6.3.1.2.1 that the Filer has been granted an exemption from the requirements of Part 2 (Annual Filing Requirements) and Part 3 (Responsibilities of Reporting Issuers and the Directors) of NI 51-101,

6.3.1.2.2 that the Trust has filed the NI 51-101 Documents, and

6.3.1.2.3 where a copy of the NI 51-101 Documents can be found for viewing on SEDAR by electronic means;

6.3.2 the Filer disseminates, or causes the Trust to disseminate on the Filer's behalf a news release announcing the filing by the Filer or the Trust of the information set out in Section 6.3.1 above, and indicating where a copy of the filed information can be found for viewing on SEDAR by electronic means;

6.3.3 the Filer is exempt from or otherwise not subject to Continuous Disclosure Requirements and the Filer and the Trust are in compliance with the Previous Decision;

6.3.4 if disclosure to which NI 51-101 applies is made by the Filer separately from the Trust, the disclosure includes a statement to the effect that the Filer is relying on an exemption from further requirements to file information annually under NI 51-101 separately from the Trust, and indicates where disclosure under NI 51-101 filed by the Trust (or by the Filer, if applicable) can be found for viewing on SEDAR by electronic means; and

6.3.5 if the Trust files a material change report to which Section 6.1 of NI 51-101 applies, the Filer files the same material change report.

6.4 The MI 52-109 Relief is granted for so long as:

6.4.1 the Filer is not required to, and does not, file its own interim filings and annual filings (as those terms are defined under MI 52-109);

6.4.2 the Filer files, or causes the Trust to file on its behalf, in electronic format under the SEDAR profile of the Filer the:

(i) certification of interim filings of the Trust required under Part 3 of NI 52-109; and

(ii) certification of annual filings of the Trust required under Part 2 of NI 52-109

at the same time as such documents are required to be filed by the Trust under the Legislation; and

6.4.3 the Filer is exempt from or otherwise not subject to the Continuous Disclosure Requirements.

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

2.2 Orders

2.2.1 Martin Tremblay - Direction - s. 126(5)

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

AND

IN THE MATTER OF
MARTIN TREMBLAY

DIRECTION
(Section 126(5))

TO: Research Capital
Ernst & Young Tower
222 Bay Street, Suite 1500
Toronto-Dominion Centre
Toronto, Ontario
M5K 1J5

TAKE NOTICE that, pursuant to subsection 126(5)) of the *Securities Act* (the "Act"), you are hereby directed to retain all funds, securities or property which you may have on deposit in the following listed accounts or any other account in the name of or otherwise under the control of Martin Tremblay and to hold same until the Ontario Securities Commission in writing revokes this Direction or consents to a release to a particular fund, security or property subject to this Direction, or until the Ontario Superior Court of Justice orders otherwise. The accounts are:

1. Dominion Investments:
   - (a) CDN Cash Account 3041XA2 in cash and in securities
   - (b) US Cash Account 3041SB0 in securities
2. Two Wheeler:
   - (a) CDN Option Account 3032VL9 in cash and in securities
3. First Financial:
   - (a) CDN Margin Account 3051KE7 in cash and in securities
   - (b) US Margin Account 3051KF5
4. XEPA Investments:
   - (a) CDN Cash Account 3057NAO in cash and in securities
5. MEM Group Int'l SA:
   - (a) CDN Margin Account 3040XE5 in cash and in securities
   - (b) US Margin Account 3040XF3 in cash and in securities
6. TC Management:
   - (a) CDN Cash Account 3027GA1 in cash and in securities
   - (b) US Cash Account 3027GB9 in cash and in securities
7. Oster Services:
   - (a) CDN Option Account 3021FL1 in cash and in securities.

AND TAKE FURTHER NOTICE that this Direction applies to any and all funds, securities or property in a recognized clearing agency, and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE that this Direction may be served by fax or courier to the last known address of the parties named herein as indicated in the records of Research Capital.

DATED at Toronto this 25th day of January, 2006.

"Robert L. Shirriff"

"Suresh Thakrar"

2.2.2 Man Capital Markets AG - s. 218 of the Regulation

Headnote

Application to the Commission for an order, pursuant to section 218 of Regulation 1015 of the Securities Act (Ontario), that the requirement in section 213 of the Regulation, which provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, shall not apply to the Applicant. The order sets out the terms and conditions applicable to a non-resident limited market dealer.

Applicable Statutes

Ontario Regulation 1015, R.R.O. 1990, ss. 213, 218.

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

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015,
AS AMENDED (the REGULATION)

AND

IN THE MATTER OF
MAN CAPITAL MARKETS AG

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of Man Capital Markets AG (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in subsection 213(1) of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was formed in Switzerland. The head office of the Applicant is located at Etzelstrasse 27, Pfäffikon SZ, Switzerland.

2. The Applicant is registered in Switzerland as a securities dealer under the laws of Switzerland and is a member in good standing of the Swiss Association of Independent Securities Dealers.

3. Although registration of individuals is not required, the Swiss authorities have been informed of all directors, officers and employees of the Applicant and their respective functions, whether trading or non-trading.

4. The primary focus of the Applicant's activities is on the marketing and sale of specialized alternative investments, including hedge funds and related private offerings, to institutions.

5. The Applicant is not presently registered in any capacity under the Act. The Applicant has applied to the Commission for registration under the Act as a non-resident limited market dealer.

6. In Ontario, the Applicant intends to market and sell to accredited investors units, limited partnership interests or other securities of funds that are primarily offered outside of Canada. These limited market dealer activities may be undertaken directly, or in conjunction with or through another registered dealer, including providing referrals to such dealer.

7. The Applicant is resident outside of Canada, will not maintain an office in Canada and will only participate in the distribution of securities in Ontario pursuant to registration and prospectus exemptions contained in the Act, National Instrument 45-106 – *Prospectus and Registration Exemptions* and Commission Rule 45-501 – *Exempt Distributions.*

8. Subsection 213(1) of the Regulation provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

9. Without the relief requested, the Applicant would not meet the requirements of the Regulation for registration as a limited market dealer as it is not incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

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

IT IS ORDERED THAT, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer in the category of limited market dealer, section 213 of the Regulation shall not apply to the Applicant for a period of three years, provided that:

1. The Applicant appoints an agent for service of process in Ontario.

2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the agent for service of process for the Applicant in Ontario, and the nature of the risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Commission 30 days' prior notice of such change by filing a new Submission to Jurisdiction and Appointment of Agent for Service of Process.

4. The Applicant and each of its registered officers or partners irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

5. The Applicant will not have custody of, or maintain customer accounts in relation to, securities, funds, and other assets of clients resident in Ontario.

6. The Applicant will inform the Director immediately upon the Applicant becoming aware:

   (a) that it has ceased to be registered in Switzerland as a securities dealer; or

   (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked; or

   (c) that it is the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority; or

   (d) that the registration of any of its salespersons, officers or directors who are registered in Ontario are not being renewed or being suspended or revoked in any Canadian or foreign jurisdiction; or

   (e) that any of its salespersons, officers or directors who are registered in Ontario are the subject of an investigation or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in any Canadian or foreign jurisdiction.

7. The Applicant will pay the increased compliance and case assessment costs of the Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Commission.

8. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and produce physical records for the Commission within a reasonable time if requested.

9. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of books and records in Ontario without the consent of the relevant client the Applicant shall, upon a request by the Commission:

   (a) so advise the Commission; and

   (b) use its best efforts to obtain the client's consent to the production of the books and records.

10. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.

11. The Applicant and each of its registered directors or officers will comply, at the Applicant's expense, with requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario.

12. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:

   (a) so advise the Commission; and

   (b) use its best efforts to obtain the client's consent to the giving of the evidence.

13. The Applicant will maintain appropriate registration and regulatory organization membership in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

January 24, 2006

“Paul M. Moore”

“Suresh Thakrar”

2.2.3 Goldman Sachs Execution & Clearing L.P. - s. 218 of the Regulation

Headnote

Application to the Commission for an order, pursuant to section 218 of Regulation 1015 of the Securities Act (Ontario), that the requirement in section 213 of the Regulation, which provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada, shall not apply to the Applicant. The order sets out the terms and conditions applicable to a non-resident limited market dealer.

Applicable Statutes

Ontario Regulation 1015, R.R.O. 1990, ss. 213, 218.

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

AND

IN THE MATTER OF
R.R.O. 1990, REGULATION 1015,
AS AMENDED (the REGULATION)

AND

IN THE MATTER OF
GOLDMAN SACHS EXECUTION & CLEARING, L.P.

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of Goldman Sachs Execution & Clearing, L.P., (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer (**LMD**); and

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited partnership governed by the laws of the State of New York of the United States of America and is indirectly wholly-owned by The Goldman Sachs Group, Inc. The head office of the Applicant is located in Jersey City, New Jersey.

2. The Applicant is registered under the Act as an international dealer and intends to maintain such registration. The Applicant is also registered as a broker-dealer with the U.S. Securities and Exchange Commission and in all of the states in the United States and is a member of the NASD, the New York Stock Exchange, Inc. and all other major United States securities and futures exchanges.

3. The Applicant provides trade execution and clearing services to its clients in respect of securities traded on exchanges and other marketplaces throughout the world.

4. The Applicant has applied to the Commission for registration under the Act as a dealer in the category of a LMD.

5. Section 213 of the Regulation provides that a registered dealer that is not an individual must be a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

6. The Applicant is not resident in Canada and does not require a separate Canadian company or other entity in order to carry out its proposed LMD activities in Ontario. It is more efficient and cost-effective to carry out those activities through the existing entity.

7. Without the relief requested, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of a LMD as it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

AND UPON being satisfied that to make this order would not be prejudicial to the public interest;

IT IS ORDERED THAT, pursuant to section 218 of the Regulation, and in connection with the registration of the Applicant as a dealer under the Act in the category of a LMD, section 213 of the Regulation shall not apply to the Applicant for a period of three years, provided that:

1. The Applicant appoints an agent for service of process in Ontario.

2. The Applicant shall provide to each client resident in Ontario a statement in writing disclosing the non-resident status of the Applicant, the Applicant's jurisdiction of residence, the name and address of the agent for service of process of the Applicant in Ontario, and the nature of risks to clients that legal rights may not be enforceable.

3. The Applicant will not change its agent for service of process in Ontario without giving the Ontario Securities Commission 30 days' prior notice of such change by filing a new Submission to

Jurisdiction and Appointment of Agent for Service of Process.

4. The Applicant and each of its registered officers irrevocably and unconditionally submits to the non-exclusive jurisdiction of the judicial, quasi-judicial, and administrative tribunals of Ontario and any administrative proceedings in Ontario, in any proceedings arising out of or related to or concerning its registration under the Act or its activities in Ontario as a registrant.

5. Securities, funds, and other assets of the Applicant's clients in Ontario will be held as follows:

   (a) by the client; or

   (b) by a custodian or sub-custodian:

      (i) that meets the guidelines prescribed for acting as a sub-custodian of the portfolio securities of a mutual fund in Part 6 of National Instrument 81-102 - *Mutual Funds*;

      (ii) that is:

         (A) subject to the agreement announced by the Bank for International Settlements (BIS) on July 1, 1988 concerning international convergence of capital measurement and capital standards; or

         (B) exempt from the requirements of paragraph 3.7(1)(b)(ii) of OSC Rule 35-502 -- *Non Resident Advisers*; and

      (iii) if such securities, funds and other assets are held by a custodian or sub-custodian that is the Applicant or an affiliate of the Applicant, that custodian holds such securities, funds and other assets in compliance with the requirements of the Regulation.

6. Ontario client's securities may be deposited with or delivered to a recognised depository or clearing agency.

7. The Applicant will inform the Director immediately upon the Applicant becoming aware:

   (a) that it has ceased to be registered in the United States as a broker-dealer; or

   (b) of its registration in any other jurisdiction not being renewed or being suspended or revoked; or

   (c) that it is the subject of a regulatory proceeding or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in respect of which it is required to amend its Form BD filed with the U.S. Securities and Exchange Commission; or

   (d) that the registration of its salespersons or officers who are registered in Ontario have not been renewed or have been suspended or revoked in any Canadian or foreign jurisdiction; or

   (e) that any of its salespersons or officers who are registered in Ontario are the subject of a regulatory proceeding or disciplinary action by any financial services or securities regulatory authority or self-regulatory authority in respect of which it is required to amend its Form BD filed with the U.S. Securities and Exchange Commission.

8. The Applicant will pay the increased compliance and case assessment costs of the Commission due to the Applicant's location outside Ontario, including the cost of hiring a third party to perform a compliance review on behalf of the Commission.

9. The Applicant will make its books and records outside Ontario, including electronic records, readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.

10. If the laws of the jurisdiction in which the Applicant's books and records are located prohibit production of the books and records in Ontario without the consent of the relevant client the Applicant shall, upon a request by the Commission:

   (a) so advise the Commission; and

   (b) use its best efforts to obtain the client's consent to the production of the books and records.

11. The Applicant will, upon the Commission's request, provide a representative to assist the Commission in compliance and enforcement matters.

12. The Applicant and each of its registered officers will comply, at the Applicant's expense, with

requests under the Commission's investigation powers and orders under the Act in relation to the Applicant's dealings with Ontario clients, including producing documents and witnesses in Ontario, submitting to audit or search and seizure process or consenting to an asset freeze, to the extent such powers would be enforceable against the Applicant if the Applicant were resident in Ontario.

13. If the laws of the Applicant's jurisdiction of residence that are otherwise applicable to the giving of evidence or production of documents prohibit the Applicant or the witnesses from giving the evidence without the consent or leave of the relevant client or any third party, including a court of competent jurisdiction, the Applicant shall:

    (a) so advise the Commission; and

    (b) use its best efforts to obtain the client's consent to the giving of the evidence.

14. The Applicant will maintain appropriate registration and regulatory organization membership, in the jurisdiction of its principal operations, and if required, in its jurisdiction of residence.

January 24, 2006

"Paul M. Moore"

"Suresh Thakrar"

2.2.4 Martin Tremblay - Direction - s. 126(5)

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

AND

IN THE MATTER OF
MARTIN TREMBLAY

DIRECTION
(Section 126(5))

TO: Jones Gable
110 Yonge Street
Toronto, Ontario
M5C 1T6

TAKE NOTICE that, pursuant to subsection 126(5)) of the *Securities Act* (the "Act"), you are hereby directed to retain all funds, securities or property which you may have on deposit in the following account number 7635105 and account number 7635105- OC or any other account in the name of or otherwise under the control of Martin Tremblay and Kenneth W. Salomon Investment Funds Ltd. and to hold same until the Ontario Securities Commission in writing revokes this Direction or consents to a release to a particular fund, security or property subject to this Direction, or until the Ontario Superior Court of Justice orders otherwise.

AND TAKE FURTHER NOTICE that this Direction applies to any and all funds, securities or property in a recognized clearing agency, and to any and all securities in the process of transfer by a transfer agent.

AND TAKE FURTHER NOTICE that this Direction may be served by fax or courier to the last known address of the parties named herein as indicated in the records of Jones Gable.

DATED at Toronto this 26th day of January, 2006.

"Robert L. Shirriff"

"Suresh Thakrar"

2.2.5 Xplore Technologies Corp. - ss. 127(1), 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.

ORDER
(Section 127(1) and Section 127.1)

WHEREAS on January 23, 2006, the Ontario Securities Commission issued a Notice of Hearing pursuant to Section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the *Act*) in respect of Xplore Technologies Corp. ("Xplore");

AND WHEREAS Xplore entered into a settlement agreement with Staff of the Commission dated January 23, 2006 in which it agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing subject to the approval of the Commission;

AND UPON receiving the Settlement Agreement and the Notice of Hearing and upon hearing submissions of Staff and counsel for Xplore;

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

IT IS ORDERED THAT:

1. the Settlement Agreement attached to this Order as Schedule "A" is approved;

2. pursuant to clause 6 of subsection 127(1) of the *Act,* Xplore is reprimanded for having failed to file financial statements prepared in accordance with generally accepted accounting principles; and

3. pursuant to section 127.1 of the *Act,* Xplore shall pay the sum of $20,000 to the Ontario Securities Commission in respect of the costs of Staff's investigation and the hearing of this matter.

DATED at Toronto, Ontario, this 27th day of January, 2006.

"Paul K. Bates"

"Robert L. Shirriff"

2.2.6 Firestar Capital Management Corp. et al. - s. 127

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

AND

IN THE MATTER OF
FIRESTAR CAPITAL MANAGEMENT CORP.,
KAMPOSSE FINANCIAL CORP.,
FIRESTAR INVESTMENT MANAGEMENT GROUP,
MICHAEL CIAVARELLA AND MICHAEL MITTON

TEMPORARY ORDER
(Section 127)

WHEREAS on December 10, 2004, the Ontario Securities Commission issued a Notice of Hearing pursuant to s.127 of the *Securities Act*, R.S.O. 1990, c.S.5, to consider whether it is in the public interest to extend the Temporary Orders made on December 10, 2004 ordering that trading in shares of Pender International Inc. by Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Mitton, and Michael Ciavarella cease until further order by the Commission;

AND WHEREAS on December 17, 2004, the Commission ordered that the hearing to consider whether to extend the Temporary Orders should be adjourned until February 4 and the Temporary Orders continued until that date;

AND WHEREAS on December 17, 2004, the Commission ordered that the Temporary Order against Michael Mitton should also be expanded such that Michael Mitton shall not trade in any securities in Ontario until the hearing on February 4, 2005;

AND WHEREAS a Notice of Hearing and Statement of Allegations were issued on December 21, 2004;

AND WHEREAS the hearing to consider whether to continue the Temporary Orders has been adjourned, on consent on numerous occasions, most recently until January 30 and 31, 2006 and the Temporary Orders continued until January 31, 2006;

AND WHEREAS Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group Michael Ciavarella and Michael Mitton consent to the making of this order;

IT IS ORDERED that the hearing to consider whether to continue the Temporary Cease Trade Orders is adjourned to July 31, 2006;

IT IS ORDERED that the Temporary Cease Trade Orders currently in place as against Firestar Capital Management Corp., Kamposse Financial Corp., Firestar

Investment Management Group, Michael Ciavarella and Michael Mitton are further continued until July 31, 2006, or until further order of this Commission;

DATED at Toronto this "30th" day of January 2006.

"Paul Moore"

"Suresh Thakrar"

2.2.7 Philip Services Corp. et al. - ss. 127(1), 127.1

IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, c. S.5, as amended
(the "Act")

AND

IN THE MATTER OF
PHILIP SERVICES CORP.,
ALLEN FRACASSI, PHILIP FRACASSI,
MARVIN BOUGHTON, GRAHAM HOEY,
ROBERT WAXMAN AND JOHN WOODCROFT

ORDER

WHEREAS on December 12, 2005, the Ontario Securities Commission issued an Amended Notice of Hearing pursuant to sections 127(1) and 127.1 of the *Securities Act,* R.S.O. 1990 c.S.5, as amended, in respect of Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Robert Waxman and John Woodcroft;

AND WHEREAS at the pre-hearing held on April 21, 2005, the hearing of this matter was scheduled to commence on February 6, 2006, with additional dates to follow;

AND WHEREAS Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Robert Waxman and John Woodcroft consent to adjourn the commencement of the hearing to March 6, 2006, and Philip Services Corp. does not oppose the adjournment;

IT IS ORDERED THAT:

1. The hearing in this matter shall take place on the following dates:

   March 6 to March 10, 2006 (except Tuesday 7)
   April 10 to April 13, 2006 (except Tuesday 11 and not Good Friday 14)
   April 17 to 21, 2006 (except Tuesday 18)
   April 24 to 28, 2006 (except Tuesday 25)
   May 1 to May 5, 2006 (except Tuesday 2)
   May 8 to May 12, 2006 (except Tuesday 9)
   May 17 to May 19, 2006
   May 24 to May 26, 2006
   June 12 to June 16, 2006 (except Tuesday 13)
   June 19, 2006
   June 26 to June 30, 2006 (except Tuesday 27)

2. The additional dates required for the hearing of this matter are to be scheduled on agreement between the parties by the Secretary to the Commission or as ordered by the Commission.

DATED at Toronto this 31st day of January, 2006.

"Paul M. Moore"

2.2.8 Alstra Capital Management, LLC - s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada, subject to certain terms and conditions.

Statutes Cited:

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20,
AS AMENDED (the CFA)

AND

IN THE MATTER OF
ALSTRA CAPITAL MANAGEMENT, LLC

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Alstra Capital Management, LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission** or **OSC**) for an order pursuant to section 80 of the CFA that the Applicant and its directors, officers, partners, members and employees acting on its behalf as advisers (collectively, the **Representatives**), be exempt, for a period of three years, from the registration requirements of section 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and/or similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company organized under the laws of the State of Delaware. The Applicant may also include affiliates of, or entities organized by, the Applicant which may subsequently execute and submit to the Commission a verification certificate confirming the truth and accuracy of the information set out in this Application with respect to that particular Applicant.

2. The Applicant serves as investment adviser for Absolute Return Strategies (I.P.) Plus, Ltd. (the **Fund**), and may, in the future, provide advice to certain other mutual funds, non-redeemable investment funds and/or similar investment vehicles (together with the Fund, the **Funds**) which are or will be established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges located primarily outside of Canada and cleared through clearing corporations located primarily outside of Canada.

3. The Applicant is not registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**).

4. The Applicant is registered with the U.S. Commodity Futures Trading Commission (the **CFTC**) and the U.S. National Futures Association as a commodity pool operator (**CPO**), but intends to manage the Funds as if it were exempt from registration as a CPO pursuant to criteria set forth under CFTC Rule 4.13(a)(4).

5. The Applicant is, or in the future may be, the investment adviser for the Funds. As the investment adviser for the Funds, the Applicant is or may be responsible for providing certain administrative services, investment advice and other investment management services to the Funds.

6. The Applicant and the Representatives, where required, are or will be registered or licensed or are or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of the Applicant's principal jurisdiction.

7. Securities of the Funds will be offered only to a small number of Ontario residents who qualify as an "accredited investor" under National Instrument 45-106 – *Prospectus and Registration Exemptions.*

8. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(c) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 (Privately Placed Funds Offered Primarily

Abroad) of Rule 35-502 – *Privately Placed Funds Offered Primarily Abroad* (**Rule 35-502**).

9. As would be required under section 7.10 of Rule 35-502, the securities of the Funds are, or will be:

   (i) primarily offered outside of Canada;

   (ii) only distributed in Ontario through one or more registrants under the OSA; and

   (iii) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

10. Prospective investors in the Funds who are Ontario residents will receive disclosure that includes:

   (i) a statement that there may be difficulty in enforcing any legal rights against the Funds and or the Applicant which advises the relevant Funds, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

   (ii) a statement that the Applicant advising the applicable Funds is not, or will not be, registered with the Commission under the CFA and, accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the Funds.

11. The Funds do not have any current intention of becoming reporting issuers in Ontario or any in any other Canadian jurisdiction.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that the Applicant and the Representatives are not subject to the requirements of section 22(1)(b) of the CFA in respect of their advisory activities in connection with the Funds, for a period of three years, provided that:

(a) the Applicant, where required, is or will be registered or licensed, or is or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of their principal jurisdiction;

(b) the Funds invest, or may in the future invest, in commodity futures contracts and commodity futures options principally traded on commodity futures exchanges outside of Canada and cleared through clearing corporations located outside of Canada;

(c) securities of the Funds are or will be:

   (i) offered primarily outside of Canada;

   (ii) only be distributed in Ontario through one or more registrants under the OSA; and

   (iii) distributed in Ontario in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502;

(d) prospective investors in the Funds who are Ontario residents will receive disclosure that includes:

   (i) a statement that there may be difficulty enforcing legal rights against the Funds or the Applicant advising the Funds because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

   (ii) a statement that the Applicant advising the Funds is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.

(e) any Applicant whose name does not specifically appear in this Order and who proposes to rely on the exemption granted under this Order, shall, as

a condition to relying on such exemption, have executed and filed with the Commission a verification certificate referencing this Order and confirming the truth and accuracy of the Application with respect to that particular Applicant.

January 31, 2006

"Paul M. Moore"

"Carol S. Perry"

2.2.9 Demeter Management Corporation - s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada, subject to certain terms and conditions.

Statutes Cited:

Commodity Futures Act, R.S.O. 1990, c. C.20, as am., ss. 22(1)(b), 80.
Securities Act, R.S.O. 1990, c. S.5, as am. – Rule 35-502 – Non Resident Advisers.

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20,
AS AMENDED (the CFA)
AND

IN THE MATTER OF
DEMETER MANAGEMENT CORPORATION

ORDER
(Section 80 of the CFA)

UPON the application (the **Application**) of Demeter Management Corporation (the **Applicant**) to the Ontario Securities Commission (the **Commission** or **OSC**) for an order pursuant to section 80 of the CFA that the Applicant and its directors, officers, partners, principals, members and employees acting on its behalf as advisers (collectively, the **Representatives**), be exempt, for a period of three years, from the registration requirements of section 22(1)(b) of the CFA in respect of advising certain mutual funds and non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside of Canada and cleared through clearing corporations primarily outside of Canada;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation organized under the laws of the State of Delaware. The Applicant may also include affiliates of, or entities organized by, the Applicant which may subsequently execute and submit to the Commission a verification certificate confirming the truth and accuracy of the information set out in this Application with respect to that particular Applicant.

2. The Applicant serves as investment adviser for the Morgan Stanley Strategic Alternatives Fund (the **Fund**) and its sub-fund, the Morgan Stanley Strategic Alternatives I Sub-fund, and may, in the future, provide advice to certain other mutual funds, non-redeemable investment funds and similar investment vehicles (together with the Fund, the **Funds**) which are or will be established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges located primarily outside of Canada and cleared through clearing corporations located primarily outside of Canada.

3. The Applicant is not registered in any capacity under the CFA or the *Securities Act* (Ontario) (the **OSA**).

4. The Applicant is registered with the U.S. Commodity Futures Trading Commission as a commodity pool operator and is a member of the U.S. National Futures Association.

5. The Applicant is, or in the future may be, the investment adviser for the Funds. As the investment adviser for the Funds, the Applicant is or will be responsible for providing certain administrative services, investment advice and other investment management services to the Funds.

6. The Applicant and the Representatives, where required, are or will be registered or licensed or are or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of the Applicant's principal jurisdiction.

7. Securities of the Funds will be offered only to a small number of Ontario residents who qualify as "accredited investors" under National Instrument 45-106 – *Prospectus and Registration Exemptions.*

8. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA for a person or company acting as an adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(b) of the OSA for acting as an adviser (as defined in the OSA) in respect of securities that is provided under section 7.10 (Privately Placed Funds Offered Primarily Abroad) of Rule 35-502 – *Privately Placed Funds Offered Primarily Abroad* (**Rule 35-502**).

9. As would be required under section 7.10 of Rule 35-502, the securities of the Funds are, or will be:

   (i) primarily offered outside of Canada;

   (ii) only distributed in Ontario through one or more registrants under the OSA; and

   (iii) distributed in Ontario in reliance upon an exemption from the prospectus requirements of the OSA.

10. Prospective investors in the Funds who are Ontario residents will receive disclosure that includes:

   (i) a statement that there may be difficulty in enforcing any legal rights against the Funds and or the Applicant which advises the relevant Funds, because such entities are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

   (ii) a statement that the Applicant advising the applicable Funds is not, or will not be, registered with the Commission under the CFA and, accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the Funds.

11. The Funds do not have any current intention of becoming reporting issuers in Ontario or in any other Canadian jurisdiction.

AND UPON being satisfied that it would not be prejudicial to the public interest for the Commission to grant the exemption requested on the basis of the terms and conditions proposed;

IT IS ORDERED pursuant to section 80 of the CFA that the Applicant and the Representatives are not subject to the requirements of section 22(1)(b) of the CFA in respect of their advisory activities in connection with the Funds, for a period of three years, provided that:

(a) the Applicant, where required, is or will be registered or licensed, or is or will be entitled to rely on appropriate exemptions from such registrations or licences to provide advice to the Funds pursuant to the applicable legislation of their principal jurisdiction;

(b) the Funds invest indirectly, or may in the future invest indirectly, in commodity futures contracts and commodity futures options principally traded on commodity futures exchanges outside of Canada and cleared through clearing corporations located outside of Canada;

(c) securities of the Funds are or will be:

   (iv) offered primarily outside of Canada;

   (v) only be distributed in Ontario through one or more registrants under the OSA; and

   (vi) distributed in Ontario in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502;

(d) prospective investors who are Ontario residents will receive disclosure that includes:

   (i) a statement that there may be difficulty enforcing legal rights against the Funds or the Applicant advising the Funds because they are resident outside of Canada and all or substantially all of their assets are situated outside of Canada; and

   (ii) a statement that the Applicant advising the Funds is not registered with or licensed by any securities regulatory authority in Canada and, accordingly, the protections available to clients of a registered adviser will not be available to purchasers of securities of the Funds.

(e) any Applicant whose name does not specifically appear in this Order and who proposes to rely on the exemption granted under this Order, shall, as

   a condition to relying on such exemption, have executed and filed with the Commission a verification certificate referencing this Order and confirming the truth and accuracy of the Application with respect to that particular Applicant.

January 31, 2006

"Paul M. Moore"

"Carol S. Perry"

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Xplore Technologies Corp.

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

AND

IN THE MATTER OF
XPLORE TECHNOLOGIES CORP.

SETTLEMENT AGREEMENT

I. INTRODUCTION

1. By Notice of Hearing dated January 23, 2006, the Ontario Securities Commission announced that it proposed to hold a hearing to consider whether pursuant to section 127 and section 127.1 of the *Securities Act*, R.S.O. 1990, C. S. 5, as amended (the *Act)*, it is in the public interest to make an order that Xplore Technologies Corp. ("Xplore" or the "Company"):

(a) be reprimanded for filing financial statements which, *inter alia*, were not prepared in accordance with generally accepted accounting principles; and

(b) pay the costs of Staff's investigation and the costs of the hearing in this matter.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff recommends settlement of the proceeding initiated against Xplore by the Notice of Hearing dated January 23, 2006 in accordance with the terms and conditions contained in this agreement. Xplore agrees to the settlement on the basis of the facts as agreed to in Part III and consents to the making of an order in the form attached as Schedule A to this agreement on the basis of the facts contained in this agreement.

III. FACTS

Background

3. Xplore 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 as well as other provinces in Canada.

4. 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 the company's sales force to identify and sell its products to end consumers.

5. 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.

Improper Revenue Recognition

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. According to GAAP, in a transaction involving the sale of goods, performance should be regarded as achieved when 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 over, the goods transferred, and when 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.

8. 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.

9. 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.

10. 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.

11. 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).

Allegations

12. The specific allegation advanced by Staff against Xplore is that 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 were contrary to sections 77 and 78 of the Act.

New Stakeholders and Related Factors

13. Xplore appointed a new chief financial officer in August 2004, and significant investment in Xplore has been made by a new investor group. In addition, an interim executive committee has been formed (which includes, among others, senior representatives of the new investor group) to collectively carry out chief executive officer responsibilities. As a result, there have been significant changes in the ownership and management stakeholders of Xplore.

14. These stakeholders have, on behalf of Xplore, devoted significant financial and non-financial resources (i) to co-operate fully with Staff in Staff's investigation of Xplore's financial disclosure and (ii) together with Xplore's new auditors, to finalize and file restated financial statements.

15. Xplore's board of directors appointed a special committee to consider and oversee appropriate review and remedial actions.

16. Xplore does not have significant financial resources available to fund non-operational expenses, but recognizes the importance of making payment as proposed below in order to settle those matters on a basis believed reasonable by its management and by Staff.

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

17. Xplore acknowledges that the conduct described in Part III was conduct contrary to Ontario Securities Law and contrary to the public interest.

V. TERMS OF SETTLEMENT

18. Xplore agrees to the following terms of settlement:

(a) Xplore agrees to make a settlement payment of $50,000.00 to the Ontario Securities Commission for allocation to and for the benefit of third parties under section 3.4(2);

(b) Xplore will provide a letter of comfort to Staff of the Commission to confirm that (i) Xplore has instituted new practices and procedures related to preventing the future improper recognition of revenue; and (ii) management and the directors of Xplore have been further reviewing Xplore's internal controls with a view to implementing any additional internal controls which may be determined appropriate so as to be in a position to provide the certifications required under Multilateral Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings) within the time periods contemplated in such instrument;

(c) Pursuant to clause 6 of subsection 127(1) of the Act, Xplore shall be reprimanded for its failure to file financial statements prepared in accordance with GAAP; and

(d) Pursuant to section 127.1 of the Act, Xplore agrees to pay the sum of $20,000.00 toward the costs of the investigation and hearing in this matter.

V. STAFF COMMITMENT

19. If this settlement agreement is approved by the Commission, Staff will not initiate any other proceedings under the Act against Xplore based on the facts admitted in this Settlement Agreement.

20. This settlement agreement constitutes full answer to the allegations contained in the Notice of Hearing and Statement of Allegations.

VI. PROCEDURE FOR APPROVAL OF SETTLEMENT

21. Approval of the settlement shall be sought at the hearing of the Commission scheduled for January 27, 2006.

22. Counsel for Staff and Counsel for Xplore may refer to any part or all of this settlement agreement at the settlement hearing.

23. Staff and Xplore agree that this settlement agreement will constitute the entirety of the evidence to be submitted at the settlement hearing. If this settlement agreement is approved by the Commission, Xplore agrees to waive its rights under the Act to a full hearing, judicial review or appeal of the matter.

24. Whether or not the settlement agreement is approved by the Commission, Xplore agrees that it will not, in any proceeding, refer to or rely on this Settlement Agreement, the settlement discussions and negotiations or the process of approval of the Settlement Agreement as the basis of any attack on the Commission's jurisdiction, alleged bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

25. If, for any reason whatsoever, this Settlement Agreement is not approved by the Commission or an order in the form attached to this Settlement Agreement as Schedule "A", is not made by the Commission:

(a) this Settlement Agreement and its terms, including all discussions and negotiations between Staff and Xplore leading up to its presentation of the settlement hearing, shall be without prejudice to Staff or Xplore ; and

(b) except as set out in paragraph 28, Staff and Xplore shall be entitled to all available proceedings, remedies and challenges, including the proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by this Settlement Agreement or the settlement discussions and negotiations.

VII. DISCLOSURE OF AGREEMENT

26. Except as required by its terms, this Settlement Agreement will be treated as confidential by the Commission until approved, and forever if, for any reason whatsoever, the Settlement Agreement is not approved by the Commission, except with the written consent of Staff and Xplore or as may be required by law.

27. Any obligations of confidentiality attached to this Settlement Agreement shall terminate upon approval of this settlement by the Commission.

28. Staff and Xplore agree that if this Settlement Agreement is approved by the Commission, they will not make any public statement inconsistent with the Settlement Agreement.

VIII. EXECUTION OF SETTLEMENT AGREEMENT

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

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

DATED this 23rd day of January, 2006

"Michael Rapisand"
XPLORE TECHNOLOGIES CORP.

"Michael Watson"
Director of Enforcement

SCHEDULE "A"

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

AND

IN THE MATTER OF
XPLORE TECHNOLOGIES CORP.

ORDER
(Section 127(1) and Section 127.1)

WHEREAS on January 23, 2006, the Ontario Securities Commission issued a Notice of Hearing pursuant to Section 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the *Act*) in respect of Xplore Technologies Corp. ("Xplore");

AND WHEREAS Xplore entered into a settlement agreement with Staff of the Commission dated January 23, 2006 in which it agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing subject to the approval of the Commission;

AND UPON receiving the Settlement Agreement and the Notice of Hearing and upon hearing submissions of Staff and counsel for Xplore;

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

IT IS ORDERED THAT:

1. the Settlement Agreement attached to this Order as Schedule "A" is approved;

2. pursuant to clause 6 of subsection 127(1) of the *Act,* Xplore is reprimanded for having failed to file financial statements prepared in accordance with generally accepted accounting principles; and

3. pursuant to section 127.1 of the *Act,* Xplore shall pay the sum of $20,000 to the Ontario Securities Commission in respect of the costs of Staff's investigation and the hearing of this matter.

DATED at Toronto, Ontario, this ____day of _____, 2006.

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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

There are no updates for the week ending February 1, 2006.

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

There are no updates for the week ending February 1, 2006.

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		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
Hollinger Canadian Newspapers, Limited Partnership	21 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Hollinger International	18 May 04	01 Jun 04	01 Jun 04		
Kinross Gold Corporation	01 Apr 05	14 Apr 05	14 Apr 05		
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
South American Gold and Copper Company Limited	10 Jan 06	23 Jan 06	23 Jan 05		

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
04/01/2005 to 09/01/2005	4	Absolute Return Trust - Trust Units	4,178,758.06	3,076.00
12/19/2005	2	Adastra Minerals Inc. - Common Shares	1,870,000.00	1,870,000.00
01/06/2006	18	Advent Capital (Holdings) PLC - Common Shares	60,674,999.99	17,039,532.00
10/01/2005	1	Altairis Investments - Limited Partnership Units	240,000.00	735.60
01/10/2006	1	AmberCore Software Inc. - Common Shares	76,600.00	200,000.00
01/13/2006	7	Aptilon Holdings Inc. - Common Shares	2,000,000.00	36,101,082.00
01/13/2006	4	Archer Education Group Inc. - Units	562,213.00	966,000.00
01/16/2006	39	Bald Mountains Limited Partnership - Limited Partnership Units	7,125,000.00	59.00
12/30/2005	7	Baltic Resources Inc. - Flow-Through Shares	638,750.00	2,555,000.00
12/31/2005	4	Band-Ore Resources Ltd. - Units	210,000.00	425,000.00
11/24/2005	2	BCY LifeSciences Inc. - Common Shares	2.00	200,000.00
12/30/2005	1	Bedford Capital III C, LP - Limited Partnership Units	1,000,000.00	1,000.00
04/29/2005 to 05/30/2005	5	Black Creek Foucus Fund - Units	13,804,000.00	138,227.00
12/31/2005	23	Black Pearl Minerals Consolidated Inc. - Common Shares	309,500.00	3,095,000.00
01/03/2006 to 01/13/2006	4	Blue Ocean Re Holdings Ltd. - Common Shares	83,044,800.00	720,000.00
01/19/2006	27	BrazAlta Resources Corp. - Units	2,356,052.00	3,926,754.00
01/05/2006	52	Canadian Baldwin Resources Limited - Common Shares	2,685,000.00	13,425,000.00
01/05/2006	19	Canadian Baldwin Resources Limited - Common Shares	270,000.00	9,000,000.00
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
01/17/2006	1	CHIL Semiconductor Inc. - Preferred Shares	75.00	750,000.00
08/22/2005	1	Commodities Investment Trust - Trust Units	24,844,264.96	2,063,306.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
12/16/2005 to 01/13/2006	14	Currency Capital Corp. - Common Shares	62,400.00	16,100.00
05/01/2005	1	Cygnus X1 Limited Partnership - Limited Partnership Units	151,619.84	16.00
01/13/2006	16	Dynacor Mines Inc. - Units	3,135,998.52	14,254,539.00
12/28/2005	40	Dynasty Gaming Corporation - Units	5,250,000.00	15,000,000.00
01/13/2006	31	Ecu Silver Mining Inc. - Units	1,951,894.70	5,576,842.00
12/30/2005	16	Eloro Resources Ltd. - Flow-Through Shares	390,000.00	1,470,588.00
01/03/2006	1	Environmental Management Solutions Inc. - Warrants	0.00	500,000.00
01/03/2006	1	Environmental Management Solutions Inc. - Warrants	0.00	500,000.00
01/01/2005 to 12/31/2005	79	Epic Limited Partnership - Limited Partnership Units	13,582,430.88	3,843.60
01/01/2005 to 10/31/2005	18	Epic Limited Partnership II - Limited Partnership Units	2,489,700.00	655.10
01/01/2005 to 02/28/2005	5	Epic North American Diversified Fund L.P. - Limited Partnership Units	1,175,000.00	1,098.30
02/01/2005 to 12/31/2005	133	Epic Trust - Units	3,082,889.32	295,139.70
01/01/2005 to 12/01/2005	22	FG Limited Partnership - Units	6,896,802.40	22,630.44
12/22/2005 to 12/29/2005	21	First Coal Corporation - Common Shares	1,089,840.00	908,200.00
01/09/2006 to 01/13/2006	19	General Motors Acceptance Corporation of Canada, Limited - Notes	9,200,152.22	9,200,152.22
01/13/2006	20	Glacier Ventures International Corp. - Receipts	29,000,000.25	10,385,965.00
01/13/2006	1	Glass Earth Limited - Units	500,000.00	3,333,333.00
12/19/2005	1	GMO Developed World Equity Investment Fund - Units	87,053.21	2,982.33
01/05/2006	1	GMO Emerging Countries Equity Fund - Units	1,742,550.00	63,949.52
12/02/2005	1	GMO International Core Equity Fund - Units	1,268,406.50	32,898.52
01/10/2006	23	Gold Summit Corporation - Units	610,500.00	2,442,000.00
01/23/2006	11	Golden Cariboo Resources Ltd. - Flow-Through Shares	251,650.05	1,503,667.00
01/18/2006	17	Golden Chalice Resources Inc. - Flow-Through Shares	400,000.00	1,180,000.00
01/12/2006	37	Greyhawke Resources Ltd. - Common Shares	2,575,000.00	1,287,500.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
01/09/2006	1	Helius Canada Limited Partnership - Limited Partnership Units	500,000.00	500.00
01/01/2005 to 10/01/2005	17	Hillery & Associates, L.P. - Units	2,875,000.00	1,367.00
01/16/2006	6	Hyperion Technologies Inc. - Units	109,500.00	219,000.00
01/10/2006 to 01/19/2006	17	IMAGIN Diagnostic Centres, Inc. - Preferred Shares	147,000.00	73,500.00
01/16/2006	34	International Hydrocarbons Corp. - Common Shares	1,068,500.00	2,137,000.00
01/19/2006 to 01/20/2006	3	IsoRay Inc. - Units	164,143.00	7.00
12/21/2005	4	Jatheon Technologies Inc. - Preferred Shares	430,437.00	2,142,400.00
12/29/2005	1	KidsFutures Inc. - Common Shares	0.00	52,500.00
12/31/2005	14	Kingwest & Company - Units	479,800.00	-1.00
01/18/2006	10	Kommunalbanken AS - Bonds	200,000,000.00	200,000,000.00
10/01/2005 to 01/01/2006	1	Latigo Offshore Fund, Ltd. - Common Shares	29,181,020.00	25,300.00
12/30/2005	4	Laurion Gold Inc. - Units	470,000.00	4,700,000.00
12/30/2005	1	Laurion Gold Inc. - Units	100,000.00	1,000,000.00
01/24/2006	2	LoBenn Inc. - Common Shares	40,000.00	40,000.00
09/01/2005	1	Loch Capital Fund (Offshore) Ltd. - Limited Partnership Interest	1,163,400.00	1,163,400.00
01/03/2006	8	Look Communications Inc. - Common Shares	143,225.73	1,193,547.00
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	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No 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
04/20/2005 to 05/04/2005	1	MBS Investment Trust II - Trust Units	55,015,706.52	4,433,314.00
01/05/2006	3	Merrill Lynch Canada Finance Company - Notes	4,000,000.00	40,000.00
01/05/2006	5	Merrill Lynch Canada Finance Company - Notes	6,400,000.00	64,000.00
01/20/2006	26	Mill City Gold Mining Corp. - Units	1,000,000.00	10,000,000.00
11/30/2005	17	Monet Land Development Inc. - Common Shares	635,000.00	635.00
01/03/2006	96	National Bank of Canada - Notes	7,509,579.00	6,490,000.00
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
12/30/2005	6	Nuinsco Resources Limited - Common Shares	427,060.06	2,512,118.00
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
12/30/2005	1	Opel Inc. - Stock Option	2,936,610.00	5,037,500.00
01/10/2006	90	Open Range Energy Corp. - Common Shares	7,008,250.00	1,649,000.00
12/29/2005 to 12/30/2005	56	Open Range Energy Corp. - Common Shares	1,046,500.00	4,186,000.00
01/28/2005	1	Orbis Africa Equity (Rand) Fund Limited - Units	24,658.54	57.66
07/15/2005 to 12/09/2005	3	Orbis Global Equity Fund - Units	976,358.04	9,649.77
04/01/2005 to 10/14/2005	2	Orbis Leveraged (Euro) Fund Limited - Units	497,926.37	11,785.85
12/09/2005	1	Orbis Leveraged (US$) Fund Limited - Units	40,566.05	322.88
07/29/2005 to 12/09/2005	2	Orbis Optimal (US$) Fund Limited - Units	799,586.05	10,749.57

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
10/18/2005	1	Orbis SICAV- Japan Equity (Euro) Fund - Units	364,903.72	15,974.40
12/02/2005	40	Pacific Booker Minerals Inc. - Common Shares	2,081,800.00	520,450.00
01/13/2006	1	Planet Trust - Bonds	193,278.77	193,278.77
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
01/17/2006	14	Quebecor Media Inc. - Notes	615,943,294.00	525,000,000.00
12/09/2005	1	Real Assets US Social Equity Index Fund - Units	14,019.20	-1.00
01/16/2006	291	Rochester Resources Ltd. - Common Shares	2,500,000.00	5,000,000.00
01/16/2006	700	Romspen Mortgage Investment Fund/Romspen Investment Corporation - Units	159,835,530.00	15,923,553.00
12/28/2005	27	RTNI Limited Partnership - Limited Partnership Units	325,280.00	N/A
01/18/2006	41	Scanimetrics Inc. - Units	3,405,000.00	2,270,000.00
04/01/2005 to 12/01/2005	5	SD Baker & Associates Inc - Units	1,000,000.00	62.89
11/25/2005 to 12/21/2005	2	Slam Exploration Ltd. - Common Shares	0.00	130,000.00
01/12/2006	1	SMART Trust - Notes	1,330,148.79	1.00
12/29/2005	44	Solex Resources Corp. - Units	934,500.00	3,337,500.00
01/04/2006	3	Stinson Hospitality Inc. - Notes	75,000.00	1,000.00
06/04/2005	1	The North Growth Canadian Equity Fund - Units	44,800.00	3,642.31
02/14/2005 to 10/12/2005	18	The North Growth U.S. Equity Fund - Units	1,970,400.45	70,650.96
09/29/2005 to 10/03/2005	3	The Rosseau Resort Developments Inc. - Units	1,414,700.00	30.00
05/01/2006	1	The Rosseau Resort Developments Inc. - Units	299,900.00	1.00
11/21/2005 to 11/27/2005	2	The Rosseau Resort Developments Inc. - Units	639,800.00	2.00

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price ($)	No of Securities Distributed
12/03/2005	1	The Rosseau Resort Developments Inc. - Units	299,900.00	1.00
12/24/2005		The Rosseau Resort Developments Inc. - Units		1.00
01/01/2006 to 01/07/2006	2	The Rosseau Resort Developments Inc. - Units	724,800.00	20.00
02/01/2005	1	The Strategic Opportunities Master Fund L.P. - Limited Partnership Interest	1,000,000.00	1,000.00
06/17/2005	1	The Upper Circle Canadian Equity Fund - Units	63,421.80	5,871.00
06/17/2005	1	The Upper Circle Canadian Equity Fund - Units	36,807.20	3,310.00
12/20/2005	3	Thelon Ventures Ltd. - Common Shares	280,000.00	2,800,000.00
12/30/2005	46	Transborder Capital Inc. - Common Shares	1,678,353.00	3,138,150.00
12/21/2005	11	Tri Origin Exploration Ltd. - Flow-Through Shares	307,400.00	1,921,925.00
01/18/2006	5	Trigence Corp. - Debentures	600,000.00	600,000.00
01/02/2006	18	Twin Butte Energy Ltd. - Common Shares	1,003,323.82	2,333,333.00
01/02/2006	26	Twin Butte Energy Ltd. - Units	3,010,000.00	7,000,000.00
01/17/2006	10	UC Resources Ltd. - Units	400,000.00	4,000,000.00
06/20/2006	1	Unitech Energy Corp. - Units	27,000.00	150,000.00
01/06/2006	3	Urban Communications Inc. - Units	139,000.00	1,390,000.00
12/20/2005	1	Ursa Major International Inc. - Common Shares	2,325,000.00	3,100,000.00
09/30/2005 to 10/28/2005	1	U.S. Mortgage Investment Trust - Trust Units	13,450,716.89	1,147,533.00
12/31/2005	181	Vertex Fund - Trust Units	32,640,071.65	107.54
12/29/2005	5	Virgin Metals Inc. - Units	1,143,000.00	2,540,000.00
01/13/2006	11	Virgin Resources Limited - Common Shares	1,011,810.30	1,556,632.00
01/12/2006	1	Walsingham Fund LP No. 1 - Units	500,000.00	500.00
01/13/2006	1	We-Create Inc. - Debentures	100,000.00	55,803.60
01/11/2006	1	Weda Bay Minerals Inc. - Units	1,000,000.00	1,000,000.00
12/30/2005	54	Western Geopower Corp. - Units	7,255,625.10	48,370,834.00
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	3,100,175.00
12/22/2005 to 12/23/2005	37	Wilderness Energy Corp. - Flow-Through Shares	10,666,000.00	2,666,500.00
12/23/2005 to 12/30/2005	2	Windsor Global Asset Investment Limited - Common Shares	39,000,000.00	39,000.00
01/03/2006	4	Woodruff Capital Management Inc. - Flow-Through Units	1,332,354.00	2,049,775.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Bird Construction Income Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
$ * - * Units - Price: $* per Unit
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Promoter(s):
Bird Construction Company Limited
Project #878058

Issuer Name:
Canadian Capital Auto Receivables Asset Trust II
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
$* - * % Auto Loan Receivables-Backed Notes Series 2006-1, Class A-1, A-2, A-3 and Class B
Underwriter(s) or Distributor(s):
TD Securities Inc.
Scotia Capital Inc.
Promoter(s):
General Motors Acceptance Corporation of Canada, Limited
Project #883018

Issuer Name:
Connor, Clark & Lunn ROC Pref Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 25, 2006
Mutual Reliance Review System Receipt dated January 26, 2006
Offering Price and Description:
$ * - * Preferred Shares Price per $25.00 per Preferred Shares
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
HSBC Securities (Canada) Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Desjardins Securities Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Promoter(s):
Connor, Clark & Lunn Capital Markets Inc.
Project #882322

Issuer Name:
COPERNICAN WORLD BANKS INCOME AND GROWTH TRUST
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
Maximum $ * (* Units) Price: $10.00 per Unit (Minimum Purchase: 100 Units)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Berkshire Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Inc.
Desjardins Securities Inc.
Bieber Securities Inc.
Blackmont Capital Inc.
Dundee Securities Corporation
Raymond James Ltd.
Wellington West Capital Inc.
Promoter(s):
Copernican Capital Corp.
Project #883235

Issuer Name:
Deans Knight Income and Growth Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
Maximum $100,000,000 (10,000,000 Units) Price: $10.00 per Unit Minimum Purchase: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
MGI Securities Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
GMP Securities L.P.
Rothenberg Capital Management Inc.
Wellington West Capital Inc.
Promoter(s):
Fairway Advisors Inc.
Project #884881

Issuer Name:
ESI Entertainment Systems Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated January 26, 2006
Mutual Reliance Review System Receipt dated January 26, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
CIBC World Markets Inc.
Canaccord Capital Corporation
GMP Securities LP
Promoter(s):
-
Project #882620

Issuer Name:
EuroZinc Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 30, 2006
Mutual Reliance Review System Receipt dated January 30, 2006
Offering Price and Description:
$100,002,000.00 - 71,430,000 Common Shares Price: $1.40 per Common Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #884279

Issuer Name:
Horizons BetaPro Gold Bear Plus Fund
Horizons BetaPro Gold Bull Plus Fund
Horizons BetaPro S&P 500® Bear Plus Fund
Horizons BetaPro S&P 500® Bull Plus Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 24, 2006
Mutual Reliance Review System Receipt dated January 25, 2006
Offering Price and Description:
Class A, F and I Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Betapro Management Inc.
Project #882061

Issuer Name:
HPVC Inc.
Principal Regulator - Manitoba
Type and Date:
Preliminary CPC Prospectus dated January 25, 2006
Mutual Reliance Review System Receipt dated January 26, 2006
Offering Price and Description:
Maximum Offering: $1,700,000.00 (5,666,666 Common Shares); Minimum Offering: $750,000.00 (2,500,000 Common Shares) Price: $0.30 per Common Share
Minimum Subscription: $300 (1,200 Common Shares)
Underwriter(s) or Distributor(s):
Wellington West Capital Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #882214

Issuer Name:
Lake Shore Gold Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated January 30, 2006
Mutual Reliance Review System Receipt dated January 30, 2006
Offering Price and Description:
$12,500,000.00 - 6,097,561 Common Shares and $5,000,000.00 - 2,000,000 Flow-Through Shares
Price: $2.05 per Common Share $2.50 per Flow-Through Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Haywood Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Octagon Capital Corporation
Promoter(s):
-
Project #884364

Issuer Name:
Mackenzie Universal Canadian Resource Capital Class
Type and Date:
Preliminary Simplified Prospectus dated January 27, 2006
Receipted on January 30, 2006
Offering Price and Description:
Series R Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Financial Corporation
Project #883689

Issuer Name:
NCE Diversified Flow-Through (06) Limited Partnership
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 30, 2006
Offering Price and Description:
$ (Maximum Offering) $10,000,000.00 (Minimum Offering)
A maximum of * and a minimum of
400,000 Limited Partnership Units Subscription Price: $25 per Unit Minimum Subscription: 200 Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Dundee Securities Corporation
Blackmont Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
Petro Assets Inc.
Project #883646

Issuer Name:
NexGen American Growth Corporate Fund
NexGen American Growth Trust
NexGen Canadian Balanced Growth Corporate Fund
NexGen Canadian Balanced Growth Trust
NexGen Canadian Bond Corporate Fund
NexGen Canadian Bond Trust
NexGen Canadian Cash Corporate Class
NexGen Canadian Cash Trust
NexGen Canadian Dividend and Income Corporate Fund
NexGen Canadian Dividend and Income Trust
NexGen Canadian Growth and Income Corporate Fund
NexGen Canadian Growth and Income Trust
NexGen Canadian Growth Corproate Fund
NexGen Canadian Growth Trust
NexGen Canadian Large Cap Corporate Fund
NexGen Canadian Large Cap Trust
NexGen North American Dividend and Income Corporate Fund
NexGen North American Dividend and Income Trust
NexGen North American Growth Corporate Fund
NexGen North American Growth Trust
NexGen North American Large Cap Corporate Fund
NexGen North American Large Cap Trust
NexGen North American Small / Mid Cap Corporate Fund
NexGen North American Small / Mid Cap Trust
NexGen North American Value Corporate Fund
NexGen North American Value Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated January 25, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
Units and Shares of the Series of Regular, High Net Worth, Ultra High Net Worth, Wrap and Institutional Front End Load and Standard Deferred Load and Shares of the Series of Capital Gains Class, Return of Capital Class, Dividend Tax Credit Class and Compound Growth Class
Underwriter(s) or Distributor(s):
NexGen Financial Limited Partnership
NexGen Financial Limited Partnership
Promoter(s):
NexGen Financial Limited Partnership
Project #882610

Issuer Name:
Oil Sands Sector Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit Minimum Purchase: 100 Units
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Berkshire Securities Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Research Capital Corporation
Blackmont Capital Inc.
Wellington West Capital Inc.
Promoter(s):
Markland Street Asset Management Inc.
Project #884226

Issuer Name:
Sentry Select Balanced Class
Sentry Select Canadian Energy Growth Class
Sentry Select Canadian Income Class
Sentry Select Mining Opportunities Class
Sentry Select Money Market Class
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated January 20, 2006
Mutual Reliance Review System Receipt dated January 25, 2006
Offering Price and Description:
Series A Shares
Underwriter(s) or Distributor(s):
Sentry Select Capital Corp.
Sentry Select Capital Corp.
Promoter(s):
Sentry Select Capital Corp.
Project #881106

Issuer Name:
Silverstone Resources Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated January 25, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
Distribution by Capstone Gold Corp. as a Dividend-in-Kind of Units of the Issuer
Underwriter(s) or Distributor(s):
-
Promoter(s):
Darren M. Pylot
Project #882860

Issuer Name:
YEARS Financial Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 30, 2006
Offering Price and Description:
Warrants to Subscribe for up to * Units Subscription Price: $ * per Unit
(Upon the exercise of one Warrant for one Unit)
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brompton YTU Management Limited
Project #883530

Issuer Name:
Acuity Diversified Total Return Trust
(Units)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 30, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
Maximum $120,000,000.00 (12,000,000 units @ $10/unit);
Minimum Purchase $1,000.00 (100 units @ $10/unit)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Wellington West Capital Inc.
Berkshire Securities Inc.
Blackmont Capital Inc.
GMP Securities L.P.
IPC Securities Corporation
Promoter(s):
Acuity Funds Ltd.
Project #871246

Issuer Name:
Allbanc Split Corp. II
(Capital Shares and Preferred Shares)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 25, 2006
Mutual Reliance Review System Receipt dated January 26, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
National Bank Financial Inc
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Canaccord Capital Corporation
Wellington West Capital Inc.
GMP Securities L.P.
Promoter(s):
Scotia Capital Inc.
Project #868305

Issuer Name:
Atna Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated January 26, 2006
Mutual Reliance Review System Receipt dated January 30, 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:
Canadian Financial Dividend & Income Fund
(Class A Units)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
MGI Securities Inc.
Wellington West Capital Inc.
Promoter(s):
Claymore Investments, Inc.
Project #874488

Issuer Name:
Cap-Link Ventures Ltd.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated January 30, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
$200,000.00 - 2,000,000 COMMON SHARES @ $0.10 PER COMMON SHARE
Underwriter(s) or Distributor(s):
Graydon Elliott Capital Corporation
Promoter(s):
Robert Louis Thast
Project #867380

Issuer Name:
Capital Desbog inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated January 26, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
Minimum Offering: $1,000,000.00 or 3,333,333 common shares; Maximum Offering: $2,000,000.00 or 6,666,667 common shares Minimum Subscription: $900 or 3,000 common shares Additional Subscriptions: $90 or 300 common shares
Underwriter(s) or Distributor(s):
Jones, Gable & Company Limited
Promoter(s):
Gérald Désourdy
Project #873044

Issuer Name:
CC&L Aggressive Equity Portfolio
CC&L Balanced Growth Portfolio
CC&L Balanced Income Portfolio
CC&L Balanced Portfolio
CC&L Conservative Portfolio
CC&L Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated January 25, 2006
Mutual Reliance Review System Receipt dated January 26, 2006
Offering Price and Description:
Series A and Series F Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Connor, Clark & Lunn Managed Portfolios Inc.
Project #865891

Issuer Name:
Diversified Preferred Share Trust
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 30, 2006
Mutual Reliance Review System Receipt dated January 30, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Berkshire Securities Inc.
Dundee Securities Corporation
Wellington West Capital Markets Inc.
Blackmont Capital Inc.
Desjardins Securities Inc.
IPC Securities Corporation
Jory Capital Inc.
Research Capital Corporation
Promoter(s):
-
Project #873152

Issuer Name:
Duvernay Oil Corp.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated January 31, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
$55,625,000.00 - 1,250,000 Common Shares Price: $44.50 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
FirstEnergy Capital Corp.
Scotia Capital Inc.
Blackmont Capital Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
Sprott Securities Inc.
Octagon Capital Corporation
Promoter(s):
-
Project #881905

Issuer Name:
Eldorado Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated January 31, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
Cdn$162,000,000.00 - Cdn$5.40 per Common Share
30,000,000 Common Shares
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:
GE Capital Canada Funding Company
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated January 31, 2006
Mutual Reliance Review System Receipt dated January 31, 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
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:
Global High Dividend Advantage Fund
(Class A Units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated January 23, 2006
Mutual Reliance Review System Receipt dated January 25, 2006
Offering Price and Description:
Class A units
Underwriter(s) or Distributor(s):
-
Promoter(s):
CI Investments Inc.
Project #872552

Issuer Name:
Interlude Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated January 26, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
MINIMUM OFFERING: $200,000.00 (1,000,000 COMMON SHARES); MAXIMUM OFFERING: $250,000.00 (1,250,000 COMMON SHARES) Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
Kirk Exner
Project #872902

Issuer Name:
Jazz Air Income Fund
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated January 25, 2006
Mutual Reliance Review System Receipt dated January 25, 2006
Offering Price and Description:
$235,000,000.00 - 23,500,000 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Citigroup Global Markets Canada Inc.
Merrill Lynch Canada Inc.
Canaccord Capital Corporation
Orion Securities Inc.
Research Capital Corporation
Versant Partners Inc.
Westwind Partners Inc.
Dundee Securities Corporation
Wellington West Capital Markets Inc.
Promoter(s):
Jazz Air LP
Project #861007

Issuer Name:
Mackenzie Select Managers Fund
(Series A, F, I and O Units)
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated January 24, 2006 to the Simplified Prospectus and Annual Information Form dated November 30, 2005
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
Series A, F, I and O Units
Underwriter(s) or Distributor(s):
Quadrus Investment Services Ltd.
Promoter(s):
Mackenzie Financial Corporation
Project #842703

Issuer Name:
Series A, F, I, O and R Shares of :
Mackenzie Select Managers Capital Class
of Mackenzie Financial Capital Corporation
Mackenzie Universal World Science & Technology Capital Class
of Mackenzie Financial Capital Corporation
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated January 24, 2006 to the Final Simplified Prospectuses and Annual Information Forms dated October 30, 2005
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
Series A, F, I, O and R Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Mackenzie Finanical Corporation
Project #835510

Issuer Name:
Payout Performers Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 30, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
TD Securities Inc.
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Dundee Securities Corporation
Raymond James Ltd.
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
First Asset Funds Inc.
Project #872441

Issuer Name:
Tarsis Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated January 24, 2006
Mutual Reliance Review System Receipt dated January 27, 2006
Offering Price and Description:
$300,000.00 (1,200,000 COMMON SHARES) Price: $0.25 per Common Share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Quest Capital Corp.
Project #872725

Issuer Name:
Top 10 Split Trust
(Capital Units and Preferred Securities)
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated January 27, 2006
Mutual Reliance Review System Receipt dated January 31, 2006
Offering Price and Description:
$76,757,812.50 - 5,859,375 Capital Units @ 13.10 per Capital Unit $73,242,187.50 - 5,859,375 @ $12.50 per Preferred Security
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Blackmont Capital Inc.
Raymond James Ltd.
Promoter(s):
Mulvihill Capital Management Inc.
Project #869744

Issuer Name:
Venturelink Brighter Future (Equity) Fund Inc.
Venturelink Financial Services Innovation Fund Inc.
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated January 18, 2006 to the Prospectuses dated August 26, 2005
Mutual Reliance Review System Receipt dated January 25, 2006
Offering Price and Description:
Class A Shares, Series III and Class A Shares, Series IV
Underwriter(s) or Distributor(s):
-
Promoter(s):
CFPA Sponsor Inc.
Skylon Advisors Inc.
Project #811458

Issuer Name:
VentureLink Diversified Income Fund Inc.
Type and Date:
Amendment #2 dated January 18, 2006 to the Prospectus dated August 26, 2005
Receipted on January 25, 2006
Offering Price and Description:
Class A Shares, Series III and Class A Shares, Series IV
Underwriter(s) or Distributor(s):
Skylon Advisors Inc.
Promoter(s):
-
Project #812698

Issuer Name:
Charterhouse Advantaged Trust Split Corporation
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated December 22nd, 2005
Withdrawn on January 26th, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Desjardins Securities Inc.
MGI Securities Inc.
Raymond James Ltd.
Wellington West Capital Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Richardson Partners Financial Ltd.
Promoter(s):
Charterhouse At Split Management Corporation
Project #874120

Issuer Name:
Mavrix Balanced Income & Growth Resources Trust
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated September 30th, 2005
Withdrawn on January 25th, 2006
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit (Minimum Subscription: 100 Units)
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
TD Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
Dundee Securities Corporation
Raymond James Ltd.
Berkshire Securities Inc.
Blackmont Capital Inc.
MGI Securities Inc.
Research Capital Corporation
Wellington West Capital Inc.
Promoter(s):
Mavrix Funds Ltd.
Project #837784

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Stark Investments (Canada) Corp.	Investment Counsel and Portfolio Manager	January 30, 2006
New Registration	Pope & Company Limited	Investment Dealer	January 30, 2006
New Registration	Man Capital Markets AG	Limited Market Dealer	January 26, 2006
Change of Name	From: Credit Suisse First Boston (Europe) Limited To: Credit Suisse Securities (Europe) Limited	International Dealer	January 16, 2006
Change of Name	From: Carpus Capital Inc. To: West Face Capital Inc.	Investment Counsel and Portfolio Manager	January 17, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 MFDA Sets Date for Donald Kent Coleman Hearing in Toronto, Ontario

NEWS RELEASE
For immediate release

MFDA SETS DATE FOR DONALD KENT COLEMAN HEARING IN TORONTO, ONTARIO

January 26, 2006 (Toronto, Ontario) - The Mutual Fund Dealers Association of Canada ("MFDA") commenced a disciplinary proceeding in respect of Donald Coleman by Notice of Hearing dated December 1, 2005.

As specified in the Notice of Hearing, the first appearance in this proceeding took place this morning at 10:00 a.m. (Eastern) before a 3-member Hearing Panel of the MFDA Ontario Regional Council.

The date for the commencement of the hearing of this matter on the merits has been scheduled to take place before a Hearing Panel of the Ontario Regional Council on Tuesday, March 21, 2006 at 10:00 a.m. (Eastern) in the Hearing Room located at the offices of the MFDA at 121 King Street West, Suite 1000, Toronto, Ontario, or as soon thereafter as the hearing can be held.

The hearing will be open to the public, except as may be required for the protection of confidential matters.

A copy of the Notice of Hearing is available on the MFDA website at www.mfda.ca.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 177 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Jason D. Bennett
Registrar & Assistant Director, Regional Councils
(416) 943-7431 or jbennett@mfda.ca

13.1.2 IDA By-Laws 10.26, 10.27 and 10.28 – Member Regulation Oversight Committee and Additional Board Committees

INVESTMENT DEALERS ASSOCIATION OF CANADA –
BY-LAWS 10.26, 10.27 AND 10.28 – MEMBER REGULATION OVERSIGHT COMMITTEE
AND ADDITIONAL BOARD COMMITTEES

I OVERVIEW

A Current Rules

IDA By-law 10 sets out the composition, procedures and mandates of IDA Board of Directors, National Advisory Committee, Executive Committee, Chair's Consultative Council and Audit Committee. In addition, By-law 10.20 sets out the ability of the Chair or President of the IDA, with the consent of the Board of Directors, to appoint sub-committees from time to time.

B The Issue

There is no procedure to establish standing committees. Committees created under By-law 10.20, unless specifically renewed by the Board, are terminated.

C Objective

The objective of the amendments is to establish the Member Regulation Oversight Committee and provide the Board of Directors with the ability to create other standing committees from time to time.

D Effect of Proposed Rules

The proposed amendments will improve the corporate governance of the Association by ensuring that committees are properly constituted and are able to effectively exercise their mandates. The By-law 10 amendments relating to the MROC merely formalize the operation of this committee as a standing committee. There will be no changes to the composition or mandate of the MROC.

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed By-Law Amendments

By-law 10 in general provides for the Board of Directors to establish particular committees such as the National Advisory Committee, the Executive Committee and the Audit Committee. In addition, By-law 10.20 provides that the Chair or President of the IDA, with the consent of the Board of Directors, "may appoint such Sub-Committees and for the purposes as either of them may in his discretion decide. The life of such Sub-Committee shall not extend beyond the first Annual Meeting next following its appointment".

There is no explicit residual authority for the Board to appoint any other committees. The Member Regulation Oversight Committee (MROC) has been appointed by the Board of Directors and is regarded as a standing committee without limited life (although the composition of the committee may be changed on a periodic basis).

The mandate of this Committee is to:

1) Ensure that Member Regulation is fulfilling its regulatory obligations in a fair, effective and efficient manner

2) Approve standards for departmental performance in specific areas, monitor performance in relation to those standards and make recommendations for improvement

3) Discuss, review and approve policy related to regulatory operations

4) Approve annual Self-Assessments

5) Review budget submissions on Member Regulation.

The MROC should be specifically provided for in the By-laws in the same way that the Executive Committee and Audit Committee, for example, are provided for. The proposed MROC By-law amendments mirror By-laws 10.25 and 10.25, which pertain to the Audit Committee.

In addition, the By-laws should provide the Board with the power to create committees from time to time on such terms and with such mandates as it may consider appropriate. This is the approach adopted by most business organizations under corporation by-laws (and enabling statutes), subject to many by-laws and business corporation statutes specifically requiring and/or providing for certain committees such as an executive committee, audit committee and others. In view of the fact that the IDA has other committees not provided for in the By-laws but which are apparently not ad hoc or of limited life, this approach will be useful beyond the establishment of MROC. The ability of the IDA to establish committees without specific provisions in the By-laws referring to each of them would also eliminate the need for by-law amendments for each new committee established.

B Issues and Alternatives Considered

No other alternatives were considered.

C Systems Impact of Rule

There are no systems issues associated with the amendment.

D Best Interests of the Capital Markets

The Board has determined that this housekeeping rule is not detrimental to the best interests of the capital markets.

E 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 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 the proposed amendments.

The purpose of the proposal is to recognize MROC's status and role in regulatory activities. As a result, the related general purpose of the amendment is to:

- provide for the administration of the affairs of the IDA.

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.

An assessment has been made that the proposed amendment is housekeeping in nature.

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 suggested by the Executive Committee of the IDA and have been approved by the IDA Board of Directors.

IV SOURCES

References:

- By-law 10

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association has determined that the entry into force of the proposed amendments are housekeeping in nature. As a result, a determination has been made that this proposed rule amendments need not be published for comment. Questions may be referred to:

Michelle Alexander
Senior Legal and Policy Counsel, Regulatory Policy
Investment Dealers Association of Canada
416.943.5885
malexander@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA

BOARD OF DIRECTORS, NATIONAL ADIVSORY COMMITTEE AND MEETINGS – BY-LAW 10

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 10 is amended by adding the following:

"Member Regulation Oversight Committee

10.26. The Board of Directors shall establish a Member Regulation Oversight Committee composed of the Vice-Chair, the President, two public directors and two other directors as may be designed by the Board. The Member Regulation Oversight Committee shall oversee the member regulation department of the IDA, report to the Board not less than annually and carry out such other functions as determined by the Board of Directors from time to time. With the exception of the President and Chief Executive Officer, the Board of Directors shall not be provided or have access to information concerning current and ongoing complaints, investigations and prosecutions.

10.27. The Member Regulation Oversight Committee shall (subject to the provisions of this By-law) fix its own rules of procedure from time to time and shall meet at such place or places and in accordance with such rules as provided by resolution of the Board of Directors. A majority of members of the Committee shall constitute a quorum for the transaction of business. The Vice-Chair, or in his or her absence another director selected by the Committee, shall act as chair of such meetings. If all the members present at or participating in the meeting consent, a meeting of the Committee may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and a member of the Committee participating in such meeting by such means is deemed for the purposes of the By-laws and Regulations to be present at that meeting.

Additional Board Committees

10.28. The Board of Directors may from time to time in its discretion appoint such committees as it considers necessary or appropriate for such purposes and with such powers not inconsistent with the Constitution or By-laws as the Board of Directors may determine including, without limitation, the authority to exercise any of the powers of the Board of Directors and to act in all matters for and in the name of the Board of Directors under the By-laws. Subject to any provisions of the By-laws otherwise, any such committee may be composed of public directors or other directors or both. A majority of the members of a committee established under this By-law 10.28 shall constitute a quorum."

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.

13.1.3 Notice and Request for Comment – Material Amendments to CDS Rules Relating to Access to the Account Transfer Online Notification (ATON) Service

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

MATERIAL AMENDMENTS TO CDS RULES –
ACCESS TO THE ACCOUNT TRANSFER ONLINE NOTIFICATION (ATON) SERVICE

REQUEST FOR COMMENTS

DESCRIPTION OF THE PROPOSED AMENDMENTS

On January 26, 2006 the Board of Directors of The Canadian Depository for Securities Limited ("CDS") approved amendments to Participant Rules which concern the provision of the ATON service by CDS. ATON is a service that facilitates the electronic transfer of client account information to assist in the transfer of such accounts between the subscribers to the system. The use of ATON substantially reduces the time and cost to effect a transfer of client accounts between subscribers.

It is proposed that ATON will be transferred from CDS Inc. to CDS, and ATON will then be offered to Participants as a service under the Participant Rules. The rights and obligations of subscribers to the ATON service will be subject to CDS Participant Rules which will replace the ATON Subscriber Agreement pursuant to the proposed amendments. Certain financial institutions which are not currently CDS Participants, including mutual fund dealers, will be eligible to become limited-purpose participants and will then be able to use ledgers in CDS's clearing and settlement system, CDSX, to transfer client assets.

NATURE AND PURPOSE OF THE PROPOSED AMENDMENTS

Background

Currently, ATON is a service offered by CDS Inc., a wholly-owned subsidiary of CDS.

ATON is an information transmission system, and not a system for the transfer of assets or payments. A subscriber to whom a client account is to be moved (the receiving subscriber) will use ATON to deliver a request for transfer to another Participant, the one currently holding the client account (the delivering subscriber). The delivering subscriber will return the request for transfer with a list of the assets to be transferred. The receiving subscriber will then confirm the returned request for transfer. If either subscriber does not accept the information sent by the other subscriber, the transaction can be rejected and the matter is resolved between the subscribers. A confirmed request for transfer is deemed to be an instruction from the receiving and delivering subscribers to the appropriate clearing institution for each asset to be transferred. Information on the assets to be transferred is sent by the ATON system to each clearing institution, which in turn effects the delivery of the assets. Clearing institutions include CDS, FundSERV Inc. and The Depository Trust Company.

Subscribers to the ATON service, which are CDS Participants, can then, through the use of CDS ledger accounts, move securities and funds. Currently, ATON service subscribers that are not CDS Participants do not have access to CDS ledgers and must rely on a CDS Participant to facilitate the transfer of securities and funds.

Several options were considered to permit institutions that are not full CDS Participants to use the ATON service. All of the alternatives would permit the institutions to use ATON functionality to exchange requests for transfer and asset lists electronically, rather than manually, and to process settlement for mutual fund assets (assuming the institution is a member of FundSERV). An evaluation of each option is set out below:

- Under the first option, an institution would become an ATON subscriber. This option would not permit the electronic transfer of CDSX eligible securities and cash, and therefore the objectives of reducing cost and risk by reducing manual processing would not be met.

- Under the second option, an institution would be an ATON subscriber and would also appoint a full CDS Participant as a correspondent broker. This option would permit the electronic transfer of CDSX eligible securities and cash. This option would require the use of two requests for transfers: the institution would set up the first request for transfer for mutual funds; its correspondent broker would set up the second request for transfer to process all other assets. This option would therefore increase the work and costs of making requests for transfer, and increase the possibility of errors in processing. Institutions would also incur the cost of employing the correspondent broker.

- Under the third option, an eligible institution would become a full CDS Participant. This option would permit the electronic transfer of CDSX eligible securities and cash without intervention by a third party and without the burden of processing two requests for transfer for each client account. However, the CDS entrance fee may be too significant for

institutions whose transactions would likely be limited to ATON transactions and who do not, therefore, require the full range of CDSX functionality.

- The fourth option is to create a new category of limited-purpose ATON Participant. This option would permit the electronic transfer of CDSX eligible securities and cash, without intervention by a third party and without the burden of processing each request for transfer twice. The entrance fee for limited purpose ATON Participants would be substantially lower than for other participants. This option is the preferred solution, considering the factors of cost, efficiency, risk and implementation timelines.

In assessing each of the options and selecting the fourth as the preferable option, CDS referred the matter to the CDS Risk Advisory Committee and had the proposal reviewed by three firms – two based in central Canada and one in Western Canada – that are expected to become limited-purpose ATON Participants.

Purpose of The Proposed Amendments

The proposed amendments will address a number of shortcomings relating to the provision of access to the ATON service under the current model. These shortcomings include:

- The fact that not all subscribers to the ATON service are subject to the same screening process or the same obligations under the CDS Participant Rules. Where a prospective subscriber to the ATON service is not a Participant, they are not subject to the same suitability reviews or general obligations under the CDS Participant Rules; and

- The fact that presently subscribers to the ATON service, who are not CDS Participants, must rely on CDS Participants to access CDS ledgers to effect the transfer of securities and funds and cannot effect such a transfer on their own behalf.

The proposed amendments provide that an institution, which is not otherwise a CDS Participant, may apply to become a limited-purpose ATON Participant which will be entitled to use the ATON service only. Such Participants would not be provided access to other CDS services. These Participants will be subject to specific requirements and obligations and will be given direct access to CDS ledger accounts to allow them to transfer ATON-related assets through the use of a designated custodial Participant and qualified banker.

Institutions which currently utilize the ATON service, but are not CDS Participants, may either apply to become full CDS Participants, apply to become limited-purpose ATON Participants or may choose to use the ATON service through their clearing broker.

Description of Proposed Amendments

The proposed amendments include the addition of a new Rule to the CDS Participant Rules. This new rule, Rule 12, includes provisions to protect the Participants using the ATON service. A Participant making a request for transfer (the "receiving Participant") must have written instructions from its client and must make the client instructions available on request to the Participant which is to deliver the client's assets (the "delivering Participant"). Each receiving Participant warrants the accuracy and completeness of each request for transfer made, including the list of assets to be transferred, and agrees to indemnify the delivering Participant who relies on such information. CDS and all Participants provide reciprocal representations and warranties that they will comply with the requirements of privacy legislation with respect to the information transmitted through ATON.

The proposed Rule 12 also describes the process for transferring assets using the ATON service. In the settlement service of CDSX, settlement of a trade is effected by CDS making entries to the ledgers maintained by it for the Participants who are parties to the trade, to debit and credit the appropriate funds account and securities accounts so as to make payment and deliver securities between the participants. For ATON transactions, the securities in the client account are transferred as "AT" trades, which settle through CDSX as free deliveries (the receiving Participant does not make any payment for the securities). The cash in the client account is transferred as a free payment (the receiving Participant does not deliver any securities in return for the payment).

Rule 12 also contains specific provisions dealing with CDS's risk exposure which results from the creation of a limited-purpose ATON Participant category. The usual means of risk control in CDSX are a combination of collateralization by the individual participant and a guaranty by a credit ring. The proposed Rule amendments limit activities that a limited-purpose ATON Participant may undertake. This will result in a limitation of their obligations to CDS and the risk that their participation brings to CDSX. A limited-purpose ATON Participant will not be eligible to use any CCP function (which results in central counterparty obligations owing between a participant and CDS), nor will it be permitted to take on various roles with respect to CDSX securities for which it may incur obligations (as an ISIN activator, security validator or custodian, for instance). For this reason, limited-purpose ATON Participants will not belong to any credit ring, nor will they provide collateral to CDS to secure their

obligations. Their access to CDSX will be limited to the delivery and receipt of client assets (both CDSX eligible securities and money) in settlement of ATON transactions. All cash settlements will be made in good funds.

Current CDS Participants may use the ATON service without taking any further steps. Financial institutions applying to become unrestricted CDS Participants will be eligible to utilize the ATON service upon becoming full CDS Participants.
A Person is eligible to become a limited-purpose ATON participant if it is a:

- Regulated Financial Institution;
- mutual fund dealer which is a member of the Mutual Fund Dealers Association of Canada;
- mutual fund dealer regulated by a provincial securities commission; or
- broker, dealer, bank, savings bank, trust company, loan company or insurance company which trades in securities or mutual funds established or formed under the laws of a foreign jurisdiction and primarily regulated under the laws of a foreign jurisdiction.

The qualifications for a limited-purpose ATON Participant are the same as those for any participant that is a Regulated Financial Institution. A limited-purpose ATON Participant incorporated or primarily regulated outside of Canada will also be required to meet the qualifications imposed on Foreign Institutions. The standards to be met by a limited-purpose ATON Participant are the same standards required of all Participants.

In addition to the addition of Rule 12, a number of existing CDS Participant Rules will be amended to accommodate Rule 12 and the concept of limited-purpose ATON Participants.

IMPACT OF THE PROPOSED AMENDMENTS

The proposed amendments will ensure that all subscribers to the ATON service, including full CDS Participants as well as limited-purpose ATON Participants will be subject to consistent and appropriate obligations. Subscribers to the service will be assured that the counterparties to each transaction will fulfil all of CDS's requirements and will be bound by applicable CDS Participant Rules. Limited-purpose ATON Participants will be able to access CDS ledgers directly to arrange for the transfer of assets through the services of a designated custodial Participant.

The proposed amendments will require that current subscribers to the ATON service who are not CDS Participants make a decision with respect to accessing the ATON service. These subscribers may:

- apply to become full Participants in CDS which would allow them to utilize the ATON service;
- apply to become a limited-purpose ATON Participant who is entitled to utilize the ATON service only; or
- utilize the ATON service through their clearing broker which is a full CDS Participant.

Limited-purpose ATON Participants will pay both an entrance fee and a monthly fee. As the limited-purpose ATON Participant will only be entitled to use the ATON service their entrance fee will be substantially smaller than the fee charged to full CDS Participants. The monthly fee will be subject to a minimum amount that will be reduced by the amount paid in fees for transactions effected by the limited-purpose ATON participant.

As indicated above, CDS's risk exposure is minimized as a result of the limited rights offered to the limited-purpose ATON Participants which limit the activities that limited-purpose ATON Participants may carry out through CDS.
Expanding access to ATON is expected to benefit investors, financial institutions, mutual fund dealers and the Canadian capital markets.

Investor Benefits

The transfer of investment accounts from one adviser or broker to another without utilizing ATON currently takes a substantially longer period of time than when the ATON service is used. During this time, the investor may not be able to deal with his or her investments and therefore market conditions can change and losses can occur or opportunities missed. Permitting users of ATON to participate in CDSX in the new category of limited-purpose ATON Participant is expected to substantially increase ATON account transfer throughput over the next few years, and therefore will significantly improve the speed with which investor accounts are transferred to, from and between non-IDA dealers, thereby reducing investors' exposure to market risk.

Financial Institution/Mutual Fund Dealer Benefits

The ability to use ATON's electronic environment with a broader range of account delivering and receiving participants will facilitate faster, more accurate and more cost-effective account transfers and improve customer service. As well, investment dealers using the ATON service are better able to meet the requirements of IDA Regulation 2300.

DESCRIPTION OF THE RULE DRAFTING PROCESS

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to Section 21.1 of the Ontario *Securities Act* and as a self-regulatory organization by the Autorité des marchés financiers pursuant to Section 169 of the Québec *Securities Act*. In addition CDS has been deemed to be the clearing house for CDSX, a clearing and settlement system designated by the Bank of Canada pursuant to Section 4 of the *Payment Clearing and Settlement Act*. The Ontario Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the "Recognizing Regulators".

Each amendment to the CDS Participant Rules is reviewed by CDS's Legal Drafting Group ("LDG"). The LDG is a committee which includes members of Participants' legal and business groups. The LDG's mandate is to advise CDS management and its Board of Directors on rule amendments and other legal matters relating to centralized securities depository and clearing services in order to ensure that they meet the needs of CDS, its Participants and the securities industry.

COMMENTS

Comments on the proposed amendments should be in writing and delivered by March 6, 2006 to:

Jamie Anderson
Senior Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Fax: 416-365-1984
e-mail: attention@cds.ca

A copy should also be provided to the Ontario Securities Commission by forwarding a copy to:

Cindy Petlock
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 1903, Box 55,
20 Queen Street West
Toronto, Ontario, M5H 3S8

Fax: 416-595-8940
e-mail: cpetlock@osc.gov.on.ca

CDS will make available to the public, upon request, copies of comments received during the comment period.

PUBLIC INTEREST ASSESSMENT

In analyzing the impact of the proposed amendments to the Participant rules, CDS has determined that the implementation of these amendments would not be contrary to the public interest.

PROPOSED RULE AMENDMENTS

Appendix "A" contains text of current CDS Participant Rules marked to reflect proposed amendments as well as text of these rules reflecting the adoption of the proposed amendments.

QUESTIONS

Questions regarding this notice may be directed to:

Toomas Marley
Vice-President, Legal and Corporate Secretary
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-8545
Fax: 416-365-1984
e-mail: attention@cds.ca

TOOMAS MARLEY
VICE-PRESIDENT, LEGAL AND CORPORATE SECRETARY

APPENDIX "A"
PROPOSED RULE AMENDMENT

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
1.1.1 Application	**1.1.1 Application**
The Rules adopted by CDS by which each Participant has agreed to be bound pursuant to the Participant Agreement are:	The Rules adopted by CDS by which each Participant has agreed to be bound pursuant to the Participant Agreement are:
Rule 1 - Documentation Rule 2 - Participation Rule 3 - Operations Rule 4 - Liability and Indemnity Rule 5 - Risk Management Rule 6 - Depository Service Rule 7 - Settlement Service Rule 8 - Payment Exchange for CDSX Rule 9 - Default Rule 10 - Cross-Border Services Rule 11 - TA Participants Rule 12 - ATON.	Rule 1 - Documentation Rule 2 - Participation Rule 3 - Operations Rule 4 - Liability and Indemnity Rule 5 - Risk Management Rule 6 - Depository Service Rule 7 - Settlement Service Rule 8 - Payment Exchange for CDSX Rule 9 - Default Rule 10 - Cross-Border Services Rule 11 - TA Participants Rule 12 - ATON.
1.2.1 Definitions	**1.2.1 Definitions**
"ATON" means the Account Transfer On-Line Notification Service described in Rule 12.	"ATON" means the Account Transfer On-Line Notification Service described in Rule 12.
"ATON Participant" means a participant who is classified as such by CDS pursuant to Rule 2.3.2.	"ATON Participant" means a participant who is classified as such by CDS pursuant to Rule 2.3.2.
"Service" means the Depository Service, the Settlement Service, ~~or~~ a Cross-Border Service or ATON. Any reference to a Service includes all Functions made available in respect of that Service.	"Service" means the Depository Service, the Settlement Service, a Cross-Border Service or ATON. Any reference to a Service includes all Functions made available in respect of that Service.
1.6.9 System-Operating Cap	**1.6.9 System-Operating Cap**
A Participant (other than Bank of Canada, ~~or~~ a Non-Contributing Receiver, ~~or~~ a TA Participant or an ATON Participant) is subject to a System-Operating Cap, which is a limit on the aggregate value of the transactions that may be effected at any one time by the Participant.	A Participant (other than Bank of Canada, a Non-Contributing Receiver, a TA Participant or an ATON Participant) is subject to a System-Operating Cap, which is a limit on the aggregate value of the transactions that may be effected at any one time by the Participant.
2.1.2 Classification	**2.1.2 Classification**
Each Participant is classified in a category as being Bank of Canada, an Extender of Credit, a Federated Participant, a Settlement Agent, a Receiver of Credit, ~~or~~ a TA Participant, or an ATON Participant. Each Participant may perform the roles in the Services appropriate to its classification. A Participant who meets the qualifications specified may also act as the ISIN Activator, Security Validator or Entitlements Processor for a particular Security. CDS appoints certain Participants to act as Domestic Custodians of Securities, and appoints Persons to act as Foreign Custodians of Securities.	Each Participant is classified in a category as being Bank of Canada, an Extender of Credit, a Federated Participant, a Settlement Agent, a Receiver of Credit, a TA Participant, or an ATON Participant. Each Participant may perform the roles in the Services appropriate to its classification. A Participant who meets the qualifications specified may also act as the ISIN Activator, Security Validator or Entitlements Processor for a particular Security. CDS appoints certain Participants to act as Domestic Custodians of Securities, and appoints Persons to act as Foreign Custodians of Securities.
2.2.4 Eligibility for Participation	**2.2.4 Eligibility for Participation**
A Person shall be eligible to apply to become a Participant if it is a Person described in one of the following categories:	A Person shall be eligible to apply to become a Participant if it is a Person described in one of the following categories:

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
...	...
(f) ATON Participant	(f) ATON Participant
which means a Person who meets the qualifications and standards set out in Rule 12.2 for an ATON Participant.	which means a Person who meets the qualifications and standards set out in Rule 12.2 for an ATON Participant.
2.2.5 Qualifications for Participation	**2.2.5 Qualifications for Participation**
A Participant must satisfy all of the qualifications set out below for the category to which the Participant belongs. ...	A Participant must satisfy all of the qualifications set out below for the category to which the Participant belongs. ...
(e) If the Participant is an ATON Participant, it meets the qualifications and standards set out in Rule 12.2 for an ATON Participant.	(e) If the Participant is an ATON Participant, it meets the qualifications and standards set out in Rule 12.2 for an ATON Participant.
2.3.2 Categories	**2.3.2 Categories**
Each Participant shall be classified into one of the following categories: …	Each Participant shall be classified into one of the following categories: …
(g) ATON Participant	(g) ATON Participant
If the Participant satisfies the requirements set out in 12.2.3.	If the Participant satisfies the requirements set out in 12.2.3.
2.4.7 TA Participant and ATON Participant	**2.4.7 TA Participant and ATON Participant**
(a) TA Participant	**(a) TA Participant**
A TA Participant:	A TA Participant:
(i) ~~(a)~~ may not effect Settlements (including a transfer or Pledge of Securities) or hold Securities credited to its Ledger, except in its capacity as a CDSX Depositary Agent or Entitlements Processor;	(i) may not effect Settlements (including a transfer or Pledge of Securities) or hold Securities credited to its Ledger, except in its capacity as a CDSX Depositary Agent or Entitlements Processor;
(ii) ~~(b)~~ may not make Lines of Credit available to other Participants;	(ii) may not make Lines of Credit available to other Participants;
(iii) ~~(c)~~ may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant;	(iii) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant;
(iv) ~~(d)~~ may not use ~~the ACCESS, CNS or DetNet Functions~~ any CCP Function;	(iv) may not use any CCP Function;
(v) ~~(e)~~ may not act as the ISIN Activator or Securities Validator for a Security; and	(v) may not act as the ISIN Activator or Securities Validator for a Security; and
(vi) ~~(f)~~ may not act as a Custodian.	(vi) may not act as a Custodian.
(b) ATON Participant	**(b) ATON Participant**
An ATON Participant:	An ATON Participant:
(i) may effect Settlements or hold Securities credited to its Ledger only in connection with the transfer of client accounts;	(i) may effect Settlements or hold Securities credited to its Ledger only in connection with the transfer of client accounts;
(ii) may not effect Settlements that result in a negative balance in its Funds Account;	(ii) may not effect Settlements that result in a negative balance in its Funds Account;

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
(iii) may not deposit or withdraw Securities;	(iii) may not deposit or withdraw Securities;
(iv) may not make Lines of Credit available to other Participants;	(iv) may not make Lines of Credit available to other Participants;
(v) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant;	(v) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant;
(vi) may not use any CCP Function;	(vi) may not use any CCP Function;
(vii) may not act as the ISIN Activator, Securities Validator, Entitlements Processor or CDSX Depositary Agent for a Security; and	(vii) may not act as the ISIN Activator, Securities Validator, Entitlements Processor or CDSX Depositary Agent for a Security; and
(viii) may not act as a Custodian.	(viii) may not act as a Custodian.
2.4.8 Limitation	**2.4.8 Limitation**
Bank of Canada may effect Settlements and make payment without limit as to the amount of such Settlements and payments. A TA Participant or an ATON Participant may effect Settlements provided that such Settlements do not result in a negative balance in its Funds Account, and accordingly neither a TA Participant nor an ATON Participant uses a System-Operating Cap or a Line of Credit. Any Participant other than Bank of Canada ~~or a TA Participant~~ may exercise the powers specified for the category into which it is classified only if such Transactions can be effected within its System-Operating Cap, if any, and any Line of Credit established for it.	Bank of Canada may effect Settlements and make payment without limit as to the amount of such Settlements and payments. A TA Participant or an ATON Participant may effect Settlements provided that such Settlements do not result in a negative balance in its Funds Account, and accordingly neither a TA Participant nor an ATON Participant uses a System-Operating Cap or a Line of Credit. Any Participant other than Bank of Canada may exercise the powers specified for the category into which it is classified only if such Transactions can be effected within its System-Operating Cap, if any, and any Line of Credit established for it.
2.5.3 ISIN Activator	**2.5.3 ISIN Activator**
(a) Qualifications	(a) Qualifications
A Participant who is the Issuer of an eligible Security or is an agent of such an Issuer may act as the ISIN Activator for such Security. A TA Participant may not act as an ISIN Activator. An ATON Participant may not act as an ISIN Activator. ...	A Participant who is the Issuer of an eligible Security or is an agent of such an Issuer may act as the ISIN Activator for such Security. A TA Participant may not act as an ISIN Activator. An ATON Participant may not act as an ISIN Activator. ...
2.5.4 Security Validator	**2.5.4 Security Validator**
(a) Qualifications	(a) Qualifications
... A TA Participant may not act as a Security Validator; a TA Participant confirms Deposits and Withdrawals of Securities pursuant to Rule 11 and not pursuant to this Rule 2.5. An ATON Participant may not act as a Security Validator. ...	... A TA Participant may not act as a Security Validator; a TA Participant confirms Deposits and Withdrawals of Securities pursuant to Rule 11 and not pursuant to this Rule 2.5. An ATON Participant may not act as a Security Validator. ...
2.5.5 Entitlements Processor	**2.5.5 Entitlements Processor**
(a) Qualifications	(a) Qualifications
... This Rule 2.5.5 shall not apply to a TA Participant who is acting as an Entitlements Processor, and its activities in that role shall be governed exclusively by Rule 11.6. An ATON Participant may not act as an Entitlements Processor. ...	...This Rule 2.5.5 shall not apply to a TA Participant who is acting as an Entitlements Processor, and its activities in that role shall be governed exclusively by Rule 11.6. An ATON Participant may not act as an Entitlements Processor. ...

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
5.1.8 Role of ATON Participant	**5.1.8 Role of ATON Participant**
Notwithstanding the provisions of this Rule 5, an ATON Participant:	Notwithstanding the provisions of this Rule 5, an ATON Participant:
(a) does not grant nor use a Line of Credit;	(a) does not grant nor use a Line of Credit;
(b) is not a Member of a Fund Credit Ring;	(b) is not a Member of a Fund Credit Ring;
(c) is not a Member of a Category Credit Ring;	(c) is not a Member of a Category Credit Ring;
(d) does not make any Contribution to any Fund or Collateral Pool;	(d) does not make any Contribution to any Fund or Collateral Pool;
(e) does not grant any security interest to CDS;	(e) does not grant any security interest to CDS;
(f) does not have a System-Operating Cap that limits its Transactions; and	(f) does not have a System-Operating Cap that limits its Transactions; and
(g) is not required to satisfy the ACV edit.	(g) is not required to satisfy the ACV edit.
6.7.1 Description of Tender	**6.7.1 Description of Tender**
... A Depositary Agent who is a Participant (other than an ATON Participant) may elect, with respect to any Tender, to use the Offer Account in its CDSX Ledger to receive delivery of Securities Tendered to it; a Participant who does so elect is referred to in this Rule 6.7 as a "CDSX Depositary Agent". ...	... A Depositary Agent who is a Participant (other than an ATON Participant) may elect, with respect to any Tender, to use the Offer Account in its CDSX Ledger to receive delivery of Securities Tendered to it; a Participant who does so elect is referred to in this Rule 6.7 as a "CDSX Depositary Agent". ...
7.2.1 Instructions	**7.2.1 Instructions**
(a) Reporting	(a) Reporting
If a Participant who is a party to a Trade wishes to Settle the Trade by effecting delivery of Securities or payment or both to another Participant, the Trade shall be reported to CDS. The Trade may be reported by the Participant or by ATON, an Exchange, another trading system, or a trade matching utility if the Participant is a member thereof.	If a Participant who is a party to a Trade wishes to Settle the Trade by effecting delivery of Securities or payment or both to another Participant, the Trade shall be reported to CDS. The Trade may be reported by the Participant or by ATON, an Exchange, another trading system, or a trade matching utility if the Participant is a member thereof.
(b) Confirmation	(b) Confirmation
In order to become eligible for Settlement, each Trade is confirmed in one of the following ways: (i) by one Participant to the Trade, after the Trade is entered by the other Participant who is a party to the Trade; (ii) by the CDSX trade matching function, if both Participants who are parties to the Trade have elected to use the trade matching function and if the Trade is eligible for the trade matching function; or (iii) by ATON, the Exchange, another trading system or a trade matching utility when the Trade is reported. **...**	In order to become eligible for Settlement, each Trade is confirmed in one of the following ways: (i) by one Participant to the Trade, after the Trade is entered by the other Participant who is a party to the Trade; (ii) by the CDSX trade matching function, if both Participants who are parties to the Trade have elected to use the trade matching function and if the Trade is eligible for the trade matching function; or (iii) by ATON, the Exchange, another trading system or a trade matching utility when the Trade is reported. **...**
7.2.5 Free Payment	**7.2.5 Free Payment**
(a) Methods of Making Free Payments	(a) Methods of Making Free Payments
In the following circumstances, a payment may be made through the Settlement Service without any corresponding delivery of Securities being made: ...	In the following circumstances, a payment may be made through the Settlement Service without any corresponding delivery of Securities being made: ...

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
(ii) the payment is made as part of any Transaction generated by the system, including ~~Transactions for ATON activity~~ a Transaction resulting from an ATON confirmed request for transfer; ...	(ii) the payment is made as part of any Transaction generated by the system, including a Transaction resulting from an ATON confirmed request for transfer; ...

New Rule 12

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
12. ATON	**12. ATON**
12.1 DESCRIPTION OF ATON	**12.1 DESCRIPTION OF ATON**
12.1.1 General Description	**12.1.1 General Description**
ATON (the Account Transfer Online Notification Service) is a service to facilitate the electronic transfer of client account information to assist in the transfer of client assets between Participants. ATON may be used by ATON Participants and by all other Participants.	ATON (the Account Transfer Online Notification Service) is a service to facilitate the electronic transfer of client account information to assist in the transfer of client assets between Participants. ATON may be used by ATON Participants and by all other Participants.
12.1.2 Processing of Information in ATON	**12.1.2 Processing of Information in ATON**
(a) request for transfer	(a) request for transfer
The Participant to whom a client account is to be transferred (the receiving Participant) inputs a request for transfer.	The Participant to whom a client account is to be transferred (the receiving Participant) inputs a request for transfer.
(b) asset list	(b) asset list
When the Participant (the delivering Participant) who then holds that client account receives the request for transfer, it will either (i) return the request for transfer with an asset list for that account, or (ii) reject the request for transfer.	When the Participant (the delivering Participant) who then holds that client account receives the request for transfer, it will either (i) return the request for transfer with an asset list for that account, or (ii) reject the request for transfer.
(c) confirmation	(c) confirmation
When the receiving Participant receives the returned request for transfer, it will either (i) confirm the returned request for transfer, or (ii) refuse to confirm the returned request for transfer in order to dispute the accuracy or completeness of the asset list.	When the receiving Participant receives the returned request for transfer, it will either (i) confirm the returned request for transfer, or (ii) refuse to confirm the returned request for transfer in order to dispute the accuracy or completeness of the asset list.
(d) settlement instructions	(d) settlement instructions
The asset list itemizes the client assets to be transferred and identifies the appropriate clearing institution for each asset or, if there is no such appropriate clearing institution, identifies the asset as being delivered OTC (as that term is defined in the Procedures or User Guides). Each Participant using ATON agrees that a confirmed request for transfer is an instruction of each of the receiving Participant and the delivering Participant to the identified clearing institution. When the receiving Participant confirms the returned request for transfer, instructions are delivered through ATON to each identified clearing institution in order to settle the transfer of the assets eligible for such identified clearing institution in accordance with the confirmed request for transfer. The receiving Participant and the delivering	The asset list itemizes the client assets to be transferred and identifies the appropriate clearing institution for each asset or, if there is no such appropriate clearing institution, identifies the asset as being delivered OTC (as that term is defined in the Procedures or User Guides). Each Participant using ATON agrees that a confirmed request for transfer is an instruction of each of the receiving Participant and the delivering Participant to the identified clearing institution. When the receiving Participant confirms the returned request for transfer, instructions are delivered through ATON to each identified clearing institution in order to settle the transfer of the assets eligible for such identified clearing institution in accordance with the confirmed request for transfer. The receiving Participant and the delivering

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
Participant shall arrange for the delivery of any assets identified as being delivered OTC. This Rule 12 does not apply to the transfer of assets through the identified clearing institutions.	Participant shall arrange for the delivery of any assets identified as being delivered OTC. This Rule 12 does not apply to the transfer of assets through the identified clearing institutions.
(e) dispute resolution	(e) dispute resolution
Responsibility for resolving any dispute between a receiving Participant and a delivering Participant arising from ATON (including the rejection of a request for transfer or the refusal to confirm a returned request for transfer) shall rest solely upon those Participants.	Responsibility for resolving any dispute between a receiving Participant and a delivering Participant arising from ATON (including the rejection of a request for transfer or the refusal to confirm a returned request for transfer) shall rest solely upon those Participants.
12.1.3 Client Instructions	**12.1.3 Client Instructions**
Before inputting a request for transfer, a receiving Participant shall obtain written instructions from the client. At the request of the delivering Participant, the receiving Participant shall make a copy of the client instructions available to the delivering Participant.	Before inputting a request for transfer, a receiving Participant shall obtain written instructions from the client. At the request of the delivering Participant, the receiving Participant shall make a copy of the client instructions available to the delivering Participant.
12.1.4 Warranty and Confirmation	**12.1.4 Warranty and Confirmation**
Each Participant using ATON represents and warrants to each other Participant using ATON that:	Each Participant using ATON represents and warrants to each other Participant using ATON that:
(i) each request for transfer made by it is made in accordance with the instructions of the client whose account is to be transferred; and	(i) each request for transfer made by it is made in accordance with the instructions of the client whose account is to be transferred; and
(ii) each returned request for transfer with asset list made by it is accurate and complete.	(ii) each returned request for transfer with asset list made by it is accurate and complete.
Each Participant acknowledges that information sent by it through ATON (including the information in any request for transfer or returned request for transfer with asset list) will be relied upon by the Participant receiving it, and each Participant sending such information shall indemnify and save harmless the Participant receiving such information against any and all losses, claims, damages, actions, causes of action or costs and expenses arising as a result of its reliance on any such information that is unauthorized, inaccurate or incomplete or as a result of its reliance on the Participant's representation as to the instructions of the client that is inaccurate.	Each Participant acknowledges that information sent by it through ATON (including the information in any request for transfer or returned request for transfer with asset list) will be relied upon by the Participant receiving it, and each Participant sending such information shall indemnify and save harmless the Participant receiving such information against any and all losses, claims, damages, actions, causes of action or costs and expenses arising as a result of its reliance on any such information that is unauthorized, inaccurate or incomplete or as a result of its reliance on the Participant's representation as to the instructions of the client that is inaccurate.
12.1.5 CDS Responsibility	**12.1.5 CDS Responsibility**
CDS is not responsible for the accuracy or completeness of the information that is transmitted through ATON.	CDS is not responsible for the accuracy or completeness of the information that is transmitted through ATON.
12.1.6 Information Legislation	**12.1.6 Information Legislation**
In this Rule 12, "Information Legislation" means the *Personal Information Protection and Electronic Documents Act* (Canada) and any other federal or provincial legislation providing for the privacy or protection of personal or individual information, as any such Acts are amended from time to time. Each Participant using ATON represents and warrants to CDS and to each other Participant using ATON, and CDS represents and warrants to each Participant using	In this Rule 12, "Information Legislation" means the *Personal Information Protection and Electronic Documents Act* (Canada) and any other federal or provincial legislation providing for the privacy or protection of personal or individual information, as any such Acts are amended from time to time. Each Participant using ATON represents and warrants to CDS and to each other Participant using ATON, and CDS represents and warrants to each Participant using

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
ATON, that it will comply with all requirements applicable to it under the Information Legislation.	ATON, that it will comply with all requirements applicable to it under the Information Legislation.
12.2 ATON Participants in CDSX	**12.2 ATON Participants in CDSX**
12.2.1 Limited Participation	**12.2.1 Limited Participation**
An ATON Participant shall be a limited purpose Participant as set out in this Rule 12.2, and its activities in CDSX shall be limited to receiving and delivering Securities and making payments in connection with the transfer of client accounts.	An ATON Participant shall be a limited purpose Participant as set out in this Rule 12.2, and its activities in CDSX shall be limited to receiving and delivering Securities and making payments in connection with the transfer of client accounts.
12.2.2 Application of Rules	**12.2.2 Application of Rules**
This Rule 12.2 governs the relationship between CDS and each ATON Participant. An ATON Participant is a Participant and accordingly is subject to the Participant Rules. The liabilities and obligations of an ATON Participant arising from its participation as an ATON Participant shall survive the suspension, termination or withdrawal of the Participant from that role.	This Rule 12.2 governs the relationship between CDS and each ATON Participant. An ATON Participant is a Participant and accordingly is subject to the Participant Rules. The liabilities and obligations of an ATON Participant arising from its participation as an ATON Participant shall survive the suspension, termination or withdrawal of the Participant from that role.
12.2.3 Eligibility for Participation	**12.2.3 Eligibility for Participation**
A Participant that is classified in a category other than that of ATON Participant may not act as a limited purpose ATON Participant. A Person is eligible to apply to become an ATON Participant if it is:	A Participant that is classified in a category other than that of ATON Participant may not act as a limited purpose ATON Participant. A Person is eligible to apply to become an ATON Participant if it is:
(i) a Regulated Financial Institution;	(i) a Regulated Financial Institution;
(ii) a mutual fund dealer that is a member of the Mutual Fund Dealers Association of Canada;	(ii) a mutual fund dealer that is a member of the Mutual Fund Dealers Association of Canada;
(iii) a mutual fund dealer that is regulated as such by a Regulatory Body that is a provincial securities commission; or	(iii) a mutual fund dealer that is regulated as such by a Regulatory Body that is a provincial securities commission; or
(iv) a broker, dealer, bank, savings bank, trust company, loan company or insurance company that trades in Securities or mutual funds and that is incorporated, established or formed under the laws of a jurisdiction situate outside of Canada or that is primarily regulated under the laws of a jurisdiction situate outside Canada.	(iv) a broker, dealer, bank, savings bank, trust company, loan company or insurance company that trades in Securities or mutual funds and that is incorporated, established or formed under the laws of a jurisdiction situate outside of Canada or that is primarily regulated under the laws of a jurisdiction situate outside Canada.
12.2.4 Qualifications for Participation	**12.2.4 Qualifications for Participation**
An ATON Participant must satisfy all of the qualifications set out below:	An ATON Participant must satisfy all of the qualifications set out below:
(i) the Participant must be a subsisting legal entity under the laws of its jurisdiction of incorporation, establishment or formation and must not be in default of filing any notice, report or return under the laws of such jurisdiction or the laws of any other jurisdiction in which the Participant carries on business, the failure to file which could result in the Participant's ceasing to be duly incorporated, established or formed or in the cancellation of its authorization to carry on business;	(i) the Participant must be a subsisting legal entity under the laws of its jurisdiction of incorporation, establishment or formation and must not be in default of filing any notice, report or return under the laws of such jurisdiction or the laws of any other jurisdiction in which the Participant carries on business, the failure to file which could result in the Participant's ceasing to be duly incorporated, established or formed or in the cancellation of its authorization to carry on business;

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
(ii) the Participant must hold, and must have done all things required to hold, every registration, licence, permit, authorization or approval required in connection with its business from each Regulatory Body having jurisdiction over the Participant; and	(ii) the Participant must hold, and must have done all things required to hold, every registration, licence, permit, authorization or approval required in connection with its business from each Regulatory Body having jurisdiction over the Participant; and
(iii) the Participant and each of its partners, directors and officers must be in compliance with all applicable regulations, rules, orders or directions of each Regulatory Body having jurisdiction over the Participant, including such minimum capital requirements and financial stability standards as are applicable to the Participant.	(iii) the Participant and each of its partners, directors and officers must be in compliance with all applicable regulations, rules, orders or directions of each Regulatory Body having jurisdiction over the Participant, including such minimum capital requirements and financial stability standards as are applicable to the Participant.
In addition, an ATON Participant that is incorporated, established or formed under the laws of a jurisdiction situate outside Canada or that is primarily regulated under the laws of a jurisdiction situate outside Canada must satisfy all of the qualifications set out in Rule 2.2.5(b).	In addition, an ATON Participant that is incorporated, established or formed under the laws of a jurisdiction situate outside Canada or that is primarily regulated under the laws of a jurisdiction situate outside Canada must satisfy all of the qualifications set out in Rule 2.2.5(b).
12.2.5 Participation Standards	**12.2.5 Participation Standards**
When requested by CDS, an ATON Participant shall demonstrate to the satisfaction of CDS that it meets the standards set out in Rule 2.2.7.	When requested by CDS, an ATON Participant shall demonstrate to the satisfaction of CDS that it meets the standards set out in Rule 2.2.7.
12.2.6 Role of ATON Participant in CDSX	**12.2.6 Role of ATON Participant in CDSX**
An ATON Participant:	An ATON Participant:
(i) may effect Settlements or hold Securities credited to its Ledger only in connection with the transfer of client accounts;	(i) may effect Settlements or hold Securities credited to its Ledger only in connection with the transfer of client accounts;
(ii) may not effect Settlements that result in a negative balance in its Funds Account;	(ii) may not effect Settlements that result in a negative balance in its Funds Account;
(iii) may not deposit or withdraw Securities;	(iii) may not deposit or withdraw Securities;
(iv) may not make Lines of Credit available to other Participants;	(iv) may not make Lines of Credit available to other Participants;
(v) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant;	(v) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant;
(vi) may not use any CCP Function;	(vi) may not use any CCP Function;
(vii) may not act as the ISIN Activator, Securities Validator, Entitlements Processor or CDSX Depositary Agent for a Security; and	(vii) may not act as the ISIN Activator, Securities Validator, Entitlements Processor or CDSX Depositary Agent for a Security; and
(viii) may not act as a Custodian.	(viii) may not act as a Custodian.
12.2.7 Designated Custodial Participant	**12.2.7 Designated Custodial Participant**
(a) appointment and termination	(a) appointment and termination
An ATON Participant may not use its CDSX Ledger to effect Settlements or to hold Securities unless it has a designated custodial Participant. An ATON Participant appoints a	An ATON Participant may not use its CDSX Ledger to effect Settlements or to hold Securities unless it has a designated custodial Participant. An ATON Participant appoints a

Text of CDS Participant Rules marked to reflect proposed amendments	Text CDS Participant Rules reflecting the adoption of proposed amendments
designated custodial Participant by informing CDS of the proposed appointment. The appointment of a designated custodial Participant is not effective unless the designated custodial Participant informs CDS that it accepts the appointment. An ATON Participant terminates the appointment of a designated custodial Participant by informing CDS of the termination and the identity of the proposed replacement designated custodial Participant. A designated custodial Participant ceases to act as a designated custodial Participant for an ATON Participant by informing CDS of the proposed termination of the appointment. CDS informs the ATON Participant and the designated custodial Participant to be appointed or terminated of the proposed appointment or termination of appointment. The appointment of a designated custodial Participant is effective at the beginning of the Business Day after the designated custodial Participant accepts the appointment. The termination of appointment of a designated custodial Participant is effective at the beginning of the Business Day after the ATON Participant or the designated custodial Participant informs CDS of the termination. (b) transfer of securities By the end of each Business Day, an ATON Participant shall deliver all of the Securities credited to its CDSX Ledger to its designated custodial Participant. CDS may transfer Securities credited to the CDSX Ledger of an ATON Participant to the designated custodial Participant either (i) prior to certain entitlement events affecting such Securities, or (ii) if the ATON Participant fails to deliver its securities by the end of the Business Day. **12.2.8 Exclusion from Credit Ring** An ATON Participant is not a member of a Credit Ring.	designated custodial Participant by informing CDS of the proposed appointment. The appointment of a designated custodial Participant is not effective unless the designated custodial Participant informs CDS that it accepts the appointment. An ATON Participant terminates the appointment of a designated custodial Participant by informing CDS of the termination and the identity of the proposed replacement designated custodial Participant. A designated custodial Participant ceases to act as a designated custodial Participant for an ATON Participant by informing CDS of the proposed termination of the appointment. CDS informs the ATON Participant and the designated custodial Participant to be appointed or terminated of the proposed appointment or termination of appointment. The appointment of a designated custodial Participant is effective at the beginning of the Business Day after the designated custodial Participant accepts the appointment. The termination of appointment of a designated custodial Participant is effective at the beginning of the Business Day after the ATON Participant or the designated custodial Participant informs CDS of the termination. (b) transfer of securities By the end of each Business Day, an ATON Participant shall deliver all of the Securities credited to its CDSX Ledger to its designated custodial Participant. CDS may transfer Securities credited to the CDSX Ledger of an ATON Participant to the designated custodial Participant either (i) prior to certain entitlement events affecting such Securities, or (ii) if the ATON Participant fails to deliver its securities by the end of the Business Day. **12.2.8 Exclusion from Credit Ring** An ATON Participant is not a member of a Credit Ring.

13.1.4 Notice and Request for Comment – Material Amendments to CDS Rules Relating to Cross-Border Services – Regulation SHO

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

**MATERIAL AMENDMENTS TO CDS RULES –
REGULATION SHO**

REQUEST FOR COMMENTS

DESCRIPTION OF THE PROPOSED AMENDMENTS

On January 26, 2006, the Board of Directors of The Canadian Depository for Securities Limited ("CDS") approved amendments to the CDS Participant Rules which will facilitate adherence to Regulation SHO by CDS Participants utilizing Cross-Border Services (as that term is defined in Section 1.2 of the CDS Participant Rules) offered by CDS.

The proposed amendments shall include:

- an explicit requirement that Participants utilizing Cross-Border Services comply with Regulation SHO;
- a provision allowing CDS to release information to any self-regulatory organization ("SRO") of which the Participant is a member or the primary Canadian Regulatory Body for the Participant, relating to that Participant's compliance with Regulation SHO;
- a provision authorizing CDS to restrict a Participant's access to Cross-Border Services (or other functionality) where there is non-compliance with Regulation SHO. This right will be in addition to CDS's current authority, in its discretion, to suspend a Participant for failing to comply with CDS Participant Rules; and
- a provision mandating that CDS take the necessary steps to close out a Participant's fail to deliver position in a threshold security.

NATURE AND PURPOSE OF THE PROPOSED AMENDMENTS

Background

The United States Securities and Exchange Commission ("SEC") adopted Regulation SHO under the *Securities Exchange Act of 1934* (www.sec.gov/rules/final/34-50103.htm) with the compliance date effective on January 3, 2005. Regulation SHO imposes requirements on broker-dealers engaged in trading related activity on markets regulated by the SEC with respect to short sales of equity securities. Regulation SHO requires short sellers to locate securities to borrow before selling short, and imposes additional requirements when trading in securities in which a substantial number of failures to deliver have occurred (referred to as "threshold securities"). Threshold securities are defined in Rule 203(c)(6) of Regulation SHO. Generally, threshold securities are equity securities of issuers that fall within the scope of the Exchange Act (US) and for five (5) consecutive settlement days (i) there are aggregate fails to deliver at a registered clearing agency of 10,000 shares or more per security, (ii) the level of fails is equal to at least one-half of one percent of the issuer's total shares outstanding, and (iii) the security is included on a list published by an SRO.

This new regulation impacts the National Securities Clearing Corporation's ("NSCC") continuous net settlements in the CDS Cross-Border Services, which facilitate the clearing and settlement of transactions by Participants with American brokers and institutions.[*] In order to offer these services to its Participants, CDS is a member of NSCC and the Depository Trust Corporation ("DTC"). As CDS (and not individual Participants in the Cross-Border Services) is the only "member" recognized by DTC and NSCC, and all of the accounts used to settle cross-border transactions are in CDS's name, non-compliance by one Participant may affect all Participants using the Cross-Border Services.

As CDS is subject to US regulations in its capacity as a member of DTC and NSCC, it is CDS' expectation that Participants trading directly or indirectly on SEC regulated markets will ensure their trading practices comply with Regulation SHO.

As a member of NSCC and DTC, CDS has an obligation to ensure that all activity conducted through CDS, by CDS Participants, is conducted in compliance with Regulation SHO. Participants are expected to monitor their individual compliance and to adopt polices and procedures to ensure that they act in accordance with Regulation SHO when utilizing the Cross-Border Services.

[*] The Services particularly affected are New York Link and ACCESS. CDS is proposing to bar new trades to the ACCESS service effective January 31, 2006. The DTC Direct Service is not affected because it settles transactions on a trade-for-trade basis, not continuous net settlement.

Compliance with Regulation SHO

CDS is proposing to amend Rule 10.2.3 by including a new Paragraph (b). The proposed Paragraph (b) will provide that CDS will close out a fail to deliver position of a Participant utilizing the Cross-Border Services relating to a threshold security where the fail to deliver position is in existence for a period of 13 consecutive settlement days. CDS shall have absolute discretion to use whatever means it believes are necessary to close out the failed position as quickly as possible. The Participant with the fail to deliver position will be responsible for all costs incurred by CDS in closing out the position including, but not restricted to, the purchase price of the security, costs of funding the acquisition, brokerage fees, legal fees and any other fees incurred by CDS as a result of closing out the position. The proposed amendments also include a provision releasing CDS from any liability which it may incur as a result of closing out a fail to deliver position. Specifics regarding the close out of a position will be set out in amendments to CDS Participant Procedures.

Provision of Information to Regulators by CDS

Proposed amendments to Paragraph (b) of Rule 10.2.3 and Paragraph (g) of Rule 3.6.2 will provide CDS with clear and explicit authority to release information relating to each Participant's compliance with Regulation SHO to any SRO of which the Participant is a member and to its primary Canadian Regulatory Body for the Participant. This provision of information will help facilitate the enforcement of these bodies' rules and regulations relating to such requirements.

In particular, it should be noted that the Investment Dealers Association of Canada ("IDA") has indicated that a failure to comply with foreign laws, including Regulation SHO, may be considered to be engaging in a "conduct or practice that is unbecoming or detrimental to the public interest" and therefore a breach of IDA By-law 29.1. The IDA issued member regulation Notice MR0320, which specifically indicates that members acting in violation of Regulation SHO will be considered to be engaging in conduct or practices which are unbecoming or detrimental to the public interest.

Restriction of Access

CDS is proposing to amend Paragraph (e) of Participant Rule 2.7.1 to provide additional, explicit clarification of CDS's ability to restrict a Participant's access to use any CDS system functionality where a Participant fails to comply with Regulation SHO as required by proposed Rule 10.2.3(b).

IMPACT OF PROPOSED AMENDMENTS

In addition to the proposed amendments to Participant Rules described in this notice, CDS is proposing to implement changes to procedures to facilitate adherence to Regulation SHO by its Participants. CDS is proposing to generate reports identifying threshold securities and outstanding positions in relation to these threshold securities both on an aggregate basis, for all CDS Participants, and by individual Participant. Participants will receive their respective reports and will be expected to remedy any non-compliant status. Participant reports will also be provided to the Participant's appropriate SRO or primary Canadian Regulatory Body to allow such entity to conduct investigations and, where appropriate, enforcement actions in relation to any violations. As previously noted the IDA has issued a notice dealing specifically with its members' obligations to comply with Regulation SHO and it is anticipated that the provision of CDS reports will assist the IDA in ensuring compliance with the terms of that notice.

To comply with the proposed Participant Rule amendments CDS Participants will be expected to adopt internal procedures or policies when utilizing Cross-Border Services to ensure compliance with Regulation SHO. Participants will be expected to utilize reports provided by CDS to identify threshold securities and to take proper steps to satisfy specific obligations under applicable securities law. The internal procedures and policies adopted by Participants will differ depending on each Participant's unique circumstances but all Participants will be expected to be in compliance with Regulation SHO when utilizing Cross-Border Services.

Where a Participant utilizing CDS's Cross-Border Services is in a fail to deliver position in relation to a threshold security the Participant will have a period of 13 settlement days to close out the position before CDS will take steps to close out the position on behalf of the Participant. When closing out a position CDS will, as quickly as possible, take whatever steps that CDS, in its discretion, determines are necessary to close out the position, at the Participant's expense. Participants must be aware that CDS may not be in a position to achieve optimal execution in acquiring the securities for the Participant and that, to ensure best execution, Participants should close out the position prior to the 14th settlement day after the creation of the position.

The proposed amendment will have no effect on the policies, procedures, operations or technology of Participants who do not utilize Cross-Border Services.

DESCRIPTION OF THE RULE DRAFTING PROCESS

CDS is recognized as a clearing agency by the Ontario Securities Commission pursuant to Section 21.1 of the Ontario *Securities Act* and as an SRO by the Autorité des marchés financiers pursuant to Section 169 of the Quebéc *Securities Act*. In addition CDS is deemed to be the clearing house for CDSX, a clearing and settlement system designated by the Bank of Canada pursuant to Section 4 of the *Payment Clearing and Settlement Act.* (The Ontario Securities Commission, the Autorité des marchés financiers and the Bank of Canada will hereafter be collectively referred to as the ("Recognizing Regulators")).

Each amendment to the CDS Participant Rules is reviewed by CDS's Legal Drafting Group ("LDG"). The LDG is a committee which includes members of Participants' legal and business groups. The LDG's mandate is to advise CDS management and its Board of Directors on rule amendments and other legal matters relating to centralized securities depository and clearing services in order to ensure that they meet the needs of CDS, its Participants and the securities industry.

The amendments to Participant Rules will be effective upon approval of the changes by the Recognizing Regulators following public notice and comment.

COMMENTS

Comments on the proposed amendments should be in writing and delivered by March 6, 2006 to:

Jamie Anderson
Senior Legal Counsel
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Fax: 416-365-1984
e-mail: attention@cds.ca

A copy should also be provided to the Ontario Securities Commission by forwarding a copy to:

Cindy Petlock
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 1903, Box 55,
20 Queen Street West
Toronto, Ontario, M5H 3S8

Fax: 416-595-8940
e-mail: cpetlock@osc.gov.on.ca

CDS will make available to the public, upon request, copies of comments received during the comment period.

COMPARISON TO OTHER CLEARING AGENCIES

CDS has a unique relationship with American institutions which allows CDS to offer its Participants the Cross-Border Services and as such there are no comparable requirements imposed by other clearing agencies.

PUBLIC INTEREST ASSESSMENT

In analyzing the impact of the proposed amendments to the Participant rules, CDS has determined that the implementation of these amendments would not be contrary to the public interest.

PROPOSED RULE AMENDMENTS

Appendix "A" contains text of current CDS Participant Rules marked to reflect proposed amendments as well as text of the Participant Rules reflecting the adoption of the proposed amendments.

QUESTIONS

Questions regarding this notice may be directed to:

Toomas Marley
Vice-President, Legal and Corporate Secretary
The Canadian Depository for Securities Limited
85 Richmond Street West
Toronto, Ontario M5H 2C9

Telephone: 416-365-8545
Fax: 416-365-1984
e-mail: attention@cds.ca

TOOMAS MARLEY
VICE-PRESIDENT, LEGAL AND CORPORATE SECRETARY

APPENDIX "A"
PROPOSED RULE AMENDMENT

Text of current CDSX Rules marked to reflect proposed amendments	Text CDSX Rules reflecting the adoption of proposed amendments
2.7.1 Restrictions on System Functionality CDS may restrict the right of a Participant to use system functionality in the following circumstances: (a) CDS determines that the Participant is unable to properly use system functionality due to operational or technical problems with the Participant's own systems or the systems of third parties, or due to events over which the Participant has no control; (b) in accordance with Rule 5.14 with respect to the Participant's CCP Cap; (c) the Participant requests CDS to do so; ~~or~~ (d) in the course of monitoring the Participant pursuant to Rule 5.1.3, CDS determines such action is necessary to protect the interests of CDS and is in the best interest of all other Participants; or (e) the Participant fails to comply with Rule 10.2.3 with respect to the Cross-Border Services. A restriction may apply to any Service or any Function, to a particular Security or class of Securities, to a particular Transaction or class of Transactions, or to Securities or Transactions generally. A restriction may be limited to a particular location or office of the Participant or a particular Office of CDS. CDS may remove the restriction when CDS in its sole discretion determines that the Participant is able to resume normal operations.	**2.7.1 Restrictions on System Functionality** CDS may restrict the right of a Participant to use system functionality in the following circumstances: (a) CDS determines that the Participant is unable to properly use system functionality due to operational or technical problems with the Participant's own systems or the systems of third parties, or due to events over which the Participant has no control; (b) in accordance with Rule 5.14 with respect to the Participant's CCP Cap; (c) the Participant requests CDS to do so; (d) in the course of monitoring the Participant pursuant to Rule 5.1.3, CDS determines such action is necessary to protect the interests of CDS and is in the best interest of all other Participants; or (e) the Participant fails to comply with Rule 10.2.3 with respect to the Cross-Border Services. A restriction may apply to any Service or any Function, to a particular Security or class of Securities, to a particular Transaction or class of Transactions, or to Securities or Transactions generally. A restriction may be limited to a particular location or office of the Participant or a particular Office of CDS. CDS may remove the restriction when CDS in its sole discretion determines that the Participant is able to resume normal operations.
3.6.2 Release of Information Each Participant authorizes CDS to release any information concerning the Participant: (a) to the auditors of CDS, of the Participant and of other Participants, as may reasonably be required to perform their duties; (b) to the legal counsel of CDS as may reasonably be required to perform their duties; (c) requested by the Issuer of Securities held for the Participant or by any other Person, if such information is limited to information with respect to the Securities held for the Participant and if CDS is reasonably satisfied that such information is sought for a purpose concerning an effort to influence the voting by Security holders of the Issuer, an offer to acquire Securities of the Issuer or any other matter relating to either the affairs of the Issuer or Transactions in the Securities of the Issuer effected by the Participant, provided that any information released under this subsection (c) does not identify any client or customer of the Participant;	**3.6.2 Release of Information** Each Participant authorizes CDS to release any information concerning the Participant: (a) to the auditors of CDS, of the Participant and of other Participants, as may reasonably be required to perform their duties; (b) to the legal counsel of CDS as may reasonably be required to perform their duties; (c) requested by the Issuer of Securities held for the Participant or by any other Person, if such information is limited to information with respect to the Securities held for the Participant and if CDS is reasonably satisfied that such information is sought for a purpose concerning an effort to influence the voting by Security holders of the Issuer, an offer to acquire Securities of the Issuer or any other matter relating to either the affairs of the Issuer or Transactions in the Securities of the Issuer effected by the Participant, provided that any information released under this subsection (c) does not identify any client or customer of the Participant;

Text of current CDSX Rules marked to reflect proposed amendments	Text CDSX Rules reflecting the adoption of proposed amendments
(d) as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of CDS, jurisdiction over CDS; (e) pursuant to any statutory or regulatory requirement including National Instrument 54-101 *Communication with Beneficial Owners of a Reporting Issuer* (as it may be reformulated from time to time) or any similar policy, instrument or Rule adopted or made by the Canadian Securities Administrators; (f) to any securities exchange, commodities exchange, alternative trading system, securities depository, securities clearing agency, payment clearing system or self-regulatory organization of which the Participant is a member or the services of which the Participant uses in connection with its participation in CDS, or to any insurer of the Participant including the Canadian Investor Protection Fund or the Canada Deposit Insurance Corporation; ~~and~~ (g) to any self-regulatory organization of which the Participant is a member and to the primary Canadian Regulatory Body for the Participant in regards to compliance with Rule 10.2.3(b); and (h) that is in a statistical, summary or other format, provided the information in that format does not specifically identify a particular Participant, or, if the information concerns debt Securities, provided the information in that format does not identify any industry group. CDS shall take all reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant. When CDS is required pursuant to subsection (d) to disclose confidential information concerning a Participant that is directed exclusively to the activities of a particular Participant, CDS shall give notice to the Participant of the request before making the disclosure unless the terms of any applicable statute, regulation, ruling or order prohibit such notice. When CDS releases confidential information pursuant to subsection (f), CDS shall request the recipient to treat such information as confidential.	(d) as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of CDS, jurisdiction over CDS; (e) pursuant to any statutory or regulatory requirement including National Instrument 54-101 *Communication with Beneficial Owners of a Reporting Issuer* (as it may be reformulated from time to time) or any similar policy, instrument or Rule adopted or made by the Canadian Securities Administrators; (f) to any securities exchange, commodities exchange, alternative trading system, securities depository, securities clearing agency, payment clearing system or self-regulatory organization of which the Participant is a member or the services of which the Participant uses in connection with its participation in CDS, or to any insurer of the Participant including the Canadian Investor Protection Fund or the Canada Deposit Insurance Corporation; (g) to any self-regulatory organization of which the Participant is a member and to the primary Canadian Regulatory Body for the Participant in regards to compliance with Rule 10.2.3(b); and (h) that is in a statistical, summary or other format, provided the information in that format does not specifically identify a particular Participant, or, if the information concerns debt Securities, provided the information in that format does not identify any industry group. CDS shall take all reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant. When CDS is required pursuant to subsection (d) to disclose confidential information concerning a Participant that is directed exclusively to the activities of a particular Participant, CDS shall give notice to the Participant of the request before making the disclosure unless the terms of any applicable statute, regulation, ruling or order prohibit such notice. When CDS releases confidential information pursuant to subsection (f), CDS shall request the recipient to treat such information as confidential.
10.2.3 Compliance ~~Cross-Border Documents~~ (a) Cross-Border Documents The making of a Cross-Border Movement or an ACCESS Deposit by any Participant, and the use of the Cross-Border Services by each Cross-Border Participant, is governed by all agreements entered into, instruments executed, declarations made and acts done by CDS from time to time in respect of CDS's membership in NSCC and DTC. Each Cross-Border Participant shall enter into any such further agreements or instruments, and make such declarations	**10.2.3 Compliance** (a) Cross-Border Documents The making of a Cross-Border Movement or an ACCESS Deposit by any Participant, and the use of the Cross-Border Services by each Cross-Border Participant, is governed by all agreements entered into, instruments executed, declarations made and acts done by CDS from time to time in respect of CDS's membership in NSCC and DTC. Each Cross-Border Participant shall enter into any such further agreements or instruments, and make such declarations

Text of current CDSX Rules marked to reflect proposed amendments	Text CDSX Rules reflecting the adoption of proposed amendments
and provide such information, relating to its use of the Cross-Border Services, as may be required by CDS.	and provide such information, relating to its use of the Cross-Border Services, as may be required by CDS.
Each Participant shall observe and comply with the Cross-Border Documents applicable to the Participant to the same extent as if the Participant were a direct member of NSCC or DTC, notwithstanding that CDS is the member of NSCC or DTC and that the Participant's use of the Cross-Border Service does not confer on or grant to the Participant any rights, benefits or privileges directly against, or obligations or liabilities to, NSCC or DTC. Without limiting the generality of the foregoing, each Cross-Border Participant acknowledges that the Cross-Border Documents may include a grant of a security interest in the securities held with NSCC or DTC, mark-to-the market requirements, liquidation rights, buy-in and sell-out rights, and other terms which may affect the Cross-Border Participant's interest in Securities held for it through the Cross-Border Service. At the request of a Participant, CDS shall make available to it the Cross-Border Documents applicable to it.	Each Participant shall observe and comply with the Cross-Border Documents applicable to the Participant to the same extent as if the Participant were a direct member of NSCC or DTC, notwithstanding that CDS is the member of NSCC or DTC and that the Participant's use of the Cross-Border Service does not confer on or grant to the Participant any rights, benefits or privileges directly against, or obligations or liabilities to, NSCC or DTC. Without limiting the generality of the foregoing, each Cross-Border Participant acknowledges that the Cross-Border Documents may include a grant of a security interest in the securities held with NSCC or DTC, mark-to-the market requirements, liquidation rights, buy-in and sell-out rights, and other terms which may affect the Cross-Border Participant's interest in Securities held for it through the Cross-Border Service. At the request of a Participant, CDS shall make available to it the Cross-Border Documents applicable to it.
(b) Regulation SHO	(b) Regulation SHO
"Regulation SHO" means Regulation SHO adopted by the United States Securities and Exchange Commission promulgated under United States federal securities law.	"Regulation SHO" means Regulation SHO adopted by the United States Securities and Exchange Commission promulgated under United States federal securities law.
"Non-compliant Position with Regulation SHO" means a Participant using a Cross-Border Service is in a fail to deliver position regarding a sale of a threshold security, as defined in Rule 203(c)(6) of Regulation SHO, for 13 consecutive settlement days, as provided in Rule 203(b)(3).	"Non-compliant Position with Regulation SHO" means a Participant using a Cross-Border Service is in a fail to deliver position regarding a sale of a threshold security, as defined in Rule 203(c)(6) of Regulation SHO, for 13 consecutive settlement days, as provided in Rule 203(b)(3).
Each Participant using a Cross-Border Service shall comply with the terms of Regulation SHO. CDS shall take the necessary steps to close out the Participant's Non-compliant Positions with Regulation SHO by the purchase of threshold securities in the amount specified by Rule 203(b)(3) of Regulation SHO. Such Participant shall reimburse CDS for all costs and expenses in regards to steps taken by CDS to close out the Participant's Non-compliant Positions with Regulation SHO, including the purchase price of the threshold securities, cost of funding, and fees and expenses of legal counsel and other professionals retained by CDS. CDS shall have absolute discretion to purchase such threshold securities by any means available. Each Participant acknowledges that CDS must close out a Participant's Non-compliant Positions with Regulation SHO immediately and therefore the purchase price of such threshold securities may be greater than a price that could be obtained by alternative means of purchase or delay in purchase.	Each Participant using a Cross-Border Service shall comply with the terms of Regulation SHO. CDS shall take the necessary steps to close out the Participant's Non-compliant Positions with Regulation SHO by the purchase of threshold securities in the amount specified by Rule 203(b)(3) of Regulation SHO. Such Participant shall reimburse CDS for all costs and expenses in regards to steps taken by CDS to close out the Participant's Non-compliant Positions with Regulation SHO, including the purchase price of the threshold securities, cost of funding, and fees and expenses of legal counsel and other professionals retained by CDS. CDS shall have absolute discretion to purchase such threshold securities by any means available. Each Participant acknowledges that CDS must close out a Participant's Non-compliant Positions with Regulation SHO immediately and therefore the purchase price of such threshold securities may be greater than a price that could be obtained by alternative means of purchase or delay in purchase.
Each Participant using a Cross-Border Service releases and discharges CDS from any liability or claim arising from the exercise of the powers granted pursuant to this Rule 10.2.3 (b).	Each Participant using a Cross-Border Service releases and discharges CDS from any liability or claim arising from the exercise of the powers granted pursuant to this Rule 10.2.3 (b).

13.1.5 CNQ – Repeal of Rule 10-105 – Risk Disclosure Statement – Summary of Comments

CANADIAN TRADING AND QUOTATION SYSTEM INC. (CNQ)

REPEAL OF RULE 10-105 – RISK DISCLOSURE STATEMENT

SUMMARY OF COMMENTS

CNQ thanks each respondent for providing comments on the proposed repeal of Rule 10-105. As all comments were in support of the repeal, CNQ has not made any amendments to the proposal in response to individual comments.

From	Comment	CNQ Response
Larry Martin, Branch Manager and Director, Leede Financial Markets	**1. Risks apply to all small cap stocks, not just CNQ.** The disclosure statement…explains the risks associated with trading any micro-cap stock, or stocks with a small float. **2. Rule creates administrative confusion** The rule, essentially, discourages potential dealers because it creates problems with respect to tracking whether the client has signed a disclosure statement… **3. Rule duplicates existing requirements** IDA rules govern same activity: The disclosure statement works to cover grounds already covered by securities laws and IDA rules, which provide a comprehensive protection regime.	We agree the risks are not specific to CNQ Listed Companies. We agree the Rule addresses issues already covered by IDA requirements.
Robert Matheson, CEO, Glenbriar Technologies Inc.	**4. Current Measures Exist** We concur that Rule 10-105 does not serve any useful purpose at this point in time. The other measures that have been put in place by CNQ, the OSC and IDA are more effective…	
Vanessa M. Gardiner, Director, Senior VP and Chief Compliance Officer, Research Capital Corporation	**5. Participants already bear responsibility:** …the disclosure, in and of itself, does not diminish the responsibility of a market participant to adequately advise and caution a client on the risks involved in any security purchased, regardless of the market in which it trades. These protections are provided to the client in both securities law and in IDA suitability rules, which makes the disclosure a redundancy that provides no actual public benefit. **6. Rule does not apply to all Participants** …the rule provides no actual public protection given the differing requirements between CNQ members and non-members….Given that any IDA member can jitney orders through a CNQ member effectively demonstrates that disclosure is not provided to all market participants, thus making the rule ineffective overall.	We strongly agree that investor protection is a priority, and other existing rules are sufficient to provide that protection. This has created confusion and additional obligations for participants.

David Gurvey, CMA	**7. Rule discourages participation** Requiring the risk disclosure statement be signed for the first solicited order has resulted in Investment Dealers either declining to participate in CNQ or requiring the statement for all orders. It also discourages the investors. By holding back the CNQ market, the individual companies and their minority shareholders are also being harmed. Repeal of this rule should be approved.	This is consistent with our view that the rule has created barriers to access and confusion among participants and investors without providing any additional benefit.
Rick Brown, Chairman, Grandview Gold Inc.	**8. Risk is not market-specific** CNQ's rule requiring a blanket risk statement, specific to the market, acts as a deterrent to investors by inaccurately painting all issuers as very high risk simply because they are listed on CNQ. The risks of investing in any company listed on CNQ are specific to the company and the business sector in which the company operates, just as they are on other exchanges. **9. Risk is reduced by full disclosure** It is in the best interests of all market participants to be well informed, and to have access to information that provides the disclosure of identified and potential risks specific to an investment. On CNQ, disclosure specific to each Listed Company is readily available to investors and their advisors… **10. Sufficient regulatory regime currently exists** …the Investment Dealers Association, Market Regulation Services and the provincial securities commissions have an established regulatory regime that includes rules to protect investors on all of the Canadian exchanges.	Please see our response to **Comment 1.** above. CNQ's enhanced disclosure model was designed to provide all relevant disclosure documents to investors and their advisors in one location. This allows assessment of risk on a stock-by-stock basis. Please see our response to **Comment 3.** above.
Christopher Gulka, CA, CFA, Working Capital Corporation	**11. Risk is greater for Capital Pool Companies** …the requirement that a risk disclosure statement be signed by investors is detrimental to junior markets… It falsely signals that CNQ-listed companies are riskier than other similar companies. Capital Pool Corporations (CPCs) are essentially a blind pool and go public with no project and the very real risk of being delisted if no project is found within a tight timeframe. This is a greater risk than faced with CNQ-listed companies, yet no risk disclosure statement is required once a CPC's shares are trading in the secondary markets.	This is consistent with our view that risk should be assessed on an issue-by-issue basis rather than by market.
Douglas G. Reeson	**12. Rule presents a barrier to competition** Rule 10-105 is prejudicial to the CNQ and its future development as it creates the impression that its listed securities are de facto and inherently more risky and that there is something wrong with them. This is an uneven playing field. Because of a general compliance chill at investment dealers, investors in CNQ companies are often forced to sign a risk disclosure statement on trades of their own initiation.	We agree that the risk disclosure statement creates general perception of inherent high risk, rather than encouraging investors and participants to take advantage of an enhanced disclosure model to assess actual risk.

Chapter 25

Other Information

25.1 Approvals

25.1.1 Brompton BTF Management Limited - s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

January 27, 2006

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street, Toronto
M5L 1B9

Attention: Danielle Shields

Re: Application by Brompton BTF Management Limited (the "Applicant") for approval to act as trustee of ATF Trust
Application No. 032/06

Further to the application dated January 13, 2006 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, pursuant to the authority conferred on the Ontario Securities Commission (the "Commission") in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of ATF Trust which it will manage.

"Paul K. Bates"

"Robert L. Shirriff"

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Index

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