

The Ontario Securities Commission

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 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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Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

March 3, 2006		Christopher Freeman
10:00 a.m.		s. 127 and 127.1
		P. Foy in attendance for Staff
		Panel: SWJ/CSP
March 3, 2006		Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule*, Robert Waxman and John Woodcroft
10:00 a.m.		s. 127
		K. Manarin in attendance for Staff
		Panel: PKB/ST
		* Settled November 25, 2005
March 6-10, 2006 (except Tuesday)		Philip Services Corp., Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey, Colin Soule*, Robert Waxman and John Woodcroft
April 10-28, 2006 (except Tuesdays and not Good Friday April 14)		s. 127
		K. Manarin in attendance for Staff
May 1-12; 17-19; 24-26, 2006 (except Tuesdays)		Panel: PMM/RWD/DLK
		* Settled November 25, 2005
June 12-19; 26-30, 2006 (except Tuesdays)		
10:00 a.m.		
March 7, 2006		Olympus United Group Inc.
2:30 p.m.		s.127
		M. MacKewn in attendance for Staff
		Panel: PMM

March 7, 2006 2:30 p.m.	Norshield Asset Management (Canada) Ltd. s.127 M. MacKewn in attendance for Staff Panel: PMM	April 13, 2006 10:00 a.m.	Jose L. Castaneda s.127 T. Hodgson in attendance for Staff Panel: WSW
March 9, 2006 10:00 a.m.	Portus Alternative Asset Management Inc., Portus Asset Management Inc. Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg s.127 & 127.1 M. MacKewn in attendance for Staff Panel: TBA	April 19, 2006 9:30 a.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: PMM
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	June 26, 2006 10:00 a.m.	Universal Settlement International Inc. s. 127 & 127.1 Y. Chisholm in attendance for Staff
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	June 27, 2006 2:30 p.m.	Y. Chisholm in attendance for Staff Panel: TBA
April 4, 2006 2:30 p.m.	s. 127 and 127.1 P. Foy in attendance for Staff Panel: TBA	June 28-30, 2006 10:00 a.m.	Panel: TBA
April 11, 2006 10:00 a.m.	Fulcrum Financial Group Inc., Secured Life Ventures Inc., Zephyr Alternative Power Inc., Troy Van Dyk, William L. Rogers, Leszek Dziadecki, Werner Reindorf and Reindorf Investments Inc. s. 127 and 127.1 G. Mackenzie in attendance for Staff Panel: TBA	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	Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boulton and Peter Y. Atkinson s.127 J. Superina in attendance for Staff Panel: SWJ/RWD/MTM
TBA	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	March 9, 2006	Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir s.127 J. Waechter in attendance for Staff Panel: RLS/ST/DLK
TBA	John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir S. 127 & 127.1 K. Manarin in attendance for Staff Panel: TBA		

ADJOURNED SINE DIE

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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 CSA Notice 24-302 – Entitlement Payments to CDS

**CANADIAN SECURITIES ADMINISTRATORS' NOTICE 24-302
ENTITLEMENT PAYMENTS TO
THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)**

1. Purpose of Notice

The *Canadian Securities Administrators* (CSA or we) are asking all issuers and offerors¹ that pay entitlements in Canadian dollars to CDS,² for distribution to CDS' participants, to make such payments using the Large Value Transfer System (LVTS) operated by the *Canadian Payments Association* (CPA). While the rules of the CPA already effectively require issuers and offerors to make payments that exceed \$25 million in LVTS funds, we encourage issuers and offerors (and their agents³) to arrange with their financial institutions to pay entitlements of \$25 million or less in LVTS funds instead of cheques or other forms of payment that do not provide immediately final and irrevocable funds upon receipt.⁴

2. What are entitlement payments?

An entitlement payment is any money payment made in respect of issued and outstanding securities to holders of such securities. Entitlement payments include interest payments made on debt securities, cash dividend payments or other similar distributions made on equity securities, payments made upon redemptions, repurchases, or maturities of securities, and payments made in a transaction whereby securities are acquired in exchange for cash, or for both cash and other securities, under an offer to acquire, take-over bid, issuer bid, plan of arrangement or other form of business reorganization.

3. What is the Large Value Transfer System (LVTS)?

The LVTS, launched in 1999 by the CPA, is an electronic wire payment system that allows financial institutions and their customers to send large payments securely in real time. Through LVTS, funds can be transferred between participating financial institutions almost instantaneously, and the money can thus be credited to the recipient's account on a timely basis. All LVTS payments are immediately final and irrevocable. The recipient may withdraw the money, invest it or use it to make another payment. According to the CPA, more than \$130 billion in payments daily, representing approximately 88 per cent of the total value flowing through Canada's payments system, are being settled through the LVTS.⁵

4. What is CDS' role in processing entitlement payments?

CDS is Canada's national securities depository, clearing and settlement organization that holds over \$2.6 trillion of securities on deposit and handles over 65 million securities trades annually. Most publicly-traded Canadian equity, corporate and government debt and money market securities, and many U.S. securities owned by Canadian investors, are held through CDS. When making entitlement payments to its registered or bearer securities holders, an issuer in Canada will usually make, by far, the largest entitlement payment to CDS or its nominee. CDS then processes the entitlement payment it receives from the issuer and credits the funds to its participants' accounts. Participants in turn make payments to their customers.

CDS' records show that, during its fiscal year ended October 31, 2004, it processed the following entitlement payments:

• interest:	\$59.4 billion
• dividends:	\$22.4 billion
• corporate actions:	\$135 billion
• money market maturities:	\$2.1 trillion

Of the total number of entitlement payments paid directly to CDS, 65.12 per cent were made by cheque (representing 21.49 per cent of the total value of such payments).⁶ In the United States, apparently 99.5 per cent of the value of entitlement payments to

1 For the purposes of this Notice, an *offeror* is a person or company that acquires securities in exchange for funds, or for both funds and other securities, pursuant to an offer to acquire, take-over bid, issuer bid, plan of arrangement or other form of business reorganization.

2 Or, alternatively, its nominee, CDS & Co.

3 Generally, *transfer agents* act for issuers and *depository agents* act for offerors.

4 The CPA rule limits the use of cheques, bank drafts and other paper-based payment items that can be processed through the CPA's older Automated Clearing Settlement System (ACSS) to payments of \$25 million or less. See Section 14 of CPA Rule A1 — *General Rules Pertaining to Items Acceptable for Exchange, for the Purpose of Clearing and Settlement*. The CPA's rules can be found on its web site at: <http://www.cdnpay.ca/>.

5 For more information on the LVTS and the CPA, visit the CPA's web site at <http://www.cdnpay.ca/> and the web site of the Bank of Canada at <http://www.bank-banque-canada.ca/>.

6 Entitlement payments paid by means of a debit to a CDS participant's funds account are not included in these numbers.

the U.S. central securities depository are made by means of FedWire, a real-time gross settlement payment system operated by the U.S. Federal Reserve Board.⁷

5. Why is the ongoing use of cheques to pay entitlements to CDS a growing concern to regulators?

Many issuers and offerors currently pay their entitlements by uncertified cheque or other forms of paper-based payment items. This method of payment of entitlements is inefficient, costly and poses certain risks to CDS and its participants. The main risk is that there is no finality of payment with paper-based items, as they can be reversed if there are insufficient funds in the account on which the cheque or other paper-based item is drawn. If an entitlement payment is reversed, participant recipients would be required to return such reversed payments to CDS. Risk is created where a participant is unable to return reversed payments. There is also the risk of loss or theft of such paper-based items. In addition, CDS is required to maintain costly manual processes to receive and handle large quantities of cheques, including data entry, reconciliation, safekeeping, and cheque conversion.⁸

International best practices and standards require payment arrangements that enable market participants to retransfer the proceeds of securities transactions as soon as possible—ideally intraday or at a minimum before the end of business on the same day—so as to limit their liquidity risk and any credit risks associated with the assets used.⁹ International benchmarking studies suggest that current entitlement management processes in the Canadian capital markets are likely adversely affecting our country's otherwise high standing in global custody service rankings.¹⁰

Led by the Canadian Capital Markets Association (CCMA), the securities industry in Canada has raised this issue as an impediment to the industry's move towards straight-through processing (STP) and eventual move to a standard T+1 settlement cycle. From an STP perspective, LVTS entitlement payments will eliminate the current reliance on manual intervention to process payments, thus reducing the potential for errors and delays associated with payments by cheque. According to the CCMA, these are features that investors, and in particular foreign investors, consider when selecting markets in which to invest.¹¹

The CSA agree that this issue impacts the efficiency of our capital markets, and that the use of LVTS funds for all entitlement payments will improve market efficiency and reduce risk. The CSA share the industry's view that the payment of entitlements using LVTS funds will ensure that:

- all payments within the securities clearing and settlement system are final and irrevocable,
- beneficiaries receive entitlement payments that are immediately available to them on an unconditional basis,
- Canada is better prepared to achieve STP and an eventual standard T+1 settlement period.

6. What are the potential costs to issuers and offerors in making LVTS entitlement payments to CDS?

In a letter to the CSA dated May 12, 2003, the CCMA described the potential costs to issuers and offerors of making an LVTS payment. The costs will vary depending on the size of the issuer or offeror, the nature of its commercial relationship with its financial institution,¹² how the entitlement payments are funded and other factors. The CCMA suggested that, depending on the size of the overall financial-institution relationship, the explicit cost of a particular LVTS payment could be nil.¹³

The CSA are cognizant of concerns about higher fees and costs to change banking practices and convert cheque payments to LVTS payments. This Notice is asking issuers and offerors to voluntarily change their payment practices.

7 See letter of the Canadian Capital Markets Association (CCMA) dated May 12, 2003—*Letter to CSA Responding to Questions on Mandating Use of LVTS for Entitlement Payments*—available on the CCMA's web site at: <http://www.ccm-acmc.ca/ccmahome.nsf/Splash?OpenPage>

8 *Ibid.*

9 See par. 3.52 of *Recommendations for securities settlement systems* — November 2001 report of the joint Task Force on Securities Settlement Systems of the Committee on Payment and Settlement Systems (CPSS) of the central banks of the Group of Ten countries and the Technical Committee of the International Organization of Securities Commissions (IOSCO). The CPSS-IOSCO report is available at: <http://www.iosco.org/pubdocs/pdf/IOSCOPD123-English.pdf>, or <http://www.bis.org/publ/cpss46.pdf>.

10 An October 22, 2002 CCMA White Paper—*Corporate Actions and Other Entitlements White Paper*—makes reference to a 1997-1999 GSCS *Benchmarks* annual survey, which suggested that Canada's "undisciplined" entitlement-management process contributes to lowering Canada's standing in world rankings, citing Canadian custody client criticisms regarding corporate action handling. The CCMA White Paper is available on the CCMA's web site at: <http://www.ccm-acmc.ca/ccmahome.nsf/Main-E?OpenFrameSet>. The latest *Thomas Murray* capital market infrastructure risk assessment on Canada seems to echo these concerns. See *Thomas Murray Capital Markets Infrastructure Risk Ratings—Canada*, 2005 Report; Thomas Murray, London, U.K. The Thomas Murray web site is at www.thomasmurray.com.

11 See May 12, 2003 CCMA letter to the CSA, *supra*, note 7.

12 For example, fees may be bundled into the overall relationship package.

13 The CCMA letter goes into more detail on the cost components of making an LVTS payment. See May 12, 2003 CCMA letter to the CSA, *supra*, note 7.

7. What have the industry and CSA said about this issue in the past?

Numerous industry submissions and white papers on the LVTS issue have been made since 2000.¹⁴ For example, in a written submission dated July 17, 2002 to the CSA, the CCMA requested that we mandate as quickly as possible the use of LVTS funds when payment of corporate entitlements are made to recognized depositories. The industry provided various reasons for this request, including that, even without any move to a standard T+1 settlement cycle, "... requiring entitlement payments to be made by LVTS is still critical to improving the efficiency of Canadian capital markets."¹⁵

In November 2002, we published *CSA Notice 51-305* encouraging market participants to comment on a CCMA white paper that recommended, among other things, a requirement that entitlements to recognized depositories be paid in LVTS funds. We also published *CSA Discussion Paper 24-401 on Straight-through Processing* in April 2004 that contained a discussion and sought comment on the LVTS entitlement payments issue. Also in April 2004, a working group (LVTS working group) comprising staff from CDS, the Bank of Canada, CPA, Ontario Securities Commission, and Autorité des marchés financiers (Québec) was struck to find ways to encourage or require the use of the LVTS when making entitlement payments to CDS. Finally, in February 2005, we published *CSA Notice 24-301*,¹⁶ which summarized the comments we received on Discussion Paper 24-401. Most comments on the LVTS entitlement payments issue suggested that the CSA should require issuers and offerors to use the LVTS, regardless of the value of the entitlement to be paid to CDS. Notice 24-301 also confirmed, among other things, our support of industry and regulatory initiatives to increase the use of LVTS by issuers.

8. Conclusion

The industry and LVTS working group considered a range of mandatory and non-mandatory options to achieve greater use of the LVTS when making entitlement payments of \$25 million or less to CDS. Instead of implementing a mandatory measure at this time, we have decided through this Notice to encourage the voluntary use of the LVTS. We ask all issuers and offerors (and their agents) that pay Canadian dollar entitlements to CDS or its nominee, for distribution to CDS' participants, to make such payment in LVTS funds to CDS' account at the Bank of Canada. We believe that the use of LVTS funds for all entitlement payments to CDS will contribute to market efficiency and reduce risk. We propose to assess in a year from now whether there has been any meaningful progress¹⁷ towards the use of the LVTS by issuers and offerors (and their agents).

Questions may be referred to:

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14 See the CCMA's Website at www.ccma-acmc.ca for some of these submissions and white papers.

15 This CCMA written submission dated July 17, 2002—*CCMA Letter to the Canadian Securities Administrators (CSA) on the Large Value Transfer System (LVTS)*—is available on the CCMA's web site at:
<http://www.ccma-acmc.ca/ccmahome.nsf/Main-E?OpenFrameSet>.

16 See *CSA Notice 24-301—Responses to Comments Received on Discussion Paper 24-401 on Straight-through Processing, Proposed National Instrument 24-101 Post-trade Matching and Settlement, and Proposed Companion Policy 24-101CP to National Instrument 24-101 Post-trade Matching and Settlement*.

17 As measured in terms of narrowing the gap between the use of electronic payments in Canada and in the United States.

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March 3, 2006

1.1.3 Notice of Commission Approval – IDA Amendments to Form 1, Notes and Instructions to Statement A Regarding Foreign Currency Cash Balances Held in Registered Retirement Savings Plan Accounts

THE INVESTMENT DEALERS ASSOCIATION

AMENDMENTS TO FORM 1, NOTES AND INSTRUCTIONS TO STATEMENT A REGARDING FOREIGN CURRENCY CASH BALANCES HELD IN REGISTERED RETIREMENT SAVINGS PLAN ACCOUNTS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved proposed amendments to Form 1, Notes and Instructions to Statement A regarding foreign currency cash balances held in RRSP accounts. In addition, the British Columbia Securities Commission did not object, and the Alberta Securities Commission and the Autorité des marchés financiers approved the proposed amendments. The purpose of the amendments is to permit the classification of foreign currency cash balances held in RRSP accounts at an acceptable institution, that is a participating organization in either CDIC or AMF (with respect to deposit insurance), as allowable assets. A copy and description of the proposed amendments were published on July 15, 2005, at (2005) 28 OSCB 6156. No comments were received.

1.1.4 TSX Inc. Notice - Approval of Amendments to the Rules of the Toronto Stock Exchange (Exchange) for Marketplace Trade and Message Reporting on the Exchange

TSX INC. NOTICE - APPROVAL OF AMENDMENTS TO THE RULES OF THE TORONTO STOCK EXCHANGE (EXCHANGE) FOR MARKETPLACE TRADE AND MESSAGE REPORTING ON THE EXCHANGE

On February 21, 2006, the Toronto Stock Exchange (Exchange) filed with the Commission certain amendments (Amendments) to the Rules of the Exchange (Rule Book) in respect of marketplace trade and message reporting on the Exchange. TSX Inc. proposes amending the Rule Book to allow trades and messages received from another marketplace, such as an alternative trading system, to be reported on the Exchange without interfering with, and without being interfered by, orders entered on the Exchange by Participating Organizations. The Amendments also make housekeeping changes to delete defined terms and provisions that are no longer needed or used. The Amendments have been filed as “non-public interest” amendments pursuant to the *Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals* and are deemed to have been approved upon filing. The Amendments will become effective on March 10, 2006. A TSX Notice and the Amendments are being published in Chapter 13 of this Bulletin.

1.1.5 CSA Notice 11-309 - Withdrawal of CSA Notices

**CANADIAN SECURITIES ADMINISTRATORS
NOTICE 11-309
WITHDRAWAL OF CSA NOTICES**

Staff of the members of the CSA have reviewed a number of CSA Notices and determined that the following Notices are no longer required and therefore are withdrawn, in all CSA jurisdictions, effective immediately.

CSAN 4	1990/10/19 Audit Committees
CSAN 5	1995/04/28 Proposed Foreign Issuer Prospectus and Continuous Disclosure System (Draft National Policy Statement No. 53)
13-310	Securities Regulatory Authority Closed Dates 2002/03 (2002)
13-311	Changes to SEDAR Annual Filing Service Charges (2003)
13-312	Securities Regulatory Authority Closed Dates 2003 (2003)
13-313	Securities Regulatory Authority Closed Dates 2004 (2004)
31-305	Registration Streamlining System
31-306	National Registration Database (NRD)
31-307	National Registration Database (NRD) - NRD Enrolment and User Fees
33-306	Date of NRD Freeze Period
41-303	Harmonization of Prospectus Requirements Across the CSA
43-304	43-304, 62-302, and 81-308 - Prospectus Filing Matters - Arthur Andersen LLP Consent
45-303	Interpretation of the Amalgamation Exemption
51-307	Status of Proposed Continuous Disclosure Rule
52-304 & 81-309	Application of NPS 31 Change of Auditor of a Reporting Issuer and NI 81-102 Mutual Funds When a Reporting Issuer Appoints a New Auditor as a Result of Arthur Anderson LLP – Canada Ceasing to Practice Public Accounting
52-305	Optional Use of US GAAP and US GAAS by SEC Issuers
53-302	Proposal for a Statutory Civil Remedy for Investors in the Secondary Market and Response to the Proposed Change to the Definitions of "Material Fact" and "Material Change"
55-306	Applications for Relief from the Insider Reporting Requirements by Certain Vice-Presidents
55-309	Launch of the System for Electronic Disclosure by Insiders (SEDI) and Other Insider Reporting Matters
55-311	System for Electronic Disclosure by Insiders (SEDI) – Issuer Profile Supplement Filing Requirement
62-302	43-304, 62-302, and 81-308 - Prospectus Filing Matters - Arthur Andersen LLP Consent
81-308	43-304, 62-302, and 81-308 - Prospectus Filing Matters - Arthur Andersen LLP Consent
81-313	Status of Proposed National Instrument 81-106 Investment Fund Continuous Disclosure

Questions regarding this notice may be directed to:

Noreen Bent
British Columbia Securities Commission
Tel: 604 899-6741
nbent@bcsc.bc.ca

Alicia Ferdinand
Ontario Securities Commission
Tel: 416-593-8307
aferdinand@osc.gov.on.ca

Patricia Leeson
Alberta Securities Commission
Tel: (403) 297-5222
patricia.leeson@seccom.ab.ca

Sylvia Pateras
Autorité des marchés financiers
Tel.: 514.395.0558, extension 2536
sylvia.pateras@lautorite.qc.ca

March 3, 2006

1.1.6 Notice of Commission Approval – Proposed Amendments to IDA Regulation 500 and Policy No. 6 Trader Registration

THE INVESTMENT DEALERS ASSOCIATION (IDA)

PROPOSED AMENDMENTS TO REGULATION 500 AND POLICY NO. 6 REGARDING TRADER REGISTRATION

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission (OSC) approved proposed amendments to IDA Regulation 500 and Policy No. 6 regarding trader registration. In addition, the Autorité des marchés financiers (AMF) approved, the Alberta Securities Commission (ASC) and the British Columbia Securities Commission (BCSC) did not object to the proposed amendments. The proposed amendments delete references to outdated trader categories, and remove duplication in the administration of proficiency requirements by the exchanges and the IDA. The resulting changes are administrative in nature, and therefore, the amendments are classified as housekeeping. A copy and description of the amendments are published in Chapter 13 of this Bulletin.

1.3 News Releases

1.3.1 OSC Prosecution of Jose L. Castaneda to Resume April 6, 2006

**FOR IMMEDIATE RELEASE
February 27, 2006**

**OSC PROSECUTION OF JOSE L. CASTANEDA
TO RESUME APRIL 6, 2006**

TORONTO – The prosecution of Jose L. Castaneda under the Provincial Offences Act by the Ontario Securities Commission is scheduled to return to court on Thursday April 6, 9 a.m., Courtroom “C”, Old City Hall courthouse.

A copy of the Provincial Offences Act charges laid by the Commission is available on the Commission website (www.osc.gov.on.ca).

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

Eric Pelletier
Manager, Media Relations
416-595-8913

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

1.3.2 Settlement Agreement Approved Between OSC Staff and Michael Newbury

**FOR IMMEDIATE RELEASE
February 28, 2006**

**SETTLEMENT AGREEMENT APPROVED BETWEEN
OSC STAFF AND MICHAEL NEWBURY**

TORONTO – On February 20, 2006, a settlement agreement between Staff of the Ontario Securities Commission and Michael Newbury was approved.

Newbury agreed that he traded securities of OntZinc Corporation while possessed of material undisclosed information. On October 1, 2004, Newbury purchased 50,000 shares of OntZinc at \$0.06 per share. The "profit made" as defined in s. 122 of the Securities Act was \$3,925.00. At the time he purchased the securities, Newbury had knowledge of the fact that OntZinc was in exclusive negotiations for the assets of Hudson Bay Mining and Smelting, but he believed that the information about the acquisition had been generally disclosed, when, in fact, the acquisition was not generally disclosed until October 8, 2004.

Newbury agreed to settle on the terms that: he would make a settlement payment of \$7,850.00 to the Commission, contribute \$5,000 to the costs of the investigation of this matter, for the next 12 months undertake not to trade in any securities of any company to which he acts as a geological consultant unless he receives prior written confirmation from in-house counsel of the company to which he acts as a consultant, and agrees to comply with Ontario securities law.

The Settlement Agreement between Staff and Newbury, approved by Ontario Securities Commission Executive Director Charlie Macfarlane, is available on the Commission's web site (www.osc.gov.on.ca).

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

Eric Pelletier
Manager, Media Relations
416-595-8913

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

1.4 Notices from the Office of the Secretary

1.4.1 Jose L. Castaneda

**FOR IMMEDIATE RELEASE
February 27, 2006**

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

AND

**IN THE MATTER OF
JOSE L. CASTANEDA**

TORONTO – The Commission issued an Order today adjourning the hearing to April 13, 2006, at 10:00 a.m. in the above named matter.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

1.4.2 Maitland Capital Ltd. et al.

FOR IMMEDIATE RELEASE
February 28, 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,
HANOUGH 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 Commission issued an Order today adjourning the hearing in the above noted matter to April 19, 2006 at 9:30 a.m. and extending the Temporary Order against the Respondents until April 19, 2006.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

For media inquiries: Wendy Dey
Director, Communications
and Public Affairs
416-593-8120

Eric Pelletier
Manager, Media Relations
416-595-8913

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

Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 PBB Global Logistics Income Fund - s. 83

Headnote

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

Ontario Statutes

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

February 15, 2006

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

Attention: Donald Belovich

Re: PBB Global Logistics Income Fund (the “Applicant”) – Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”)

Dear Mr. Belovich:

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

As the applicant has represented to the Decision Makers that,

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders total in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;

- the Applicant is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Applicant is not in default of any of its obligations under the Legislation as a reporting issuer,

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

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

2.1.2 Siebel Janna Arrangement, Inc. - s. 83

Headnote

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

Ontario Statutes

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

February 24, 2006

Siebel Janna Arrangement, Inc.

c/o McCarthy Tétrault
Box 48, Suite 4700
Toronto Dominion Bank Tower
Toronto, Ontario M5K 1E6

Attention: Edward P. Kerwin

Re: Siebel Janna Arrangement, Inc. (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of the Provinces of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that,

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

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

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

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

2.1.3 GrowthWorks Capital Ltd. and GrowthWorks Canadian Fund Ltd. - MRRS Decision

Headnote

MRRS for Exemptive Relief Applications – exemption granted to a labour sponsored investment fund (LSIF) from the requirement in section 9.2 of National Instrument 81-106 Investment Fund Continuous Disclosure (NI 81-106) to prepare and file an annual information form for a specific class of securities (Historical Shares). The current prospectus of the LSIF contains substantially the same disclosure concerning the Historical Shares as would be required by NI 81-106 to be included in an AIF for the Historical Shares.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 9.2, 17.1.

December 29, 2005

**IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUÉBEC, NEW BRUNSWICK,
NEWFOUNDLAND AND LABRADOR, NOVA SCOTIA,
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
GROWTHWORKS CAPITAL LTD. (THE INVESTMENT
MANAGER)
AND
GROWTHWORKS CANADIAN FUND LTD. (GWCF) (THE
FILERS)**

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 Investment Manager on behalf of GWCF for a decision under section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106), that GWCF be exempt from the requirement in section 9.2 of NI 81-106 to prepare and file an annual information form (AIF) for the GWCF Historical Shares (as defined below) (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

2. Defined terms contained in National Instrument 14-101 *Definitions* and NI 81-106 have the same meaning in this decision unless they are defined in this decision.

Representations

3. This decision is based on the following facts represented by the Filers:
 1. GWCF is incorporated under the *Canada Business Corporations Act*;
 2. GWCF is a registered labour sponsored investment fund corporation under the *Community Small Business Investment Funds Act* (Ontario); GWCF is also a labour-sponsored venture capital corporation registered under the *Income Tax Act* (Canada); GWCF is an approved fund under the *Labour-sponsored Venture Capital Corporations Act* (Saskatchewan); GWCF's investment objectives and redemptions are affected by provisions under this legislation (the LSIF Legislation);
 3. GrowthWorks Management Ltd. is the manager of GWCF; the Investment Manager is the investment manager for GWCF;
 4. GWCF invests in small and medium sized businesses with the objective of obtaining long term capital appreciation; as GWCF is a labour-sponsored investment fund, its investment objectives and restrictions are governed by the LSIF Legislation;
 5. GWCF is an investment fund in the Jurisdictions for the purposes of NI 81-106; GWCF is deemed a mutual fund in all of the jurisdictions in which GWCF distributes its Class A shares;
 6. the authorized capital of GWCF is as follows:
 - (a) an unlimited number of Class A shares issuable in series, which

- are widely held, of which there are currently 13 series issued;
- (b) 1,000 Class B Shares which are held by the sponsor of GWCF; and
- (c) an unlimited number of Class C shares issuable in series of which there is one series issued designated as "IPA shares" which are issuable to the manager of GWCF to provide a participating interest, termed an "incentive participation amount" based on realized gains and the cumulative performance of GWCF on venture investments made by GWCF;
7. GWCF currently offers 12 series of the Class A shares, under a prospectus dated December 5, 2005 (the Prospectus);
8. GWCF intends to file annually a renewal prospectus to permit GWCF to continue to offer series of Class A shares;
9. GWCF previously offered the WV Canadian - Commission I Class A shares (the GWCF Historical Shares) which have the same majority common venture portfolio as the currently offered series of Class A shares of GWCF; however, they differ in how they invest the much smaller non-venture portfolio;
10. under section 1.3(1) of NI 81-106, each class or series of a class of securities of an investment fund that is referable to a separate portfolio of assets is considered to be a separate investment fund for the purposes of NI 81-106; section 9.2 of NI 81-106 requires an investment fund that does not have a current prospectus as at its financial year end to file an AIF; and
11. the Prospectus contains substantially the same disclosure concerning the GWCF Historical Shares as would be required by NI 81-106 to be included in an AIF for the GWCF Historical Shares.
- (a) the Prospectus and all renewal prospectuses of GWCF contain all disclosure NI 81-106 requires to be included in an AIF for the GWCF Historical Shares;
- (b) no later than December 29, 2005, GWCF files on SEDAR a notice that includes the following information:
- (i) that GWCF has received exemptive relief from the requirement to file an AIF for the GWCF Historical Shares; and
- (ii) a direction to holders of GWCF Historical Shares that they should refer to the current prospectus of GWCF for information concerning the GWCF Historical Shares; and
- (c) if a holder of GWCF Historical Shares requests a copy of the AIF for the GWCF Historical Shares, GWCF sends, without charge, to the holder within ten calendar days after GWCF receives the request a copy of the most recent prospectus of GWCF, together with a clear and concise statement that indicates that the prospectus contains the information about the GWCF Historical Shares that would otherwise be disclosed in an AIF.

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

Decision

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

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

2.1.4 Clean Air Power Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief from the prospectus requirement in connection with the first trade of common shares distributed to residents of Canada under a prospectus exemption – the issuer of the common shares is not a reporting issuer in any jurisdiction of Canada – the conditions of the exemption in section 2.14 of National Instrument 45-102 Resale of Securities are not fully met as residents of Canada will own more than 10% of the total number of common shares and will represent more than 10% of the total number of owners of common shares - the common shares held by Canadian residents are concentrated, with one institutional investor owning over 90% of the total common shares owned by Canadian residents – relief granted subject to conditions, including that the first trade must be made through an exchange or market outside of Canada or to a person or company outside of Canada.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c.S.5, as am., ss. 53, 74(1).
National Instrument 45-102 Resale of Securities.

February 23, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA AND ONTARIO
(the “Jurisdictions”)**

AND

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

AND

**IN THE MATTER OF
CLEAN AIR POWER LIMITED
(the “Corporation”)**

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 Corporation for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the prospectus requirements contained in the Legislation do not apply to the first trade of the Canadian Shares (as defined below) held by the Canadian Owners (as defined below) (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 Corporation:

1. The Corporation was incorporated and registered in Bermuda on November 4, 2005 as an exempted company limited by shares with registered number EC 375 42.
2. The registered office of the Corporation is located in Hamilton, Bermuda and the principal place of business of the Corporation is located in Lancashire, United Kingdom.
3. The Corporation is not a reporting issuer or its equivalent in any jurisdiction of Canada and the Corporation has no present intention of becoming a reporting issuer in any jurisdiction of Canada.
4. Immediately prior to the Offering and the AIM Listing (each as defined below), none of the Corporation’s securities are listed or quoted on any exchange or market in Canada or outside of Canada.
5. The Corporation has entered into a merger agreement pursuant to which Clean Air Power Merger Corporation, a wholly-owned Delaware incorporated subsidiary of the Corporation, will be merged with and into Clean Air Power, Inc. (“Clean Air US”) and Clean Air US will survive to become a wholly owned subsidiary of the Corporation (the “Merger”).
6. Following the Merger, the Corporation will become the parent holding company of Clean Air US and Clean Air Power Ltd., a private limited company incorporated under the laws of England and Wales.
7. Upon the Merger becoming effective the Corporation will issue to the stockholders of Clean Air US, in the aggregate, 16,318,479 common shares of the Corporation. At the time of the Merger, the Corporation also intends to adopt new share option plans and assume certain outstanding warrants to purchase 327,300 shares of common stock in Clean Air US, which will automatically convert to warrants to purchase

- 21,820 common shares of the Corporation upon the AIM Listing.
8. As a consequence of the Merger and immediately prior to the Offering, the Corporation's issued and outstanding share capital, on a fully diluted basis will consist of
- (a) 16,318,479 common shares (the "Common Shares");
 - (b) 2,883,582 Common Shares reserved for issuance under the new share option plans; and
 - (c) 21,820 Common Share warrants.
9. After giving effect to the Merger, but before giving effect to the Offering, 3,765,400 Common Shares (the "Existing Canadian Shares") will be owned by residents of Canada. The Existing Canadian Shares will represent 19.59% of the outstanding Common Shares, on a fully diluted basis, prior to the Offering. One institutional investor owns 3,392,459 Common Shares, representing 90.10% of the total Existing Canadian Shares (the "Significant Canadian Shareholder").
10. After giving effect to the Merger, but before giving effect to the Offering, 18 persons or companies will own the Existing Canadian Shares (the "Canadian Owners"). The Canadian Owners will represent 32.14% of the total number of owners of Common Shares. All Canadian Owners are "accredited investors" as defined in National Instrument 45-106 *Prospectus and Registration Exemptions* ("NI 45-106") and acquired the Existing Canadian Shares under private placement exemptions.
11. The Corporation proposes to conduct an initial public offering (the "Offering") of Common Shares outside of Canada. As part of the Offering, a private placement of Common Shares to the Significant Canadian Shareholder in reliance upon exemptions contained in NI 45-106 is contemplated. The Significant Canadian Shareholder intends to subscribe for up to 1,100,000 Common Shares (the "Canadian Offering Shares") under the Offering, in reliance upon such exemptions (the Canadian Offering Shares and Existing Canadian Shares referred to collectively as the "Canadian Shares").
12. The Corporation intends to obtain a listing of all of the outstanding Common Shares, immediately following the Offering, on the London Stock Exchange – Alternative Investment Market ("AIM") in February 2006 (the "AIM Listing"). Following the Offering and the AIM Listing, the Common Shares will be publicly traded on AIM.
13. Immediately following completion of the Offering, it is anticipated that:
- (a) the total number of Canadian Shares held by the Canadian Owners will be between 10% and 19% of the total number of issued Common Shares;
 - (b) assuming the Significant Canadian Shareholder subscribes for all of the Canadian Offering Shares, 92.33% of the Canadian Shares will be held by the Significant Canadian Shareholder; and
 - (c) the total number of Canadian Owners will exceed 10% of the total number of holders of Common Shares.
14. Any resale of the Canadian Shares by the Canadian Owners is expected to be effected through the facilities of AIM as there is no market for the Common Shares in Canada and none is expected to develop.
15. In the absence of exemptive relief, the first trade of the Canadian Shares will be deemed to be a distribution unless, among other things, the Corporation has been a reporting issuer for four months immediately preceding the trade in one of the Jurisdictions.
16. Section 2.14 of National Instrument 45-102 *Resale of Securities* cannot be utilized by the Canadian Owners with respect to a first trade of the Canadian Shares because, as at the date of distribution of the Canadian Shares, residents of Canada owned directly or indirectly more than 10% of the outstanding Common Shares and represented in number more than 10% of the total number of owners directly or indirectly of the Common Shares.
17. As required by the rules of the London Stock Exchange, holders of the Canadian Shares who are residents of Canada will receive copies of all materials provided to all other holders of the Common Shares.

Decision

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

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

- (a) the Corporation completes the Offering and the Common Shares are listed on AIM;

- (b) the Corporation is not a reporting issuer in any jurisdiction of Canada at the date of the trade; and
- (c) the first trade of the Canadian Shares is made through an exchange or market outside of Canada or to a person or company outside of Canada.

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

“Robert W. Davis, FCA”
Commissioner
Ontario Securities Commission

2.1.5 Claymore Investments, Inc. and ClaymoreETF FTSE RAFI Canadian Index Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Exemptive relief granted to exchange traded funds offered in continuous distribution from certain mutual fund requirements and restrictions on: transmission of purchase or redemption orders, issuing units for cash or securities, calculation and payment of redemptions and date of record for payment of distributions. - National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

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

February 13, 2006

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

AND

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

AND

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

AND

**IN THE MATTER OF
CLAYMORE INVESTMENTS, INC.
(the “Filer”)**

AND

**IN THE MATTER OF
CLAYMOREETF FTSE RAFI CANADIAN INDEX FUND**

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 Section 19.1 of NI 81-102 for exemptive relief from the following provisions of NI 81-102:

1. Sections 9.1 and 10.2 to permit purchases and sales of units (“**Units**”) of ClaymorETF FTSE RAFI Canadian Index Fund, an exchange traded mutual fund (the “**Existing Fund**”), and any additional exchange-traded funds that the Filer may establish that have the investment objective of replicating, to the extent possible, the returns of an index, net of expenses (the “**Future Funds**” and together with the Existing Fund, the “**Funds**”) on The Toronto Stock Exchange (the “**TSX**”);
2. Section 9.4(2) to permit the Funds to accept a combination of cash and securities as subscription proceeds for Units;
3. Section 10.3 to permit the Funds to redeem less than the Prescribed Number of Units at a discount to their market price, instead of at their net asset value; and
4. Section 14.1 to permit the Funds to establish a record date for distributions in accordance with TSX Rules.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

“**Basket of Securities**” means, in relation to a particular Fund, a group of securities determined by the Filer from time to time representing the constituents of the applicable index, in approximately the same weightings as such constituents are weighted in such index, based on each security’s sale price at the last valuation time.

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

“**index**” means an index provided to the Filer by a third party provider for use in connection with a Fund.

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

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

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

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

Defined terms contained in NI 81-102 and National Instrument 14-101 – *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:

Background

1. The Existing Fund is, and it is expected that each of the Future Funds will be, a mutual fund trust governed by the laws of Ontario and a reporting issuer under the laws of all of the Jurisdictions.
2. The Filer has applied to list the Units of the Existing Fund on the TSX and will apply to list the Units of each of the Future Funds on the TSX. The Filer will not file a final prospectus for any Fund until the TSX has conditionally approved the listing of Units of such Fund.
3. Units issued by the Funds will be index participation units within the meaning of NI 81-102. The Funds will be generally described as exchange traded funds (“**ETFs**”).
4. The Filer is, or will be, the trustee and manager of the Funds and is a registered investment counsel and portfolio manager in Ontario and is registered as an investment adviser with the U.S. Securities and Exchange Commission. The Filer is a wholly-owned subsidiary of Claymore Group LLC, a financial services and asset management company based in the Chicago, Illinois area. Claymore Group LLC and its affiliates include two investment advisers registered with the U.S. Securities Exchange Commission under the Investment Advisers Act of 1940 and a broker-dealer registered with the U.S. National Association of Securities Dealers.
5. The investment objective of each Fund is, or will be, to replicate the performance of an index, net of expenses. The investment objective and applicable index for each Fund, as well as its investment strategy, will be disclosed on an ongoing basis in the prospectus of each Fund.
6. Units may only be subscribed for or purchased directly from the Funds by Underwriters or Designated Brokers and orders may only be placed for Units in the Prescribed Number of Units (or an integral multiple thereof) on any day when there is a trading session on the TSX.
7. The Funds will appoint Designated Brokers to perform certain functions which include standing in the market with a bid and ask price for Units of

each Fund for the purpose of maintaining liquidity for the Units.

8. Each Underwriter or Designated Broker that subscribes for Units must deliver, in respect of each Prescribed Number of Units to be issued, a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the net asset value of the Units subscribed for next determined following the receipt of the subscription order. In the discretion of the Filer, the Funds may also accept subscriptions for Units in cash only, in securities other than Baskets of Securities and/or in a combination of cash and securities other than Baskets of Securities, in an amount equal to the net asset value of the Units next determined following the receipt of the subscription order.
9. The net asset value per Unit of each Fund will be calculated and published daily.
10. Upon notice given by the Filer from time to time and, in any event, not more than once quarterly, a Designated Broker will subscribe for Units in cash in an amount not to exceed 0.3% of the net asset value of the Existing Fund, or such other amount established by the Filer in respect of each Future Fund and disclosed in the prospectus of such Future Fund, next determined following delivery of the notice of subscription to that Designated Broker.
11. Neither the Underwriters nor the Designated Brokers will receive any fees or commissions in connection with the issuance of Units to them. The Filer may, at its discretion, charge an administration fee on the issuance of Units to the Designated Brokers or Underwriters.
12. Except as described in paragraphs 6 through 10 above, Units may not be purchased directly from the Funds. Investors are generally expected to purchase Units through the facilities of the TSX. However, Units may be issued directly to Unitholders upon the reinvestment of distributions of income or capital gains and in accordance with the distribution reinvestment plan to be established by each Fund, as disclosed in the preliminary prospectus for the Existing Fund and as will be disclosed in the prospectus of each Future Fund.
13. Unitholders that wish to dispose of their Units may generally do so by selling their Units on the TSX, through a registered broker or dealer, subject only to customary brokerage commissions. A Unitholder that holds a Prescribed Number of Units or an integral multiple thereof may exchange such Units for Baskets of Securities and cash; Unitholders may also redeem their Units for cash at a redemption price equal to 95% of the closing

price of the Units on the TSX on the date of redemption.

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

Decision

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

The decision of the Decision Makers under NI 81-102 is that:

1. The Funds are exempt from the following provisions of NI 81-102, on the following conditions:
2. Sections 9.1 and 10.2 – to enable the purchase and sale of Units of the Funds on the TSX, which precludes the transmission of purchase or redemption orders to the order receipt offices of the Funds.
3. Section 9.4(2) – to permit payment for the issuance of Units of the Funds to be made partially in cash and partially in securities, provided that the acceptance of securities as payment is made in accordance with Section 9.4(2)(b).
4. Section 10.3 – to permit the redemption of less than the Prescribed Number of Units of the Funds at a price equal to 95% of the closing price of the Units on the TSX; and
5. Section 14.1 – to relieve the Funds from the requirement relating to the record date for the payment of distributions, provided that the Funds comply with applicable TSX requirements.

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

2.2 Orders

2.2.1 Jose L. Castaneda - s. 127

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

AND

**IN THE MATTER OF
JOSE L. CASTANEDA**

**ORDER
(Section 127)**

WHEREAS on June 20, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") and Statement of Allegations pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S.5, as amended (the "Act") in respect of Jose L. Castaneda (the "Respondent");

AND WHEREAS the pre-hearing conference for this matter scheduled for January 11, 2006, was adjourned with the consent of both parties to February 27, 2006, at 10:00 a.m.;

AND WHEREAS the matter was spoken to on February 27, 2006, at 10:00 a.m., at which time the Respondent requested and Staff consented to the adjournment of this matter until April 13, 2006 at 10:00 a.m., to allow counsel for the Respondent an opportunity to review the disclosure previously provided by Staff;

AND WHEREAS a temporary cease trade order was issued against the Respondent on June 7, 2005 and extended on June 20, 2005 until the hearing is concluded and a decision of the Commission is rendered or until the Commission considers appropriate;

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

IT IS HEREBY ORDERED that:

The hearing is adjourned to commence April 13, 2006, at 10:00 a.m., and to continue on such further dates as may be required for the completion of the hearing as may be agreed to by the parties and fixed by the Secretary to the Commission, or as scheduled by order of the Commission.

DATED at Toronto this 27th day of February, 2006.

"Wendell S. Wigle", Q.C.

2.2.2 Scotia Capital (USA) Inc. and Scotia Capital Inc. - s. 3.1 of OSC Rule 31-501 Registrant Relationships and s. 127(2)(h) of the Regulation

Headnote

Order pursuant to subsection 3.1 of the OSC Rule 31-501 Registrant Relationships and section 127(2)(h) of the Regulation, exempting the applicants representatives who are currently registered with the Commission from the prohibition against dual registration contained in section 1.1 of Rule 31-501 and section 127(1) of the Regulation, in order that they may be concurrently registered as salespersons or trading officers with both the Applicant and Scotia Capital Inc., subject to conditions and restrictions.

**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
SCOTIA CAPITAL (USA) INC.
AND
SCOTIA CAPITAL INC.**

ORDER

**(Section 3.1 of the Ontario Securities Commission
Rule 31-501 and Section 127(2)(h) of the Regulation)**

UPON the application (the **Application**) of Scotia Capital (USA) Inc. (the **Applicant**), to the Ontario Securities Commission (the **Commission** or **OSC**) for an order pursuant to subsection 3.1 of the OSC Rule 31-501 *Registrant Relationships (Rule 31-501)* and section 127(2)(h) of the Regulation, providing that certain representatives of the Applicant (the **Representatives**) who are resident in the Province of Ontario and who are currently registered with the Commission as salespersons of Scotia Capital Inc., be exempt from the prohibition against dual registration contained in section 1.1 of Rule 31-501 and section 127(1) of the Regulation, in order that they may be concurrently registered as salespersons or trading officers with both the Applicant and Scotia Capital Inc.;

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 incorporated under the laws of the State of New York, with its principal

- place of business located in New York, New York, U.S.
2. The Applicant is a wholly-owned subsidiary of Scotia Capital Inc. and is an indirect wholly-owned subsidiary of The Bank of Nova Scotia.
 3. Scotia Capital Inc. is registered under the Act as a dealer in the category of investment dealer and is a member of the Investment Dealers Association of Canada.
 4. The Applicant is registered under the Act as a dealer in the category of non-resident limited market dealer.
 5. The Applicant is also registered as a broker-dealer with the U.S. Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. (**NASD**).
 6. The Applicant maintains a branch office in Toronto, Ontario (the **Toronto Branch**), in which the Representatives work.
 7. The Representatives are currently registered with the Commission as salespersons or trading officers of Scotia Capital Inc., in order to provide trading services to institutional clients of Scotia Capital Inc. that are resident in the Province of Ontario.
 8. The Representatives in the Toronto Branch will also act on behalf of the Applicant in respect of providing trading services to institutional investors who are resident and/or located in the United States (**US Clients**).
 9. The Representatives are, or will also be, registered with NASD as general securities representatives of the Applicant.
 10. The Representatives will, on behalf of the Applicant, act in respect of US Clients only.
 11. The Representatives will not, on behalf of the Applicant, solicit or contact clients that are resident or located in the Province of Ontario.
 12. For the purposes of maintaining their status as representatives of the Applicant, the Representatives are under the supervision and control of the Applicant and are subject to all securities-related and conflicts of interest policies and procedures of the Applicant, in addition to being under the supervision and control of Scotia Capital Inc. and subject to Scotia Capital Inc.'s securities-related policies and procedures including conflicts of interest policies.
 13. There will be no conflict of interest arising from the Representatives' duties and responsibilities at Scotia Capital Inc. and at the Applicant, as each dealer registrant carries on different lines of

business activity within their affiliated corporate group controlled by The Bank of Nova Scotia.

14. The Representatives who act on behalf of the Applicant in respect of trades with or on behalf of US Clients will comply with all applicable requirements of US securities law.

IT IS ORDERED THAT subsection 3.1 of Rule 31-501 shall not apply to the Representatives acting on behalf of the Applicant, in acting as a dealer to US Clients as described above,

IT IS FURTHER ORDERED THAT pursuant to section 127(2)(h) of the Regulation the Director finds that the activities of the Representatives acting on behalf of the Applicant will not interfere with the Representatives' duties or responsibilities to Scotia Capital Inc. and such activities will not create any conflicts of interests, provided that:

- (a) the only trading activities to be performed by the Representatives on behalf of the Applicant will be with persons or companies that are resident in the U.S.;
- (b) the Representatives will not trade on behalf of a person or company that is resident in the U.S. if the trade is being made to another person or company that is resident in Ontario;
- (c) the trading activities and duties and responsibilities to be carried out by the Representatives on behalf of the Applicant do not interfere with the Representatives' duties or responsibilities at Scotia Capital Inc.; and
- (d) the Applicant and the Representatives will comply with applicable US securities laws in respect of all trading activities performed on behalf of US Clients by the Applicant and the Representatives.

February 24, 2006

"David M. Gilkes"
Manager, Registrant Regulation

2.2.3 Maitland Capital Ltd. et al. - s. 127(7)

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,
HANOUCU ULFAN, LEONARD WADDINGHAM,
RON GARNER, GORD VALDE, MARIANNE HYACINTHE,
DIANA CASSIDY, RON CATONE, STEVEN LANYS,
ROGER MCKENZIE TOM MEZINSKI, WILLIAM ROUSE
and JASON SNOW

ORDER
Section 127(7)

WHEREAS on January 24, 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to s. 127(5) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that: (a) all trading by Maitland Capital Ltd. ("Maitland") and its officers, directors, employees and/or agents in securities of Maitland shall cease forthwith for a period of 15 days from the date thereof; (b) the Respondents cease trading in all securities; and (c) any exemptions in Ontario securities law do not apply to the Respondents (the "Temporary Order");

AND WHEREAS pursuant to subsection 127(1) and 127(5) of the *Act*, a hearing was scheduled for February 8, 2006 at 2:00 p.m. (the "Hearing");

AND WHEREAS on February 8, 2006, the Commission ordered pursuant to subsection 127(7) of the *Act* that: (a) the Hearing is adjourned to February 28, 2006 at 9:30 a.m.; and (b) the Temporary Order is extended until February 28, 2006;

AND WHEREAS Staff of the Commission has advised that two Respondents, namely Ron Catone and Jason Snow, have not been served with the Temporary Order, Notice of Hearing or the Statement of Allegations in this matter notwithstanding attempts at service as evidenced by the affidavits of attempted service filed as exhibits in this proceeding;

AND WHEREAS Staff of the Commission has filed the affidavit of Sabine Dobell sworn February 2, 2006

and the affidavit of Bryan Gourlie sworn November 7, 2005 in support of Staff's request to extend the Temporary Order;

AND WHEREAS Staff of the Commission has requested an adjournment to continue its investigation;

AND WHEREAS counsel for Maitland and Allen Grossman, counsel for Hanouch Ulfan and the individual Respondent Roger McKenzie do not oppose and counsel for Diana Cassidy, and the individual Respondents, Gord Valde, William Rouse, Leonard Waddingham and Steven Lanys have consented to an adjournment of the Hearing to April 19, 2006 at 9:30 a.m. and consented to an extension of the Temporary Order until the Hearing on April 19, 2006;

AND WHEREAS Tom Mezinski has not appeared although duly served with the Temporary Order, the Notice of Hearing and Statement of Allegations as evidenced by the affidavits of service filed as exhibits in this proceeding;

AND WHEREAS Marianne Hyacinthe appeared before the Commission on February 8, 2006 and received a copy of the Order dated February 8, 2006 but has not appeared today;

AND WHEREAS Ron Garner has not appeared although duly served with the Temporary Order, the Notice of Hearing, the Statement of Allegations and the Order dated February 8, 2006 as evidenced by the affidavits of service filed as exhibits in this proceeding;

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

IT IS ORDERED pursuant to subsection 127(7) of the *Act* that:

- (a) the Hearing is adjourned to April 19, 2006 at 9:30 a.m.; and
- (b) the Temporary Order is extended until April 19, 2006.

Dated at Toronto this "28th" day of February 2006.

"Paul M. Moore"

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Michael Newbury

IN THE MATTER OF
THE SECURITIES ACT, R.S.O. 1990, c. S. 5, as amended;

IN THE MATTER OF
THE STATUTORY POWERS PROCEDURE ACT,
R.S.O. 1990, c. S. 22, as amended; and

IN THE MATTER OF
MICHAEL NEWBURY

SETTLEMENT AGREEMENT BETWEEN THE
STAFF OF THE ONTARIO SECURITIES COMMISSION
AND MICHAEL NEWBURY

I. INTRODUCTION

1. Pursuant to section 5(1) of the "Practice Guidelines – Settlement Procedures in Matters before the Ontario Securities Commission" of the Ontario Securities Commission Rules of Practice, Staff of the Ontario Securities Commission and Michael Newbury ("Newbury") propose to settle the matters described below on the terms set out herein.

II. STATEMENT OF FACTS

Acknowledgment

2. Newbury acknowledges that the facts set out in paragraphs 3 through 16 of this Settlement Agreement are correct.

Facts

3. OntZinc Corporation ("OntZinc") is a mining company incorporated under the Ontario *Business Corporations Act* with its head office in Toronto, Ontario.
4. Newbury is a registered professional engineer in Ontario.
5. On March 24, 2004, OntZinc entered into a confidentiality agreement with Anglo American plc ("Anglo") respecting the sale of the assets of Hudson Bay Mining and Smelting Co. Ltd. ("HBMS") to OntZinc.
6. In April 2004, OntZinc received a Confidential Information Memorandum from RBC Capital Markets, Anglo's financial advisors. On May 5, 2004, OntZinc's Board of Directors approved a non-binding proposal to acquire HBMS which was submitted to RBC the following day. OntZinc proposed a bid in the range of \$250 million to \$350 million.
7. On May 15, 2004, OntZinc was informed by RBC that they had been selected to continue in the acquisition process. OntZinc engaged legal counsel and financial advisors. The financial advisors were Credit Suisse First Boston ("CSFB"). OntZinc also retained the geological consulting firm of A.C.A. Howe. A.C.A. Howe contracted with Newbury to complete the geological due diligence of HBMS for OntZinc.
8. On July 20, 2004, OntZinc submitted a binding acquisition proposal to RBC.
9. On September 17, 2004, OntZinc received word that they would negotiate exclusively with Anglo from that point.
10. On October 7, 2004, OntZinc and Anglo signed the Purchase Sale Agreement for the assets of HBMS pending shareholder approval. This agreement was publicly disclosed on October 8, 2004. Trading was halted on this date

prior to the announcement. On October 18, 2004, trading in OntZinc resumed and there was a significant impact on the price of OntZinc shares.

11. As the geological consultant for OntZinc, Newbury completed a due diligence review of HBMS. This involved a review of the financial documents, resource reports, operating statistics as well as a visit to the mine site. Newbury used the material he reviewed to prepare a report on HBMS. He also developed a financial model for OntZinc which assessed HBMS's forecast.
12. Approximately one week prior to the submission of the binding offer on July 20, 2004, Newbury delivered his report to OntZinc and its principal financial advisor, CSFB. In general terms, Newbury made a favourable assessment of HBMS.
13. In September, 2004, Newbury was aware that Ontzinc was involved in exclusive negotiations for the acquisition of HBMS.
14. On October 1, 2004, Newbury purchased 50,000 shares of OntZinc at .06¢ per share. The "profit made" on the 50,000 shares was \$3,925.00.
15. Newbury believed that the information about the acquisition of HBMS by OntZinc had been disclosed but, in fact, the acquisition had not been generally disclosed and was not generally disclosed until October 8, 2004.

Newbury's Conduct

16. Newbury purchased the OntZinc's shares at a time when he was in a special relationship with OntZinc while possessed of undisclosed material information. Newbury believed that OntZinc had generally disclosed the material information but acknowledges that he failed to ensure that the information had been generally disclosed before he purchased the OntZinc shares.
17. Newbury has cooperated with staff throughout this investigation.

III. TERMS OF SETTLEMENT

18. Newbury agrees to the following settlement terms:
 - a. payment of \$7,850.00 payable to the Ontario Securities Commission for the benefit of the third parties;
 - b. payment in the amount of \$5,000 toward to the cost of investigation of this matter;
 - c. for the next 12 months, Newbury undertakes not to trade in any securities of any company to which Newbury acts as a geological consultant unless he receives prior written confirmation from in-house counsel of the company to which he acts as a consultant; and
 - d. that he comply with Ontario securities law.

IV. STAFF COMMITMENT

19. If this Settlement receives the consent of the Executive Director, and Newbury satisfies the terms set out above, Staff will not initiate any other proceedings under the Act against Newbury in relation to the facts set out in Part II of this Settlement Agreement.
20. If this Settlement receives the consent of the Executive Director, and at any subsequent time Newbury fails to honour the terms of this Settlement Agreement, Staff reserve the right to refer to this Settlement Agreement in any future proceeding.

V. APPROVAL OF SETTLEMENT

21. If, for any reason whatsoever, the Executive Director does not consent to this Settlement:
 - (a) this Settlement Agreement and its terms, including all discussions and negotiations between Staff and Newbury leading up to the execution of this Settlement Agreement, shall be without prejudice to Staff and Newbury;

- (b) Staff and Newbury shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of these matters before the Commission, unaffected by this Settlement Agreement or the settlement discussions/negotiations; and
- (c) the terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and Newbury or as may be required by law.

VI. DISCLOSURE OF SETTLEMENT AGREEMENT

- 22. This Settlement Agreement and its terms will be treated as confidential by Staff and Newbury until consented to by the Executive Director, and forever, if for any reason whatsoever this settlement is not consented to by the Executive Director, except with the consent of Staff and Newbury, or as may be required by law.
- 23. Any obligation of confidentiality shall terminate upon receiving the Executive Director's consent to this settlement.
- 24. Staff and Newbury agree that if the Executive Director does consent to this Settlement, they will not make any public statement inconsistent with this Settlement Agreement.

VII. EXECUTION OF SETTLEMENT AGREEMENT

- 25. Newbury hereby acknowledges and agrees that he has obtained or waived legal advice in connection with this Settlement Agreement and acknowledges that he understands and voluntarily accepts and agrees to the terms set out herein.
- 26. This Settlement Agreement may be signed in one or more counterparts which together shall constitute a binding agreement.
- 27. A facsimile signature of any signature shall be effective as an original signature.

DATED this "20th" day of February, 2006

"J. Spruce"

Witness

"Michael Newbury"

Michael Newbury

DATED this "20" day of February, 2006

**STAFF OF THE ONTARIO
SECURITIES COMMISSION**

(Per) "MICHAEL WATSON"

MICHAEL WATSON
Director, Enforcement Branch

I hereby consent to the settlement of this matter on the terms contained in this Settlement Agreement.

DATED this "20th" day of February, 2006

"CHARLES MACFARLANE"

CHARLES MACFARLANE
Executive Director

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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
222 Pizza Express Corp.	09 Feb 06	21 Feb 06	21 Feb 06	24 Feb 06
Norco Capital Inc.	10 Feb 06	22 Feb 06		24 Feb 06

4.2.1 Temporary, Permanent & Rescinding Management Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Cervus Financial Group Inc.	30 Dec 05	12 Jan 06	12 Jan 06	02 Feb 06	
Hollinger International Inc.	18 May 04	01 Jun 04	01 Jun 04	09 Jan 06	
Radiant Energy Corporation	01 Mar 06	14 Mar 06			

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Brainhunter Inc.	03 Jan 06	16 Jan 06	16 Jan 06		
Cervus Financial Group Inc.	30 Dec 05	12 Jan 06	12 Jan 06	02 Feb 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 Inc.	18 May 04	01 Jun 04	01 Jun 04	09 Jan 06	
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
Radiant Energy Corporation	01 Mar 06	14 Mar 06			

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Chapter 6

Request for Comments

6.1.1 CSA Notice and Request for Comment on Proposed National Instrument 24-101 – Institutional Trade Matching and Settlement, and Proposed Companion Policy 24-101CP to National Instrument 24-101 Institutional Trade Matching and Settlement

CANADIAN SECURITIES ADMINISTRATORS' NOTICE AND REQUEST FOR COMMENT ON

PROPOSED NATIONAL INSTRUMENT 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT, AND PROPOSED COMPANION POLICY 24-101CP TO NATIONAL INSTRUMENT 24-101 INSTITUTIONAL TRADE MATCHING AND SETTLEMENT

I. INTRODUCTION

The Canadian Securities Administrators (the CSA or we) are publishing the following revised documents for a 60 day comment period:

- Proposed National Instrument 24-101 — *Institutional Trade Matching and Settlement* (Instrument), and
- Proposed Companion Policy 24-101CP — to National Instrument 24-101 – *Institutional Trade Matching and Settlement* (Companion Policy).

The comment period will end on May 2, 2006.

II. BACKGROUND

On April 16, 2004, the CSA published the following documents for comment (collectively, the 2004 Documents):¹

- CSA Discussion Paper 24-401 on Straight-through Processing (STP) and Request for Comments (Discussion Paper 24-401),
- Proposed National Instrument 24-101 — *Post-Trade Matching and Settlement* (2004 Instrument), and
- Proposed Companion Policy 24-101CP — *Post-Trade Matching and Settlement* (2004 Companion Policy).

The CSA invited public comment on all aspects of the 2004 Documents and specifically requested comment on 21 questions. We received 26 comment letters. A summary of the comments and our responses were published in CSA Notice 24-301 dated February 11, 2005 (Notice 24-301).²

Most commenters thought the 2004 Documents were helpful in focusing the discussion on various clearing and settlement issues the industry is currently facing. The majority of comments, including some from the buy-side community, supported a CSA rule requiring institutional trade matching on trade date (T). However, almost all of these commenters found it unfeasible to require institutional trade matching on T by July 1, 2005. Rather, the consensus was for the rule to phase-in the requirement to match institutional trades on T, starting with T+1 and gradually shortening the period to T when the industry is ready. Commenters felt that incremental steps would provide market participants with an opportunity to address a number of concerns about an accelerated confirmation and affirmation process.

The STP initiatives in Canada have largely been driven by the Canadian Capital Markets Association (CCMA), which was founded in 2000 by the industry to provide the necessary leadership for reaching STP goals. As discussed in Notice 24-301, the CCMA decided in early 2005 to realign its priorities and focus its efforts on institutional trade processing. As a result of this new focus, the CCMA reshaped its committee structure by folding a number of working groups and creating an Institutional Program Steering Committee that oversees six new subcommittees. The subcommittees are mandated to address various different objectives for achieving institutional trade matching on T. The CCMA has also employed a new executive director and program

¹ In Ontario they were published at (2004) 27 OSCB 3971.

² In Ontario they were published at (2005) 28 OSCB 1509.

director, who have developed specific timing objectives and are developing a critical path to be completed in 2006. In July 2005, the CCMA Board of Directors strongly recommended that the CSA implement an institutional trade matching rule as soon as possible in order to push the industry towards adopting the necessary policies and procedures for matching institutional trades on T.

III. SUBSTANCE AND PURPOSE OF INSTRUMENT AND COMPANION POLICY

In response to comments received, and after further consideration by the CSA, the 2004 Instrument and 2004 Companion Policy have been materially revised. The purpose of the Instrument is to provide a general framework in provincial securities legislation for ensuring more efficient and timely settlement processing of trades, particularly institutional trades. The Instrument requires registered dealers and registered advisers to have reasonable policies and procedures in place to achieve *matching* of trades as soon as practicable after the trade has been executed and in any event no later than the prescribed timelines. The Instrument requires each *trade-matching party* to enter into a compliance agreement with the registered dealer or registered adviser or, alternatively, provide a signed written statement to the dealer or adviser before an account for an institutional investor can be opened. The Instrument also requires dealers to have reasonable policies and procedures in place to facilitate settlement of trades by the standard settlement date.

The purpose of the Companion Policy is to assist the industry in understanding and applying the Instrument and to explain how we will interpret or apply certain provisions of the Instrument.

IV. SUMMARY OF INSTRUMENT

A. Main Comments on the 2004 Instrument

As mentioned above, a majority of commenters responding to the publication for comment of the 2004 Documents were of the view that the CSA should implement an institutional trade matching rule. However, they raised the following key issues about such a rule: (i) concerns with mandating the requirements through a contractual obligation only among the various parties involved in the institutional trade process; (ii) questions regarding the role of the self-regulatory organizations (SROs) in this initiative; and (iii) the timing of the obligations to match trades on T.

B. Summary of Instrument and Material Changes

The Instrument is divided into ten parts.

Part 1 Definitions and Interpretation

Part 1 of the Instrument contains defined terms and an interpretative section. The terms “institutional client”³ and “relevant party”⁴ in the 2004 Instrument have been replaced with “institutional investor” and “trade-matching party”, respectively.

An institutional investor is any person or company, other than an individual, that has net investment assets of at least \$10,000,000 as shown on its most recently prepared financial statements. It is also any person or company holding securities through a custodian, whether or not the person or company is an individual or has net investment assets of at least \$10,000,000. Most institutional investors, such as pension and mutual funds, hold their assets through custodians. However, others may not – such as hedge funds – which sometimes maintain their investment assets with dealers under so-called *prime-brokerage* arrangements. Paragraph (a) of the definition “institutional investor” ensures that the scope of the Instrument includes those institutional investors that do not necessarily use custodians.

A trade-matching party, is in relation to a trade executed with or on behalf of an institutional investor, any of the following persons or companies: a registered adviser acting for the institutional investor in the trade; if a registered adviser is not acting for the institutional investor in the trade, the institutional investor; a registered dealer executing or clearing the trade; or a custodian of the institutional investor settling the trade.

Definitions of the terms “delivery-versus-payment”⁵ and “receive-versus-payment”⁶ in the 2004 Instrument have been omitted in this Instrument. Instead the Instrument applies to “DAP or RAP trades”, which are trades in a security for which settlement is made on a delivery against payment or receipt against payment basis. The matching requirements of the Instrument apply to

3 The term “institutional client” was defined in the 2004 Instrument as a person or company, including a portfolio adviser, that appoints a custodian to hold securities on his, her or its behalf.

4 The term “relevant party” was defined in the 2004 Instrument as a person or company involved in the process of comparing trade data that must agree to the details of trade in securities.

5 The term “delivery-versus-payment” was defined in the 2004 Instrument, as in relation to a purchase or sale of a security, a service available to the buyer which allows him, her or it to pay for the security when the security is delivered at settlement.

6 The term “receive-versus-payment” was defined in the 2004 Instrument, as in relation to a purchase or sale of a security, a service available to the seller which allows him, her or it to deliver the security when payment is received at settlement.

DAP or RAP trades whether or not settled by a custodian.

While the concept of *matching* in the Instrument is generally the same as in the 2004 Instrument, the provision that describes the concept has been considerably simplified. Sections 1.2 and 1.3 of the 2004 Instrument have been replaced with a basic interpretive provision in section 1.2 of the Instrument, which provides that matching is a process by which the details and settlement instructions of an executed trade are reported, verified, confirmed and affirmed or otherwise agreed to among the trade-matching parties.

Question 1: Should the definition of “institutional investor” be broader or narrower?

Question 2: Does the definition of “trade-matching party” capture all the relevant entities involved in the institutional trade matching process?

Question 3: The scope of the matching requirements of the Instrument is limited to DAP or RAP trades. Should the requirements be expanded to include other trades executed on behalf of an institutional investor? Should the requirements capture trades executed with or on behalf of an institutional investor settled without the involvement of a custodian?

Part 2 Application

Part 2 of the Instrument is largely the same as the 2004 Instrument. The Instrument does not apply to the following: a distribution of a security; a trade in a security of a mutual fund to which National Instrument 81-102 – *Mutual Funds* applies; a trade in a security to be settled outside of Canada; or a trade in an option or futures contract that is cleared through a clearing house.

Part 3 Trade Matching Requirements

(a) Policies and procedures

Sections 3.1 and 3.3 of the Instrument generally refocus the obligations of the trade-matching parties discussed in the 2004 Instrument from taking all “necessary steps” to match a trade to adopting appropriate policies and procedures to achieve matching. This new approach is consistent with regulatory approaches taken in other areas, such as the investor confidence initiatives, and by other regulators outside Canada.⁷

Section 2.4(1) of the Companion Policy states that, when establishing appropriate policies and procedures, a party should consider the best practices and standards for institutional trade processing that have generally been adopted by the industry.⁸ It should also include those policies and procedures in its regulatory compliance and risk management programs.

(b) Compliance agreement or signed written statement

We considered a number of alternatives to requiring a trade matching compliance agreement. Sections 3.2 and 3.4 of the Instrument now provide that a trade-matching party may either (i) enter into a compliance agreement or (ii) provide a signed written statement confirming that each trade-matching party has appropriate policies and procedures to achieve matching as soon as practicable after a trade is executed.

Registered dealers and registered advisers are required to use reasonable efforts to monitor compliance with and enforce the terms of the compliance agreement. Section 2.3(2) of the Companion Policy states that a single compliance agreement is sufficient for the general and all sub-accounts of the institutional customer.

Trade-matching parties do not need to enter into a compliance agreement if they have provided a signed written statement to the registered dealer or registered adviser. The signed written statement is an alternative to the contractual approach. Section 2.3(3) of the Companion Policy states that a registered dealer or registered adviser may rely on the written statement signed by the chief executive of the trade-matching party without further investigation, unless the dealer or adviser has knowledge that any statements or facts set out in the written statement are incorrect. A single signed written statement is sufficient for the general

⁷ See National Association of Securities Dealers, Inc. (NASD) Rule 3013 *Annual Certification of Compliance and Supervisory Processes* which requires each NASD member firm’s chief executive officer to certify annually that senior executive management has in place processes to establish, maintain, and review policies and procedures reasonably designed to achieve compliance with applicable NASD rules, Municipal Securities Rulemaking Board rules, and federal securities laws and regulations. Rule 3013 can be found at http://nasd.complinet.com/nasd/display/display.html?rbid=1189&element_id=1159000466.

⁸ The CCMA released in December 2003 the final version of a document entitled *Canadian Securities Marketplace Best Practices and Standards: Institutional Trade Processing, Entitlements and Securities Lending* (CCMA Best Practices and Standards White Paper) that sets out best practices and standards for the processing for settlement of institutional trades, the processing of entitlements (corporate actions), and the processing of securities lending transactions. The CCMA Best Practices and Standards White Paper can be found on the CCMA website at www.ccma-acmc.ca.

and all sub-accounts of the institutional customer.

Section 2.3(1) of the Companion Policy states that the purpose of a compliance agreement or signed written statement is to establish that all trade-matching parties have appropriate policies and procedures in place to ensure an institutional trade is matched as soon as practicable after the trade has been executed.

Question 4: Are each of these methods (compliance agreement and signed written statement) equally effective to ensure that the trade-matching parties will match their trades by the end of T? Should trade-matching parties be given a choice of which method to use?

Part 4 Reporting Requirements for Registrants

Part 4 of the Instrument contains a new *exception* reporting requirement for registrants. A registrant is required to complete and file Form 24-101F1 and related exhibits only if less than 98 percent of the DAP or RAP trades executed by or for the registrant in any given calendar quarter have matched within the prescribed deadline. Form 24-101F1 requires registrants to report information on the circumstances or underlying causes that resulted in, or contributed to the failure to achieve the percentage threshold of matched DAP or RAP trades within the deadline prescribed by Part 3 of the Instrument. Section 3.1 of the Companion Policy states that the reporting requirements apply to DAP and RAP trades, whether or not settled by a custodian.

The 98 percent threshold is effective as of July 1, 2008. Pursuant to Part 10 of the Instrument, the 98 percent threshold is being gradually phased in for trades executed after the Instrument comes into force on July 1, 2006 and before July 1, 2008.

Exception reporting by registrants will facilitate monitoring and assessment by the Canadian securities regulatory authorities or the SROs of the Instrument's trade-matching requirements. Such exception reporting will be supplemented by the filings of regulated clearing agencies and matching service utilities pursuant to Parts 5 and 6, respectively, of the Instrument.

Question 5: Will exception reports enable practical compliance monitoring and assessment of the trade matching requirements?

Question 6: Is it necessary to require custodians to do exception reporting in order to properly monitor compliance with this Instrument?

Part 5 Reporting Requirements for Regulated Clearing Agencies

Part 5 of the Instrument contains a new requirement for a regulated clearing agency to file quarterly information relating to the matching activities of their participants. Section 3.3 of the Companion Policy states that the purpose of this information is to facilitate monitoring and enforcement by the Canadian securities regulatory authorities or SROs of the Instrument's matching requirements.

Part 6 Requirements for Matching Service Utilities

Part 6 of the Instrument sets out the filing, reporting, systems capacity, and other requirements of a matching service utility. Trade-matching parties are not required to use the facilities or services of a trade matching utility to accomplish matching of trades within the prescribed deadline. However, if any person or company intends to carry on business as a matching service utility, the person or company must file Form 24-101F3 at least 90 days before it begins to carry on business as a matching service utility. If there is a significant change to the information filed in Form 24-101F3, section 6.2 of the Instrument requires that the matching service utility file an amendment to the information provided at least 45 days before implementation. The type of information considered to be significant has been expanded to include, among other things, information relating to constating documents, ownership, and independent systems audits.

Section 4.2 of the Companion Policy states that the Canadian regulatory authorities will review Form 24-101F3 to determine whether the person or company who filed the form is an appropriate person or company to act as a matching service utility for the Canadian capital markets.

Section 6.4(1) of the Instrument requires matching service utilities to file Form 24-101F5 no later than 30 days after the end of a calendar quarter. Section 4.4(1) of the Companion Policy states that the information filed quarterly by the matching service utility will allow regulators to monitor a matching service utility's operational performance and management of risk, the progress of inter-operability in the market, and any negative impact on access to the markets.

Part 7 Trade Settlement by Registered Dealer

The 2004 Instrument's T+3 settlement rule has been replaced with a general obligation on dealers to have reasonable policies and procedures in place to facilitate settlement of trades for no later than the standard settlement date prescribed by the SROs.

Section 7.1 of the Instrument is intended to support and strengthen the general settlement cycle rules of the SROs.

Part 8 Equivalent Requirements of Self-regulatory Entities and Others

Section 8.1 of the Instrument states that a regulated clearing agency, marketplace or matching service utility will be required to have rules or other instruments to promote compliance by its members, participants or users with the requirements of Parts 3 and 7 of the Instrument. Section 8.2 of the Instrument states that a member of a self-regulatory entity will be considered to be in compliance with the Instrument if it is in compliance with a rule or other instrument of the self-regulatory entity dealing with the same subject matter. These new provisions have been included in part to respond to comments suggesting that the self-regulatory entities be more involved in promoting an institutional-trade matching rule.

Part 9 Exemption

Pursuant to Part 9, the regulator or securities regulatory authority may grant an exemption from this Instrument, in whole or in part.

Part 10 Effective Date and Transition

Pursuant to section 10.1 of the Instrument, this Instrument comes into force on July 1, 2006. The 7:30 p.m. on T deadline referenced in Part 3, and the 98 percent threshold referenced in Part 4 of the Instrument, are being gradually phased in for trades executed after the Instrument comes into force on July 1, 2006 and before July 1, 2008 in the following manner:

For trades executed:	Matching deadline for trades executed before 4:30 p.m. on T (Part 3 of Instrument)	Percentage trigger of DAP or RAP trades for registrant exception reporting (Part 4 of Instrument)
after December 31, 2006, but before July 1, 2007	12:00 p.m. (noon) on T+1	Less than 70% matched by deadline
after June 30, 2007, but before January 1, 2008	7:30 p.m. on T	Less than 80% matched by deadline
after December 31, 2007, but before July 1, 2008	7:30 p.m. on T	Less than 90% matched by deadline
after June 30, 2008	7:30 p.m. on T	Less than 98% matched by deadline

These new transitional provisions have been included in part to respond to comments suggesting that the Instrument provide for the phasing in of the matching requirements.

Question 7: Is it feasible for trade-matching parties to achieve a 7:30 p.m. on T matching rate of 98 percent by July 1, 2008, even without the use of a matching service utility in the Canadian capital markets?

Question 8: Are the transitional percentages outlined in Part 10 of the Instrument practical? Please provide reasons for your answer.

V. SUMMARY OF COMPANION POLICY

The Companion Policy has been amended to reflect the changes to the Instrument. The Companion Policy provides guidance on the Instrument's matching requirements, including the requirements of registrants to have reasonable policies and procedures in place to ensure timely matching of trades and to enter into a compliance agreement with, or alternatively to receive a signed written statement from, each of the relevant trade-matching parties confirming that such parties have also policies and procedures in place to ensure timely matching of trades. In addition, the Companion Policy briefly explains the registrant exception-reporting filing requirements and the filing requirements of regulated clearing agencies and trade matching utilities.

VI. AUTHORITY FOR INSTRUMENT IN ONTARIO

In Ontario, the Instrument is being made under the following provisions of the *Securities Act* (Ontario) (Act):

- Paragraph 11 of subsection 143(1) of the Act allows the Commission to make rules *regulating* the listing or trading of *publicly traded securities*, including requiring reporting of trades and quotations.
- Paragraph 2(i) of subsection 143(1) of the Act allows the Commission to make rules in respect of *standards of practice and business conduct of registrants in dealing with their customers and clients and prospective customers and clients*.
- Paragraph 12 of subsection 143(1) of the Act allows the Commission to make rules regulating recognized stock exchanges, recognized self-regulatory organizations, recognized quotation and trade reporting systems, and recognized clearing agencies.

VII. ALTERNATIVES TO INSTRUMENT CONSIDERED

In proposing the Instrument, the CSA had considered as an alternative not implementing any regulatory requirement, relying instead primarily on the SROs to impose matching by the end of T. We believe that market participants are seeking assurances that, before they invest in the necessary financial and technological resources to improve institutional trade processing, a requirement to complete matching by the end of T will become a rule subject to compliance and enforcement by the Canadian securities regulatory authorities.

VIII. UNPUBLISHED MATERIALS

In proposing the Instrument, the CSA have not relied on any significant unpublished study, report, or other material.

IX. ANTICIPATED COSTS AND BENEFITS

Please refer to Discussion Paper 24-401, in particular *Part I: The Canadian Securities Clearing and Settlement System and Straight-through Processing — C. Why is STP important to the Canadian capital markets?*

In summary, the CSA are of the view that the Instrument offers several benefits to the Canadian capital markets, including but not limited to the following:

- reduction of processing costs due to development of STP systems;
- reduction of operational risk due to development of STP systems;
- protection of Canadian market liquidity;
- reduction of settlement risk; and
- overall mitigation of systemic risk in, and support of the global competitiveness of, the Canadian capital markets.

The CSA recognize, however, that implementing the Instrument may entail costs, which will be borne by market participants. In the CSA's view, the benefits of the Instrument justify its costs. General securities law rules that require market participants to have policies and procedures to complete matching before the end of T and settle trades within the standard settlement periods (e.g., T+3) will augment the efficiency and enhance the integrity of capital markets. It promises to reduce both risk and costs, generally benefit the investor, and improve the global competitiveness of our capital markets. In addition, in assessing the anticipated costs and benefits of the Instrument to the industry, we carefully considered the industry's express desire for CSA regulatory action in this area.

X. REGULATIONS TO BE AMENDED OR REVOKED (ONTARIO)

None.

XI. QUESTIONS AND COMMENTS

You are invited to comment on any aspect of the Instrument and Companion Policy and specifically on the questions asked in this notice.

Please submit your comments in writing before May 2, 2006.

Request for Comments

Submissions should be sent to all Canadian securities regulatory authorities listed below in care of the Ontario Securities Commission in duplicate, as indicated below:

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Nova Scotia Securities Commission
Securities Commission of Newfoundland & Labrador
Registrar of Securities, Northwest Territories
Legal Registries Division, Nunavut
Registrar of Securities, Yukon Territory

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, Ontario
M5H 3S8
jstevenson@osc.gov.on.ca

Submissions should also be addressed to the *Autorité des marchés financiers (Québec)* as follows:

Madame Anne-Marie Beaudoin
Directrice du secrétariat de l'Autorité
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, Tour de la Bourse
Montréal (Québec) H4Z 1G3
Telephone: 514-940-2199 ext 2511
Fax: 514-864-6381
e-mail: consultation-en-cours@lautorite.qc.ca

A diskette containing the submissions should also be submitted. As securities legislation in certain provinces requires a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions may be referred to:

Randee Pavalow
Director, Capital Markets
Ontario Securities Commission
(416) 593-8257
rpavalow@osc.gov.on.ca

Maxime Paré
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(416) 593-3650
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Request for Comments

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Capital Markets Regulation
British Columbia Securities Commission
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sjakab@bcsc.bc.ca

March 3, 2006

CANADIAN SECURITIES ADMINISTRATORS' REQUEST FOR COMMENT

**PROPOSED NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT**

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**PROPOSED NATIONAL INSTRUMENT 24-101
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT**

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions —

In this Instrument,

“custodian” means a person or company¹ that holds securities for the benefit of another under a custodial agreement, but does not include a registered dealer;²

“DAP or RAP trade” means a trade in a security for which settlement is made on a delivery against payment or receipt against payment basis;

“institutional investor” means

- (a) a person or company, other than an individual, that has net investment assets of at least \$10,000,000 as shown on its most recently prepared financial statements, or
- (b) a person or company that holds securities through a custodian;

“marketplace” has the same meaning as in National Instrument 21-101 *Marketplace Operation*;

“matching service utility” means a person or company that provides centralized facilities for matching, but does not include

- (a) a regulated clearing agency, or
- (b) an exchange, stock exchange or quotation and trade reporting system that is recognized or authorized by a securities regulatory authority³ to carry on business as an exchange, stock exchange or quotation and trade reporting system or that is exempted by a securities regulatory authority from a requirement under securities legislation⁴ to be so recognized or authorized;

“regulated clearing agency” means,

- (a) in Ontario, a clearing agency⁵ recognized by the securities regulatory authority under section 21.2 of the *Securities Act* (Ontario),
- (b) in Quebec, a clearing agency for securities authorized by the securities regulatory authority, and
- (c) in every other jurisdiction,⁶ a clearing agency that is subject to regulation under the securities legislation of another jurisdiction in Canada;⁷

“self-regulatory entity” has the same meaning as in National Instrument 21-101 *Marketplace Operation*;

“settlement day” means a day on which deliveries of securities and payments of money may be made through the facilities of a regulated clearing agency;

“trade-matching party” means, in relation to a trade executed with or on behalf of an institutional investor,

- (a) a registered adviser acting for the institutional investor in the trade,

¹ The term “person or company” is defined for clarification in certain jurisdictions in National Instrument 14-101 — *Definitions*.

² This definition of custodian is derived in part from the definition found in OSC Rule 14-501 - *Definitions*.

³ The term “securities regulatory authority” is defined in National Instrument 14-101 — *Definitions*.

⁴ The term “securities legislation” is defined in National Instrument 14-101 — *Definitions*.

⁵ The term “clearing agency” is defined in the securities legislation of certain jurisdictions (see, for example, s. 1(1) of the *Securities Act* (Ontario)).

⁶ The term “jurisdiction” is defined in National Instrument 14-101 — *Definitions*.

⁷ The Canadian Depository for Securities Limited (CDS) is recognized as a clearing agency for securities in Ontario and as a self-regulatory organization in Quebec. No other CSA jurisdiction regulates CDS.

- (b) if a registered adviser is not acting for the institutional investor in the trade, the institutional investor,
- (c) a registered dealer executing or clearing the trade, or
- (d) a custodian of the institutional investor settling the trade;

“T” means the day on which a trade is executed;

“T+1” means the next settlement day following the day on which a trade is executed.

1.2 Interpretation — trade matching and Eastern Time —

- (1) In this Instrument, matching is the process by which the details and settlement instructions of an executed trade are reported, verified, confirmed and affirmed or otherwise agreed to among the trade-matching parties.
- (2) A reference to a time in this Instrument is to Eastern Time.

PART 2 APPLICATION

2.1 This Instrument does not apply to

- (a) a distribution of a security,
- (b) a trade in a security of a mutual fund to which National Instrument 81-102—*Mutual Funds* applies,
- (c) a trade in a security to be settled outside Canada, or
- (d) a trade in an option or futures contract that is cleared through a clearing house.

PART 3 TRADE MATCHING REQUIREMENTS

3.1 Matching deadlines for registered dealer —

A registered dealer shall not execute a DAP or RAP trade with or on behalf of an institutional investor unless the dealer has established reasonable policies and procedures to achieve matching as soon as practicable after the trade has been executed and in any event no later than

- (a) 7:30 p.m. on T if the trade is executed before 4:30 p.m., or
- (b) 7:30 p.m. on T+1 if the trade is executed after 4:30 p.m.

3.2 Compliance agreement or signed written statement —

A registered dealer shall not open an account to execute a DAP or RAP trade for an institutional investor or accept an order to execute a DAP or RAP trade for the account of an institutional investor unless each trade-matching party has either

- (a) entered into a written agreement with the dealer that sets out the roles and responsibilities of the trade-matching parties in the matching of trades, and includes, without limitation, a term by which the trade-matching parties agree to establish policies and procedures to achieve matching as soon as practicable after the trade is executed and in any event no later than
 - (i) 7:30 p.m. on T if the trade is executed before 4:30 p.m., or
 - (ii) 7:30 p.m. on T+1 if the trade is executed after 4:30 p.m., or
- (b) provided a signed written statement to the dealer that confirms that the trade-matching party has established policies and procedures to achieve matching as soon as practicable after the trade is executed and in any event no later than
 - (i) 7:30 p.m. on T if the trade is executed before 4:30 p.m., or
 - (ii) 7:30 p.m. on T+1 if the trade is executed after 4:30 p.m.

3.3 Matching deadlines for registered adviser —

A registered adviser shall not give an order to a dealer to execute a DAP or RAP trade on behalf of an institutional investor unless the adviser has established reasonable policies and procedures to achieve matching as soon as practicable after the trade is executed and in any event no later than

- (a) 7:30 p.m. on T if the trade is executed before 4:30 p.m., or
- (b) 7:30 p.m. on T+1 if the trade is executed after 4:30 p.m.

3.4 Compliance agreement or signed written statement —

A registered adviser shall not open an account to execute a DAP or RAP trade for an institutional investor or give an order to a dealer to execute a DAP or RAP trade for the account of an institutional investor unless each trade-matching party has either

- (a) entered into a written agreement with the adviser that sets out the roles and responsibilities of the trade-matching parties in the matching of trades, and includes, without limitation, a term by which the trade-matching parties agree to establish policies and procedures to achieve matching as soon as practicable after the trade is executed and in any event no later than
 - (i) 7:30 p.m. on T if the trade is executed before 4:30 p.m., or
 - (ii) 7:30 p.m. on T+1 if the trade is executed after 4:30 p.m., or
- (b) provided a signed written statement to the adviser that confirms that the trade-matching party has established policies and procedures to achieve matching as soon as practicable after the trade is executed and in any event no later than
 - (i) 7:30 p.m. on T if the trade is executed before 4:30 p.m., or
 - (ii) 7:30 p.m. on T+1 if the trade is executed after 4:30 p.m.

PART 4 REPORTING REQUIREMENT FOR REGISTRANTS

4.1 A registrant shall file a completed Form 24-101F1 no later than 45 days after the end of a calendar quarter if

- (a) less than 98 percent of the DAP or RAP trades executed by or for the registrant during the quarter matched within the time required in Part 3; or
- (b) the DAP or RAP trades executed by or for the registrant during the quarter that matched within the time required in Part 3 represent less than 98 percent of the aggregate value of the securities purchased and sold in those trades.

PART 5 REPORTING REQUIREMENTS FOR REGULATED CLEARING AGENCIES

5.1 A regulated clearing agency shall file a completed Form 24-101F2 no later than 30 days after the end of a calendar quarter.

PART 6 REQUIREMENTS FOR MATCHING SERVICE UTILITIES

6.1 Initial filing —

- (1) A person or company shall not carry on business as a matching service utility unless
 - (a) the person or company has filed a completed Form 24-101F3; and
 - (b) at least 90 days have passed since the person or company filed the completed Form 24-101F3.
- (2) During the 90 day period referred to in subsection (1), a person or company that files Form 24-101F3 shall inform in writing the securities regulatory authority immediately of any significant change to the information provided in Form 24-101F3 and the person or company shall file an amendment to the information provided in Form 24-101F3 in the manner set out in Form 24-101F3 no later than seven days after a change takes place.

6.2 Anticipated change to operations —

At least 45 days before implementing a significant change involving a matter set out in Form 24-101F3, a matching service utility shall file an amendment to the information provided in Form 24-101F3 in the manner set out in Form 24-101F3.

6.3 Ceasing to carry on business as a matching service utility —

- (1) If a matching service utility intends to cease carrying on business as a matching service utility, the matching service utility shall file a report on Form 24-101F4 at least 30 days before ceasing to carry on that business.
- (2) If a matching service utility involuntarily ceases to carry on business as a matching service utility, the matching service utility shall file a report on Form 24-101F4 as soon as practicable after it ceases to carry on that business.

6.4 Ongoing filing and record keeping —

- (1) A matching service utility shall file a completed Form 24-101F5 no later than 30 days after the end of a calendar quarter.
- (2) A matching service utility shall keep such books, records and other documents as are reasonably necessary for the proper recording of its business.

6.5 System requirements —

For all of its core systems supporting the matching of trades, a matching service utility shall

- (a) consistent with prudent business practice, on a reasonably frequent basis, and, in any event, at least annually,
 - (i) make reasonable current and future capacity estimates,
 - (ii) conduct capacity stress tests of those systems to determine the ability of the systems to process transactions in an accurate, timely and efficient manner,
 - (iii) implement reasonable procedures to review and keep current the testing methodology of those systems,
 - (iv) review the vulnerability of those systems and data centre computer operations to internal and external threats, including breaches of security, physical hazards and natural disasters, and
 - (v) maintain adequate contingency and business continuity plans;
- (b) annually cause to be performed an independent review and written report, in accordance with generally accepted auditing standards, of the stated internal control objectives of those systems; and
- (c) promptly notify the securities regulatory authority of
 - (i) a material failure of those systems, and
 - (ii) a material change to those systems.

PART 7 TRADE SETTLEMENT

7.1 Trade settlement by registered dealer —

- (1) A registered dealer shall not execute a trade unless the dealer has established reasonable policies and procedures to facilitate settlement of the trade on a date that is no later than the standard settlement date for the type of security traded prescribed by a self-regulatory entity.
- (2) Subsection (1) does not apply to a trade in respect of which terms of settlement have been expressly agreed to by the counterparties to the trade at or before the trade was executed.

PART 8 EQUIVALENT REQUIREMENTS OF SELF-REGULATORY ENTITIES AND OTHERS

- 8.1 A regulated clearing agency, marketplace or matching service utility shall have rules or other instruments to promote compliance by its members, participants or users with the requirements of Parts 3 and 7.
- 8.2 A member of a self-regulatory entity may comply with a requirement of this Instrument by complying with a rule or other instrument of the self-regulatory entity dealing with the same subject matter as that requirement that has been approved by a securities regulatory authority and published by the self-regulatory entity.

PART 9 EXEMPTION

9.1 Exemption —

- (1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.
- (2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.
- (3) Except in Ontario, an exemption referred to in subsection (1) is granted under the statute referred to in Appendix B of National Instrument 14-101 *Definitions* opposite the name of the local jurisdiction.

PART 10 EFFECTIVE DATE AND TRANSITION

10.1 Effective date — This Instrument comes into force on July 1, 2006.

10.2 Transition —

- (1) A reference to “7:30 p.m. on T” in sections 3.1(a), 3.2(a)(i) and (b)(i), 3.3(a), and 3.4(a)(i) and (b)(i) shall each be read as a reference to:
- (a) “12:00 p.m. (Noon) on T+1”, for trades executed after December 31, 2006 but before July 1, 2007.
- (2) A reference to “98 percent” in sections 4.1(a) and (b) shall each be read as a reference to:
- (a) “70 percent”, for trades executed after December 31, 2006, but before July 1, 2007,
- (b) “80 percent”, for trades executed after June 30, 2007, but before January 1, 2008, and
- (c) “90 percent”, for trades executed after December 31, 2007, but before July 1, 2008.

**NATIONAL INSTRUMENT 24-101
(the "Instrument")**

FORM 24-101F1

**REGISTRANT
EXCEPTION REPORT OF
DAP OR RAP TRADE MATCHING**

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

REGISTRANT IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of registrant (if sole proprietor, last, first and middle name):
2. Name(s) under which business is conducted, if different from item 1:
3. Address of registrant's principal place of business:
4. Mailing address, if different from business address:
5. Type of business: Dealer Adviser
6. Category of registration:
7. Registrant NRD number:
8. Contact employee name:
Telephone number:
E-mail address:

INSTRUCTIONS:

File this form together with Exhibits A and B pursuant to section 4.1 of the Instrument, covering the calendar quarter indicated above, within 45 days of the end of the calendar quarter if

- (a) less than 98 percent* of the DAP or RAP trades executed by or for you during the quarter matched within the time** required in Part 3 of the Instrument, or
- (b) the DAP or RAP trades executed by or for you during the quarter that matched within the time** required in Part 3 of the Instrument represent less than 98 percent* of the aggregate value of the securities purchased and sold in those trades.

Determine the percentages above separately for (i) DAP or RAP trades that are settled by custodians on behalf of institutional investors and (ii) DAP or RAP trades that are settled by registered dealers on behalf of institutional investors.

Transition

* This percentage is effective as of July 1, 2008, and is being gradually phased-in for trades executed after the Instrument comes into force on July 1, 2006 and before July 1, 2008 as follows:

- (a) for trades executed after December 31, 2006, but before July 1, 2007, the percentage is 70 percent,
- (b) for trades executed after June 30, 2007, but before January 1, 2008, the percentage is 80 percent, and
- (c) for trades executed after December 31, 2007, but before July 1, 2008, the percentage is 90 percent.

See transitional provisions in Part 10 of the Instrument.

** The timelines set out in Part 3 of the Instrument are:

7:30 p.m. on T if the trade was executed before 4:30 p.m., or

7:30 p.m. on T+1 if the trade was executed after 4:30 p.m.

These timelines are effective as of July 1, 2007. During a transitional phase, certain longer timelines are permitted for trades executed after the Instrument comes into force on July 1, 2006 and before July 1, 2007. If a trade is executed before 4:30 p.m., the transitional timeline is:

12:00 p.m. (Noon) on T+1, for trades executed after December 31, 2006 but before July 1, 2007.

See transitional provisions in Part 10 of the Instrument.

EXHIBITS:

Exhibit A – Reasons for non-compliance

Describe the circumstances or underlying causes that resulted in or contributed to the failure to achieve the percentage target for matched DAP or RAP trades within the maximum time prescribed by Part 3 of the Instrument.

Exhibit B – Steps to address delays

Describe what specific steps you are taking to resolve delays in the trade reporting and matching process in the future. Indicate when each of these steps is expected to be implemented.

CERTIFICATE OF REGISTRANT

The undersigned certifies that the information given in this report on behalf of the registrant is true and correct.

DATED at _____ this ____ day of _____ 20__

(Name of registrant - type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

**NATIONAL INSTRUMENT 24-101
(the "Instrument")**

FORM 24-101F2

**REGULATED CLEARING AGENCY
QUARTERLY OPERATIONS REPORT OF
INSTITUTIONAL TRADE REPORTING AND MATCHING**

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of regulated clearing agency:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of regulated clearing agency's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:
Telephone number:
E-mail address:

INSTRUCTIONS:

File this form together with all exhibits pursuant to section 5.1 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Exhibits shall be provided in an electronic file, in the following file format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

EXHIBITS:

1. DATA REPORTING

Exhibit A – Operating Data

For client trades with a T+3 settlement period, provide the information to complete Tables 1 and 2 below for each month in the quarter. Complete separate Tables 1 and 2 for client trades settled (i) by a custodian on behalf of an institutional investor and (ii) by a dealer on behalf of an institutional investor. These two tables can be integrated into one report. Provide separate aggregate information for trades that have been reported or entered into your facilities as matched trades by a matching service utility or other service provider.

Month/Year: _____ (MMM/YYYY)

Table 1—Entered:

	CAD Equity		USD Equity		CAD Debt		USD Debt	
	#	\$	#	\$	#	\$	#	\$
T								
T+1								
T+2								
T+3								
>T+3								

Request for Comments

Table 2—Matched:

	CAD Equity		USD Equity		CAD Debt		USD Debt	
	#	\$	#	\$	#	\$	#	\$
T								
T+1								
T+2								
T+3								
>T+3								

Legend

- (#) is the total number of transactions in the month;
- (\$) is the total value of the transactions (purchases and sales) in the month;
- "T" is the day on which a trade is executed;
- "T+1" is the next settlement day following T;
- "T+2" is the second settlement day following T;
- "T+3" is the third settlement day following T.

Exhibit B – Exceptions

Using the format below, for each participant of the regulated clearing agency provide the percent of client trades during the quarter that have been entered and matched by the participant within the time required in Part 3 of the Instrument. The percentages given should relate to both the number of client trades that have been matched within the time and the aggregate value of the securities purchased and sold in the client trades that have been matched within the time.

Determine the percentages below separately for client trades settled (i) by a custodian on behalf of an institutional investor and (ii) by a dealer on behalf of an institutional investor.

Participant	Percentage matched within timelines	
	By # of transactions	By value

CERTIFICATE OF REGULATED CLEARING AGENCY

The undersigned certifies that the information given in this report on behalf of the regulated clearing agency is true and correct.

DATED at _____ this ____ day of _____ 20__

(Name of regulated clearing agency - type or print)

(Name of director, officer or partner - type or print)

(Signature of director or officer)

(Official capacity - type or print)

**NATIONAL INSTRUMENT 24-101
(the "Instrument")**

FORM 24-101F3

**MATCHING SERVICE UTILITY
NOTICE OF OPERATIONS**

DATE OF COMMENCEMENT INFORMATION:

Effective date of commencement of operations: _____ (DD/MMM/YYYY)

TYPE OF FILING: INITIAL SUBMISSION AMENDMENT

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:
Telephone number:
E-mail address:
6. Legal counsel:
Firm name:
Telephone number:
E-mail address:

GENERAL INFORMATION:

7. Website address:
8. Date of financial year-end: _____ (DD/MMM/YYYY)
9. Indicate the form of your legal status (e.g., corporation, limited or general partnership), the date of formation, and the jurisdiction under which you were formed:
Legal status: CORPORATION PARTNERSHIP
 OTHER (SPECIFY):

(a) Date of formation: _____ (DD/MMM/YYYY)

(b) Jurisdiction and manner of formation:
10. From the following list, specify the types of securities for which information will be received and processed by you for transmission of matched trades to a regulated clearing agency.

(a) Exchange-traded securities:

<u>Domestic traded</u>	<u>Foreign traded</u>
<input type="radio"/> EQUITY SECURITIES	<input type="radio"/> EQUITY SECURITIES
<input type="radio"/> DEBT SECURITIES	<input type="radio"/> DEBT SECURITIES

- (b) OTC securities: EQUITY
 GOVERNMENT DEBT
 CORPORATE DEBT

(c) Specify other types of securities:

INSTRUCTIONS:

File this form together with all exhibits pursuant to section 6.1 of the Instrument.

For each exhibit, include your name, the date of filing of the exhibit and the date as of which the information is accurate (if different from the date of the filing). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable shall be furnished in lieu of the exhibit.

If you are filing an amendment to Form 24-101F3 pursuant to section 6.1(2) or 6.2 of the Instrument, and the amended information relates to an exhibit that was filed with such form, you shall provide a description of the change and complete and file an updated exhibit. Significant changes to the information in this form should be briefly noted in the quarterly filing of Form 24-101F5.

EXHIBITS:

1. CORPORATE GOVERNANCE

Exhibit A – Constatng documents

Provide a copy of your constating documents, including corporate by-laws and other similar documents, as amended from time to time.

Exhibit B – Ownership

List any person or company that owns 10 percent or more of your voting securities or that, either directly or indirectly, through agreement or otherwise, may control your management. Provide the full name and address of each person or company and attach a copy of the agreement or, if there is no written agreement, briefly describe the agreement or basis through which the person or company exercises or may exercise control or direction.

Exhibit C – Officials

Provide a list of the partners, officers, directors or persons performing similar functions who presently hold or have held their offices or positions during the current and previous calendar year, indicating the following for each:

1. Name.
2. Title.
3. Dates of commencement and expiry of present term of office or position and length of time the office or position held.
4. Type of business in which each is primarily engaged and current employer.
5. Type of business in which each was primarily engaged in the preceding five years, if different from that set out in item 4.
6. Whether the person is considered to be an independent director.

Exhibit D – Organizational structure

Provide a narrative or graphic description of your organizational structure.

Exhibit E – Affiliated entities

For each person or company affiliated to you, provide the following information:

1. Name and address of affiliated entity.
2. Form of organization (e.g., association, corporation, partnership).
3. Name of jurisdiction and statute under which organized.
4. Date of incorporation in present form.
5. Brief description of nature and extent of affiliation or contractual or other agreement with you.
6. Brief description of business services or functions.

7. If a person or company has ceased to be affiliated with you during the previous year or ceased to have a contractual or other agreement relating to your operations during the previous year, provide a brief statement of the reasons for termination of the relationship.

2. FINANCIAL VIABILITY

Exhibit F – Audited financial statements

Provide your audited financial statements for the latest financial year and a report prepared by an independent auditor.

3. FEES

Exhibit G – Fee list, fee structure

Provide a complete list of all fees and other charges imposed, or to be imposed, by you for use of your services as a matching service utility, including the cost of establishing a connection to your systems.

4. ACCESS

Exhibit H – Users

Provide a list of all users or subscribers for which you propose to provide the services of a matching service utility. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, advisor or other party).

If applicable, for each instance during the past year in which any user or subscriber of your services has been prohibited or limited in respect of access to such services, indicate the name of each such user or subscriber and the reason for the prohibition or limitation.

Exhibit I – User contract

Provide a copy of each form of agreement governing the terms by which users or subscribers may subscribe to your services of a matching service utility.

5. SYSTEMS AND OPERATIONS

Exhibit J – System description

Describe the manner of operation of your systems for performing your services of a matching service utility (including, without limitation, systems that collect and process trade execution details and settlement instructions for matching of trades). This description should include the following:

1. The hours of operation of the systems, including communication with a regulated clearing agency.
2. Locations of operations and systems (e.g., countries and cities where computers are operated, primary and backup).
3. A brief description in narrative form of each service or function performed by you.

6. SYSTEMS COMPLIANCE

Exhibit K – Security

Provide a brief description of the processes and procedures implemented by you to provide for the security of any system used to perform your services of a matching service utility.

Exhibit L – Capacity planning and measurement

1. Provide a brief description of capacity planning/performance measurement techniques and system and stress testing methodologies.
2. Provide a brief description of testing methodologies with users or subscribers. For example, when are user/subscriber tests employed? How extensive are these tests?

Exhibit M – Business continuity

Provide a brief description of your contingency and business continuity plans in the event of a catastrophe.

Exhibit N – Material systems failures and changes

Provide a brief description of policies and procedures in place for reporting to regulators material systems failures and changes. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than thirty minutes during normal business hours.

Exhibit O – Independent systems audit

1. Briefly describe your plans to provide an annual independent audit of your systems.
2. If applicable, provide a copy of the last external systems operations audit report.

7. INTER-OPERABILITY

Exhibit P – Inter-operability agreements

List all other matching service utilities for which you have entered into an *inter-operability* agreement. Provide a copy of all such agreements.

8. OUTSOURCING

Exhibit Q – Outsourcing firms

For each person or company (outsourcing firm) with whom or which you have an outsourcing agreement or arrangement relating to your services of a matching service utility, provide the following information:

1. Name and address of the outsourcing firm.
2. Brief description of business services or functions of the outsourcing firm.
3. Brief description of the outsourcing firm's contingency and business continuity plans in the event of a catastrophe.

9. CONFIDENTIALITY

Label all confidential material as "**Confidential**". In submissions, do not include detailed, sensitive operational security information.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this ____ day of _____ 20____

(Name of matching service utility - type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

**NATIONAL INSTRUMENT 24-101
(the "Instrument")**

FORM 24-101F4

**MATCHING SERVICE UTILITY
NOTICE OF CESSATION OF OPERATIONS**

DATE OF CESSATION INFORMATION:

Type of filing: VOLUNTARY CESSATION
 INVOLUNTARY CESSATION

Effective date of operations cessation: _____ (DD/MMM/YYYY)

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Legal counsel:
 Firm name:
 Telephone number:
 E-mail address:

INSTRUCTIONS:

File this form together with all exhibits pursuant to section 6.3 of the Instrument.

For each exhibit, include your name, the date of filing of the exhibit and the date as of which the information is accurate (if different from the date of the filing). If any exhibit required is not applicable, a full statement describing why the exhibit is not applicable shall be furnished in lieu of the exhibit.

EXHIBITS:

Exhibit A

Provide the reasons for your cessation of business.

Exhibit B

Provide a list of all the users or subscribers for which you provided services during the last 30 days prior to you ceasing business. Identify the type(s) of business of each user or subscriber (e.g., custodian, dealer, adviser, or other party).

Exhibit C

List all other matching service utilities for which an *interoperability* agreement was in force immediately prior to cessation of business.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this ____ day of _____ 20____

(Name of matching service utility - type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

**NATIONAL INSTRUMENT 24-101
(the "Instrument")**

FORM 24-101F5

**MATCHING SERVICE UTILITY
QUARTERLY OPERATIONS REPORT OF
INSTITUTIONAL TRADE REPORTING AND MATCHING**

CALENDAR QUARTER PERIOD COVERED:

From: _____ to: _____

MATCHING SERVICE UTILITY IDENTIFICATION AND CONTACT INFORMATION:

1. Full name of matching service utility:
2. Name(s) under which business is conducted, if different from item 1:
3. Address of matching service utility's principal place of business:
4. Mailing address, if different from business address:
5. Contact employee name:
Telephone number:
E-mail address:

INSTRUCTIONS:

File this form together with all exhibits pursuant to section 6.4 of the Instrument, covering the calendar quarter indicated above, within 30 days of the end of the calendar quarter.

Exhibits shall be reported in an electronic file, in the following format: "CSV" (Comma Separated Variable) (e.g., the format produced by Microsoft Excel).

If any information specified is not available, a full statement describing why the information is not available shall be separately furnished.

EXHIBITS

1. SUMMARY OF SIGNIFICANT AND OTHER CHANGES OVER PERIOD

Exhibit A – Summary of significant changes

Briefly describe all significant changes to the information provided in Form 24-101F3 that were required to be filed during the quarter pursuant to section 6.2 of the Instrument.

2. SYSTEMS REPORTING

Exhibit B – External systems audit

If an external audit report on your core systems was prepared during the quarter, provide a copy of the report.

Exhibit C – Material systems failures and change reporting

Provide a list and summary of all material systems failures and changes that occurred during the quarter.

3. DATA REPORTING

Exhibit D – Operating data

For trades that were entered and matched through your facilities, provide the information to complete Tables 1 and 2 below for each month in the quarter. These two tables can be integrated into one report.

Month/Year: _____ (MMM/YYYY)

Table 1—Entered:

	CAD Equity		USD Equity		CAD Debt		USD Debt	
	#	\$	#	\$	#	\$	#	\$
T								
T+1								
T+2								
T+3								
>T+3								

Table 2—Matched:

	CAD Equity		USD Equity		CAD Debt		USD Debt	
	#	\$	#	\$	#	\$	#	\$
T								
T+1								
T+2								
T+3								
>T+3								

Legend

- (#) is the total number of transactions in the month;
- (\$) is the total value of the transactions (purchases and sales) in the month;
- "T" is the day on which a trade is executed;
- "T+1" is the next settlement day following T;
- "T+2" is the second settlement day following T;
- "T+3" is the third settlement day following T.

Exhibit E – Exceptions

Using the format below, provide the percent of trades during the quarter for each user or subscriber that have been entered and matched within the time required in Part 3 of the Instrument. The percentages given should relate to both the number of trades that have been matched within the time and the aggregate value of the securities purchased and sold in the trades that have been matched within the time.

Participant	Percentage matched within timelines	
	By # of transactions	By value

4. CONFIDENTIALITY

Label all confidential material as "**Confidential**". In submissions, do not include detailed and sensitive operational security information. No information under Exhibits D and E will be considered confidential.

CERTIFICATE OF MATCHING SERVICE UTILITY

The undersigned certifies that the information given in this report on behalf of the matching service utility is true and correct.

DATED at _____ this ____ day of _____ 20__

(Name of matching service utility- type or print)

(Name of director, officer or partner - type or print)

(Signature of director, officer or partner)

(Official capacity - type or print)

CANADIAN SECURITIES ADMINISTRATORS' REQUEST FOR COMMENT

**COMPANION POLICY 24-101CP
TO PROPOSED NATIONAL INSTRUMENT 24-101—
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT**

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PART 6	TRANSITION

**COMPANION POLICY 24-101CP
TO PROPOSED NATIONAL INSTRUMENT 24-101—
INSTITUTIONAL TRADE MATCHING AND SETTLEMENT**

PART 1 INTRODUCTION, PURPOSE AND DEFINITIONS

1.1 Purpose of Instrument — National Instrument 24-101—*Institutional Trade Matching and Settlement* (Instrument) has been adopted to provide a framework in provincial securities legislation for ensuring more efficient and timely settlement processing of trades, particularly institutional trades. The increasing volumes and dollar values of securities traded in Canada and globally by institutional investors mean existing back-office systems and procedures of market participants are challenged to meet post-execution processing demands, and new requirements are needed to address the increasing risks. The Instrument is being adopted as part of broader initiatives in the Canadian securities markets to implement straight-through processing (STP).¹

1.2 General explanation of matching, clearing and settlement —

(1) Parties to institutional trade — A typical trade with or on behalf of an institutional investor may involve at least three parties:

- a registered adviser or other *buy-side* manager acting for an institutional investor in the trade—and often acting on behalf of more than one institutional investor in the trade (i.e., multiple underlying institutional client accounts)—who decides what securities to buy or sell and how the assets should be allocated among the client accounts;
- a registered dealer (including an Alternative Trading System registered as a dealer) responsible for executing or clearing the trade; and
- any financial institution or registered dealer (including under a *prime brokerage* arrangement) appointed to hold the institutional investor's assets and settle trades.

(2) Matching — A first step in settling a securities trade is to ensure that the buyer and the seller agree on the details of the transaction, a process referred to as trade confirmation and affirmation or trade *matching*.² A registered dealer who executes trades with or on behalf of others is required to report and confirm trade details—not only with the counterparty to the trade—but also with the client for whom it acted. Agreement of trade details—sometimes referred to as *trade data elements*—must occur as soon as possible so that errors and discrepancies in the trades can be discovered early in the clearing and settlement process.

(3) Matching process — Verifying the trade data elements is necessary to *match* a trade executed on behalf of an institutional investor. Matching occurs when the relevant parties to the trade have, after verifying the trade data elements, reconciled or agreed to the details of the trade. Matching also requires that any custodian holding the institutional investor's assets be in a position to affirm the trade to a clearing agency. At that point, the trade is ready for the clearing and settlement process through the facilities of the clearing agency. To illustrate, the matching of a trade will usually include the following activities:

- (a) The registered dealer notifying the *buy-side* manager of the execution of the trade;
- (b) The *buy-side* manager advising the dealer and any custodian or custodians how the securities in the trade are to be allocated among the underlying institutional client accounts managed by the buy-side manager. For so-called *block settlement trades*, the dealer sometimes receives allocation information from the buy-side manager based only on the number of custodians holding institutional investors' assets instead of on the actual underlying institutional client accounts managed by the buy-side manager;
- (c) The dealer reporting the trade details to the buy-side manager and clearing agency. Generally, a customer trade confirmation delivered pursuant to securities legislation³ or the rules of a self-regulatory organization

1 For a discussion of Canadian STP initiatives, see Canadian Securities Administrators' (CSA) Discussion Paper 24-401 on *Straight-through Processing* and Request for Comments, April 16, 2004 (2004) 27 OSCB 3971 to 4031 (Discussion Paper 24-401); and CSA Notice 24-301—*Responses to Comments Received on Discussion Paper 24-401 on Straight-through Processing, Proposed National Instrument 24-101 Post-trade Matching and Settlement, and Proposed Companion Policy 24-101CP to National Instrument 24-101 Post-trade Matching and Settlement*, February 11, 2005 (2005) 28 OSCB 1509 to 1526.

2 The processes and systems for matching of non-institutional trades in Canada have evolved over time and become automated, such as retail trades on an exchange, which are matched or *locked-in* automatically at the exchange, or direct non-exchange trades between two participants of a clearing agency, which are generally matched through the facilities of the clearing agency.

3 See, for example, section 36 of the *Securities Act* (Ontario).

(SROs)⁴ will contain detailed information pertaining to the trade; and

- (d) The custodian or custodians of the assets of the institutional investors verifying the trade details and settlement instructions against available securities or funds held for the institutional investors. The buy-side manager instructs the custodian(s) to release funds and/or securities to the clearing agency.
- (4) **Clearing and settlement** — The *clearing* of a trade begins after the execution of the trade. After matching is completed, clearing will involve the calculation of the mutual obligations of market participants for the exchange of securities and money—a process which generally occurs within the operations of a clearing agency. The *settlement* of a trade is the moment when the securities are transferred finally and irrevocably from one investor to another in exchange for a corresponding transfer of money. In the context of settlement of a trade through the facilities of a clearing agency, often acting as central counterparty, settlement will be the discharge of obligations in respect of funds or securities, computed on a net basis, between and among the clearing agency and its participants. Through the operation of novation and set-off in law or by contract, the clearing agency becomes a counterparty to each trade so that the mutual obligation to settle the trade is between the clearing agency and each participant.

1.3 Definitions —

- (1) **Regulated clearing agency** — The definition of *regulated clearing agency* takes into account the fact that only the provinces of Ontario and Quebec have recognized or otherwise regulate The Canadian Depository for Securities Limited (CDS) under provincial securities legislation.⁵ The term *clearing agency* is not defined in the Instrument, but is defined in the securities legislation of certain jurisdictions.⁶
- (2) **Custodian and institutional investor** — While investment assets are sometimes held directly by investors, most are held on behalf of the investor by or through securities accounts maintained with a custodian or dealer. The definition of *custodian* in section 1.1 of the Instrument expressly excludes registered dealers, and is an important component of the definition of *institutional investor* (see paragraph (b) of the definition *institutional investor*). Thus, even an individual can be an institutional investor if the individual's investment assets are held by or through securities accounts maintained with a custodian instead of a dealer, whether or not the individual has net investment assets of at least \$10,000,000. Most institutional investors, such as pension and mutual funds, hold their assets through custodians. However, others may not—such as hedge funds, which sometimes maintain their investment assets with dealers under so-called *prime-brokerage* arrangements. Paragraph (a) of the definition *institutional investor* ensures that the scope of the Instrument includes such institutional investors that do not necessarily use custodians.
- (3) **Settlement day** — For determining the date on which *T+1* falls, a settlement day will be counted for a particular trade only if payment could have been made for the trade on that day in the agreed-upon currency. For example, even if the markets and commercial banks are open in Canada on a particular day, that day will not be considered a settlement day for a securities transaction requiring payment in U.S. currency if that day falls on a U.S. statutory holiday.
- (4) **DAP or RAP trade** — The concepts “delivery against payment” and “receipt against payment” are well understood by the industry. These terms are also defined in the Notes and Instructions (Schedule 4) to the *Joint Regulatory Financial Questionnaire and Report* of the Canadian SROs.
- (5) **Institutional trade** — In this Companion Policy, we use the expression “institutional trade” broadly to mean any trade executed with or on behalf of an institutional investor, whether or not settled by a custodian.

PART 2 TRADE MATCHING REQUIREMENTS

- 2.1 **Trade data elements** — Trade data elements that must be verified and agreed to are those identified by industry practice through the SROs or in the best practices and standards for institutional trade processing established and generally adopted by the industry. See section 2.4 of this Companion Policy. To illustrate, trade data elements that should be transmitted, compared and agreed to may include the following:
- (a) **Security identification:** ISIN, currency, issuer, type/class/series, market ID; and
- (b) **Order and trade information:** dealer ID, account ID, account type, buy/sell indicator, order status, order type, unit price/face amount, number of securities/quantity, message date/time, trade transaction type, commission, accrued interest (fixed income), broker settlement location, block reference, net amount, settlement type,

4 See, for example, The Toronto Stock Exchange (TSX) Rule 2-405 and Investment Dealers Association of Canada (IDA) Regulation 200.1(h).

5 CDS is also regulated by the Bank of Canada pursuant to the *Payment Clearing and Settlement Act* (Canada).

6 See, for example, s. 1(1) of the *Securities Act* (Ontario).

allocation sender reference, custodian, payment indicator, IM portfolio/account ID, quantity allocated, and settlement conditions.

2.2 Trade matching deadlines for registrants — The obligation of a registered dealer or registered adviser to implement appropriate policies and procedures, pursuant to sections 3.1 and 3.3 of the Instrument, will require the dealer or adviser to take reasonable steps to achieve matching as soon as practicable after the trade is executed and in any event no later than

- (a) 7:30 p.m. on T if the trade is executed before 4:30 p.m., or
- (b) 7:30 p.m. on T+1 if the trade is executed after 4:30 p.m.

The trade matching requirements of a registered dealer or registered adviser apply whether or not a custodian is needed to settle the trade.⁷

2.3 Choice of compliance agreement or signed written statement —

- (1) Establishing appropriate policies and procedures — Pursuant to sections 3.2 and 3.4 of the Instrument, a registered dealer or registered adviser can open an account for an institutional customer only if the customer and other trade-matching parties have entered into a written agreement (compliance agreement) with the dealer or adviser or provided a signed written statement (written statement) to the dealer or adviser. The purpose of the compliance agreement or written statement is to establish that all trade-matching parties have appropriate policies and procedures to achieve matching of the institutional trade as soon as practicable after the trade is executed.
- (2) Compliance agreement — A registered dealer or registered adviser need only enter into one compliance agreement with the trade-matching parties at the time of opening a trading account of an institutional investor for all future trades in relation to such account. A single compliance agreement is sufficient for the general and all sub-accounts of the institutional customer. If the dealer or adviser uses a compliance agreement, the form of such agreement should be part of the institutional account opening documentation, and may be modified from time to time with the consent of the parties. Registered dealers and registered advisers should use reasonable efforts to monitor compliance with and enforce the terms of a compliance agreement.
- (3) Signed written statement — A registered dealer or registered adviser may accept the written statement signed by the chief executive of the trade-matching party without further investigation. The dealer or adviser that has received a written statement from a trade-matching party in relation to an institutional customer account may continue to rely upon the statement for all future trades in such account, unless the dealer or adviser has knowledge that any statements or facts set out in the written statement are incorrect. A single written statement is sufficient for the general and all sub-accounts of the institutional customer.

2.4 Determination of appropriate policies and procedures —

- (1) Best practices — The Canadian securities regulatory authorities are of the view that, when establishing appropriate policies and procedures, a party should consider the best practices and standards for institutional trade processing that have generally been adopted by the industry.⁸ It should also include those policies and procedures into its regulatory compliance and risk management programs.
- (2) Different policies and procedures — The Canadian securities regulatory authorities recognize that appropriate policies and procedures may not be the same for all registered dealers, registered advisers and other market participants, as they may vary depending on the nature, scale and complexity of a market participant's business and the risks it takes in the trading process. For example, policies and procedures for achieving matching may differ among registered dealers that act as an "introducing broker" and registered dealers that act as a "carrying broker".⁹ In addition, if a dealer is not a participant of a clearing agency, the dealer's policies and procedures to expeditiously achieve matching should be integrated with the clearing arrangements that the dealer has with any other dealer acting as carrying or clearing broker

7 Where custodians are not used to settle a trade on behalf of an institutional investor, trades in non-exchange traded securities (including government debt securities) among direct participants of CDS can be matched through the facilities of CDS' trade confirmation and affirmation system. An IDA rule requires their members to confirm and affirm *broker-to-broker* trades in non-exchange traded securities within one hour of the execution of the trade through CDS' trade confirmation and affirmation system. See IDA Regulation 800.49.

8 The Canadian Capital Markets Association (CCMA) released in December 2003 the final version of a document entitled *Canadian Securities Marketplace Best Practices and Standards: Institutional Trade Processing, Entitlements and Securities Lending* ("CCMA Best Practices and Standards White Paper") that sets out best practices and standards for the processing for settlement of institutional trades, the processing of entitlements (corporate actions), and the processing of securities lending transactions. The CCMA Best Practices and Standards White Paper can be found on the CCMA website at www.ccma-acmc.ca.

9 See IDA By-Law No. 35 — *Introducing Broker / Carrying Broker Arrangements*.

for the dealer. Establishing appropriate policies and procedures may require registered dealers, registered advisers and other market participants to upgrade their systems and enhance their inter-operability with others.¹⁰

- 2.5 Use of matching service utility** — The Instrument does not require the trade-matching parties to use the facilities or services of a matching service utility to accomplish matching of trades within the prescribed timelines. However, if such facilities or services are made available in Canada, the use of such facilities or services may facilitate a trade-matching party's compliance with the Instrument's requirements.

PART 3 FILING REQUIREMENTS

- 3.1 Exception reporting for registrants** — Pursuant to Part 4 of the Instrument, a registrant is required to complete and file Form 24-101F1 and related exhibits only if less than 98 percent of the DAP or RAP trades executed by or for the registrant in any given calendar quarter have matched within the time required by the Instrument. The reporting requirements apply to DAP or RAP trades, whether or not settled by a custodian. The tracking of a registrant's trade-matching statistics may be outsourced to a third party service provider, including a regulated clearing agency or custodian. However, despite the outsourcing arrangement, the registrant retains full legal and regulatory liability and accountability to the Canadian securities regulatory authorities for its exception reporting requirements.
- 3.2 Regulatory reviews of registrant exception reports** — The Canadian securities regulatory authorities propose to review the completed Form 24-101F1 filings on an ongoing basis to monitor and assess compliance by registrants with the Instrument's matching requirements. We intend to identify problem areas in matching, including identifying trade-matching parties that have no or weak policies and procedures in place to ensure matching of trades is accomplished within the time prescribed by Part 3 of the Instrument. Monitoring and assessment of registrant matching activities may be undertaken by the SROs in addition to, or in lieu of, reviews undertaken by us.
- 3.3 Other filing requirements** — Regulated clearing agencies and matching service utilities are required to complete in Forms 24-101F2 and 24-101F5 certain trade-matching information in respect of their participants or users. The purpose of this information is to facilitate monitoring and enforcement by the Canadian securities regulatory authorities or SROs of the Instrument's matching requirements.
- 3.4 Forms filed in electronic form** — The Canadian securities regulatory authorities have agreed among themselves that completed Forms 24-101F1 must be filed
- by Ontario registrants with the Ontario Securities Commission,
 - by Quebec registrants with the Autorité des marchés financiers in Québec, and
 - by registrants in other provinces and territories with either the Ontario Securities Commission or the Autorité des marchés financiers in Québec.

Regulated clearing agencies and matching service utilities need only file their completed forms pursuant to Parts 5 and 6, respectively, of the Instrument with the Ontario Securities Commission or the Autorité des marchés financiers in Québec. We request that all forms and exhibits required to be filed under the Instrument be filed in electronic format by e-mail, where possible, to:

if to the Ontario Securities Commission, NI24101forms@osc.gov.on.ca

if to the Autorité des marchés financiers in Québec, NI24101forms@lautorite.qc.ca

Registrants, regulated clearing agencies and matching service utilities will be considered to have complied with their filing requirements under the Instrument in all jurisdictions if they file in the manner described above. To the extent indicated in the form by a filer, the Canadian securities regulatory authorities will maintain certain information in a completed Form 24-101F3 or Form 24-101F5 that is filed by a matching service utility in confidence. The Canadian securities regulatory authorities are of the view that certain parts of completed Forms 24-101F3 and 24-101F5 may contain private financial, commercial and technical information and that the interests of the filers in non-disclosure outweigh the desirability of adhering to the principle that the forms be available for public inspection.

PART 4 REQUIREMENTS FOR MATCHING SERVICE UTILITIES

4.1 Matching service utility —

- (1) Part 6 of the Instrument sets out filing, reporting, systems capacity, and other requirements of a matching service utility. The term *matching service utility* expressly excludes a regulated clearing agency and any recognized or authorized

¹⁰ See Discussion Paper 24-401, at p. 3984, for a discussion of *inter-operability*.

exchange, stock exchange or quotation and trade reporting system, and any exchange, stock exchange or quotation and trade reporting system that is exempted from a requirement to be so recognized or authorized. These recognized, authorized or exempted entities will not be subject to the requirements of Part 6 of the Instrument in the event they decide to provide centralized facilities for the matching of trades because they are subject to similar requirements under the terms and conditions of their recognition, authorization or exemption. A matching service utility would be any entity that provides the services of a post-execution centralized matching facility for registered dealers, institutional investors, and/or custodians that clear and settle institutional trades. It would use technology to match in real-time trade data elements throughout a trade's processing lifecycle. A matching service utility would not include a registered dealer who offers "local" matching services to its institutional clients.

- (2) A matching service utility would be viewed by the Canadian securities regulatory authorities as a critical infrastructure system involved in the clearing and settlement of securities transactions and the safeguarding of securities. The securities regulatory authorities believe that, while a matching service utility operating in Canada would largely enhance operational efficiency in the capital markets, it would raise certain regulatory concerns. Comparing and matching trade data are complex processes that are inextricably linked to the clearance and settlement process. A central matching utility concentrates processing risk in the entity that performs matching instead of dispersing that risk more to the dealers and their institutional clients. Accordingly, the Canadian securities regulatory authorities believe that the breakdown of a matching service utility's ability to accurately verify and match trade information from multiple market participants involving large numbers of securities transactions and sums of money could have adverse consequences for the efficiency of the Canadian securities clearing and settlement system. The requirements of the Instrument applicable to a matching service utility are intended to address these risks.

4.2 Initial filing requirements for a matching service utility — Section 6.1(1) of the Instrument requires any person or company that intends to carry on business as a matching service utility to file Form 24-101F3 at least 90 days before the person or company begins to carry on business as a matching service utility. The Canadian securities regulatory authorities will review Form 24-101F3 to determine whether the person or company that filed the form is an appropriate person or company to act as a matching service utility for the Canadian capital markets. The Canadian securities regulatory authorities will consider a number of factors when reviewing the filed form, including:

- (a) the performance capability, standards and procedures for the transmission, processing and distribution of details of trades in securities executed on behalf of institutional investors;
- (b) whether market participants generally may obtain access to the facilities and services of the matching service utility on fair and reasonable terms which are not unreasonably discriminatory;
- (c) personnel qualifications;
- (d) whether the matching service utility has sufficient financial resources for the proper performance of its functions;
- (e) the existence of another entity performing the proposed function for the same type of security; and
- (f) the systems report referred to in section 6.5(b) of the Instrument.

4.3 Change to significant information — Under section 6.2 of the Instrument, a matching service utility is required to file an amendment to the information provided in Form 24-101F3 at least 45 days before implementing a significant change involving a matter set out in Form 24-101F3. In the view of the Canadian securities regulatory authorities, a significant change includes a change to the information contained in the General Information items 1-10 and Exhibits A, B, E, G, I, J O, P and Q of the Form 24-101F3.

4.4 Ongoing filing and other requirements applicable to a matching service utility —

- (1) Ongoing quarterly filing requirements will allow regulators to monitor a matching service utility's operational performance and management of risk, the progress of inter-operability in the market, and any negative impact on access to the markets. A matching service utility will also provide trade matching data (e.g., number of trades matched on T) and other information to the securities regulatory authorities so that they can monitor industry compliance.
- (2) Forms 24-101F3 and 24-101F5 completed and filed by a matching service utility will provide useful information on whether it is:
 - (a) developing fair and reasonable linkages between its systems and the systems of any other matching service utility in Canada that, at a minimum, allow parties to executed trades that are processed through the systems of both matching service utilities to communicate through appropriate, effective interfaces;

- (b) negotiating with other matching service utilities in Canada fair and reasonable charges and terms of payment for the use of interface services with respect to the sharing of trade and account information; and
- (c) not unreasonably charging more for use of its facilities and services when one or more counterparties to trades are customers of other matching service utilities than the matching service utility would normally charge its customers for use of its facilities and services.

4.5 Capacity, integrity and security system requirements —

- (1) The activities in section 6.5(a) of the Instrument must be carried out at least once a year. The Canadian securities regulatory authorities would expect these activities to be carried out even more frequently if there is a significant change to trading volumes that necessitates that these functions be carried out more frequently in order to ensure that the matching service utility can appropriately service its clients.
- (2) The independent review contemplated by section 6.5(b) of the Instrument should be performed by competent and independent audit personnel, in accordance with generally accepted auditing standards.
- (3) The notification of a material systems failure under section 6.5(c) of the Instrument should be provided within one hour from the time the incident was identified as being material and should include the date, cause and duration of the interruption and its general impact on users or subscribers. Material systems failures include serious incidents that result in the interruption of the matching of trades for more than thirty minutes during normal business hours.

PART 5 TRADE SETTLEMENT

- 5.1 Trade Settlement by Dealer —** Section 7.1 of the Instrument is intended to support and strengthen the general settlement cycle rules of the SROs. Current marketplace and SRO rules mandate a standard T+3 settlement cycle period for most transactions in equity and long term debt securities.¹¹ If a dealer is not a participant of a clearing agency, the dealer's policies and procedures to facilitate the settlement of a trade should be combined with the clearing arrangements that the dealer has with any other dealer acting as carrying or clearing broker for the dealer.

PART 6 TRANSITION

- 6.1 Transitional dates and percentages —** The following table summarizes the transitional provisions of Part 10 of the Instrument.

For trades executed:	Matching deadline for trades executed before 4:30 p.m. on T (Part 3 of Instrument)	Percentage trigger of DAP/RAP trades for registrant exception reporting (Part 4 of Instrument)
after December 31, 2006, but before July 1, 2007	12:00 p.m. (noon) on T+1	Less than 70% matched by deadline
after June 30, 2007, but before January 1, 2008	7:30 p.m. on T	Less than 80% matched by deadline
after December 31, 2007, but before July 1, 2008	7:30 p.m. on T	Less than 90% matched by deadline
after June 30, 2008	7:30 p.m. on T	Less than 98% matched by deadline

¹¹ See IDA Regulation 800.27.

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORM 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
01/31/2006	6	ABC American -Value Fund - Units	2,820,000.00	368,864.05
01/31/2006	5	ABC Fully-Managed Fund - Units	808,500.00	76,470.29
01/31/2006	13	ABC Fundamental - Value Fund - Units	2,020,000.00	98,945.89
02/13/2006	1	Adex Mining Inc. - Debentures	20,000.00	1.00
12/01/2005 to 12/31/2005	5	AIC American Focused Plus Fund - Units	456,245.11	N/A
05/11/2005	26	Alchemy Fund I Limited Partnership - Units	3,405,000.00	3,405.00
01/25/2006 to 01/31/2006	1	Alta Pharmaceuticals Inc. - Common Shares	86,122.50	7,000,000.00
02/09/2006	15	Alto Ventures Ltd. - Units	355,000.00	3,550,000.00
02/01/2006	6	Anaconda Gold Corp. - Units	1,614,500.00	2,483,847.00
02/20/2006	1	Anglo-Canadian Uranium Corp. - Units	500,000.00	2,000,000.00
02/14/2006	42	Anglo-Canadian Uranium Corp. - Units	420,000.00	1,500,000.00
02/15/2006	9	Annapolis Investment Limited Partnership II - L.P. Units	3,800,000.00	38,000.00
02/08/2006	1	Antibe Therapeutics Inc. - Units	30,000.00	30,000.00
02/15/2006 to 02/24/2006	1	ATF Trust - Units	104,850,000.00	N/A
02/14/2006	1	Auramex Resource Corp. - Units	2,500.00	25,000.00
12/30/2005	1	Austin Ventures IX, L.P. - L.P. Interest	2,317,568.35	N/A
01/25/2006	1	Beaufield Consolidated Resources Inc. - Units	3,400,000.00	6,800,000.00
02/10/2006	1	Blue Devil Pharmaceuticals Inc. - Common Shares	136,000.00	25,000.00
02/03/2006	1	Blue Pearl Mining Ltd. - Units	400,000.00	500,000.00
02/17/2006	180	Brilliant Mining Corp. - Units	2,065,000.00	6,400,000.00
01/23/2006	11	BSM Technologies Inc. - Units	1,236,999.95	8,246,664.00
02/08/2006	631	Canada West Capital Inc. - Common Shares	33,959,999.00	8,095,238.00
02/21/2006	3	Canadian Baldwin Resources Limited - Common Shares	750,000.00	750,000.00
02/10/2006	3	Canadian Golden Dragon Resources Ltd. - Common Shares	7,500.00	70,000.00
01/31/2006 to 02/09/2006	3	Canadian Superior Energy Inc. - Common Shares	2,400,000.00	1,000,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
01/31/2006 to 02/09/2006	1	Canadian Superior Energy Inc. - Preferred Shares	15,000,000.00	15,000.00
06/02/2006	6	Canstar Resources Inc. - Units	450,000.00	2,812,500.00
01/27/2006	8	Carpathain Gold Inc. - Units	1,849,950.00	12,333,000.00
02/16/2006	179	Central Alberta Well Services Corp. - Common Shares	5,082,700.00	2,904,400.00
02/10/2006	9	Cogient Corp - Common Shares	989,050.00	98,905,000.00
02/10/2006	1	Consolidated Spire Ventures Ltd. - Common Shares	33,000.00	100,000.00
12/31/2005	16	Contact Exploration Inc. - Flow-Through Shares	1,206,000.00	1,507,000.00
02/16/2006	31	Contact Exploration Inc. - Flow-Through Shares	11,533,800.00	387,500.00
02/17/2006	3	Copper Reef Mines (1973) Limited - Units	275,000.00	1,375,000.00
02/07/2006	4	Crocs, Inc. - Common Shares	2,290,659.00	95,000.00
01/31/2006	24	Deans Knight Equity Growth Fund - Trust Units	19,250,000.00	38,500.00
02/23/2006	311	Deloro Resources Ltd. - Units	2,000,000.00	8,000,000.00
01/20/2006 to 01/27/2006	12	DIRTT Environmental Solutions Ltd. - Debentures	507,500.00	5,075.00
06/15/2005	1	Dove Energy Inc. - Units	25,000.00	50,000.00
01/31/2006	1	East West Resource Corporation - Common Shares	30,000.00	150,000.00
12/16/2005	46	EdgeStone Capital Equity Fund III (Canada), L.P. - L.P. Interest	264,644,765.00	264,644,765.00
02/14/2006	54	ELE Capital Corporation - Receipts	2,500,000.00	10,000,000.00
01/01/2005 to 12/31/2005	1	Elliott & Page Core Canadian Equity Fund - Units	18,995,362.20	1,261,977.49
01/01/2005 to 12/31/2005	21	Elliott & Page Corporate Bond Fund - Units	158,935,589.47	14,902,161.78
01/01/2005 to 12/31/2005	1	Elliott & Page Generation Wave Fund - Units	6,501,676.79	401,922.86
01/01/2005 to 12/31/2005	1	Elliott & Page Growth Opportunities Fund - Units	138,158,959.90	4,226,169.93
01/01/2005 to 12/31/2005	1	Elliott & Page Money Fund - Units	324,871,360.74	32,487,136.07
01/01/2005 to 12/31/2005	1	Elliott & Page Monthly High Income Fund - Units	760,928,773.64	46,262,175.61
01/01/2005 to 12/31/2005	1	Elliott & Page Sector Rotation Fund - Units	4,316,360.29	254,228.86
01/01/2005 to 12/31/2005	1	Elliott & Page U.S. Mid-Cap Fund - Units	44,284,970.07	3,724,679.09

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
01/01/2005 to 12/31/2005	1	Elliott & Page Value Equity Fund - Units	31,940,894.09	2,109,067.64
02/13/2006	3	Eurohypo Europaeische Hypothekenbank SA - Notes	37,000,000.00	37,000,000.00
02/13/2006	1	Excapsa Software Inc. - Common Shares	1,125.00	500.00
02/16/2006	25	Excapsa Software Inc. - Common Shares	14,519,700.00	6,570,000.00
01/01/2005 to 12/31/2005	1	Elliott & Page Canadian Equity Fund - Units	12,484,490.30	412,905.33
01/01/2005 to 12/31/2005	1	Elliott & Page Dividend Fund - Units	250,526,092.31	17,648,649.74
01/01/2005 to 12/31/2005	1	Elliott & Page Global Multi-Style Fund - Units	63,027.45	5,264.68
01/01/2005 to 12/31/2005	1	Elliott & Page Manulife Tax-Managed Growth Portfolio - Units	7,048,201.13	654,538.99
02/01/2006	8	FactorCorp Inc. - Debentures	770,000.00	N/A
01/03/2006	1	First Swiss Capital Management Corp. - Notes	40,000.00	N/A
02/09/2006	9	Franconia Minerals Corporation - Units	650,000.00	3,250,000.00
02/17/2006	17	General Motors Acceptance Corporation of Canada, Limited - Notes	4,731,653.06	47,316.00
01/01/2006	2	Giraffe Capital Limited Partnership - L.P. Units	450,000.00	318.18
01/27/2006	12	Golden Credit Card Trust - Notes	1,200,000,000.00	1.00
02/15/2006	6	Golden Goliath Resources Ltd. - Common Shares	562,800.00	1,608,000.00
01/31/2006	1	Golden Queen Mining Co. Ltd. - Units	3,600,000.00	7,200,000.00
01/30/2006	9	Habanero Resources Inc. - Units	93,000.00	300,000.00
02/07/2006	1	Hausmann Holdings Fund - Common Shares	9,330.56	4.00
02/16/2006	59	Helio Resource Corp. - Units	2,000,000.00	4,000,000.00
02/07/2006	374	HSE Integrated Ltd. - Common Shares	1,375,000.00	550,000.00
01/31/2006	2	H&R Real Estate Investment Trust - Bonds	103,813,150.00	2.00
01/24/2006	20	Icefloe Technologies Inc. - Debentures	2,025,000.00	2,025,000.00
02/13/2006 to 02/22/2006	16	IMAGIN Diagnostic Centres, Inc. - Preferred Shares	225,000.00	450,000.00
01/21/2005 to 11/10/2005	1	Integra Analytic Canadian Market Neutral Fund - Units	21,698,013.57	203,956.80
01/01/2005 to 12/31/2005	5	Integra Conservative Allocation Fund - Units	5,392,880.34	365,431.92
01/01/2005 to 12/31/2005	8	Integra Diversified Fund - Units	116,412,307.94	3,563,073.06
01/01/2005 to 12/31/2005	40	Integra Growth Allocation Fund - Trust Units	12,024,983.03	917,339.08

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
10/20/2005 to 11/10/2005	1	Integra Newton Global Bond Fund - Units	85,534,251.58	8,553,899.07
01/01/2005 to 12/31/2005	72	Integra Strategic Allocation Fund - Trust Units	29,980,631.47	2,057,107.79
02/21/2006	69	International Wayside Gold Mines Ltd. - Units	1,729,499.40	5,764,998.00
02/09/2006	12	Intrepid Minerals Corporation - Units	5,500,000.00	6,875,000.00
02/14/2006	1	Investeco Private Equity Fund II, L.P. - L.P. Units	150,565.07	150.00
02/13/2006	2	Islandsbanki hf - Notes	150,000,000.00	15,000,000.00
02/10/2006	3	IsoRay Inc. - Units	260,516.30	10.00
02/16/2006	1	IsoRay, Inc. - Units	114,795.00	5,000.00
01/01/2005 to 12/31/2005	1	Jarislowky Fraser Global Equity Fund - Units	8,201,448.23	820,143.32
01/01/2005 to 12/31/2005	93	Jarislowky International Pooled Fund - Units	118,409,996.37	4,544,326.05
01/01/2005 to 12/31/2005	94	Jarislowky Special Equity Fund - Units	63,755,108.00	2,617,442.74
01/01/2005 to 12/31/2005	72	Jarislowky, Fraser Balanced Fund - Units	251,120,162.81	16,321,044.59
01/01/2005 to 12/31/2005	16	Jarislowky, Fraser Bond Fund - Units	44,942,113.01	4,029,336.88
01/01/2005 to 12/31/2005	38	Jarislowky, Fraser Canadian Equity Fund - Units	367,684,784.52	11,902,058.41
01/01/2005 to 12/31/2005	26	Jarislowky, Fraser Global Balanced Fund - Units	36,970,981.35	3,320,478.59
01/01/2005 to 12/31/2005	13	Jarislowky, Fraser U.S. Equity Fund - Units	17,298,493.92	2,098,386.20
02/17/2006	9	JumpTV.com, Inc. - Common Shares	1,477,440.00	513,000.00
01/25/2006	3	KBSH Enhanced Income Fund - Units	291,469.00	5,799.03
01/25/2006	1	KBSH Income Trust Fund - Units	176,725.00	13,312.62
02/03/2006	1	KBSH Private - Canadian Equity Fund - Units	63,500.00	3,106.96
01/10/2006	21	Kelso Technologies Inc. - Common Shares	137,438.00	1,374,380.00
02/06/2006	134	Kenrich Eskay Mining Corp. - Flow-Through Shares	7,067,490.00	2,032,000.00
02/15/2006	4	Kingwest Avenue Portfolio - Units	49,400.00	1,709.34
02/15/2006	1	Kingwest Canadian Equity Portfolio - Units	60,000.00	5,666.79
02/15/2006	1	Kingwest U.S. Equity Portfolio - Units	29,529.60	1,845.60
01/24/2006	7	Landwirtschaftliche Rentenbank - Notes	116,800,000.00	116,800,000.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
01/27/2006	4	Lemontonic Inc. - Common Shares	34,000.00	226,667.00
02/13/2006 to 02/17/2006	23	Lezington Energy Services Inc. - Common Shares	290,444.00	506,000.00
02/23/2006	10	Mantle Resources Inc. - Flow-Through Shares	3,750,000.00	3,000,000.00
12/19/2005	1	Manulife Simplicity Conservative Portfolio - Units	22,234.50	2,181.69
12/14/2005 to 12/31/2005	1	Manulife Simplicity Aggressive Portfolio - Units	119,464.04	10,906.33
12/06/2005 to 12/31/2005	1	Manulife Simplicity Balanced Portfolio - Units	1,506,775.86	124,494.00
12/06/2005 to 12/31/2005	1	Manulife Simplicity Growth Portfolio - Units	722,066.15	59,809.74
12/02/2005 to 12/31/2005	1	Manulife Simplicity Income Portfolio - Units	16,851,643.13	1,674,093.71
12/14/2005 to 12/31/2005	1	Manulife Simplicity Moderate Portfolio - Units	299,238.45	28,900.98
02/14/2006	55	Medical Ventures Corp. - Units	7,500,000.00	18,500,000.00
02/02/2006	148	Medsurge Medical Products Corp - Common Shares	11,500,000.00	4,600,000.00
02/08/2006 to 02/10/2006	39	Metropolitan Life Global Funding I - Notes	1,196,055,510.00	400,000,000.00
04/25/2005 to 12/31/2005	1	MFC Global Investment Management EAFE Pooled Fund - Units	66,601,570.55	6,638,950.09
12/30/2005	1	MFC Global Investment Management Pooled Balanced Fund - Units	671,260.34	67,815.04
02/28/2005	1	MFC Global Investment Management Pooled Bond Fund - Units	244,987.00	24,270.32
01/01/2005 to 12/31/2005	1	MFC Global Investment Management Pooled Canadian Bond Index Fund - Units	50,354,767.85	4,675,627.49
12/30/2005	1	MFC Global Investment Management Pooled Canadian Equity Fund - Units	826,286.38	98,452.99
01/01/2005 to 05/31/2006	1	MFC Global Investment Management Pooled Canadian Index Fund - Units	38,253,395.73	2,854,739.84
12/30/2005	1	MFC Global Investment Management Pooled Corporate Bond Fund - Units	718,227.72	71,831.39
01/01/2005 to 12/31/2005	1	MFC Global Investment Management Pooled Short Term Fund - Units	2,789,188.16	347,052.30
06/06/2005	1	MFC Global Investment Management Pooled Strategic Bond Fund - Units	49,600,000.00	4,960,000.00
01/01/2005 to 12/31/2005	1	MFC Global Investment Management Pooled US Index Fund - Units	43,817,955.45	4,903,126.36

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
01/01/2005 to 12/31/2005	1	MFC Global Investment Management Pooled U.S. Equity Fund - Units	2,744,148.24	459,750.42
01/01/2005 to 12/31/2005	1	MIX Canadian Large Cap Core Class-Series G - Units	333,547.60	22,668.29
01/01/2005 to 12/31/2005	1	MIX Canadian Large Cap Value Class- Series G - Units	327,988,269.50	24,170,141.18
01/01/2005 to 12/31/2005	1	MIX Elliott & Page US Mid Cap Class - Units	113,147.35	9,264.78
01/01/2005 to 12/31/2005	1	MIX Global Equity Class - Units	19,530,316.40	1,762,667.94
01/01/2005 to 12/31/2005	1	MIX Global Value Class - Units	4,774,699.82	348,004.36
01/01/2005 to 12/31/2005	1	MIX International Growth Class - Units	84,568.98	7,304.84
01/01/2005 to 12/31/2005	1	MIX International Value Class - Units	9,350,247.48	695,035.78
01/01/2005 to 12/31/2005	1	MIX Seamark Total Canadian Equity Class - Units	443,214.43	29,247.96
01/01/2005 to 12/31/2005	1	MIX Seamark Total Global Equity Class - Units	30,911,975.15	2,594,759.88
01/01/2005 to 12/31/2005	1	MIX Seamark Total US Equity Class - Units	10,224,322.09	952,662.02
01/01/2005 to 12/31/2005	1	MIX US Large Cap Core Class - Units	95,891.06	9,444.69
01/01/2005 to 12/31/2005	1	MIX US Large Cap Growth Class - Units	263,566,095.80	27,296,952.12
01/01/2005 to 12/31/2005	1	MIX US Large Cap Value Class - Units	2,506,749.95	232,585.68
01/01/2005 to 12/31/2005	1	MIX US Mid Cap Value Class - Units	196,002.09	15,381.42
02/14/2006	112	Molycor Gold Corp. - Units	1,000,920.00	8,341,000.00
02/23/2006 to 02/27/2006	2	Morgans Hotel Group Co. - Common Shares	253,484.00	18,000,000.00
01/31/2006	1	Murgor Resources Inc. - Common Shares	0.00	50,000.00
06/17/2006	180	New Guinea Gold Corporation - Common Shares	7,000,000.00	35,000,000.00
11/29/2005	98	New NIB Partners LP - L.P. Interest	1,763,722,720.06	96.74
02/17/2006	18	NexgenRx Inc. - Common Shares	700,200.00	252,779.78
01/18/2005	38	Palos Capital Pool L.P. - Units	2,325,908.76	-1.00
04/26/2005 to 12/31/2005	49	Peer Diversified Mortgage Fund - Units	9,102,315.00	905,566.85

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
01/27/2006	1	Pele Mountain Resources Inc. - Units	252,000.00	1,050,000.00
02/16/2006	2	Performance Plants Inc. - Notes	666,668.00	-1.00
02/01/2006	31	PetroGlobe Inc. - Units	7,132,070.00	5,094,336.00
02/10/2006	5	Quinto Technology Inc. - Units	348,000.00	580,000.00
02/10/2006	1	Real Assets US Social Equity Index Fund - Units	9,526.40	-1.00
02/02/2006	24	Riverstone Resources Inc. - Units	465,000.00	2,325,000.00
12/23/2005	22	Rock Well Petroleum Inc. - Common Shares	2,740,917.44	1,827,279.00
12/01/2005	63	Royal Laser Corp. - Debentures	6,200,000.00	6,500,000.00
02/10/2006	9	Sedex Mining Corp. - Flow-Through Units	72,500.00	1,450,000.00
02/08/2006	17	Sofea Inc. - Debentures	1,401,336.21	2.00
11/18/2005	61	Solara Exploration Ltd. - Common Shares	1,100,000.00	4,400,000.00
10/31/2005 to 12/31/2005	4	Sprott Hedge Fund Limited Partnership - L.P. Units	3,144,118.81	107,898.69
10/31/2005 to 12/31/2005	33	Sprott Hedge Fund Limited Partnership II - L.P. Units	3,843,658.93	37,045.00
10/31/2005 to 12/31/2005	169	Sprott Opportunities RSP Fund - Trust Units	8,177,832.96	804,782.85
02/15/2006 to 02/27/2006	32	Stallion Energy Ltd. - Common Shares	5,000,000.00	2,500,000.00
01/31/2006	2	Stealth Minerals Limited - Units	225,000.00	1,500,000.00
02/17/2006	1	St. Genevieve Resources Ltd. - Common Shares	30,000.00	600,000.00
02/14/2006	33	Synodon Inc. - Common Shares	760,600.00	1,901,401.00
02/03/2006	46	Tagish Lake Gold Corp. - Units	1,328,000.00	13,280,000.00
01/31/2006	6	Temex Resource Corp. - Units	700,000.00	1,400,000.00
01/31/2006	1	The Galazite (Offshore) Fund - Units	285,400.00	250.00
01/31/2006	10	The McElvaine Investment Trust - Trust Units	240,840.00	9,473.09
01/31/2006	12	Timbercreek Investments Inc. - Debentures	5,820,000.00	58,200.00
01/25/2006 to 01/31/2006	106	Titan Uranium Inc. - Units	2,600,000.00	1,625,000.00
02/17/2006	76	TriStar Oil & Gas Ltd. - Receipts	44,027,750.00	5,681,000.00
02/14/2006 to 02/16/2006	104	Triumph Gold Corp. - Units	1,654,150.00	20,676,250.00
02/21/2006	9	United Bolero Development Corp. - Units	690,000.00	3,450,000.00
05/31/2005 to 12/16/2005	1	Vanguard Global Equity Fund - Units	110,232,520.00	5,334,181.00

Notice of Exempt Financings

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
03/23/2005 to 12/28/2005	2	Vanguard Institutional Index Fund - Common Shares	100,562.00	687.00
01/28/2005 to 12/23/2005	2	Vanguard Total Stock Index Fund - Units	727,758.00	21,270.00
03/15/2005	1	Vanguard U.S. Futures Fund - Units	1,163,000.00	7,992.00
02/03/2006	1	Vedron Gold Inc. - Common Shares	608,000.00	800,000.00
02/15/2006	427	Walton Simcoe Heights Corporation - Common Shares	6,182,000.00	618,200.00
05/13/2005 to 12/02/2005	13	YMG Balanced Pooled Fund - Units	56,010,441.26	N/A
03/04/2005 to 11/15/2005	7	YMG Canadian Equity Pooled Fund - Units	29,005,850.45	N/A
03/11/2005 to 11/19/2005	13	YMG Institutional Fixed Income Fund - Units	54,669,066.71	N/A
03/11/2005 to 11/18/2005	7	YMG Institutional Income Trust Fund - Units	61,599,139.67	N/A
01/10/2005 to 11/07/2005	33	YMG International Equity Pooled Fund - Units	40,451,173.80	N/A
01/07/2005 to 11/25/2005	15	YMG Private Wealth Opportunities Fund - Units	2,043,000.00	N/A
01/01/2005 to 12/31/2005	4	YMG Short Term Investment Pooled Fund - Units	1,830,165.96	183,016.00
04/11/2005	1	YMG Special International Equity Pooled Fund - Units	33,000.00	1,612.06
11/04/2005 to 11/18/2005	2	YMG Special U.S. Equity Pooled Fund - Units	92,000.00	N/A
01/14/2005 to 11/18/2005	4	YMG U.S. Equity Pooled Fund - Units	19,488,388.25	N/A
02/16/2006	1	Young-Shannon Gold Mines, Limited - Common Shares	30,000.00	300,000.00
02/16/2006	1	Young-Shannon Gold Mines, Limited - Common Shares	30,000.00	300,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

Alberta Focused Income & Growth Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Middlefield Group Limited
Middlefield Focused Management Limited

Project #894061

Issuer Name:

Amerigo Resources Ltd
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

\$15,600,000.00 - 6,000,000 Common Shares Price: \$2.60 per Common Share

Underwriter(s) or Distributor(s):

Raymond James Ltd.
MGI Securities Inc.
Salman Partners Inc.

Promoter(s):

-
Project #894386

Issuer Name:

Anvil Mining Limited
Principal Regulator - British Columbia

Type and Date:

Preliminary Short Form Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

\$149,500,000.00 - 23,000,000 Common Shares Price: \$6.50 per Common Share

Underwriter(s) or Distributor(s):

Paradigm Capital Inc.
Haywood Securities Inc.
GMP Securities L.P.

Promoter(s):

-
Project #894221

Issuer Name:

Brookshire Raw Materials (Canada) Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

\$ * - * Units Initial Offering Price: \$10.00 per Unit
Continuous Offering Price: Net Asset Value per Unit
Minimum Initial Purchase: \$2,000 initially and \$500 subsequently

Underwriter(s) or Distributor(s):

Northern Securities Inc.
Northern Securities Inc.

Promoter(s):

Brookshire Raw Materials Group Inc.
Project #894442

Issuer Name:

Cipher Pharmaceuticals Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated February 28, 2006

Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

\$12,000,000.00 - 2,500,000 Common Shares Price: \$4.80 per Common Shares

Underwriter(s) or Distributor(s):

National Bank Financial Inc.

Clarus Securities Inc.

GMP Securities L.P.

Promoter(s):

-

Project #894852

Issuer Name:

Creststreet enHanced Income Energy Fund

Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 27, 2006

Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit Minimum Purchase: 200 Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.

Scotia Capital Inc.

BMO Nesbitt Burns Inc.

RBC Dominion Securities Inc.

National Bank Financial Inc.

TD Securities Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

Blackmont Capital Inc.

Desjardins Securities Inc.

Raymond James Ltd.

Wellington West Capital Inc.

GMP Securities L.P.

Peters & Co. Limited

Tristone Capital Inc.

Promoter(s):

Creststreet Capital Corporation

Creststreet Chief Management Limited

Project #894408

Issuer Name:

Dragon Capital Corporation

Type and Date:

Amended and Restated Preliminary CPC Prospectus dated February 24, 2006

Received on February 24, 2006

Offering Price and Description:

Minimum Offering: \$500,000.00 or 2,000,000 Common Shares; Maximum Offering: \$1,500,000.00 or 6,000,000 Common Shares Price: \$0.25 per Common Share

Underwriter(s) or Distributor(s):

Fraser Mackenzie Limited

Promoter(s):

Oliver Xing

Project #886188

Issuer Name:

EnerVest Energy and Oil Sands Total Return Trust

Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated February 23, 2006

Mutual Reliance Review System Receipt dated February 23, 2006

Offering Price and Description:

\$ * - * Trust Units Price: \$10.00 per Trust Unit (Minimum Purchase: 100 Trust Units)

Underwriter(s) or Distributor(s):

Raymond James Ltd.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Scotia Capital Inc.

TD Securities Inc.

GMP Securities L.P.

Blackmont Capital Inc.

Canaccord Capital Corporation

HSBC Securities (Canada) Inc.

Desjardins Securities Inc.

Dundee Securities Corporation

Research Capital Corporation

Richardson Partners Financial Limited

Wellington West Capital Inc.

Promoter(s):

Enervest Management Ltd.

Enervesto Oil Sands Management Inc.

Project #893078

Issuer Name:

frontierAlt Oasis Canada Fund
frontierAlt Oasis World Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated February 23, 2006
Mutual Reliance Review System Receipt dated February 24, 2006

Offering Price and Description:

Series A, F and I Units

Underwriter(s) or Distributor(s):

Banwell Financial Inc.

Promoter(s):

Banwell Financial Inc.

Project #893021

Issuer Name:

GeoPetro Resources Company
Principal Regulator - Alberta

Type and Date:

Second Amended and Restated Preliminary Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

US\$ * - * Common Shares including * Flow-Through
Common Shares Price: US\$4.00 per Common Share
US\$4.40 per Flow-Through Share

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Westwind Partners Inc.

Promoter(s):

-

Project #796276

Issuer Name:

Mavrix Explore 2006 - I FT Limited Partnership
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 24, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

Maximum offering: \$75,000,000.00 (7,500,000 Units);
Minimum offering: \$5,000,000.00 (500,000 Units) Minimum
Subscription: 500 Units Subscription Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
TD Securities Inc.
Dundee Securities Corporation
Scotia Capital Inc.

Berkshire Securities Inc.

Blackmont Capital Inc.

HSBC Securities (Canada) Inc.

Raymond James Ltd.

Desjardins Securities Inc.

Wellington West Capital Inc.

Bieber Securities Inc.

Industries Alliance Securities Limited

IPC Securities Corporation

MGI Securities Inc.

Union Securities Ltd.

Promoter(s):

Mavrix Explore 2006 - I FT Management Limited
Mavrix Fund Management Inc.

Project #893967

Issuer Name:

McLean Budden High Income Equity Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated February 22, 2006
Mutual Reliance Review System Receipt dated February 22, 2006

Offering Price and Description:

Class A, B, and C Units

Underwriter(s) or Distributor(s):

McLean Budden Limited
McLean, Budden Limited
McLean Budden Limited

Promoter(s):

McLean Budden Limited

Project #892321

Issuer Name:

Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form PREP Prospectus dated February 22, 2006

Mutual Reliance Review System Receipt dated February 23, 2006

Offering Price and Description:

\$548,100,000.00 (Approximate) Commercial Mortgage
Pass-Through Certificates, Series 2006-Canada 18

Underwriter(s) or Distributor(s):

Merrill Lynch Canada Inc.
Credit Suisse Securities (Canada) Inc.

Promoter(s):

-

Project #892660

Issuer Name:

Oil Sands and Energy Mega-Projects Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Prospectus dated February 23, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

\$* - * Units Price: \$10.00 per Unit Minimum Purchase: 200
Units

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
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.
Blackmont Capital Inc.
Desjardins Securities Inc.
Dundee Securities Corporation
Wellington West Capital Inc.
IPC Securities Corporation
Research Capital Corporation

Promoter(s):

Sentry Select Capital Corp.

Project #893680

Issuer Name:

Production Enhancement Group, Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated February 23, 2006
Mutual Reliance Review System Receipt dated February 24, 2006

Offering Price and Description:

Maximum: \$16,000,000.00 - (8,000,000 Units) Minimum:
\$14,000,000.00 - (7,000,000 Units) Price: \$2.00 per Unit

Underwriter(s) or Distributor(s):

Research Capital Corporation

Promoter(s):

Philip C. Crawford
Chester J. Jachimiec

Project #893595

Issuer Name:

Putnam Equity Growth Fund
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated February 20, 2006
Mutual Reliance Review System Receipt dated February 22, 2006

Offering Price and Description:

Class A and D Units

Underwriter(s) or Distributor(s):

-Promoter(s):

Putnam Investments Inc.

Project #891926

Issuer Name:

Radiant All Equity Portfolio
Radiant All Income Portfolio
Radiant Balanced Portfolio
Radiant Conservative Portfolio
Radiant Defensive Portfolio
Radiant Growth Portfolio
Radiant High Growth Portfolio
Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectuses dated February 23,
2006
Mutual Reliance Review System Receipt dated February
24, 2006

Offering Price and Description:

Series I Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #881893

Issuer Name:

Resolve Business Outsourcing Income Fund
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated
February 23, 2006

Mutual Reliance Review System Receipt dated February
24, 2006

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
Blackmont Capital Inc.
Raymond James Ltd.
Genuity Capital Markets G.P.
Pacific International Securities Inc.
Westwind Partners Inc.

Promoter(s):

Resolve Corporation
CSRS Holdings Ltd.
Oncap Investment Partners Inc.
FirstService Corporation

Project #889187

Issuer Name:

Supremex Income Fund
Principal Regulator - Quebec

Type and Date:

Amended and Restated Preliminary Prospectus dated
February 24, 2006

Mutual Reliance Review System Receipt dated February
24, 2006

Offering Price and Description:

\$ * - * Units Price: \$10.00 per Unit

Underwriter(s) or Distributor(s):

TD Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Genuity Capital Markets G.P.

Promoter(s):

Cenveo, Inc.
Project #890319

Issuer Name:

Tim Hortons Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated
February 27, 2006

Mutual Reliance Review System Receipt dated February
28, 2006

Offering Price and Description:

\$ * - * Shares of Common Stock Price: \$ * per Share

Underwriter(s) or Distributor(s):

Goldman Sachs Canada Inc.
RBC Dominion Securities Inc.
J.P. Morgan Securities Canada Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
TD Securities Inc.

Promoter(s):

-

Project #866070

Issuer Name:

Vital Resources Corp.
Principal Regulator - British Columbia

Type and Date:

Amended and Restated Preliminary Prospectus dated
February 23, 2006

Mutual Reliance Review System Receipt dated February
24, 2006

Offering Price and Description:

2,250,000 COMMON SHARES PRICE: \$0.20 PER
COMMON SHARE

AND 6,670,000 COMMON SHARES ISSUABLE UPON
THE EXERCISE OF 6,670,000 PREVIOUSLY ISSUED
SPECIAL WARRANTS

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #856898

Issuer Name:

AIC Private Portfolio Counsel Canadian Pool
(Class F and Class O Units)
AIC Private Portfolio Counsel U.S. Small to Mid Cap Pool
(Class F and Class O Units)
AIC Private Portfolio Counsel Global Pool
(Class F and Class O Units)
AIC Private Portfolio Counsel Bond Pool
(Class F and Class O Units)
AIC Private Portfolio Counsel Income Pool
(Class F, Class O and Class T Units)
AIC Private Portfolio Counsel Global Fixed Income Pool
(Class F and Class O Units)
AIC PPC Balanced Income Portfolio Pool
(Class T Units)
AIC PPC Balanced Growth Portfolio Pool
(Class T Units)
AIC PPC Core Growth Portfolio Pool
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated February 21, 2006
Mutual Reliance Review System Receipt dated February
24, 2006

Offering Price and Description:

Mutual Fund Units, Class F Units, Class O Units and Class T
Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

AIC Limited
Project #872491

Issuer Name:

Bankers Petroleum Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February
27, 2006

Offering Price and Description:

Cdn\$50,000,000.00 - 50,000,000 Common Shares Price:
\$1.00 per Offered Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
Orion Securities Inc.

Promoter(s):

Robert Cross
Ford Nicholson
Project #890685

Issuer Name:

BluMont Man Alternative Yield Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 20, 2006
Mutual Reliance Review System Receipt dated February
22, 2006

Offering Price and Description:

Units

Underwriter(s) or Distributor(s):

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

Promoter(s):

BluMont Capital Corporation
Project #870883

Issuer Name:

Canada Mortgage Acceptance Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 22, 2006
Mutual Reliance Review System Receipt dated February
23, 2006

Offering Price and Description:

\$354,001,000.00 - (Approximate) Canada Mortgage
Acceptance Corporation (Issuer) Mortgage Pass-Through
Certificates, Series 2006-C4

Underwriter(s) or Distributor(s):

TD Securities Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.

Promoter(s):

GMAC Residential Funding of Canada, Limited
Project #889254

Issuer Name:

Canadian General Investments, Limited
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 23, 2006
Mutual Reliance Review System Receipt dated February 23, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.

Promoter(s):

-

Project #889973

Issuer Name:

Canadian Life Companies Split Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

\$60,060,000.00 (Maximum) - 2,200,000 Preferred Shares and 2,200,000 Class A Shares

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities 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
Raymond James Ltd.
Bieber Securities Inc.
Blackmont Capital Inc.
Laurentian Bank Securities Inc.
Wellington West Capital Inc.

Promoter(s):

Quadravest Capital Management Inc.

Project #885707

Issuer Name:

Connor, Clark & Lunn ROC Pref Corp.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

\$150,000,000.00 Maximum 6,000,000 Preferred Shares @ \$25 per Preferred share

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:

Final Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

Maximum \$100,000,000.00 (10,000,000 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:

Final Prospectus dated February 23, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

Trust units - Maximum Offering: \$100,000,000 Price: \$10 per unit

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:

Denison Mines Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 22, 2006
Mutual Reliance Review System Receipt dated February 23, 2006

Offering Price and Description:

\$51,000,000.00 - 3,000,000 UNITS (Each Unit consisting of one common share and one half of a common share purchase warrant) PRICE: \$17.00 PER UNIT

Underwriter(s) or Distributor(s):

Sprott Securities Inc.
Dundee Securities Corporation
National Bank Financial Inc.
Scotia Capital Inc.
Raymond James Ltd.

Promoter(s):

-

Project #887380

Issuer Name:

Eagle Credit Card Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Base Shelf Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

Up to \$1,500,000,000.00 of Credit Card Receivables-Backed Notes

Underwriter(s) or Distributor(s):

-

Promoter(s):

President's Choice Bank

Project #891781

Issuer Name:

Faircourt Split Trust
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

Maximum \$150,000,000.00 - 6,000,000 Preferred Securities and 6,000,000 Units \$10 per Preferred Securities and \$15 per Unit

Underwriter(s) or Distributor(s):

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

Promoter(s):

Faircourt Asset Management Inc.

Project #885290

Issuer Name:

Frontera Copper Corporation
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

\$25,000,000.00 - Principal Amount of 10% Senior
Unsecured Notes due March 2011

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Haywood Securities Inc.
Orion Securities Inc.
BMO Nesbitt Burns Inc.

Promoter(s):

-

Project #891499

Issuer Name:

IBI Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 22, 2006
Mutual Reliance Review System Receipt dated February 23, 2006

Offering Price and Description:

\$38,060,000.00 - 3,460,000 Units Price \$11.00 per Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
TD Securities Inc.

Promoter(s):

Beinhaker Design Services Ltd.
Scott Stewart & Associates Ltd.

Project #890489

Issuer Name:

Leitrim Group Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 22, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

MAXIMUM OFFERING: \$3,000,000.00 (20,000,000
UNITS); MINIMUM OFFERING: \$2,500,000.00 (16,666,667
UNITS) PRICE: \$0.15 PER UNIT

Underwriter(s) or Distributor(s):

Octagon Capital Corporation

Promoter(s):

David Lucatch
Girvan L. Patterson
Brian K Penny
Jana Lucatch

Project #853433

Issuer Name:

Long Harbour Capital Corp.
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated February 22, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

\$400,000.00 - 2,000,000 COMMON SHARES PRICE:
\$0.20 PER COMMON SHARE

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Howard Louie
Geoffrey Lee

Project #879272

Issuer Name:

Mackenzie Universal Canadian Resource Capital Class

Type and Date:

Final Simplified Prospectus dated February 23, 2006
Received on February 27, 2006

Offering Price and Description:

Series R Shares

Underwriter(s) or Distributor(s):

-

Promoter(s):

Mackenzie Financial Corporation

Project #883689

Issuer Name:

New Gold Inc.
Principal Regulator - British Columbia

Type and Date:

Final Short Form Prospectus dated February 22, 2006
Mutual Reliance Review System Receipt dated February 23, 2006

Offering Price and Description:

\$75,006,000.00 - 8,334,000 Units Price: \$9.00 per Unit

Underwriter(s) or Distributor(s):

GMP Securities L.P.
BMO Nesbitt Burns Inc.
Orion Securities Inc.
TD Securities Inc.
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #887105

Issuer Name:

Newalta Income Fund
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated February 24, 2006
Mutual Reliance Review System Receipt dated February 24, 2006

Offering Price and Description:

\$196,000,000.00 - 7,000,000 Trust Units Price: \$28.00 per Trust Unit

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Sprott Securities Inc.
Canaccord Capital Corporation
Scotia Capital Corporation
Orion Securities Inc.

Promoter(s):

-

Project #891309

Issuer Name:

NIF-T
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 24, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

(1) \$215,000,000.00 - 4.225% Class A-1 Senior Medium Term Notes, Series 2006-1;
(2) \$210,000,000.00 - 4.280% Class A-2 Senior Medium Term Notes, Series 2006-1;
(3) \$170,000,000.00 - 4.370% Class A-3 Senior Medium Term Notes, Series 2006-1;
(4) \$38,000,000,.. - 4.801% Class B-1 Subordinated Medium Term Notes, Series 2006-1
(to be offered at prices to be negotiated)

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.

Promoter(s):

-

Project #890946

Issuer Name:

Oil Sands Sector Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 24, 2006
Mutual Reliance Review System Receipt dated February 27, 2006

Offering Price and Description:

\$500,000,000.00 (Maximum) Trust Units Price per Unit: \$10.00

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:

Schooner Trust
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated February 21, 2006
Mutual Reliance Review System Receipt dated February 22, 2006

Offering Price and Description:

\$453,140,000.00 (approximate) COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2006-5

Underwriter(s) or Distributor(s):

TD Securities Inc.

Promoter(s):

-

Project #887702

Issuer Name:

Superior Plus Inc.
Principal Regulator - Alberta

Type and Date:

Final Short Form Base Shelf Prospectus dated February 23, 2006
Mutual Reliance Review System Receipt dated February 23, 2006

Offering Price and Description:

\$400,000,000.00 - Medium Term Note Debentures (secured)

Underwriter(s) or Distributor(s):

TD Securities Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Citigroup Global Markets Canada Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.

Promoter(s):

-

Project #891201

Issuer Name:

TransForce Income Fund
Principal Regulator - Quebec

Type and Date:

Final Short Form Prospectus dated February 21, 2006
Mutual Reliance Review System Receipt dated February 22, 2006

Offering Price and Description:

\$138,000,000.00 - 7,500,000 Trust Units Price: \$18.40 per Trust Unit

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
Sprott Securities Inc.
Dundee Securities Corporation
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #888627

Issuer Name:

Viscount Canadian Bond Pool
Viscount Canadian Equity Pool
Viscount High Yield U.S. Bond Pool
Viscount International Equity Pool
Viscount U.S. Equity Pool
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated February 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

Series A, Series I and Series V Units

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

Goodman & Company, Investment Counsel Ltd.

Project #882091

Issuer Name:

Water Capital Inc.
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated February 17, 2006
Mutual Reliance Review System Receipt dated February 22, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Raymond James Ltd.
Canaccord Capital Corporation

Promoter(s):

Timothy Gallagher

Project #873558

Issuer Name:

Westfield Real Estate Investment Trust
Principal Regulator - Manitoba

Type and Date:

Final Short Form Prospectus dated March 27, 2006
Mutual Reliance Review System Receipt dated February 28, 2006

Offering Price and Description:

\$50,008,000.00 - 3,572,000 Units Price: \$14.00 per Unit

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Bieber Securities Inc.
WestWind Partners Inc.

Promoter(s):

-

Project #886523

Issuer Name:

Zenith Industries Corporation
Principal Regulator - British Columbia

Type and Date:

Final Prospectus dated February 27, 2006
Mutual Reliance Review System Receipt dated February
28, 2006

Offering Price and Description:

(1) \$750,000.00 - 7,500,000 Shares Price: \$0.10 per
Share; (2) Agent's Option - 750,000 Shares Price: \$0.10
per Share; (3) Director's and Officer's Options - 1,550,000
Shares Price: \$0.10 per Share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Thomas Braun

Project #888051

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Saratoga Finance Inc.	Limited Market Dealer	February 28, 2006
New Registration	CRR Capital Markets Inc.	Limited Market Dealer	February 28, 2006
New Registration	Quellos Fund Services, LLC	Limited Market Dealer	February 27, 2006
Change of Name	From: CPE, LLC To: C.P. Eaton Partners, LLC	International Dealer	February 27, 2006
Change of Name	From: Real Assets Investment Management Inc. To: Inhance Investment Management Inc.	Extra Provincial Limited Market Dealer, Investment Counsel and Portfolio Manager	February 13, 2006
New Registration	Calyon Financial Canada Inc.	Futures Commission Merchant	February 27, 2006
Change in Category	MoneyWare Inc.	From: Investment Counsel & Portfolio Manager To: Investment Counsel & Portfolio Manager, Limited Market Dealer	February 23, 2006
Amalgamation	CBID Markets Inc. And Markets Securities Inc.	To Form: Perimeter Markets Inc.	January 1, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 TSX Inc. Notice – Approval of Amendments to the Rules of the Toronto Stock Exchange (Exchange) for Marketplace Trade and Message Reporting on the Exchange

TSX INC. NOTICE

APPROVAL OF AMENDMENTS TO THE RULES OF THE TORONTO STOCK EXCHANGE (EXCHANGE) FOR MARKETPLACE TRADE AND MESSAGE REPORTING ON THE EXCHANGE

Introduction

In accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals between the Ontario Securities Commission (OSC) and Toronto Stock Exchange (Protocol), TSX Inc. (TSX) has adopted and the OSC has approved certain amendments (Amendments) to the provisions in the Rules of the Toronto Stock Exchange (Rule Book). The Amendments will become effective on March 10, 2006.

Substance

The Amendments confirm that trades or messages received from another marketplace are considered to be completely separate and distinct from, and will not interact with, orders entered on the Exchange by a Participating Organization. The Amendments introduce two new terms: “Marketplace Match” and “Marketplace Message”, that represent trades or messages sent by another marketplace to the Exchange to be reported. The Amendments confirm that Marketplace Matches and Marketplace Messages do not interact with Participating Organization order flow on the Exchange. A new Rule 1-105 confirms that Marketplace Matches and Marketplace Messages are not subject to Parts 2 to 8 of the Rule Book.

The Amendments also make housekeeping changes to delete defined terms and provisions that are no longer needed or used. For example, references to eVWAP and POSIT in the Rule Book are being deleted as these services are not offered on the Exchange.

Purpose

TSX Group Inc. has been approached by various marketplaces to assist them in their data distribution and connectivity needs. Specifically, certain marketplaces have expressed the desire to report their executed trades and possibly their unexecuted orders through the facilities of a TSX exchange, in order that the resulting data can be fed out to market data vendors, Market Regulation Services Inc., and the Canadian Depository for Securities Ltd., as appropriate. Linkages between marketplaces and the Exchange can be economical for marketplaces that choose to use existing TSX infrastructure for their trade and message reporting, data distribution, and other connectivity needs.

In order for another marketplace to report an executed trade or message on the Exchange, the marketplace trades and messages will be identified and marked to ensure that the marketplace trades and messages do not interfere with, and are not interfered by, orders entered on the Exchange by Participating Organizations. The Rule Book is being amended to confirm that these marketplace trades and messages do not interact with orders entered on the Exchange by Participating Organizations, and that they are not subject to the provisions in the Rule Book.

Non-Public Interest Rule

The Amendments are not considered to be a “public interest” rule. The Amendments confirm that trades and messages received from a marketplace to be reported on the Exchange will not interact with order flow sent to the Exchange by Participating Organizations. The Amendments do not affect in any way the manner in which investors, Participating Organizations, registered traders, or any other marketplace participants trade on the Exchange. In fact, the purpose of the Amendments is to confirm that all trading on the Exchange remains the same. TSX’s decision to provide a reporting facility to other marketplaces is a business decision that in no way affects the regulatory functions of the Exchange. The Amendments that delete outdated terms and provisions are also purely housekeeping changes.

Amendments

The Amendments are provided in Appendix A.

Timing

Because the Amendments are not considered to be a public interest rule, in accordance with the Protocol the Amendments were deemed to be approved by the OSC at the time TSX filed its Amendments submission on February 21, 2006. The Amendments will become effective on March 10, 2006.

APPENDIX A

RULES OF THE TORONTO STOCK EXCHANGE

**AMENDMENTS FOR MARKETPLACE TRADE AND MESSAGE REPORTING
ON THE EXCHANGE**

The Rules of the Toronto Stock Exchange are amended as follows:

1. Rule 1-101 is amended by:
 - (a) deleting the definitions “Constraint”, “eVWAP Facility”, “eVWAP Order”, “eVWAP Price”, “eVWAP Security”, “eVWAP Session”, “Multiple Match Order”, “Net Buy Imbalance”, “Net Sell Imbalance”, “POSIT Call”, “POSIT Call Market”, “POSIT Match Time”, “POSIT Order”, “POSIT Participant”, and “POSIT Price”.
 - (b) deleting in the definition of “Regular Session” the phrase “or an eVWAP Session”.
 - (c) inserting in the definition of “committed order” the words “or units” after “number of shares”.
 - (d) adding the following definition of “marketplace”:

“marketplace” has the meaning ascribed to it in National Instrument 21-101 – *Marketplace Operation*.
 - (e) adding the following definition of “Marketplace Match”:

“Marketplace Match” means matched orders that are received from a marketplace where the matched orders flow through the facilities of the Exchange but do not interact with: (i) orders entered on the Exchange by Participating Organizations; (ii) other Marketplace Matches; and (iii) Marketplace Messages.
 - (f) adding the following definition of “Marketplace Message”:

“Marketplace Message” means an order received from a marketplace where the order flows through the facilities of the Exchange but does not interact with: (i) orders entered on the Exchange by Participating Organizations; (ii) other Marketplaces Messages; and (iii) Marketplace Matches.
2. A new Rule 1-105 is added as follows:

1-105 Application of Rules
Marketplace Matches and Marketplace Messages are not subject to Parts 2 to 8 of the Rules. For greater certainty, a Marketplace Match is not considered to be a trade or an Exchange Contract under the Rules, and a Marketplace Message is not considered to be a tradeable order or an order under the Rules.
3. Subsection (2)(b) of Rule 3-101 is amended by:
 - (a) replacing “4:05” with “4:15”; and
 - (b) deleting “; and” at the end of the subsection.
4. Subsection (2)(c) of Rule 3-101 is deleted.
5. Rule 4-105 is repealed.
6. Rule 4-106 is repealed.
7. Subsection (1) of Rule 4-401 is amended by inserting the word “committed” before the word “orders”.

RULES (as at •)	POLICIES
<p>PART 1 - INTERPRETATION 1-101 Definitions (Amended)</p> <p>***</p>	
<p>“committed order” means an offer to buy or sell a specific number of shares or units of a listed security at a specific price that is entered in the Book and that is open for acceptance by any other Participating Organization.</p> <p>Amended (•)</p>	
<p>“marketplace” has the meaning ascribed to it in National Instrument 21-101 – Marketplace Operation.</p> <p>Added (•)</p>	
<p>“Marketplace Match” means matched orders that are received from a marketplace where the matched orders flow through the facilities of the Exchange but do not interact with: (i) orders entered on the Exchange by Participating Organizations; (ii) other Marketplace Matches; and (iii) Marketplace Messages.</p> <p>Added (•)</p>	
<p>“Marketplace Message” means an order received from a marketplace where the order flows through the facilities of the Exchange but does not interact with: (i) orders entered on the Exchange by Participating Organizations; (ii) other Marketplace Messages; and (iii) Marketplace Matches.</p> <p>Added (•)</p>	
<p>“Regular Session” means a Session other than a Special Trading Session.</p> <p>Amended (•)</p>	
<p>***</p>	
<p>1-105 Application of Rules</p> <p>Marketplace Matches and Marketplace Messages are not subject to Parts 2 to 8 of the Rules. For greater certainty, a Marketplace Match is not considered to be a trade or an Exchange Contract under the Rules, and a Marketplace Message is not considered to be a tradeable order or an order under the Rules.</p> <p>Added (•)</p>	
<p>***</p>	
<p>PART 3 – GOVERNANCE OF TRADING SESSIONS</p> <p>DIVISION 1 - SESSIONS</p> <p>3-101 Date and Time of Sessions</p> <p>(1) The Exchange shall be open for Sessions on each</p>	

RULES (as at •)	POLICIES
<p>Business Day.</p> <p>(2) Unless otherwise changed by a resolution of the Board</p> <p>(a) the Regular Session shall open at 9:30 a.m. and close at 4:00 p.m.; and</p> <p>(b) the Special Trading Session shall open at 4:15 p.m. and close at 5:00 p.m.</p> <p>Amended (•)</p>	
<p>***</p>	
<p><u>PART 4 – TRADING OF LISTED SECURITIES</u></p> <p>DIVISION 1 - MARKET FOR LISTED SECURITIES</p> <p>***</p>	
<p>4-105 eVWAP Facility (Repealed)</p> <p>Repealed (•)</p>	
<p>4-106 POSIT Call Market (Repealed)</p> <p>Repealed (•)</p>	
<p>***</p>	
<p>DIVISION 4 – GENERAL TRADING RULES</p> <p>4-401 Trading in the Book</p> <p>(1) The Book shall contain and display all committed orders to buy or sell a listed security that are made on the Exchange, unless otherwise provided by the Exchange.</p> <p>(2) Only committed orders shall participate in trading, except for trading in the special terms market.</p> <p>(3) All trades in listed securities on the Exchange shall be executed in the Book, unless otherwise provided by the Exchange.</p> <p>Amended (•)</p>	

13.1.2 IDA Regulation 500 and Policy No. 6, Part I. – Trader Registration

INVESTMENT DEALERS ASSOCIATION OF CANADA REGULATION 500 AND POLICY NO. 6, PART I. – TRADER REGISTRATION

I OVERVIEW

A -- Current Rules

Regulation 500 and Section A.5 of Policy 6, Part I set out the registration and proficiency requirements for traders in Canada. Individuals who meet these requirements are eligible for approval by the IDA in the category of Trader. Approval in this category does not on its own grant an individual access to an exchange's trading floor or system, however individuals who receive IDA approval are then eligible to apply directly to exchanges for access to their markets. Policy 6 Part IA.5 currently lists the following subcategories of Traders:

- Registered Representative – restricted (floor trader)
- Computer Assisted Trading System (“CATS”) Trader
- Commodity Floor Trader (“CFT”)

B -- The Issue

The trader environment has changed significantly since the original implementation of Policy 6 and Regulation 500. As a result, the current rules contain many out-dated references to types of traders and trading systems that are no longer in use by Canadian exchanges. In addition, the proficiency requirements set out in the IDA's Policy 6 relate to the old categories and do not provide for requirements for traders on the Bourse.

The exchanges currently administer recognition of proficiencies for access to their trading systems. The Association approves such persons in Trader categories so that the same “fit and proper” checks and standards are applied to Traders as to other approved persons. However, where an individual applies for an exemption from Trader proficiencies, she or he must do so to both the exchange and the Association.

C -- Objective

The objective of the rule change is update the existing trader categories and their related proficiency requirements and to eliminate duplication in the granting of proficiency exemptions.

D -- Effect of Proposed Rules

The proposed amendments are housekeeping in nature, and will align the Trader categories and requirements with those of the exchanges, reducing confusion as to which types of Trader category is required for each exchange trader type. Registration with an SRO is a pre-requisite to becoming a Trader; however, exchanges will also grant access to an individual with any registration category – including Registered Representative or Officer Trading, which require more courses than the Trader categories.

The proposed changes update the Trader subcategories to:

- Trader (Bourse de Montreal) - *to be used by the Montreal Exchange*
- Trader (TSX) - *to be used by the Toronto Stock Exchange*
- Trader (TSX VN) - *to be used by the TSX Venture Exchange*

The proposed changes remove the obsolete Commodity Floor Trader category, as this category is no longer a requirement for obtaining access to the Winnipeg Commodities Exchange.

The proposed rule will reduce duplication by eliminating the necessity for applicants for exemption from proficiency requirements to obtain exemptions from both the relevant exchange and the Association.

II -- DETAILED ANALYSIS

A -- Present Rules, Relevant History and Proposed Policy

In 1999, when Policy 6 was initially written, the Canadian exchanges had just undergone a series of changes. In 1997, the Toronto Stock Exchange (TSE), transferred the responsibility for granting SRO approval in all categories - including the Trader categories - to the IDA. The task of granting trader approval was then split between the two, with the IDA taking on the function of granting registration based on the proficiencies set by the TSE, and the TSE retaining the function of setting proficiency requirements and granting access to its electronic systems through the issuing of electronic passwords.

The category of "Trader (CATS)" had originally been developed for individuals wishing to access the TSE's Computer Assisted Trading System, an electronic trading system in place since the 1970's which functioned alongside the TSE's trading floor. In 2000, when the TSE's CATS system and trading floor were replaced with its current electronic trading system, the category of Trader (CATS) was used to register individuals wishing to access the new electronic system. This archaic terminology continues to be reflected in the IDA's Regulation 500.1 and Policy 6. The TSX's proficiency requirement as outlined in TSX Rule 4-405 is:

- (a) Experience of not less than 14 weeks with a Member's equities trading department; and
- (b) Successful completion of
 - (i) The Trader Training Course, and
 - (ii) The Canadian Securities Course and experience of not less than one year with a Member or experience of not less than two years with a Member if the person has not completed the Canadian Securities Course.

The Bourse currently registers and grants electronic access to all Quebec residents wishing to access the Montreal Automated System ("SAM"). However, individuals who reside outside of Quebec must be registered through the IDA and currently do so by requesting the category of *Trader - Floor Trader* which under Policy 6 requires successful completion of such floor examinations as may be required by the applicable exchange.

Proficiency requirements for Traders are also included in Section 7.2 of the Universal Market Integrity Rules ("UMIR"):

(1) No order to purchase or sell a security shall be entered by a Participant on a marketplace unless the Participant or the director, officer, partner or employee of the Participant entering the order or responsible for the order has:

(a) completed the Trader Training Course of the Canadian Securities Institute or such course, examination or other means of demonstrating proficiency in these Rules and Policies as may be acceptable to the Market Regulator of the marketplace on which the order is entered or the applicable securities regulatory authority; or

(b) received approval of an Exchange or QTRS for the entry of orders to the trading system of that Exchange or QTRS.

(2) A marketplace shall ensure that each Access Person with access to that marketplace is trained in such of these Rules and Policies as may be applicable to an Access Person.

The current proficiency requirements for SAM Traders, as outlined in ME Circular 090-2002, are

- For options traders: Options Trading At Bourse de Montreal Inc. / La negociation des options de Bourse de Montréal Inc.
- For futures contract and options on futures contract traders: Futures and Options on Futures Trading at Bourse de Montréal Inc./La Négociation des contrats a terme et des options sur contrats a terme de Bourse de Montréal Inc.
- For futures contracts and options on futures contracts foreign traders: Futures and Options on Futures Trading at Bourse de Montreal Inc. (US Version)

In 1999, the Winnipeg Commodity Exchange ("WCE") required individuals to obtain IDA approval in the category of Commodity Floor Trader in order to receive access to the WCE. This requirement has since been removed and there is currently no one registered in the capacity of Commodity Floor Trader. This category is now obsolete and can be removed from IDA By-laws. Rule 2000-11 of the Manitoba Commodity Futures Act does not contain a requirement for a Salesperson of a Futures Commission Merchant to receive SRO approval.

Rule 4-101 of the Canadian Trading and Quotation System Inc. ("CNQ") does not require SRO approval for its traders, but does require that the individuals who trade on the CNQ System be Ontario registrants and be approved as traders with the TSX or TSX Venture Exchange ("TSX VN")

The proposed policy replaces the current, outdated categories for traders in Regulation 500 with one category: "Trader."

- **Regulation 500.** The terms "Floor trader", "Computer Assisted Trading System ("CATS") trader", "Competitive Options Trader ("COT")" and "Commodity Floor Trader ("CFT")" be removed and replaced with "Trader"
- **Policy 6:** The course requirement for the TSX exchanges – the Trader Training Course – is left as is. This course is required under TSX rules and UMIR and is left in place in Policy 6 for ease of reference for Members and applicants. However, the proposed rule automatically recognizes exemptions granted by the exchanges to eliminate duplication. For Traders on the Bourse, the proposed policy accepts by reference the course requirements established by the Bourse so that any changes or exemptions will automatically be accepted under the revised Policy.

B -- Issues and Alternatives Considered

Consideration was given to removing the Trader Training Course and simply incorporating by reference the rules of the relevant exchange, so that TSX Group requirements would be accepted automatically. However, it was decided that because the Trader Training Course is already included in two levels of rule – TSX Group rules and UMIR – and as long as exchange exemptions were automatically recognized under the revised policy, the inclusion of the Trader Training Course as a requirement in the proposed policy would make the policy a ready reference source as to the exact requirement while eliminating any duplication of exemption procedures.

C -- Comparison with Similar Provisions

The TSX, TSX VN and Bourse de Montréal have set out proficiency requirements for traders in their rules and by-laws.

D -- Systems Impact of Rule

A minor adjustment will be required to the National Registration Database ("NRD") to add the new categories to the category selection table on NRD. As this requires only an update to an NRD table, this amendment can be scheduled to for the next scheduled NRD version release with no cost to the IDA.

E -- Best Interests of the Capital Markets

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

F -- Public Interest Objective

The proposal is designed to:

- standardize industry practices where necessary or desirable for investor protection;

As a result, this rule change is housekeeping in nature.

III -- COMMENTARY

A -- Filing in Other Jurisdictions

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

B -- Effectiveness

This proposed change will remove unnecessary duplication in the proficiency requirements for the categories of registration specific to Traders.

C -- Process

This issue was identified by the Registration department of the IDA. The following organizations were consulted in the drafting of these policy changes:

The Toronto Stock Exchange
The Winnipeg Stock Exchange
The Manitoba Securities Commission
Canadian Trading and Quotation System Inc. ("CNQ")

This proposal in concept was also presented to the following IDA Committee:

Education and Proficiency Committee

IV -- SOURCES

References:

- IDA Policy 6, Part I, 5 and IDA Regulation 500
- MSC Rule 2000-11, The Commodity Futures Act.
- TSX Rule 4-405
- ME Circular 090-2002
- Section 7.2, Universal Market Integrity Rules

V -- OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. As a result, a determination has been made that these proposed rule amendments need not be published for comment.

INVESTMENT DEALERS ASSOCIATION OF CANADA

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

Regulation 500 is repealed and replaced as follows:

“500.1. Application for approval as a Trader shall be made to the Association in such form as the Board of Directors may from time to time prescribe.

500.2. No person shall act as a Trader unless the person has satisfied the applicable proficiency requirements outlined in Part I of Policy No. 6.”

Policy 6, Part I, A. 5 is repealed and replaced as follows:

“The proficiency requirement for a Trader under Regulation 500.2 is:

- a) for a Trader on the Toronto Stock Exchange or TSX Venture Exchange, the Trader Training Course, unless an exemption is granted by either exchange or its market regulation services provider.
- b) for a Trader on the Bourse de Montreal, the proficiency requirements determined to be acceptable by Bourse de Montreal.”

PASSED AND ENACTED BY THE BOARD OF DIRECTORS this 26th day of June, 2005, to be effective on a date to be determined by Association staff.

Chapter 25

Other Information

25.1 Approvals

25.1.1 Faircourt Asset Management Inc. - s. 213(3)(b) of the LTCA

Headnote

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

Statutes Cited

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

January 31, 2006

McCarthy Tetrault LLP

Box 48, Suite 4700
Toronto Dominion Bank Tower
Toronto, Ontario
M5K 1E6

Attention: Andrew Armstrong

Dear Sirs/Mesdames:

**RE: Faircourt Asset Management Inc. (the “Applicant”)
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application #042/06**

Further to your application dated January 19, 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 Faircourt Pooled Monthly High Income Fund and other pooled funds that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Paul M. Moore"

"Carol S. Perry"

25.2 Consents

25.2.1 Lonsdale Public Ventures Inc. - s. 4(b) of the Regulation

Headnote

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

Statutes Cited

Business Corporations Act, R.S.O. 1990, c.B.16, as am., s. 181.

Canada Business Corporations Act, R.S.C. 1985, c. C-144, as am.

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

Regulations Cited

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

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

ONTARIO REG. 289/00 (THE REGULATION)

AND

**IN THE MATTER OF
LONSDALE PUBLIC VENTURES INC. (THE FILER)**

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

UPON the application of the Filer to the Ontario Securities Commission (the **Commission**) requesting consent (the **Request**) from the Commission for the Applicant to continue into another jurisdiction, as required by subsection 4(b) of the Regulation;

AND UPON considering the Request and the recommendation of the Staff of the Commission;

AND UPON the Filer having represented to the Commission that:

1. The Filer was incorporated under the OBCA on September 17, 2004 and its registered office is located at 828 Richmond Street West, Toronto, Ontario, M6J 1C9.

Other Information

2. The Filer has an authorized share capital consisting of an unlimited number of common shares, of which 7,800,000 common shares were issued and outstanding as at February 22, 2006.
3. The Filer is a capital pool company in accordance with the policies of the TSX Venture Exchange (the **Exchange**). The Filer's outstanding common shares are listed and posted for trading on the Exchange.
4. Trading of the outstanding common shares of the Filer was halted on October 5, 2005 pending the announcement and completion of a qualifying transaction pursuant to Exchange Policy 2.4.
5. The Filer intends to apply (the **Application for Continuance**) to the Director under the OBCA for authorization to continue under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the **CBCA**), pursuant to section 181 of the OBCA.
6. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation under the OBCA, the Application for Continuance must be accompanied by a consent from the Commission.
7. The Filer is an offering corporation under the OBCA and is a reporting issuer under the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the **Act**). The Filer is also a reporting issuer or its equivalent in the Provinces of British Columbia and Alberta.
8. The Filer is not in default of any of the provisions of the Act or the regulations or rules made thereunder and is not in default under the securities legislation of any other jurisdiction where it is a reporting issuer or its equivalent.
9. The Filer is not a party to any proceeding or, to the best of its knowledge, information and belief, pending proceeding under the Act.
10. The Filer's shareholders authorized the continuance of the Filer as a corporation under the CBCA by special resolution at a special meeting of shareholders held on February 23, 2006 (the **Meeting**).
11. The Filer's shareholders authorized the completion of an amalgamation with Cannasat Therapeutics Inc. (**Cannasat**). Cannasat was incorporated under the CBCA on January 16, 2004. The amalgamation is to be completed under the CBCA and will constitute the qualifying transaction for the Filer in accordance with the policies of the Exchange.
12. The management information circular dated January 18, 2006, provided to all shareholders of the Filer in connection with the Meeting, advised registered shareholders of their dissent rights in connection with the continuance pursuant to section 185 of the OBCA.
13. Following the Continuance, the Filer intends to amalgamate with Cannasat and continue as a new corporation (**Amalco**) under the CBCA. Amalco will be a reporting issuer in Ontario and in the other jurisdictions where the Filer is a reporting issuer. The Filer believes it to be in its best interest to conduct its affairs in accordance with the CBCA in order to effect the amalgamation.
14. The material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Filer as a corporation under the CBCA.

DATED February 28th, 2006.

"Susan Wolburgh Jenah"

"Paul M. Moore"

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