The Ontario Securities Commission

OSC Bulletin

March 17, 2006

Volume 29, Issue 11

(2006), 29 OSCB

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

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Published under the authority of the Commission by:
Carswell
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
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The OSC Bulletin is published weekly by Carswell, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of $549 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

ISSN 0226-9325

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MARCH 17, 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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- -

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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

March 22, 2006 10:00 a.m.	**Joseph Edward Allen, Abel Da Silva, Chateram Ramdhani and Syed Kabir** s.127 J. Waechter in attendance for Staff Panel: RLS/ST/DLK
March 30, 2006 10:00 a.m.	**Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** S. 127 T. Hodgson in attendance for Staff Panel: TBA
April 3, 5 to 7, 2006 10:00 a.m. April 4, 2006 2:30 p.m.	**Momentas Corporation, Howard Rash, Alexander Funt, Suzanne Morrison and Malcolm Rogers** s. 127 and 127.1 P. Foy in attendance for Staff Panel: WSW/RWD/CSP
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
April 12, 2006 10:00 a.m.	**Thomas Hinke** s. 127 and 127.1 A. Sonnen in attendance for Staff Panel: SWJ

April 13, 2006 10:00 a.m.	**Jose L. Castaneda** s.127 T. Hodgson in attendance for Staff Panel: WSW
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
April 21, 2006 10:30 a.m.	**Portus Alternative Asset Managemetn Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg** **Motion Hearing** s. 127 M. MacKewn & T. Hodgson for Staff Panel: SWJ/WSW/CSP
June 9, 2006 10:00 a.m.	**Olympus United Group Inc.** s.127 M. MacKewn in attendance for Staff Panel: TBA
June 9, 2006 10:00 a.m.	**Norshield Asset Management (Canada) Ltd.** s.127 M. MacKewn in attendance for Staff Panel: TBA
June 26, 2006 10:00 a.m. June 27, 2006 2:30 p.m. June 28-30, 2006 10:00 a.m.	**Universal Settlement International Inc.** s. 127 & 127.1 Y. Chisholm 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	**Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 K. Manarin in attendance for Staff Panel: TBA

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

s.127

J. Superina in attendance for Staff

Panel: SWJ/RWD/MTM

TBA **Philip Services Corp., Allen Fracassi**, Philip Fracassi**, Marvin Boughton**, Graham Hoey**, Colin Soule*, Robert Waxman and John Woodcroft****

s. 127

K. Manarin & J. Cotte in attendance for Staff

Panel: TBA

* Settled November 25, 2005
** Settled March 3, 2006

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

Livent Inc., Garth H. Drabinsky, Myron I. Gottlieb, Gordon Eckstein, Robert Topol

Andrew Stuart Netherwood Rankin

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

MINISTERIAL APPROVAL

REVOCATION AND REPLACEMENT OF

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

AND

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

On March 8, 2006, the Minister of Government Services approved, pursuant to section 143.3 of the *Securities Act* (Ontario) the revocation and replacement of OSC Rule 13-502 *Fees* and OSC Rule 13-503 (*Commodity Futures Act*) *Fees* (the Rules). The Rules were previously approved by the Commission on January 10, 2006. On January 10, 2006 the Commission also adopted Companion Policy 13-502CP *Fees* and Companion Policy 13-503CP *(Commodity Futures Act) Fees*.

The Rules and Policies were previously published in the Bulletin on January 20, 2006. The Rules and Policies will come into force in Ontario on April 1, 2006.

On April 1, 2006, the following staff notices will be withdrawn:

- Notice 13-703 Implementation of Final Rule 13-502 Fees FAQS;
- "Frequently Asked Questions – Ontario Securities Commission Rule 13-502", published at (2003) 26 OSCB 7663.

The text of the Rules and Policies can be found in Chapter 5 of today's Bulletin and on the OSC website at http://www.osc.gov.on.ca/index_en.jsp.

1.1.3 Regulators Release Proposals on Harmonized Internal Control Reporting Requirements

FOR IMMEDIATE RELEASE

REGULATORS RELEASE PROPOSALS ON HARMONIZED INTERNAL CONTROL REPORTING REQUIREMENTS

March 10, 2006 – Montreal – The Canadian Securities Administrators (CSA) announced today proposals that would require all publicly-traded companies in all Canadian jurisdictions to report on the effectiveness of their internal controls over financial reporting, as early as December 31, 2007.

After extensive consultation, the CSA has decided not to proceed with an earlier proposal that would have required companies to obtain from their external auditors an audit opinion in respect of management's evaluation of the effectiveness of internal controls over financial reporting.

"All members of the CSA have agreed on an effective way to improve the quality, reliability and transparency of financial reporting for investors by requiring disclosure of the effectiveness of the internal controls that support the integrity of financial statements," said Jean St-Gelais, Chair of the CSA, and President and Chief Executive Officer of Québec's Autorité des marchés financiers.

The proposed harmonized requirements would apply in all Canadian jurisdictions to all companies listed on the TSX and TSX Venture exchanges. The earliest the proposed requirements would be adopted would be for financial years ending on or after December 31, 2007. This schedule would allow significant time for companies to plan and implement the activities needed to support the new disclosures.

"We believe the proposed additional disclosure will increase management's focus on, and accountability for, the quality of internal controls over financial reporting. This will strengthen investor protection while appropriately balancing the costs and benefits associated with internal control reporting requirements for companies of all sizes."

The CSA Notice 52- 313 regarding the status of internal control reporting requirements is available on several CSA members' web sites.

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

For more information:

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Fred Snell
Alberta Securities Commission
403-297-6553

Andrew Poon
British Columbia Securities Commission
604-899-6880

1.1.4 Notice of Commission Approval – Proposed Amendments to IDA By-laws 4.6 and 4.9 and Policy No. 6 – Branch Managers of Branches Having Only Non-Retail Accounts

THE INVESTMENT DEALERS ASSOCIATION (IDA)

PROPOSED AMENDMENTS TO IDA BY-LAWS 4.6 AND 4.9 AND POLICY NO. 6 BRANCH MANAGERS OF BRANCHES HAVING ONLY NON-RETAIL ACCOUNTS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission (OSC) approved proposed amendments to IDA By-laws 4.6 and 4.9 and Policy No. 6 regarding branch managers of branches having only non-retail accounts. In addition, the Autorité des marchés financiers (AMF) approved, and the Alberta Securities Commission (ASC) and the British Columbia Securities Commission (BCSC) did not object to the proposed policy. The objective of the proposed amendments is to allow an IDA member to appoint to branches that have no retail sales activities (non-retail branches) branch managers who do not meet the proficiency requirements designed for retail account supervision, provided they meet other specified proficiency requirements.

The proposed amendments were published for comment on October 29, 2004 at (2004) 27 OSCB 8941, and no public comments were received. Immaterial changes have been made to the proposed amendments as a result of comments from the recognizing jurisdictions. The changes include an explicit requirement for managers of non-retail branches to complete the Canadian Securities Course and reflect proficiency requirements in current IDA Rules for other supervisory activities.

The proposed amendments that were approved by the AMF and the OSC and non-objected to by the ASC and the BCSC is included in Chapter 13 of this Bulletin. The policy has been black-lined to indicate the changes from the previously published version.

1.1.5 Notice of Commission Approval – Amendments to IDA Regulation 1300.1 – Suitability and Institutional Accounts

THE INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)

AMENDMENTS TO IDA REGULATION 1300.1 – SUITABILITY AND INSTITUTIONAL ACCOUNTS

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission and the Autorité des marchés financiers approved certain amendments to IDA Regulation 1300.1 which clarify that where an IDA member (Member) executes a trade on the instructions of another Member, a portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer pursuant to Section 1.B(3) of IDA Policy No. 4, the Member is exempt from the suitability obligation in Regulation 1300.1(p). In addition, the Alberta Securities Commission and the British Columbia Securities Commission did not object to the amendments. The amendments are housekeeping in nature. A description and a copy of the amendments are contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.1.6 Notice of Commission Approval – Amendments to IDA Policy No. 5 – Code of Conduct for IDA Member Firms Trading in Wholesale Domestic Debt Markets and Policy No. 5B – Retail Debt Market Trading and Supervision

THE INVESTMENT DEALERS ASSOCIATION OF CANADA ("IDA")

AMENDMENTS TO IDA POLICY NO. 5 AND POLICY NO. 5B NOTICE OF COMMISSION APPROVAL

On January 27, 2006, the Ontario Securities Commission approved amendments to IDA Policy 5 - Code of Conduct for IDA Member Firms Trading in Wholesale Domestic Debt Markets and Policy 5B - Retail Debt Market Trading and Supervision. In addition, the Autorité des marchés financiers approved and the Alberta Securities Commission and the British Columbia Securities Commission did not object to the amendments. The amendments clarify the expected standards of compliance for IDA members dealing in the fixed income markets and the types of fixed income market activities deemed to be improper. The amendments were published for comment on July 15, 2005 at (2005) 28 OSCB 6125. Some immaterial changes have been made to the amendments since the time they were originally published and a copy of the amendments, black-lined to highlight the changes from the previously published version, are being republished in Chapter 13 of this Bulletin. A summary of the comments received and IDA's response are also published in Chapter 13.

1.1.7 CSA Staff Notice 23-304 – Joint CSA/SRO Notice – Status of the Transaction Reporting and Electronic Audit Trail System

JOINT CSA/SRO NOTICE 23-304 –

STATUS OF THE TRANSACTION REPORTING AND ELECTRONIC AUDIT TRAIL SYSTEM (TREATS)

A. Introduction

The electronic audit initiative is a project initiated and managed by the Canadian Securities Administrators (CSA) with the participation of Market Regulation Services Inc. (RS), the Bourse de Montréal Inc. (Bourse), the Investment Dealers Association of Canada (IDA) and the Mutual Fund Dealers Association (MFDA) (together, the Regulators or we) to investigate, design and implement a solution to facilitate compliance with Canadian securities audit trail requirements introduced in National Instrument 23-101 *Trading Rules* (NI 23-101).

B. Background

National Instrument 21-101 *Marketplace Operations* (NI 21-101) and NI 23-101 create a framework for the operation of different kinds of marketplaces such as traditional exchanges and alternative trading systems (together, the 'National Instruments' or the 'ATS Rules'). Part 11 of NI 23-101 and Part 8 of NI 23-101CP deal with the audit trail requirements. NI 23-101 imposes obligations on dealers and inter-dealer bond brokers (dealers) to record and report in electronic form certain information regarding orders and trades.

In June 2003, the CSA formed the Industry Committee on Trade Reporting and Electronic Audit Trail Standards (TREATS Committee), to review the appropriate standards for data consolidation and the electronic audit trail requirements. On July 26, 2004, the TREATS Committee submitted a report providing its recommendations (the Report)[1] to the Regulators.

In April 2004, the Regulators selected a consultant to prepare documentation to identify and further clarify the high-level requirements for the Regulators' facility for requesting and receiving audit trail information from dealers and marketplaces. These high-level requirements formed the basis of a request for information (RFI) that was used to solicit recommendations on how best to fulfill the objectives of TREATS from both technical and operational perspectives. The RFI process officially concluded in December of 2004.

After considering the recommendations of the TREATS Committee, as set out in the Report, and the responses to the RFI, the Regulators developed more detailed requirements for the electronic facility, and decided to replace the existing Standard Electronic Client Transaction Reporting System (SELECTR) data format specification and the associated REGNET system used by some Regulators.

In December 2005, the Regulators also determined that it would be appropriate to defer the inclusion of mutual funds from the scope of the TREATS initiative to a future date, having regard to such factors as the significant differences in the manner in which mutual funds are traded as compared to other categories of securities. As a result of the Regulators' decision to defer inclusion of mutual funds in the TREATS initiative, the MFDA will not be participating directly in the Request for Proposal (RFP) process. However, the MFDA will continue to participate in the ongoing work in this area, as appropriate.

C. The TREATS Facility

The objective of the TREATS project is to enable the dealers and marketplaces (collectively, the Participants) to construct and Regulators to receive part or all of an electronic audit trail of order and trade transaction data which will enhance the monitoring capabilities of the dealers and Regulators and facilitate dealer compliance with regulatory requirements.

The Regulators hope to facilitate this objective by developing an efficient, common, secure and reliable electronic communication and tracking facility for requesting and receiving transaction data relating to the following types of securities: listed securities including equities, debt and options; over-the-counter equity securities; over-the-counter debt securities including government bonds, corporate bonds and debentures; and exchange traded derivatives relating to equities, indices and fixed income securities.

[1] The Report is found at Appendix A to CSA Staff Notice 23-302 – Joint Regulator Notice – Electronic Audit Trail Initiative (TREATS) published on April 15, 2005 [(2005) 28 OSCB 3561].

In order to ensure the efficiency and commonality of the data that will be requested by the Regulators as well as consistency in the data that will be recorded and reported by the Participants, the Regulators have committed to agree on the name, definition and format of each data element that has to be recorded by the Participants.

The proposed TREATS facility would enable Regulators to request of and receive from Participants predetermined groups of data elements that are based on events such as receipt of a new order, cancellation of an order, splitting of an order, combining (i.e. batching) of two or more orders, routing of an order to a marketplace, and execution of an order.

Regulators may make two types of requests to Participants through the TREATS facility: automatic and on-request. Automatic requests are standing requests for periodic provision over an indefinite time of data elements that are pre-defined by the Regulators. Automatic requests will only be initiated or changed by means of a rule or rule change. On-request requests are not predetermined. Rather, they are requests for one or more pre-defined groupings of data elements from a full list of data elements, to be reported once or at a specified frequency during a specific period of time.

When a request is made the facility will notify the requestor if a "similar" request has been made by another Regulator in order to facilitate co-ordination among the Regulators. The facility will validate the data submitted by the Participants so as to reduce the time for problem resolution by Regulators and Participants. Requests and responses will be tracked by the facility.

D. TREATS Project Tasks Timeline

The TREATS project includes the following tasks:

1. Developing a facility to communicate, validate and track reporting requests (Responsibility of Regulators);

2. Establishing technology requirements of the interfaces between the facility and Regulators as well as between the facility and dealers (Responsibility of Regulators);

3. Identifying 'Automatic' and 'On-Request' Business Use Cases (Responsibility of Regulators); and

4. Implementation of recording and business processes that will enable dealers to respond to Regulators' requests (Responsibility of Dealers and Marketplaces).

The RFP will address the first two tasks.

The RFP is intended to solicit firm proposals from suppliers to address the presented business and technical requirements for the TREATS solution and to provide information that will help the Regulators in their selection process and the decision to move forward with this initiative.

The RFP and related documents set forth the desired functional and technical specifications. A copy of the RFP has been posted at www.osc.gov.on.ca[2].

The RFP is being issued to a shortlist of potential vendors in March 2006 and the vendors will have approximately 8 weeks to respond to the RFP, which will be by beginning of May 2006. The Regulators will then make a decision regarding the TREATS project (including on what basis to proceed) by July 2006, so that any necessary rule amendments can be made before the December 2006 deadline for implementation of the audit trail requirements. The Regulators may decide not to proceed with developing the facility.

The Regulators will be meeting with industry representatives from dealers, marketplaces and service providers to establish and confirm documentation of business use cases and data modeling to assist the Regulators' and Participants' efforts to achieve the objectives of TREATS. At the end of the process for the third task stated above, the Regulators will be able to confirm whether the requirements in the National Instruments are complete or will amend those National Instruments through the usual rule-making process. Although some Participants have begun to prepare for implementation, the Regulators understand that plans for implementation (fourth task) can not be completed until the first three tasks have been completed.

The following provides some estimated times for various tasks.

[2] The RFP can be found at Market Regulation / Special Projects / TREATS on the OSC web site.

Proposed Project Timeline for TREATS

First Quarter 2006	1. Obtain approval from each Regulator to issue RFP documents; 2. Issue RFP; and 3. Complete Business Use Cases.
Second Quarter 2006	1. Complete Data Modeling. 2. Receive responses from RFP. 3. Conduct Cost Benefit Analysis. 4. Publish required amendments to the ATS Rules.
Third Quarter – Fourth Quarter 2006	1. Make decisions regarding RFP. 2. Proceed with contract regarding the facility if the Regulators decide to go forward. 3. Finalize amendments to the ATS Rules. 4. Develop and build the TREATS facility. 5. Issue technical specifications of TREATS facilities and Regulator's "Automatic" and "Upon Request" details.
Second Quarter 2007	Testing of TREATS facility.

The decision to proceed with building the facility and the steps going forward will depend upon the responses to the RFP and the results of the Cost Benefit Analysis conducted by the Regulators. Therefore, the Project timelines and steps may change.

The date for implementation of the requirements set out in NI 23-101 will be amended to reflect the decisions regarding the ATS rule amendments and the status of the TREATS facility.

E. Communications to Participants

Communications and input from Participants is a key part of the implementation of the TREATS requirements. The Regulators have used and will continue to use a variety of tools to communicate with industry including: websites, meetings, notices and requests for comment. For example, a draft of the RFP was presented for comment to the Industry Advisory Group (IAG), a broad group established by the Regulators during the RFP development stage to consult and provide input on various issues. An electronic discussion forum (the TREATS Discussion Forum) was established to promote input without requiring multiple in-person meetings. Regulators and industry participants were able to both post discussion points and review discussion threads. The Regulators have also had meetings with IAG participants to review the project developments to insure that there is opportunity for meaningful comment and input.

Access to the TREATS Discussion Forum is being expanded to include direct industry participant access. The Regulators will continue to use it to post information and receive comments. To gain access to the TREATS Discussion Forum, please complete the online registration process at **http://treats.zeroforum.com/zerouser?cmd=register**. Upon answering a few questions, a password will be e-mailed to the user for immediate access. Upon registering and logging-in, please go to **http://treats.zeroforum.com** and select "Project News" for more information on how to use the TREATS Discussion Forum.

The IAG has been and will continue to be involved in providing input regarding the RFP. Working groups of industry participants were used and will be established to address specific issues.

A Notice and Request for Comments will be published for any ATS rule amendments. The Regulators will also update Participants regularly on developments regarding business use cases, status of the RFP, technical specifications of the TREATS facility and timelines. This will allow Participants to assess whether and when any changes to their internal systems and processes are necessary to meet the TREATS requirements.

The Regulators will endeavour to provide details and information on an ongoing basis to ensure that industry participants clearly understand the implications of this initiative and are able to suitably plan and prepare for the changes that will result. We will continue to publish notices as key information arises.

If there are any questions at this stage, please contact:

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Email dfollegot@osc.gov.on.ca

March 17, 2006

1.3 News Releases

1.3.1 OSC Temporarily Ceases Trading in Juniper Equity Growth Fund and Juniper Income Fund

FOR IMMEDIATE RELEASE
March 10, 2006

OSC TEMPORARILY CEASES TRADING IN JUNIPER EQUITY GROWTH FUND AND JUNIPER INCOME FUND

TORONTO – On March 8, 2006, the Ontario Securities Commission ordered that trading cease in the securities of the Juniper Equity Growth Fund and Juniper Income Fund. The temporary order will expire on the 15th day after its making unless extended by the Commission.

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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 Keith L. Gillam

FOR IMMEDIATE RELEASE
March 14, 2006

SETTLEMENT AGREEMENT APPROVED BETWEEN OSC STAFF AND KEITH L. GILLAM

TORONTO – On March 10, 2006, a settlement agreement between Staff of the Ontario Securities Commission and Keith L. Gillam was approved.

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

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1.4 Notices from the Office of the Secretary

1.4.1 Joseph Edward Allen et al.

FOR IMMEDIATE RELEASE
March 9, 2006

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

AND

IN THE MATTER OF
JOSEPH EDWARD ALLEN, ABEL DA SILVA,
CHATERAM RAMDHANI, AND SYED KABIR

TORONTO – The Commission adjourned the Sanctions hearing to March 22, 2006 at 10:00 a.m. in the above noted matter.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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1.4.2 Portus Alternative Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
March 10, 2006

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

AND

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

s. 127

TORONTO – The hearing in this matter has been adjourned on consent of all parties to April 21, 2006, at 10:30 a.m. Counsel for the respondent, Boaz Manor, has indicated that he will be bringing a motion on that day for an order adjourning the proceeding against him under S. 127 of the *Securities Act*, until the completion of the proceeding initiated against him pursuant to S. 122 of the Act.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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1.4.3 OSC to Hold Hearing in Connection with First Quantum Mineral's Offer to Acquire the Outstanding Shares of Adastra Minerals

FOR IMMEDIATE RELEASE
March 10, 2006

OSC TO HOLD HEARING
IN CONNECTION WITH
FIRST QUANTUM MINERAL'S OFFER
TO ACQUIRE THE OUTSTANDING
SHARES OF ADASTRA MINERALS

(Section 127)

TORONTO – The Ontario Securities Commission will hold a hearing to consider the application made by First Quantum Minerals Ltd. for orders under section 127 of the *Securities Act* regarding the shareholder rights plan adopted by Adastra Minerals Inc.

The hearing will be held on March 17, 2006 at 10:00 a.m. on the 17th floor of the Commission's offices located at 20 Queen Street West, Toronto.

The application is available on the OSC's website (**www.osc.gov.on.ca**). Further related documents will also be made available on the website when filed.

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Cantol Limited - 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.

March 7, 2006

Cantol Limited
9675, Cote de Liesse
Suite 104
Dorval, Québec
H9P 1A3

Dear Madams/Sirs,

Re: Cantol Limited (the "Applicant") – Application to cease to be a reporting issuer under the securities legislation of the provinces of Québec, Alberta and Ontario (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that,

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

2. no securities of the Applicant are traded on a market place as defined in National Instrument 21-102 – *Marketplace Operation*;

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

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

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

"Louis Auger"
Manager of the Corporate Financing Department
Autorité Des Marchés Financiers

2.1.2 Canadian Financial Services NT Corp. - s. 83

Headnote

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

Ontario Statutes

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

February 1, 2006

Blake, Cassels & Graydon LLP
Box 25, Commerce Court West
199 Bay Street, Suite 2800
Toronto, ON M5L 1A9

Attention: Jennifer Tindale

Dear Sirs / Mesdames:

Re: Canadian Financial Services NT Corp. (the "Applicant")
Application to cease to be a reporting issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the "Jurisdictions")

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

"Cameron McInnis"
Manager, Corporate Finance
Ontario Securities Commission

2.1.3 Acclaim Energy Trust - s. 83

Headnote

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

Ontario Statutes

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

Citation: Acclaim Energy Trust, 2006 ABASC 1106

March 8, 2006

Burnet Duckworth & Palmer LLP
1400, 350 - 7th Avenue S.W.
Calgary AB T2P 3N9

Attention: Laurie Schraeder

Dear Madam:

Re: Acclaim Energy Trust (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 8th day of March 2006.

"Agnes Lau, CA"
Associate Director, Corporate Finance
Alberta Securities Commission

2.1.4 Wesdome Gold Mines 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.

March 9, 2006

Wesdome Gold Mines Inc.
1, chemin Joubi
C.P. 268
Val d'Or, Québec
J9P 4P3

Dear Madams/Sirs,

Re: Wesdome Gold Mines Inc. (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of the provinces of Québec, Alberta and Ontario (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that,

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

2. no securities of the Applicant are traded on a market place as defined in National Instrument 21-102 – *Marketplace Operation*;

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

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

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

"Louis Auger"
Manager of the Corporate Financing Department
Autorité des Marchés Financiers

2.1.5 YMG Capital Management 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 28, 2006

Osler, Hoskin & Harcourt LLP
1000 de La Gauchetière Ouest
Montréal, Québec H3B 4W5
Attention: Jonathan Naimark

Dear Mr. Naimark:

Re: YMG Capital Management Inc. (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba, Newfoundland and Labrador, Nova Scotia, Ontario, Québec, and Saskatchewan (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that,

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

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

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

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

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

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

2.1.6 Capital Teamsoft Inc. - s. 83

Headnote

Issuer meets the requirements set out in OSC Staff Notice 12-703 – 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 17, 2006

Mr. Gus Berdebes, President
Capital Teamsoft Inc.
1000 De La Gauchetière St. West
Suite 2900
Montréal, Québec H3B 4W5

Dear Mr. Berdebes:

The Applicant has applied to the Ontario Securities Commission (the "Commission") for an order under Section 83 of the *Securities Act* (Ontario) (the "Act") to be deemed to have ceased to be a reporting issuer.

As the Applicant has represented to the Commission that:

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in Ontario and less than 51 security holders in Canada;
- no securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101, *Marketplace Operation*;
- the Applicant is not in default of any of its obligations under the Act as a reporting issuer; and
- the Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested.

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Applicant is deemed to have ceased to be a reporting issuer.

Dated this 17th day of February, 2006, in the City of Toronto in the Province of Ontario.

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

2.1.7 Alcan Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from the requirements to deliver any securityholder requesting a copy of its annual and interim financial statements and related MD&A concurrently with the filing of these materials with the SEC.

Instruments Cited

National Instrument 51-102 Continuous Disclosure Obligations.

March 7, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF QUEBEC AND ONTARIO
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
ALCAN INC. (THE "FILER")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation (the "Legislation") of the Jurisdictions for an exemption from the requirement to deliver its interim and annual financial statements (collectively, the "Financial Statements") and management's discussion and analysis ("MD&A") to any securityholder that requests a copy by the date the Filer files its Financial Statements and MD&A with the SEC (the "Requested Relief").

Under National Policy 12-201 – *Mutual Reliance Relief System for Exemptive Relief Application*s (" **NP 12-201** "):

(a) the Autorité des Marchés Financiers is the principal regulator for this application, and

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

Application of Principal Regulator System

Under Multilateral Instrument 11-101 *Principal Regulator System* ("**MI 11-101**"):

(a) the Autorité des Marchés Financiers is the principal regulator for the Filer,

(b) the Filer is relying on the exemption in Part 3 of MI 11-101 in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut, and

(c) this MRRS decision document evidences the decision of the Principal Regulator.

Interpretation

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

Representations

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

1. The Filer is incorporated under the *Canada Business Corporations Act* with its head office located in Montréal, Quebec.

2. The Filer is a "reporting issuer" in each of the Canadian jurisdictions in which such concept exists, and is an "SEC issuer" within the meaning given to such term in National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102") and National Instrument 52-107 - *Acceptable Accounting Principles, Auditing Standards and Reporting Currency* ("NI 52-107").

3. The outstanding common shares of the Filer are listed on the Toronto and New York stock exchanges.

4. As permitted by Part 4 of NI 52-107, the Filer prepares its Financial Statements in accordance with United States generally accepted accounting principles.

5. In the United States, interim financial statements and related MD&A for the Filer are included in its Quarterly Report on Form 10-Q (the "**Form 10-Q**") prepared pursuant to the applicable requirements of the 1934 Act and filed with the SEC. Annual financial statements and related MD&A for the Filer are included in its Annual Report on Form 10-K (the "**Form 10-K**") prepared pursuant to the applicable requirements of the 1934 Act and filed with the SEC.

6. The Filer is currently required to file its Form 10-Q with the SEC within 40 days of the end of each fiscal quarter, and to file its Form 10-K with the SEC within 75 days of the end of each fiscal year.

7. The Filer's interim and annual financial statements and related MD&A are filed in Canada concurrently with the SEC filings in accordance with the requirements of NI 51-102, and are substantially identical in content to the Form 10-Qs and Form 10-Ks for the relevant reporting period.

8. Under the Legislation, the Filer is required to deliver to its securityholders who have previously responded through the request form procedure contemplated by NI 51-102 or who have otherwise made a request of the Filer ("**Requesting Securityholders**"), copies of the requested Financial Statements and MD&A.

9. In Canada, the Filer has historically sent the interim financial statements and related MD&A to securityholders requesting such information in the form of its quarterly report on Form 10-Q, and an annual report to securityholders requesting such information that includes its annual financial statements and related MD&A.

10. In accordance with the Legislation, the Filer is required to send a copy of its Financial Statements and related MD&A to the Requesting Securityholders by the later of:

    (i) the "filing deadline" for such Financial Statements and MD&A (the "**Delivery Deadline**"), and

    (ii) 10 calendar days after the Filer receives the request.

11. The "filing deadline" for the Filer is determined pursuant to provisions in the Legislation which state that the Financial Statements and MD&A must be filed:

    (i) in the case of the Filer's annual financial statements and related MD&A, on or before the earlier of:

        (1) the 90th day after the end of the most recently completed financial year; and

        (2) the date of filing of the Filer's annual financial statements with the SEC; or

    (ii) in the case of the Filer's interim financial statements and related MD&A, on or before the earlier of:

        (1) the 45th day after the end of the interim period; and

        (2) the date of filing of the Filer's interim financial statements with the SEC.

12. Accordingly, in light of the earlier filing deadlines under the 1934 Act, the Delivery Deadline for the Filer's Financial Statements and related MD&A is normally determined by reference to the date of filing its Financial Statements with the SEC.

13. Under the Legislation, reporting issuers who are not SEC issuers (and who do not otherwise file financial statements with a foreign regulatory authority) have until 45 days, in the case of interim financial statements and related MD&A, or 90 days, in the case of annual financial statements and related MD&A, following the applicable reporting period to deliver their financial statements and related MD&A to shareholders regardless of when such financial statements and related MD&A are filed with the Canadian securities regulatory authorities.

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 in each of the Jurisdictions under the Legislation is that the Requested Relief is granted provided that, subject to any available exemptions for the delivery of annual financial statements, the Filer delivers the Financial Statements and related MD&A to a Requesting Securityholder:

(i) in the case of its annual Financial Statements and related MD&A, by the later of:

(1) 90 days after its financial year end; and

(2) 10 calendar days after the Filer receives the request; and

(ii) in the case of its interim Financial Statements and related MD&A, by the later of:

(1) 45 days after the end of the interim period; and

(2) 10 calendar days after the Filer receives the request.

"Jean St-Gelais"
Président-directeur général
Autorité des marchés financiers

2.1.8 Bear Ridge Exploration Ltd. - s. 83

Headnote

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

Ontario Statutes

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

Citation: Bear Ridge Exploration Ltd., 2006 ABASC 1124

February 22, 2006

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

Attention: Harinder S. Basra

Dear Sir:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 22nd day of February, 2006.

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

2.1.9 CIBC Asset Management Inc., CIBC Global Asset Management Inc. and RBC Asset Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from subsection 4.1(1) of National Instrument 81-102 Mutual Funds to allow dealer managed mutual funds to invest in securities of an issuer during the 60 days after the distribution period in which an affiliate of the dealer manager has acted as an underwriter in connection with the distribution of securities of the issuer.

Applicable Legislative Provisions

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

March 1, 2006

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

AND

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

AND

IN THE MATTER OF
CIBC ASSET MANAGEMENT INC., CIBC GLOBAL ASSET MANAGEMENT INC. AND RBC ASSET MANAGEMENT INC. (the "Applicants")

MRRS DECISION DOCUMENT

Background

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

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Funds to invest in the trust fund units (the "**Units**") of Yellow Pages Income Fund (the "**Issuer**") on the Toronto Stock Exchange (the "**TSX**") during the 60-day period following the completion of the distribution (the "**Prohibition Period**") notwithstanding that the

Dealer Managers or their associates or affiliates act or have acted as an underwriter in connection with the offering (the "**Offering**") of Units of the Issuer pursuant to a short form base shelf prospectus dated March 11, 2005 (the "**Prospectus**") to be supplemented by a shelf prospectus supplement (the "**Prospectus Supplement**") to be filed in accordance with the securities legislation of all Canadian provinces (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

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

Interpretation

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

Representations

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

1. Each Dealer Manager is a "dealer manager" with respect to the Dealer Managed Funds, and each Dealer Managed Fund is a "dealer managed fund", as such terms are defined in section 1.1 of NI 81-102.

2. The head offices of CIBC Asset Management Inc. and RBC Asset Management are in Toronto, Ontario. The head office of CIBC Global Asset Management Inc. is in Montreal, Québec.

3. The securities of the Dealer Managed Funds are qualified for distribution in one or more of the provinces and territories of Canada pursuant to simplified prospectuses and annual information forms that have been prepared and filed in accordance with their respective securities legislation.

4. The Prospectus was filed with, and a receipt was issued under the MRRS by the Decision Makers in each of the Provinces of Canada on March 11, 2005.

5. According to the Prospectus and a term sheet of the Issuer (the "**Term Sheet**"), the Offering is expected to be for approximately 15,000,000 Units of the Issuer with the gross proceeds of the Offering expected to be approximately $253,500,000. According to the Term Sheet, the Closing Date is expected to occur on or about February 27, 2006.

6. The Offering is being underwritten subject to certain terms, by a syndicate which will include CIBC World Markets Inc. and RBC Dominion Securities Inc. (the "**Related Underwriters**"), among others (the Related Underwriters together with the other underwriters, which are now or may become part of the syndicate prior to closing, the "**Underwriters**"). Each of the Related Underwriters is an affiliate of a Dealer Manager.

7. As described in the Prospectus, the Issuer, through its subsidiaries, is Canada's largest telephone directories publisher and the exclusive owner of the Yellow PagesTM, Pages JaunesTM and Walking Fingers and DesignTM trademarks in Canada. According to the Prospectus, the Issuer, through its subsidiaries, publishes 244 different telephone directories annually, including the 35 telephone directories published by Aliant ActiMedia (for which the Issuer, through one of its subsidiaries, acts as managing partner). Including the directories published by Aliant ActiMedia, the Issuer's directories have a total circulation of approximately 18 million copies, reaching substantially all of the households and businesses in their markets and approximately 70% of the population in Canada. As disclosed in the Prospectus, the Issuer also operates through its subsidiaries, the leading online telephone directories in Canada, YellowPages.caTM (and its French equivalent, PagesJaunes.caTM), Canada411.ca, Canadatollfree.ca and the CanadaPlus.ca group of city sites, which allows the Company to offer bundled packages of print and online directory advertising products.

8. According to the Term Sheet, the Issuer issues monthly distributions to unitholders on the last day of each following month which are paid no later than the 30th day of each following month. The Units will be entitled to participate in the upcoming monthly distribution to be paid on March 15, 2006.

9. Based upon the information provided in the Term Sheet, the net proceeds of the Offering will be used to repay indebtedness and for general corporate purposes.

10. The Issuer and the Underwriters will enter into an underwriting agreement (the "**Underwriting Agreement**") prior to the Issuer filing the Prospectus Supplement. Pursuant to the terms of the Underwriting Agreement, the Issuer will agree to issue and sell to the Underwriters, and each of the Underwriters will severally (and not jointly) agree to purchase, all but not less than all of the

subscription receipts offered under the Offering from the Issuer, as principal, on Closing.

11. The Issuer's outstanding Units are listed on the Toronto Stock Exchange (the "**TSX**") under the symbol "YLO.UN". According to the Term Sheet, the Issuer shall undertake to apply for listing of the Units on the TSX.

12. According to the Prospectus, the Issuer may be considered a "connected issuer", as defined in NI 33-105, of CIBC World Markets Inc. and RBC Dominion Securities Inc. for the reasons set forth in the Prospectus. As disclosed in the Prospectus, certain of the Related Underwriters are subsidiaries or affiliates of lenders (the "**Lenders**") who have made credit facilities available to the Issuer or its subsidiaries. According to the Prospectus, as of February 28, 2005, there were no amounts owing under these existing facilities. As outlined above, the proceeds of the Offering will be used to repay indebtedness and for general corporate purposes. According to the Prospectus the decision to distribute the Units was made by the Issuer and the terms and conditions of the Offering were determined free of any involvement on the part of the Lenders. None of the Related Underwriters connected to the Issuer will receive any benefit from the Offering other than its portion of the remuneration payable by the Issuer on the principal amount of the Units sold through or to it.

13. The Dealer Managed Funds are not required or obligated to purchase any Units during the Prohibition Period. Despite the affiliation between the Dealer Managers and the Related Underwriters, they operate independently of each other. In particular, the investment banking and related dealer activities of the Related Underwriters and the investment portfolio management activities of the Dealer Managers are separated by "ethical" walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:

    (a) in respect of compliance matters (for example, the Dealer Managers and the Related Underwriters may communicate to enable the Dealer Managers to maintain up to date restricted-issuer lists to ensure that the Dealer Managers comply with applicable securities laws); and

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

14. The Dealer Managers may cause the Dealer Managed Funds to invest in the Units during the Prohibition Period. Any purchase of the Units will be consistent with the investment objectives of the Dealer Managed Fund making the purchase and represent the business judgment of the Dealer Managers uninfluenced by considerations other than the best interests of the Dealer Managed Fund or in fact be in the best interests of the Dealer Managed Fund.

15. To the extent that the same portfolio manager or team of portfolio managers of a Dealer Manager manages two or more Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the "**Managed Accounts**"), the Units purchased for them will be allocated:

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

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

16. There will be an independent committee (the "**Independent Committee**") appointed in respect of the Dealer Managed Funds to review the Dealer Managed Funds' investments in the Units during the Prohibition Period.

17. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with its Dealer Manager, the Dealer Managed Funds, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member's independent judgment regarding conflicts of interest facing the Dealer Manager.

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

19. Each Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission, in writing of any SEDAR Report (as defined below) filed on SEDAR, as soon as practicable after the filing of such a report, and the notice shall include the SEDAR

project number of the SEDAR Report and the date on which it was filed.

20. Each Dealer Manager has not been involved in the work of the Related Underwriters and the Related Underwriter has not been and will not be involved in the decisions of the Dealer Managers as to whether the Dealer Manager's Dealer Managed Funds will purchase Units during the Prohibition Period.

Decision

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

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

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

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

(a) the Purchase

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

(ii) is, in fact, in the best interests of the Dealer Managed Fund;

(b) the Purchase is consistent with, or is necessary to meet, the investment objective of the Dealer Managed Fund as disclosed in its simplified prospectus; and

(c) the Dealer Managed Fund does not place the order to purchase, on a principal or agency basis, with its Related Underwriter;

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

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

(b) in connection with any Purchase,

(i) there are stated factors or criteria for allocating the Units purchased for two or more Dealer Managed Funds and other Managed Accounts, and

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

III. Each Dealer Managed Fund has an Independent Committee to review the Dealer Managed Fund's investments in the Units during the Prohibition Period;

IV. The Independent Committee has a written mandate describing its duties and standard of care which, as a minimum, sets out the conditions of this Decision;

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

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

VII. The Dealer Managed Fund does not incur the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph V above;

VIII. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Fund, or any associate or affiliate of each Dealer Manager or any portfolio manager of the Dealer Managed Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph V above is not paid either directly or indirectly by the Dealer Managed Fund;

IX. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**") in respect of each Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:

(a) the following particulars of each Purchase:

(i) the number of Units purchased by the Dealer Managed Fund;

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

(iii) whether it is known whether any underwriter or syndicate member has engaged in market stabilization activities in respect of the Units;

(iv) if the Units were purchased for two or more Dealer Managed Funds and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to each Dealer Managed Fund; and

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

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

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

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

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

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

(d) a certification by each member of the Independent Committee that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in Condition II(a) above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of each Dealer Managed Fund by the Dealer Manager to purchase Units for the Dealer Managed Funds and each Purchase by the Dealer Managed Fund:

(i) was made in compliance with the conditions of this Decision;

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

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

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

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

(a) any determination by it that the condition set out in paragraph IX(d) has not been satisfied with respect to any Purchase of the Units by a Dealer Managed Fund;

(b) any determination by it that any other condition of this Decision has not been satisfied;

(c) any action it has taken or proposes to take following the determinations referred to above; and

(d) any action taken, or proposed to be taken, by the Dealer Manager or a portfolio manager of a Dealer Managed Fund, in response to the determinations referred to above.

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

XII. An underwriter provides to the Dealer Manager written confirmation that the "dealer restricted period" in respect of the Offering, as defined in Ontario Securities Commission Rule 48-501, Trading During Distributions, Formal Bids and Share Exchange Transactions, has ended.

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

APPENDIX A

THE MUTUAL FUNDS

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

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

Frontiers Pools
Frontiers Canadian Equity Pool
Frontiers Canadian Monthly Income Pool

Renaissance Talvest Mutual Funds
Renaissance Canadian Balanced Fund
Renaissance Canadian Balanced Value Fund
Renaissance Canadian Dividend Income Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Income Trust Fund
Renaissance Canadian Income Trust Fund II
Renaissance Canadian Small Cap Fund
Talvest Dividend Fund
Talvest Cdn. Equity Growth Fund
Talvest Cdn. Asset Allocation Fund
Talvest Global Asset Allocation Fund
Talvest Cdn. Equity Value Fund
Talvest Small Cap Cdn. Equity Fund
Talvest Millennium High Income Fund
Talvest Millennium Next Generation Fund

RBC Funds (formerly RBC Advisor Funds)
RBC Blue Chip Canadian Equity Fund

RBC Funds (formerly Royal Mutual Funds)
RBC Balanced Fund
RBC Canadian Equity Fund
RBC Canadian Growth Fund
RBC Canadian Value Fund
RBC Balanced Growth Fund
RBC Monthly Income Fund

RBC Private Pools
RBC Private Income Pool
RBC Private Dividend Pool
RBC Private Canadian Equity Pool
RBC Private Canadian Mid Cap Equity Pool
RBC Private Core Canadian Equity Pool
RBC Private Canadian Growth & Income Equity Pool

RBC Funds (New Advisor Series)
RBC Dividend Fund
RBC Tax Managed Return Fund

2.1.10 EnerVest Natural Resources Fund Ltd. and EnerVest Funds Management Inc. - MRRS Decision

Headnote

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

Rules Cited

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

February 6, 2006

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

AND

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

AND

IN THE MATTER OF
ENERVEST NATURAL RESOURCES FUND LTD. (THE FUND)
AND ENERVEST FUNDS MANAGEMENT INC.
(THE MANAGER)

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 Manager for a decision under National Instrument 81-102 (the Instrument) for a decision that:

   1.1 the Decision Maker approve the change of control of the Manager

   (the Requested Relief).

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

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

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

Interpretation

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

Representations

4. This decision is based on the following facts represented by the Manager:

4.1 The Manager, a corporation incorporated under the laws of Alberta, is the manager and promoter of the Fund.

4.2 The Fund is a mutual fund corporation incorporated under the laws of Alberta. At the time of the application its special shares were distributed under a simplified prospectus dated December 15, 2004, as amended, in each Jurisdiction other than Québec. Currently its special shares are distributed under a simplified prospectus dated December 21, 2005, as amended, in each Jurisdiction other than Québec.

4.3 The Fund is a reporting issuer under the applicable securities legislation of each Jurisdiction and is not on the list of defaulting reporting issuers maintained under applicable securities legislation in those Jurisdictions.

4.4 The Manager is a wholly owned subsidiary of EnerVest Management Ltd. (EML).

4.5 On July 7, 2005, EML and the joint venture partners and principals of EML entered into an agreement of purchase and sale with EnerVest Limited Partnership (the Partnership) and Avenir Operating Corp. The Partnership ultimately is a wholly owned subsidiary of Avenir Diversified Income Trust (the Trust) and Avenir Operating Corp. (the manager and wholly owned subsidiary of the Trust) (collectively, the Avenir Companies).

4.6 The transaction closed on October 4, 2005 (the Closing Date) at which time control of the Manager ultimately vested in the Trust as the Trust, through its subsidiaries, acquired all of the outstanding shares of EML (the Change of Control).

4.7 As of the Closing Date, individuals associated with the Trust replaced certain senior managers and directors of the Manager and the Fund. The portfolio manager of the Fund continued to act as portfolio manager of the Fund.

4.8 The Manager did not obtain the approval of the Decision Maker prior to the Change of Control.

4.9 Notice of the Change of Control (the Notice) was sent to securityholders of the Fund on November 10, 2005. The Manager did not provide notice of the Change of Control to the securityholders at least 60 days prior to the Closing Date.

Decision

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

6. The decision of the Decision Maker under the Instrument regarding the Change of Control is that the Change of Control is approved on the condition that the portfolio manager act in that capacity for at least 60 days after the delivery of Notice to shareholders of the Fund.

7. Nothing in this Decision precludes Enforcement Staff from proceeding against the Manager or any other responsible party with respect to the failure to seek regulatory approval prior to the Change of Control and the failure to provide notice of the Change of Control to securityholders at least 60 days prior to the Change of Control.

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

2.1.11 NexGen Financial Limited Partnership et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption granted from requirements contained in subsections 2(a) and 2(c) of NI 81-101 to comply with certain form requirements of Form 81-101F1 – Exemption granted to permit two funds that are components of an integrated structure for tax purposes to combine their profiles in their simplified prospectus.

Exemption also granted from requirements contained in sections 2.4, 2.6(a), and 2.6(h) of NI 81-102 to permit the issuance of limited recourse debt by bottom corporate funds to top trust funds and facilitate integrated structure for tax purposes.

Rules Cited

National Instrument 81-101 Mutual Funds, ss. 2(a), 2(c), 6.1, Form 81-101F1.
National Instrument 81-102 - Mutual Funds, ss. 2.4, 2.6(a), 2.6(h), 19.1.

February 24, 2006

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

AND

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

AND

IN THE MATTER OF
NATIONAL INSTRUMENT 81-101
MUTUAL FUNDS (NI 81-101)

AND

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

AND

IN THE MATTER OF
NEXGEN FINANCIAL LIMITED PARTNERSHIP (NexGen)
AND
NEXGEN CANADIAN CASH TRUST
NEXGEN CANADIAN BOND TRUST
NEXGEN CANADIAN GROWTH AND INCOME TRUST
NEXGEN CANADIAN BALANCED GROWTH TRUST
NEXGEN CANADIAN LARGE CAP TRUST
NEXGEN CANADIAN GROWTH TRUST
NEXGEN CANADIAN DIVIDEND AND INCOME TRUST
NEXGEN NORTH AMERICAN DIVIDEND
AND INCOME TRUST
NEXGEN AMERICAN GROWTH TRUST
NEXGEN NORTH AMERICAN VALUE TRUST
NEXGEN NORTH AMERICAN SMALL / MID CAP TRUST
NEXGEN NORTH AMERICAN GROWTH TRUST
NEXGEN NORTH AMERICAN LARGE CAP TRUST
(collectively, the Trust Funds)
NEXGEN CANADIAN CASH CORPORATE CLASS
NEXGEN CANADIAN BOND CORPORATE FUND
NEXGEN CANADIAN GROWTH
AND INCOME CORPORATE FUND
NEXGEN CANADIAN BALANCED
GROWTH CORPORATE FUND
NEXGEN CANADIAN GROWTH CORPORATE FUND
NEXGEN AMERICAN GROWTH CORPORATE FUND
NEXGEN CANADIAN DIVIDEND
AND INCOME CORPORATE FUND
NEXGEN NORTH AMERICAN DIVIDEND
AND INCOME CORPORATE FUND
NEXGEN CANADIAN LARGE CAP CORPORATE FUND
NEXGEN NORTH AMERICAN
VALUE CORPORATE FUND
NEXGEN NORTH AMERICAN
SMALL / MID CAP CORPORATE FUND
NEXGEN NORTH AMERICAN GROWTH
CORPORATE FUND
NEXGEN NORTH AMERICAN LARGE CAP
CORPORATE FUND
(collectively, the Corporate Funds, and together with the Trust Funds, the Funds)

MRRS DECISION DOCUMENT

Background

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

(a) exempts the Funds from the requirements of subsection 2 (a) and 2 (c) of NI 81-101 to comply with certain of the requirements of Form 81-101F1 as it relates to the profiles of each of the Funds (other than NexGen Canadian Cash Trust, NexGen Canadian Cash Corporate Class, NexGen Canadian Bond Trust and NexGen Canadian Bond Corporate Fund); and

(b) exempts the Trust Funds (other than NexGen Canadian Cash Trust and NexGen Canadian Bond Trust) from the requirements of section 2.4 and subsection 2.6(h) of NI 81-102 and the Corporate Funds (other than NexGen Canadian Cash Corporate Class and NexGen Canadian Bond Corporate Fund) from the requirements of subsection 2.6 (a) of NI 81-102, in respect of the issuance of limited recourse debt by such Corporate Funds to such Trust Funds.

(collectively, the Requested Relief)

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

1. NexGen Financial Limited Partnership ("NexGen") is a limited partnership formed under the laws of the Province of Ontario having its head office in Toronto, Ontario. NexGen is registered as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the categories of mutual fund dealer and limited market dealer.

2. NexGen intends to file a preliminary simplified prospectus and annual information form and a prospectus and annual information form for the NexGen Funds (collectively, the Prospectus), a group of 26 open end-mutual funds to be established under National Instrument 81-102, consisting of 13 mutual fund trusts and 13 investment portfolios within a mutual fund corporation. The Trust Funds will be available for investment by registered investors and the Corporate Funds will be available for investment by non-registered investors.

3. The Prospectus will comply with the form requirements of National Instrument 81-101, except that the Prospectus, in respect of each Fund (other than NexGen Canadian Cash Trust, NexGen Canadian Cash Corporate Class, NexGen Canadian Bond Trust and NexGen Canadian Bond Corporate Fund) will combine 2 mutual funds within a single fund profile in Part B of the simplified prospectus. Each profile will include a Trust Fund and the corresponding Corporate Fund with a similar investment objective and refer to these funds collectively in accordance with their investment objective.

4. NexGen will be the manager and the principal distributor of the Funds and NexGen Limited, the general partner of the Partnership, will be the trustee of the Funds.

5. The securities of the NexGen Funds will be distributed through independent third party brokers and dealers.

6. Each of the Trust Funds offers units of multiple series (the "Series"). Each of the Corporate Funds, with the exception of NexGen Canadian Cash Corporate Class, has 4 publicly offered tax classes, being: (i) Capital Gains Class; (ii) Return of Capital Class; (iii) Dividend Tax Credit Class; and (iv) Compound Growth Class and a single non-publicly offered class, being the Inter-Fund Class. Each of these classes and NexGen Canadian Cash Corporate Class is a separate class within NexGen Investment Corporation, an open-end mutual fund corporation to be established under the laws of Ontario. However, all of the tax classes and the Inter-Fund Class share a single investment portfolio and comprise a single mutual fund.

7. Each Corporate Fund offers the same Series as the Trust Funds.

8. It is intended that each of the Trust Funds, other than NexGen Canadian Cash Trust and NexGen Canadian Bond Trust, will invest substantially all of its portfolio assets in a combination of non-publicly offered limited recourse debt (the "Debt") and securities of the Inter-Fund Class of the underlying Corporate Fund having a similar investment objective as the Trust Fund (the "Fund on Fund arrangements"). The Fund on Fund arrangements will comply with NI 81-102 except for the Corporate Funds' issuance of and the Trust Funds' investment in the Debt.

9. The Debt, which would be issued by NexGen Investment Corporation to the applicable Trust Fund, would consist of limited recourse notes redeemable on demand by the Trust Fund and would pay interest at a floating rate equal to the prime rate of interest plus 1%. The recourse in all circumstances, including default in the payment of principal or interest, would be limited to the assets of the applicable Inter-Fund Class of that Corporate Fund. The value of the aggregate Debt of each Inter-Fund Class to the value of the aggregate equity (represented by the shares of such Inter-Fund Class issued to the Trust Fund) will be maintained at a ratio of one to one within prescribed tolerance levels of plus or minus 5%. As a result, if the value of the aggregate equity of the Inter-Fund declines to 45% of the aggregate value of the combined Debt and equity of the Class or increases to 55% of such value, an equivalent portion of the existing Debt will be sold or purchased to ensure that the Debt to equity ratio of an Inter-Fund Class will always be maintained within the prescribed tolerance levels and returned to a ratio of 1 to 1.

10. The Fund on Fund arrangements are intended to increase the tax efficiency of the underlying Corporate Funds while, in each case, not adversely affecting the Trust Funds.

11. As will be disclosed in the Prospectus and as described above, the Funds are offered through an integrated investment structure. That structure involves the Fund on Fund arrangements described above. Those Fund on Fund arrangements are in respect of an individual Trust Fund and the corresponding Corporate Fund . A single profile to describe each of the Trust Fund and Corporate Fund with a similar investment objective is consistent with the investment structure.

12. The capital structure of an Inter-Fund Class has been structured purely for tax purposes to increase the tax efficiency of the Corporate Funds without adversely affecting the Trust Funds, including the underlying investment performance or return of the Trust investment. The capital structure shares the fundamental attributes of an income trust. The Debt will not be used as financial leverage. Specifically, the debt/equity ratio does not affect the underlying investment return of the Inter-Fund assets and thereby the Trust. That investment return is dictated solely by the performance of the investment portfolio of the underlying Corporate Fund, the investment objective and strategies of which are substantially similar to the Trust Fund. As a result, the acquisition of the Debt by a Trust Fund should not be viewed as inconsistent with its investment objective or adversely affecting, in any manner, the ability of the Trust Fund to achieve its investment objective.

13. Although the Debt obligations will be issued by NexGen Investment Corporation, recourse will be limited in all circumstances to the assets of the applicable Inter-Fund Class. Accordingly, from the viewpoint of the other Corporate Funds or Classes, the Debt should be viewed simply as an additional liability of that Class of a Corporate Fund sharing the same fundamental attributes of any other liability of that Class and subject to an equal risk of default as with any other liability.

14. From the viewpoint of the Trust Funds, as noted above, the existence of the Debt is largely irrelevant as it has no impact on the value or performance of the underlying Corporate Fund's investment portfolio. Regardless of the performance of the equity markets, the value of the Trust Fund's portfolio and its units will never be less than the value it would have realized absent the capital structure. Accordingly, there would be no prejudice to either the Trust Fund or its unitholders in this situation.

15. The sole shareholder of each Inter-Fund Class shall be the identified Trust Funds. All voting in respect of those securities shall be treated in accordance with section 2.5 (6) of National Instrument 81-102. Specifically, such Trust Funds will not vote the shares of the Inter-Fund Class of the Corporate Fund, and NexGen may, in its discretion, flow these votes through to the unitholders of the Trust Funds.

AND WHEREAS under the System this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the "Decision");

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

THE DECISION of the Decision Makers under the Legislation is that the Requested Relief is granted so long as:

(i) The Debt is limited recourse debt and the recourse is limited in all circumstances, including default in the payment of principal and/or interest, to the assets of the applicable Inter-Fund Class of that Corporate Fund.

(ii) The Debt is not used as financial leverage and used solely for the purposes described in paragraphs 10, 12, 13, and 14 above.

(iii) The Trust Funds maintain a debt to equity ratio of 1 to 1, as described in paragraph 9, above.

(iv) The Fund on Fund arrangements are structured as described in paragraphs 8 and 11 above.

"Leslie Byberg"
Manager – Investment Funds

2.1.12 Quadra Mining Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications and Multilateral Instrument 11-101 Principal Regulator System – An issuer acquired a business which owned a mineral property (the acquired business) – The issuer requires relief from the requirement to include certain financial statements in a business acquisition report – The required financial statements for the acquired business would include assets and liabilities that the issuer did not ultimately acquire – The issuer based the acquisition of the acquired business entirely on the merits of the technical report relating to the mineral property, rather than an assessment of the acquired business' balance sheet – There has not been any significant activity in the acquired business in the 12 months before the issuer acquired it – Relief granted subject to the condition that the issuer will include certain information in the business acquisition report, including a pro forma balance sheet and related compilation report.

Applicable Provisions

National Instrument 51-102 Continuous Disclosure Obligations.

March 2, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATIONOF
BRITISH COLUMBIA AND ONTARIO
(the Jurisdictions)

AND

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

AND

IN THE MATTER OF
QUADRA MINING LTD. (THE FILER)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is exempt from the requirement in Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* to include

   (a) audited annual financial statements of Cambior USA Inc. (C-USA) or Carlota Copper Company (Carlota Copper),

   (b) interim financial statements of C-USA or Carlota Copper, or

   (c) a pro forma income statement of the Filer after giving effect to the acquisition of C-USA, a compilation report relating to the pro forma income statement, and pro forma earnings per share based on the pro forma financial statements

   in a business acquisition report (the Requested Relief).

Application of the Principal Regulator System

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

   (a) the British Columbia Securities Commission is the principal regulator for the Filer;

   (b) the Filer is relying on the exemption in Part 3 of MI 11-101 in Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon; and

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

Interpretation

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

   In this decision,

   "*compilation report*" means a compilation report accompanying the pro forma balance sheet signed by the Filer's auditor and prepared in accordance with the Handbook;

   "*pro forma balance sheet*" means a pro forma consolidated balance sheet as at September 30, 2005 for the Filer and as at December 20, 2005 for C-USA giving effect to the Filer's acquisition of C-USA; and

   "*technical report*" means a National Instrument 43-101 *Standards of Disclosure for Mineral Projects* compliant technical report on the Carlota copper project.

Representations

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

    1. the Filer's head office is in Vancouver, British Columbia;

    2. the Filer is a reporting issuer or the equivalent in the Jurisdictions and in Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut and Yukon;

    3. the Filer is not in default of its obligations as a reporting issuer under the legislation of any jurisdiction in which it is a reporting issuer or the equivalent;

    4. C-USA was a wholly-owned subsidiary of Cambior Inc., and is the parent company of Carlota Copper, which owns the Carlota copper project;

    5. the Filer acquired C-USA from Cambior Inc. on December 21, 2005 for the purpose of acquiring select assets and liabilities of Carlota Copper, including the technical report;

    6. the Company acquired the shares of C-USA, rather than the select assets and liabilities, to minimise issues that could arise associated with the transfer of permits between entities;

    7. Cambior Inc. has advised the Filer that

        (a) approximately US$68M of expenditures were incurred on the Carlota copper project before the Filer acquired C-USA, largely in the early 1990s, with a large portion written down before 2003, and

        (b) there are no material liabilities associated with C-USA or Carlota Copper;

    8. the only expenses incurred in the two years before the Filer acquired C-USA were expenses related to updating the technical report, the administration of litigation in respect of two permits obtained by Carlota Copper and other general administrative matters of minimal significance;

    9. the only activity at the Carlota copper project during the 12 months before the Filer acquired C-USA was activity related to completing the technical report and finalizing all outstanding permitting issues;

    10. the Filer has not discovered any material liabilities associated with C-USA or Carlota Copper in the due diligence it conducted;

    11. the Filer determined the value of Carlota Copper based on the value of the underlying mineral property as described in the technical report, and based the acquisition of C-USA entirely on the merits of the technical report, rather than an assessment of the balance sheet of C-USA;

    12. C-USA's auditors have never conducted an audit or a review of C-USA's financial statements;

    13. before the Filer acquired C-USA,

        (a) C-USA had five subsidiaries, four of which were transferred out of C-USA to other subsidiaries of Cambior Inc. so that the shares of Carlota Copper were the only asset of C-USA, and

        (b) certain other limited assets in Carlota Copper were transferred out to other subsidiaries of Cambior Inc.;

    14. the Filer plans to file its audited consolidated annual financial statements for the year ended December 31, 2005 on or about March 10, 2006 which will reflect the acquisition of C-USA; and

    15. the Filer will include the pro forma balance sheet and compilation report in the business acquisition report it files in connection with its acquisition of C-USA.

Decision

5. The Decision Makers being satisfied that they have jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted provided that

    (a) the Filer complies with paragraph 15, and

    (b) the business acquisition report discloses that the only activity at the Carlota copper project during the 12 months before the Filer acquired C-USA was activity related to completing the technical report and

finalizing all outstanding permitting issues.

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

2.1.13 Vicwest Corporation - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

February 15, 2006

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

AND

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

AND

IN THE MATTER OF
VICWEST CORPORATION (the Filer)

MRRS DECISION DOCUMENT

WHEREAS the Filer has applied to the local securities regulatory authority or regulator (the Decision Makers) in each of the Jurisdictions for a decision under the securities legislation (the Legislation) of the Jurisdictions to be deemed to have ceased to be a reporting issuer in the Jurisdictions;

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the MRRS), the Ontario Securities Commission is the principal regulator for this Application;

AND WHEREAS the Filer has represented to the Decision Makers as follows:

(a) the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the Jurisdictions and less than 51 security holders in total in Canada;

(b) no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 - *Marketplace Operation*;

(c) the Filer 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 (other than in the Province of British Columbia, where the Filer has voluntarily surrendered its reporting issuer status under British Columbia Instrument 11-502 - *Voluntary Surrender of Reporting Issuer Status*);

(d) pursuant to a plan of arrangement (the Arrangement) effective July 1, 2005, Vicwest Income Fund (the Fund) acquired all of the outstanding shares of the Filer;

(e) as a result of the Arrangement, the Fund is now the sole shareholder of the Filer. The Filer does not intend to re-offer its securities to the public, and

(f) the Filer is not in default of any of its obligations under the Legislation as a reporting issuer, other than the requirement to file its interim financial statements, management's discussion and analysis and officers' certificates for the period ended September 30, 2005.

AND WHEREAS under MRRS, this MRRS Decision Document evidences the decision of each Decision Maker (collectively, the Decision);

AND WHEREAS 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 Filer is deemed to have ceased to be a reporting issuer or the equivalent thereof under the Legislation.

"Paul Moore"
Vice Chair
Ontario Securities Commission

"Robert W. Davis"
Commissioner
Ontario Securities Commission

2.1.14 Scotia Cassels Investment Counsel Limited - MRRS Decision

Headnote

MRRS - Exemption from subsection 4.1(1) of National Instrument 81-102 Mutual Funds to allow dealer managed mutual funds to invest in securities of an issuer during the period of distribution for the initial public offering and for a period of 60 days thereafter where the offering is being underwritten by an affiliate of the dealer manager.

Applicable Legislative Provisions

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

March 7, 2006

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

AND

IN THE MATTER OF
THE MUTUAL RELIANCE REVIEW SYSTEM ("MRRS") FOR EXEMPTIVE RELIEF APPLICATIONS

AND

SCOTIA CASSELS INVESTMENT COUNSEL LIMITED (the "Applicant")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Applicant (or "**Dealer Manager**"), the portfolio adviser of Scotia Canadian Growth Fund and Scotia Canadian Small Cap Fund (the "**Funds**" or "**Dealer Managed Funds**") for a decision under section 19.1 of National Instrument 81-102 – *Mutual Funds* ("**NI 81-102**") granting:

- an exemption from subsection 4.1(1) of NI 81-102 (the "**Investment Restriction**") to enable the Dealer Managed Funds to invest in units (the "**Units**") of the Canada Cartage Diversified Income Fund (the "**Issuer**") during the period of distribution for the Offering (as defined below) (the "**Distribution**") and the 60-day period following the completion of the Distribution (the "**60-Day Period**") (the Distribution and the 60-Day Period together, the "**Prohibition Period**") notwithstanding that the Dealer Manager or their associates or affiliates act or have acted as an

underwriter in connection with the initial public offering (the "**Offering**") of the Units of the Issuer pursuant to a final long form prospectus filed by the Issuer in accordance with the securities legislation of each of the Jurisdictions (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

It is the responsibility of each of the Decision Makers to make a global assessment of the risks involved in granting exemptive relief from the Investment Restriction in relation to the specific facts of each application.

Interpretation

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

Representations

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

1. The Dealer Manager is a "dealer manager" with respect to the Dealer Managed Funds, and each Dealer Managed Fund is a "dealer managed fund", as such terms are defined in section 1.1 of NI 81-102.

2. The head office of Scotia Cassels Investment Counsel Limited is in Toronto, Ontario.

3. The securities of the Dealer Managed Funds are qualified for distribution in all of the provinces and territories of Canada pursuant to simplified prospectuses that have been prepared and filed in accordance with their respective securities legislation.

4. The Issuer filed a prospectus (the "**Preliminary Prospectus**") dated February 6, 2006 with each of the Decision Makers, for which an MRRS decision document evidencing receipt by the each of the Decision Makers was issued.

5. The Offering is being underwritten, subject to certain terms, by an underwriting syndicate that includes Scotia Capital Inc. (the "**Related Underwriter**"), BMO Nesbitt Burns Inc., TD Securities Inc., CIBC World Markets Canada Inc., Westwind Partners Inc., and HSBC Securities (Canada) Inc. (the Related Underwriter together with the other underwriters, which are now or may become part of the syndicate prior to closing, the "**Underwriters**").

6. The Related Underwriter is an affiliate of the Dealer Manager.

7. The Units are expected to be priced at $10 per Unit. The Underwriters are to be granted an over-allotment option (the "**Over-Allotment Option**") to purchase additional Units representing up to 5% of the amount of Units sold in the Offering at a price of $10.00 per Unit to be exercised in full within 30 days following the closing date (the "**Closing Date**") which is expected to occur during the week of March 6, 2006**.** The Offering is expected to be for approximately 11.8 million Units (or for approximately 12.4 million Units if the Over-Allotment Option is exercised in full) with the gross proceeds of the Offering expected to be approximately $118 million (or approximately $124million if the Over-Allotment Option is exercised in full).

8. As disclosed in the Preliminary Prospectus, the Issuer is an unincorporated, open-ended trust established under the laws of the Province of Ontario. According to the Preliminary Prospectus, the Issuer will acquire an interest in CCD Limited Partnership ("**CCD**") which in turn will acquire the trucking and transportation logistics business of each of Canada Cartage Systems, Limited ("**CCSL**") and Direct Integrated Transportation Inc. ("**Direct**").

9. The Preliminary Prospectus states that the Issuer will use the gross proceeds from the Offering to subscribe for trust units of the Canada Cartage Diversified Operating Trust, an open-ended trust established under the laws of Ontario, which will, in turn, acquire Class A limited partnership units in CCD and shares in the capital of Canada Cartage Diversified GP Inc. ("**GP**"). If exercised in full, the gross proceeds from the Over-Allottment Option will be used by the Issuer to subscribe for trust units and Series 1 trust notes of the Canada Cartage Diversified Operating Trust which will, in turn, acquire from CCSL, additional limited partnership units in CCD and shares in the capital of GP. Following the closing, the Issuer is expected to indirectly hold approximately 67% to 72% of the outstanding partnership units of CCD with the remaining interest being held by CCSL.

10. The Issuer, Canada Cartage Diversified Operating Trust, CCD, GP and the Underwriters will enter into an underwriting agreement (the "**Underwriting Agreement**") in respect of the Offering prior to the Issuer filing the final prospectus for the Offering. Pursuant to the terms of the Underwriting Agreement, the Issuer will agree to sell to the Underwriters, and the Underwriters will agree to purchase on the Closing Date, as principals, from the Issuer on the Closing

Date all of the Units offered under the Offering at a price of $10 per Unit.

11. According to the Preliminary Prospectus, the Issuer has applied to list the Units that will be distributed under the final prospectus on the Toronto Stock Exchange ("**TSX**"). This listing is subject to the Issuer's compliance with all of the relevant TSX requirements.

12. The Preliminary Prospectus discloses that the Issuer is a "connected issuer" as defined in National Instrument 33-105 – *Underwriting Conflicts* ("**NI 33-105**") of BMO Nesbitt Burns Inc. and HSBC Securities (Canada) Inc. as their affiliated banks will be lenders to CCD on closing. Scotia Capital Inc., the Related Underwriter of the Dealer Manager is not a lender.

13. According to the Preliminary Prospectus, the decision to issue the Units and the determination of the terms of the distribution were made through negotiation between the Issuer and CCSL on the one hand, and the Underwriters, on the other hand. According to the Preliminary Prospectus, the financial institutions related to the Underwriters specified above (which does not include the Related Underwriter) did not have any involvement in the decision or determination. As a consequence of the Offering, the Related Underwriter will receive its proportionate share of the underwriters' fee.

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

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

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

15. The Dealer Managed Funds are not required or obligated to purchase any Units during the Prohibition Period.

16. Each Dealer Manager may cause the Dealer Managed Funds to invest in the Units during the Prohibition Period. Any purchase of the Units will be consistent with the investment objectives of the Dealer Managed Funds and represent the business judgment of the Dealer Manager of the Dealer Managed Funds uninfluenced by considerations other than the best interests of the Dealer Managed Fund or in fact be in the best interests of the Dealer Managed Fund.

17. To the extent that the same portfolio manager or team of portfolio managers of a Dealer Manager manages both Dealer Managed Funds and other client accounts that are managed on a discretionary basis (the "**Managed Accounts**"), the Units purchased for them will be allocated:

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

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

18. There will be an independent committee (the "**Independent Committee**") appointed in respect of each Dealer Manager's Dealer Managed Funds to review such Dealer Managed Funds' investments in the Units during the Prohibition Period.

19. The Independent Committee will have at least three members and every member must be independent. A member of the Independent Committee is not independent if the member has a direct or indirect material relationship with its Dealer Manager, the Dealer Managed Funds, or any affiliate or associate thereof. For the purpose of this Decision, a material relationship means a relationship which could, in the view of a reasonable person, reasonably interfere with the exercise of the member's independent judgment regarding conflicts of interest facing the Dealer Manager.

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

21. The Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the AMF, in writing of any SEDAR Report (as defined below) filed on SEDAR, as soon as practicable after the filing of such a report, and the notice shall include

the SEDAR project number of the SEDAR Report and the date on which it was filed.

22. The Dealer Manager has not been involved in the work of the Related Underwriter and the Related Underwriter has not been and will not be involved in the decisions of the Dealer Manager as to whether the Dealer Manager's Dealer Managed Funds will purchase Units during the Prohibition Period.

Decision

Each of the Decision Makers has assessed the conflict of interest risks associated with granting an exemption in this instance from the Investment Restriction and is satisfied that, at the time this Decision is granted, the potential risks are sufficiently mitigated.

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

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

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

   (a) the Purchase

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

      (ii) is, in fact, in the best interests of the Dealer Managed Fund;

   (b) the Purchase is consistent with, or is necessary to meet, the investment objective of the Dealer Managed Fund as disclosed in its simplified prospectus; and

   (c) the Dealer Managed Fund does not place the order to purchase, on a principal or agency basis, with its Related Underwriter;

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

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

   (b) in connection with any Purchase,

      (i) there are stated factors or criteria for allocating the Units purchased for two or more Dealer Managed Funds and other Managed Accounts, and

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

3. The Dealer Manager does not accept solicitation by its Related Underwriter for the Purchase of Units for the Dealer Managed Funds;

4. The Related Underwriter does not purchase Units in the Offering for its own account except Units sold by the Related Underwriter on Closing;

5. The Dealer Managed Fund has an Independent Committee to review the Dealer Managed Funds' investments in the Units during the Prohibition Period;

6. The Independent Committee has a written mandate describing its duties and standard of care which, as a minimum, sets out the conditions of this Decision;

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

8. The Dealer Managed Fund does not relieve the members of the Independent Committee from liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph 7 above;

9. The Dealer Managed Fund does not incur the cost of any portion of liability insurance that insures a member of the Independent Committee for a liability for loss that arises out of a failure to satisfy the standard of care set out in paragraph 7 above;

10. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Funds, or any associate or affiliate of the Dealer Manager or any portfolio manager of the Dealer Managed Funds to indemnify or insure the members of the Independent Committee in respect of a loss that arises out of a failure to satisfy the standard of care set out in paragraph 7 above is not paid either directly or indirectly by the Dealer Managed Funds;

11. The Dealer Manager files a certified report on SEDAR (the "**SEDAR Report**") in respect of each Dealer Managed Fund, no later than 30 days after the end of the Prohibition Period, that contains a certification by the Dealer Manager that contains:

    (a) the following particulars of each Purchase:

        (i) the number of Units purchased by the Dealer Managed Funds of the Dealer Manager;

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

        (iii) whether it is known whether any Underwriter or syndicate member has engaged in market stabilization activities in respect of the Units;

        (iv) if the Units were purchased for two or more Dealer Managed Funds and other Managed Accounts of the Dealer Manager, the aggregate amount so purchased and the percentage of such aggregate amount that was allocated to each Dealer Managed Fund; and

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

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

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

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

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

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

    (d) a certification by each member of the Independent Committee that after reasonable inquiry the member formed the opinion that the policies and procedures referred to in Condition 2(a) above are adequate and effective to ensure compliance with this Decision and that the decision made on behalf of each Dealer Managed Fund by the Dealer Manager to purchase Units for the Dealer Managed Funds and each Purchase by the Dealer Managed Fund:

        (i) was made in compliance with the conditions of this Decision;

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

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

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

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

    (a) any determination by it that the condition set out in paragraph 11(d) has not been satisfied with respect to any Purchase of the Units by a Dealer Managed Fund;

    (b) any determination by it that any other condition of this Decision has not been satisfied;

    (c) any action it has taken or proposes to take following the determinations referred to above; and

    (d) any action taken, or proposed to be taken, by the Dealer Manager or a

portfolio manager of a Dealer Managed Fund, in response to the determinations referred to above.

13. For Purchases of Units during the Distribution only, the Dealer Manager:

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

(b) agrees to purchase the Fixed Number or such lesser amount as has been allocated to the Dealer Manager no more than five (5) business days after the final prospectus has been filed;

(c) does not place an order with an underwriter of the Offering to purchase an additional number of Units under the Offering prior to the completion of the Distribution, provided that if the Dealer Manager was allocated less than the Fixed Number at the time the final prospectus was filed for the purposes of the Closing, the Dealer Manager may place an additional order for such number of additional Units equal to the difference between the Fixed Number and the number of Units allotted to the Dealer Manager at the time of the final prospectus in the event the Underwriters exercise the Over-Allotment Option; and

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

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

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

"Rhonda Goldberg"
Assistant Manager, Investment Funds Branch

2.1.15 Henry Birks & Sons Inc. - MRRS Decision

Headnote

Subsection 74(1) – exemption from prospectus requirement in connection with first trade of shares purchased pursuant to private placements – issuer unable to fully comply with conditions of section 2.14 of NI 45-102 as at the time of distribution of such shares, residents in Canada did own, directly or indirectly, more than 10% of the issuer's securities and did represent in number more than 10% of the total number of owners directly or indirectly of such securities – exemption subject to conditions.

Statutes Cited

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

Rules Cited

National Instrument 45-102 – Resale of Securities.

March 3, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
THE PROVINCES OF ALBERTA, BRITISH COLUMBIA, NEW BRUNSWICK, NOVA SCOTIA, ONTARIO, QUÉBEC AND SASKATCHEWAN
(COLLECTIVELY, THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
HENRY BIRKS & SONS INC. (THE "FILER")

MRRS DECISION DOCUMENT

Background

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

- an exemption from the prospectus requirements of the Legislation in respect of the resale, following the Merger Transaction (as such term is defined below), of the Filer's Pre-Merger Transaction Birks Class A Shares (as such term is defined below), in accordance with the conditions set out in this MRRS decision document. (the "Requested Relief")

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Autorité des marchés financiers 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.

Representation

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

1. The Filer is a corporation existing under the *Canada Business Corporations Act* and its corporate headquarters are located at 1240 Phillips Square, Montreal, Québec H3B 3H4. It is a well-known North American luxury jeweler that designs, develops, makes and retails fine jewelry, timepieces, sterling silver and gifts. The Filer currently operates over 60 jewelry stores, including over 35 stores under the Filer's name located in major cities across Canada, and over 25 stores under the Mayor's Jewelers, Inc. name located primarily in South and Central Florida and in metropolitan Atlanta, Georgia.

2. The Filer is not now, nor does it intend following the Merger Transaction (as such term is defined below), to become a reporting issuer in any Province or Territory of Canada.

3. Mayor's Jewelers, Inc. ("Mayor's") is a Delaware corporation incorporated in 1983 and its corporate headquarters are currently located at 5870 Hiatus Road, Tamarac, Florida 33321. Mayor's is a well-known luxury retail jeweler of fine quality jewelry, watches and giftware.

4. Prior to the Merger Transaction (as such term is defined below), Mayor's was a public company in the United States and shares of Mayor's common stock ("Mayor's Common Stock") had been registered for trading to the public with the United States Securities Exchange Commission (the "SEC"). Further, the shares of Mayor's Common Stock were listed on the American Stock Exchange ("AMEX") under the symbol MYR. Mayor's is not a reporting issuer in any Province or Territory of Canada.

5. Prior to the Merger Transaction (as such term is defined below), the Filer was the largest shareholder of Mayor's and owned approximately 42.0% of Mayor's Common Stock and all of the series A-1 convertible voting preferred shares of Mayor's ("Mayor's Preferred Stock"). Based on its ownership of the foregoing securities of Mayor's, prior to the Merger Transaction (as such term is defined below), the Filer held approximately 76.2% of the voting power in Mayor's.

6. On April 18, 2005, Mayor's, the Filer and Birks Merger Corporation ("Merger Sub"), a wholly-owned subsidiary of the Filer incorporated under Delaware law, entered into an Agreement and Plan of Merger and Reorganization, as amended (the "Merger Agreement"). Pursuant to the Merger Agreement, the parties agreed to effect a merger and reorganization transaction, the details of which are further set out herein (the "Merger Transaction").

7. The board of directors of Mayor's, based upon the unanimous recommendation of a special committee of its independent directors, unanimously approved the Merger Transaction, as did the board of directors of the Filer.

8. On or around October 14, 2005, the shareholders of record of Mayor's were mailed a Form F-4 Registration Statement (the "Registration Statement") and same was filed with the SEC under the United States Securities Act of 1933, as amended (the "U.S. Securities Act").

9. Amongst various other conditions that were to be satisfied in order for the Merger Transaction to be effected, it was required that the affirmative vote of (i) the holders of at least a majority of Mayor's outstanding stock entitled to vote thereon, and (ii) the majority of Mayor's disinterested stockholders (which excludes the Filer and each person that is an affiliate or associate of the Filer) that cast a vote in person or by proxy, at a special meeting of the shareholders of Mayor's, be obtained. The special meeting of Mayor's shareholders (the "Special Meeting") occurred in Florida on November 14, 2005. At the Special Meeting, the necessary votes were obtained (and the other conditions precedent to the Merger Transaction had been satisfied). As such, on November 15, 2005, the successful completion of the merger was announced.

10. As a consequence of the Merger Transaction:

    (a) Merger Sub, a wholly owned subsidiary of the Filer, merged with and into Mayor's (the "Merger"). As a consequence thereof, the separate corporate existence of Merger Sub ceased and Mayor's continued as the surviving corporation of the Merger, and all the property, rights, privileges, powers and franchises of Merger Sub and Mayor's vested in the surviving corporation (Mayor's), and all debts, liabilities, obligations, restrictions, disabilities and duties of each of Merger Sub and Mayor's became the debts, liabilities, obligations, restrictions,

disabilities and duties of the surviving corporation (Mayor's).

(b) Each share of common stock of Merger Sub, all of which were owned by the Filer, that were issued and outstanding immediately prior to the Effective Time (as such term is defined below) were cancelled and converted automatically into the right for the Filer to receive one share of the surviving corporation's (Mayor's) common stock.

(c) Each share of Mayor's Common Stock held in the treasury of Mayor's and each share of Mayor's Common Stock held by any direct or indirect subsidiary of Mayor's immediately prior to the Effective Time (as such term is defined below) were cancelled without any conversion thereof.

(d) Each of the other shares of Mayor's Common Stock that were issued and outstanding (being those shares of Mayor's Common Stock that were held by the public (approximately 19,435,285 shares) and by management of the Filer and Mayor's (approximately 1,923,025 shares), but excluding any of Mayor's Common Stock held directly by the Filer) immediately prior to the time (the "Effective Time") the Merger was consummated were cancelled and converted automatically, at the Effective Time by virtue of the Merger, into the right to receive 0.08695 Class A Shares of the Filer (the "Birks Share Rights").

(e) Each Birks Share Right entitles the holder thereof to receive 0.08695 Birks Class A Shares upon such holder's delivery (in accordance with the terms of the Merger Agreement) to SunTrust Bank (the Exchange Agent) of an executed letter of transmittal (and such other documents as may be required) along with his or her certificates representing the Mayor's Common Stock that such holder had owned at the Effective Time (fractional shares will not be issued, but a cash payment will be made for those fractional shares, such cash payment to be calculated on the average closing price of Birks Class A Shares as reported by AMEX in the 20 consecutive trading days beginning on and including the trading day immediately following the date of the Effective Time).

(f) The outstanding options and warrants that were granted by Mayor's to its directors, management and employees (each such option and warrant which may be exercised, at its respective exercise price for one share of Mayor's Common Stock), were assumed by the Filer and converted, as the case may be, into an option or warrant to acquire the number of Birks Class A Shares obtained by multiplying (x) the number of shares of Mayor's Common Stock subject to such option or warrant by (y) 0.08695, the whole rounded downward to the nearest whole share.

Further, at the same time as the Merger Transaction was effected:

(a) Birks Class A Shares were registered for sale to the public in the United States further to the declared effectiveness of the Registration Statement by the SEC.

(b) Birks' Class A Shares were listed on AMEX. Such listing has occurred and such shares began trading on AMEX on November 15, 2005 under the symbol "BMJ".

(c) The Filer filed articles of amendment with the Director under the *Canada Business Corporations Act* to, *inter alia*, change its name to "Birks & Mayors Inc."

11. The Merger Transaction constituted a merger and reorganization further to a statutory procedure that was effected under the Delaware General Corporation Law. As such, in Canada, the distribution of Birks Class A Shares further to the Merger Transaction occurred on a prospectus and dealer registration exempt basis pursuant to Section 2.11 of National Instrument 45-106 Prospectus and Registration Exemptions ("NI 45-106"). Further, the conversion of outstanding Mayor's options and warrants to Birks' options and warrants (as described in paragraph (f) on the foregoing page), also occurred on a prospectus and dealer registration exempt basis pursuant to either Section 2.11 or Section 2.24 of NI 45-106.

12. As concerns the Birks Class A Shares that were issued and outstanding prior to the Merger Transaction, including those Birks Class A Shares of the Filer that underlie options of the Filer that had been granted prior to the Merger Transaction (collectively, the "Pre-Merger Transaction Birks Class A Shares"), the holders of such securities are not able to rely on the exemption provided for at Section 2.14 of National Instrument 45-102 Resale of Securities ("NI 45-102"), given that the criteria set out at Section 2.14(b) of NI 45-102 is not met in that at the time of certain of the distributions of such securities, residents of Canada did own, directly or indirectly, more than 10 percent of such securities, and did represent in

number more than 10 percent of the total number of owners directly or indirectly of such securities.

13. However as concerns the Filer's securities that were distributed in connection with the Merger Transaction, including the Birks Class A Shares that were distributed in connection with the Merger Transaction, given that (a) the Filer was not a reporting issuer at the time the Birks Class A Shares were distributed further to the Merger Transaction, and (b) at the time of such distribution, residents of Canada did not own, directly or indirectly, more than 10 percent of the outstanding Birks Class A Shares, and did not represent in number more than 10 percent of the total number of owners directly or indirectly of Birks Class A Shares, pursuant to Section 2.14 of NI 45-102, the Birks Class A Shares issued and distributed further to the Merger Transaction, as well as the Birks Class A Shares that underlie the stock options and warrants of the Filer that were distributed in connection with the Merger Transaction, can be resold on an exempt basis through an exchange, or a market, outside of Canada, or to a person or company, outside of Canada.

14. It would not be prejudicial to the public interest to allow the holders of Pre-Merger Transaction Birks Class A Shares of the Filer to rely on the exemption set forth at Section 2.14(1) of NI 45-102 given that the criteria for relying on such exemption was satisfied at the time of the Merger Transaction.

15. The Merger Transaction will result in Birks becoming a reporting issuer in the United States. As such, Birks will be obligated to comply with U.S. securities laws, including U.S. continuous disclosure requirements. Birks will file those continuous disclosure documents required to be filed by it under U.S. securities laws on EDGAR and will mail to its shareholders, whether same are resident in the U.S. or in Canada, those continuous disclosure documents required to be mailed by it under U.S. securities laws.

Decision

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

(i) was not a reporting issuer in any jurisdiction of Canada at the time of the distribution dates of the Pre-Merger Transaction Birks Class A Shares;

(b) at the time of the Merger Transaction, after giving effect to the issue of the security and any other securities of the same class or series that were issued at the same time as or as part of the same distribution as the security, residents of Canada

(i) did not own directly or indirectly more than 10 percent of the outstanding securities of the class or series; and

(ii) did not represent in number more than 10 percent of the total number of owners directly or indirectly of securities of the class or series; and

(c) the trade is made

(i) through an exchange, or a market, outside of Canada, or

(ii) to a person or company outside of Canada.

"Jean St-Gelais"
Président-Directeur général
Autorité des marches financiers

2.1.16 Texaco Capital LLC - s. 83

Headnote

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

Ontario Statutes

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

Citation: Texaco Capital LLC, 2006 ABASC 1161

March 15, 2006

Burnet, Duckworth & Palmer LLP
1400, 350 - 7 Avenue SW
Calgary, AB T2P 3N9

Attention: Dale Masson

Dear Sir:

Re: Texaco Capital LLC (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Manitoba, Ontario, Québec and Nova Scotia (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 15th day of March, 2006.

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

2.1.17 Connor, Clark & Lunn Roc Pref Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption provided from certain requirements of National Instrument 81-102 Mutual Funds since issuer is fundamentally different from a conventional mutual fund. – Issuer also exempted from the requirement in National Instrument 81-106 Investment Fund Continuous Disclosure to calculate its net asset value on a daily basis, subject to certain conditions and requirements.

Rules Cited

National Instrument 81-102 Mutual Funds, ss. 2.1(1), 2.4(1), 2.4(2), 2.4(3), 2.5(2), 2.7(1), 2.7(2), 2.7(4), 3.3, 10.3, 10.4, 12.1, 14.1, 19.1.
National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3), 17.1.

February 28, 2006

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

AND

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

AND

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE
("NI 81-106")

AND

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

AND

IN THE MATTER OF
CONNOR, CLARK & LUNN ROC PREF CORP.
(the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the "Legislation") for exemptive relief from (i) certain provisions of NI 81-102 *Mutual Funds* ("NI 81-102") pursuant to section 19.1 thereof; and (ii) the daily calculation of net asset value ("NAV") requirement of section 14.2(3)(b) of NI 81-106 pursuant to section 17.1 thereof (collectively, the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

In this decision

"CLN Portfolio" means an equally-weighted portfolio of approximately 120 to 140 companies all of which are currently rated investment grade by S&P;

"Canadian Securities Portfolio" means a specified portfolio consisting of securities of Canadian public issuers that are "Canadian securities" for the purposes of the Tax Act with a value equal to an amount determined based on the economic return generated by the Credit Linked Note;

"Credit Linked Note" means a credit linked note issued by The Bank of Nova Scotia, the return on which will be linked to the credit performance of the CLN Portfolio;

"Credit Trust IV" means a newly created investment trust to be established under the laws of Ontario;

"Counterparty" means The Bank of Nova Scotia;

"Forward Agreement" means a forward purchase and sale agreement between the Counterparty and the Filer which will provide the Filer with the economic return generated by the Canadian Securities Portfolio;

"Holders" means the holders of Preferred Shares;

"Investment Manager" means Connor, Clark & Lunn Investment Management Ltd., the investment manager to Credit Trust IV;

"Manager" means Connor, Clark & Lunn Capital Markets Inc., the manager of the Filer;

"Preliminary Prospectus" means the preliminary prospectus of the Filer dated January 25, 2006;

"Preferred Shares" means the preferred shares of the Filer; and

"Prospectus" means the final prospectus of the Filer;

"Redemption Date" means a date that is approximately five years from the closing date of the offering of Preferred Shares under the Prospectus;

"S&P" means Standard & Poor's, a division of The McGraw Hill Companies, Inc.;

"Termination Date" means a date that is approximately five years from the closing of the offering; and

"TSX" means the Toronto Stock Exchange.

Representations

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

1. The Filer is a mutual fund corporation established under the laws of British Columbia.

2. The Manager is the promoter of the Filer and has been retained to act as manager for the Filer and Credit Trust IV and will be responsible for providing or arranging for the provision of administrative services required by the Filer and Credit Trust IV. The head office of the Manager is in Ontario.

3. The Investment Advisor is responsible for the execution of the investment strategy of Credit Trust IV. The Investment Advisor is registered as an advisor in the categories of investment counsel and portfolio manager.

4. The Filer will make an offering to the public of Preferred Shares pursuant to the Preliminary Prospectus that has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. Unlike a conventional mutual fund in which the fund's securities are offered to the public on a continuous basis, the Filer does not intend to continuously offer Preferred Shares once the Filer is out of primary distribution.

5. The Preferred Shares are expected to be listed and posted for trading on the TSX. This is unlike securities of a conventional mutual fund in which there is normally no such market and where, as a result, holders of such securities who wish to liquidate their holdings must cause the fund to redeem their securities. Because the Preferred Shares will be listed for trading on the TSX, Holders will not have to rely solely on the retraction feature of the Preferred Shares in order to provide liquidity for their investment. An application requesting conditional listing approval has been made on behalf of the Filer to the TSX.

6. It is a condition of closing that the Preferred Shares be rated at least P-1(low) by S&P, in accordance with the rating criteria applicable to conventional preferred shares issued by a non-mutual fund issuer.

7. The Filer's investment objectives are: (i) to pay Holders an amount per Preferred Share equal to the original subscription price of $25.00 per Preferred Share on the Redemption Date; and (ii) to provide Holders with quarterly fixed cumulative preferential distributions.

8. The Filer will provide exposure to the Credit Linked Note. It is a condition of closing of the offering that the Credit Linked Note be rated at least A- by S&P. The Credit Linked Note will be issued by The Bank of Nova Scotia whose long-term debt is currently rated AA- by S&P. The return on the Credit Linked Note will be linked to the credit performance of the CLN Portfolio of approximately 120 to 140 companies all of which are currently rated investment grade by S&P.

9. In order to provide the Filer with the means to meet its investment objectives, the Filer will use the net proceeds of the offering to pre-pay its purchase obligations under the Forward Agreement which the Filer will enter into with the Counterparty. Pursuant to the Forward Agreement, the Filer will receive on or before the Termination Date the Canadian Securities Portfolio.

10. Under the terms of the Forward Agreement, the Counterparty will deliver, on the Termination Date, the Canadian Securities Portfolio with an aggregate value related to the net redemption proceeds of a corresponding number of units of Credit Trust IV.

11. The Credit Linked Note will be owned by Credit Trust IV.

12. The Filer will partially settle the Forward Agreement prior to the Redemption Date in order to fund quarterly distributions as well as retractions of Preferred Shares by Holders and expenses and other liabilities of the Filer. Pursuant to the terms of the Forward Agreement, the Counterparty will, in connection with a requested partial settlement deliver to the Filer securities of certain of the issuers in the Canadian Securities Portfolio with an aggregate value based on the partial settlement amount. The Filer will then sell such securities into the market in order to fund the quarterly distribution, retraction or other expense or liability of the Filer.

13. From time to time, the Filer may hold a portion of its assets in Canadian Securities, cash, cash equivalents or other evidences of indebtedness; provided that such debt instruments must be rated a minimum of A- by S&P (or an equivalent rating from another recognized rating agency) at the time of investment.

14. The NAV per Preferred Share will be calculated twice monthly. The Manager will post the NAV per Preferred Share on its website.

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 from the following requirements of NI 81-102:

(a) Section 2.1(1) – to permit the Filer to enter into and maintain a position in the Forward Agreement for which the payment obligations of the Counterparty will be determined by reference to performance of Credit Trust IV;

(b) Subsections 2.4(1), (2) and (3) – to permit the Filer's exposure under the Forward Agreement (and any replacement or assignment of that agreement) to exceed the limitations relating to investment in illiquid assets, provided that the mark-to-market exposure to the Counterparty under the Forward Agreement (and any replacement or assignment of that Agreement), for a period of 60 days or more, shall not exceed 30 percent of the assets of the Counterparty;

(c) Section 2.5(2)(a) and (c) – to permit the Filer to enter into and maintain a position in the Forward Agreement for which the payment obligations of the Counterparty will be determined by reference to the performance of Credit Trust IV, in order to provide the Filer with exposure to the Credit Linked Note as described in the Preliminary Prospectus;

(d) Subclause 2.7(1)(a) – to permit the Filer to enter into the Forward Agreement (and any replacement or assignment of that agreement) that has a remaining term to maturity of greater than five years on the condition that the Company does not and will not enter into any other specified derivative transaction that does not satisfy the requirement of subclause 2.7(1)(a);

(e) Subsection 2.7(2) – to exempt the Filer from the requirement to close out or terminate its position under the Forward Agreement prior to the scheduled Termination Date if the credit rating of the debt of the provider of the Forward Agreement falls below the level of approved credit rating, in order to provide the Filer with sufficient flexibility in the event of a ratings downgrade of the debt of the Counterparty;

(f) Subsection 2.7(4) – to exempt the Filer from the prescribed exposure limit under the Forward Agreement (and any replacement or assignment of that agreement), provided that the mark-to-market exposure to the Counterparty under the Forward Agreement (and any replacement or assignment of that agreement) shall not exceed, for a period of 60 days or more, 30 percent of the net assets of the Filer;

(g) Section 3.3 – so that the organizational costs and expenses of the Offering can be borne by the Filer;

(h) Section 10.3 – to permit the Filer to calculate the retraction price of the Preferred Shares in the manner described in the Preliminary Prospectus and on the applicable Valuation Date, as defined in the Preliminary Prospectus, following the surrender of Preferred Shares for retraction;

(i) Section 10.4 – to permit the Filer to pay the retraction price of the Preferred Shares on the Retraction Payment Date, as defined in the Preliminary Prospectus;

(j) Section 12.1(1) – to relieve the Filer from the requirement to file the prescribed compliance report; and

(k) Section 14.1 – to relieve the Filer from the requirement relating to the record date for payment of dividends or other distributions of the Filer, provided that it complies with the applicable requirements of the TSX.

Further, the decision of the Decision Makers under the Legislation is that the Requested Relief is granted from the requirements of Section 14.2(3)(b) of NI 81-106 provided that the Prospectus discloses:

(i) that the NAV calculation of the Filer is available to the public upon request; and

(ii) a website that the public can access for this purpose;

for so long as:

(iii) the Preferred Shares are listed on the TSX; and

(iv) the Filer calculates its NAV at least twice monthly.

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

2.2 Orders

2.2.1 Canadian Financial Services NT Corp. - s. 1(6) of the OBCA

Headnote

Issuer deemed to have ceased to be offering its securities to the public under the OBCA.

Statute Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 1(6).

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

AND

IN THE MATTER OF
CANADIAN FINANCIAL SERVICES NT CORP.

ORDER
(Subsection 1(6) of the *OBCA*)

UPON the application of Canadian Financial Services NT Corp. (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 1(6) of the OBCA for the Applicant to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission as follows:

1. The Applicant was incorporated under the laws of the Province of Ontario on August 17, 2000;

2. The Applicant is an "offering corporation" as defined in the OBCA. The Applicant is not a reporting issuer in any jurisdiction in Canada;

3. The head office of the Applicant is located at 1 First Canadian Place, 4th Floor, Toronto, Ontario, M5X 1H3;

4. To the best of its knowledge, the Applicant is not in default of any of its obligations as a reporting issuer under the *Securities Act* (Ontario) or the rules and regulations made thereunder;

5. The Applicant has no plans to seek public financing by offering its securities in Canada;

6. The Applicant is a passive "split share" investment company, the purpose of which is to enable investors in its capital shares (the "Capital Shares") and preferred shares (the "Preferred Shares") to satisfy separately the investment objectives of capital appreciation or dividend

income with respect to common shares of selected Canadian publicly listed Schedule 1 banks, life insurance companies, investment management companies and other financial companies;

7. The articles of the Applicant were amended on October 27, 2000 to create the Capital Shares and the Preferred Shares and to amend the terms of the Applicant's class A shares. The Capital Shares and the Preferred Shares were listed on the Toronto Stock Exchange (the "TSX") under the stock symbols CFC and CFC.PR.A, respectively;

8. On December 1, 2005, all of the Applicant's outstanding Capital Shares and Preferred Shares were redeemed;

9. The Applicant's Capital Shares and Preferred Shares were delisted from the TSX on December 1, 2005 and no securities, including debt securities of the Applicant, are traded on a marketplace as defined in National Instrument 12-201 *Marketplace Operation*;

10. The Applicant's issued and outstanding securities currently consist of 100 class A shares; and

11. As a result of the redemption, all of the issued and outstanding securities in the capital of the Applicant are beneficially owned by 1066918 Ontario Inc. Other than class A shares, the Applicant has no securities, including debt securities, outstanding.

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

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

DATED this 3rd day of February, 2006.

"Paul Moore"
Commissioner
Ontario Securities Commission

"Wendell S. Wigle"
Commissioner
Ontario Securities Commission

2.2.2 Juniper Fund Management Corporation et al. - s. 127

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

AND

IN THE MATTER OF
THE JUNIPER FUND MANAGEMENT CORPORATION,
JUNIPER INCOME FUND,
JUNIPER EQUITY GROWTH FUND
AND ROY BROWN

TEMPORARY ORDER
Section 127

WHEREAS it appears to the Ontario Securities Commission that:

1. The Juniper Fund Management Corporation ("JFM") is the fund manager, trustee and fund administrator of two mutual funds, the Juniper Income Fund and the Juniper Equity Growth Fund (the "Funds");

2. The Funds are reporting issuers in Ontario;

3. Roy Brown is the president, chief executive officer and a director of JFM;

4. Staff of the Commission has been conducting a focused compliance review into JFM's role as fund manager for the Funds and their compliance with Ontario securities law;

5. Staff has identified apparent deficiencies with the Funds' accounting, governance practices and books and records;

6. The Commission is of the opinion that it is in the public interest to make this Order; and

7. The Commission is of the opinion that the length of time required to conclude a hearing in this matter could be prejudicial to the public interest.

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 that pursuant to clause 2 of section 127(1) of the *Act*, trading in the securities of the Juniper Income Fund and the Juniper Equity Growth Fund shall cease;

IT IS FURTHER ORDERED that pursuant to section 127(6) of the *Act*, this order shall take effect immediately and shall expire on the 15th day after its making unless extended by the Commission.

Dated at Toronto this 8th day of March 2006

"Paul Moore"

2.2.3 MFS Institutional Advisors, Inc. - s. 218 of the Regulation

Headnote

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

Applicable Statutes

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

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

AND

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

AND

IN THE MATTER OF
MFS INSTITUTIONAL ADVISORS, INC.

ORDER
(Section 218 of the Regulation)

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

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 Delaware. The head office of the Applicant is located in Boston, Massachusetts.

2. The Applicant is currently registered in the United States as an investment adviser under the Investment Advisers Act of 1940 and is a

registrant in good standing of the U.S. Securities and Exchange Commission.

3. The Applicant is registered as an International Adviser (Investment Counsel and Portfolio Manager) in Ontario and pursuant to such registration, provides investment counselling or portfolio management services to "permitted clients" within the meaning of Ontario Securities Commission Rule 35-502 *Non-Resident Advisers*. The Applicant also manages certain investment funds which it may from time to time offer as agent to investors in Ontario, thereby managing the assets of such investors on a pooled rather than segregated account basis.

4. The Applicant will only participate in the distribution of securities in Ontario pursuant to registration and prospectus exemptions set forth in the Act, Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and National Instrument 45-106 *Prospectus and Registration Exemptions*.

5. The Applicant has applied to the Commission for registration under the Act as a dealer in the category of limited market dealer.

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

7. The Applicant is resident outside of Canada and does not require a separate Canadian company in order to carry out its proposed limited market dealer activities in Ontario.

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

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

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

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

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

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

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

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

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

   (a) ceasing to be registered in the United States as an investment advisor;

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

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

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

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

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

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

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

   (a) so advise the Commission; and

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

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

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

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

   (a) so advise the Commission; and

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

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

March 10, 2006

"Susan Wolburgh Jenah"

"Robert W. Davis"

2.2.4 Julius Baer Investment Management LLC - s. 218 of the Regulation

Headnote

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

Applicable Statutes

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

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

AND

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

AND

IN THE MATTER OF
JULIUS BAER INVESTMENT MANAGEMENT LLC

ORDER
(Section 218 of the Regulation)

UPON the application (the **Application**) of Julius Baer Investment Management LLC (the **Applicant**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 218 of the Regulation, exempting the Applicant from the requirement in section 213 of the Regulation that the Applicant be incorporated, or otherwise formed or created, under the laws of Canada or a province or territory of Canada, in order for the Applicant to be registered under the Act as a dealer in the category of limited market dealer (**LMD**);

AND 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 limited liability corporation continuing under the laws of the State of Delaware with its head office located in New York, N.Y. The Applicant is an indirect subsidiary of Julius Baer Holding Ltd., of Zurich, Switzerland.

2. The Applicant is registered as an investment adviser with the United States Securities and

Exchange Commission and as a commodity pool operator and commodity trading adviser with the Commodity Futures Trading Commission and is a member of the National Futures Association.

3. The Applicant is registered with the Commission as an international adviser in the categories of investment counsel and portfolio manager. The Applicant also received an exemption, dated December 9, 2005, from the requirements of paragraph 22(1)(b) of the *Commodity Futures Act* (Ontario) in respect of the Applicant's advisory activities in connection with certain mutual funds managed by the Applicant.

4. The Applicant manages assets of approximately US$39 billion as at January 31, 2006, and acts as investment adviser to a number of investment funds (collectively, the **Funds**) including the: (i) Julius Baer International Equity Fund, Julius Baer International Equity II Fund, Julius Baer Total Return Bond Fund, Julius Baer Global High Yield Bond Fund, Julius Baer Global Equity Fund Inc. and other similar U.S. retail mutual funds; (ii) Julius Baer Institutional International Equity Fund II and other similar private non-Canadian investment funds; and (iii) Julius Baer International Equity ll Fund and Julius Baer Global Equity Fund and other similar Canadian investment funds that may be managed by the Applicant in the future.

5. The Applicant is applying to amend its current registration under the Act to include a dealer registration in the category of limited market dealer.

6. With respect to the registration of the Applicant as a dealer in the category of limited market dealer, the Applicant will only participate in the distribution of securities in Ontario pursuant to registration and prospectus exemptions set forth in the Act, Ontario Securities Commission Rule 45-501 *Ontario Prospectus and Registration Exemptions* and National Instrument 45-106 *Prospectus and Registration Exemptions*. The limited market dealer activities of the Applicant may be undertaken directly, or in conjunction with or through another registered dealer, including providing referrals to such dealer.

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

8. The Applicant does not require a separate Canadian company in order to carry out its proposed limited market dealer activities in Ontario. It is more efficient and cost-effective to carry out those activities through the existing company.

9. In the absence of this Order, the Applicant would not meet the requirements of the Regulation for registration as a dealer in the category of limited market dealer as it is not a company incorporated, or a person formed or created, under the laws of Canada or a province or territory of Canada.

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

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

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

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

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

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

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

   (a) by the client; or

   (b) by a custodian or sub-custodian:

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

      (ii) that is:

         (1) subject to the Bank for International Settlements standards concerning

international convergence of capital measurement and capital standards; or

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

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

6. Ontario clients' securities may be deposited with or delivered to a recognized depository or clearing agency.

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

(a) of it ceasing to be registered as an investment adviser with the United States Securities and Exchange Commission;

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

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

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

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

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

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

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

(a) so advise the Commission; and

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

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

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

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

(a) so advise the Commission; and

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

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

March 10, 2006

"Susan Wolburgh Jenah"

"Robert W. Davis"

2.2.5 TD Asset Management Ltd. et al.

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – relief granted from the mutual fund conflict of interest investment restrictions of the Securities Act (Ontario) to permit pooled funds to invest in other pooled funds.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 111(2)(b), 111(2)(c), 111(3), 113.

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

AND

IN THE MATTER OF
TD ASSET MANAGEMENT LTD.
("TDAM")

AND

TD HARBOUR CAPITAL CANADIAN BALANCED FUND
TD HARBOUR CAPITAL FOREIGN BALANCED FUND
TD HARBOUR CAPITAL BALANCED FUND
TD HARBOUR CAPITAL COMMODITY FUND
(the "Existing Funds")

ORDER

Background

The Ontario Securities Commission has received an application from TDAM, on its behalf and on behalf of the Existing Funds and any trusts that may be established and managed by TDAM in the future (the "Future Funds", and together with the Existing Funds, the "TD Harbour Capital Funds"). TDAM, as investment fund manager of the TD Harbour Capital Funds, wishes to engage or may wish to engage in certain fund on fund strategies in respect of the investment by a TD Harbour Capital Fund (each, a "Top Fund") in one or more other TD Harbour Capital Funds (each, an "Underlying Fund"). TDAM has requested relief (the "Requested Relief"), in respect of a Top Fund's investment in an Underlying Fund, from the restriction prohibiting a mutual fund from knowingly making or holding an investment:

(i) in a person or company in which the mutual fund, alone or together with one or more related mutual funds, is a substantial securityholder; or

(ii) in an issuer in which

(1) any officer or director of the mutual fund, its management company or distribution company or an associate of any of them, or

(2) any person or company who is a substantial securityholder of the mutual fund, its management company or its distribution company has a significant interest (collectively, the "Applicable Restrictions").

Interpretation

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

Representations

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

1. TDAM is a corporation amalgamated under the *Business Corporations Act* (Ontario).

2. TDAM is registered as an investment counsel and portfolio manager and as a limited market dealer under the Act.

3. Each Existing Fund and Future Fund is or will be a trust that is a mutual fund established under the laws of Ontario. TDAM is or will be the investment fund manager of the TD Harbour Capital Funds.

4. CIBC Mellon Trust Company is or will be the trustee of the TD Harbour Capital Funds unless the trustee is changed in accordance with the terms of the Trust Agreement (as defined below) relating to the TD Harbour Capital Funds.

5. Securities of the Top Funds and the Underlying Funds are or will be distributed by TDAM as a limited market dealer in Ontario on a private placement basis to investors pursuant to one or more exemptions from the prospectus requirement or in accordance with regulatory relief granted to TDAM ("Exempt Purchasers").

6. A Top Fund may invest a portion of its assets in securities of one or more Underlying Fund(s).

7. The percentage of the assets of a Top Fund that are invested in securities of an Underlying Fund will be determined by TDAM from time to time on a basis that TDAM considers is appropriate for the Top Fund and is consistent with the investment objectives of the Top Fund, provided that such percentage will not exceed 20%.

8. TDAM will not make an investment for a Top Fund in an Underlying Fund unless TDAM considers that the Top Fund is an appropriate investor for the Underlying Fund.

9. One or more Top Funds and other related mutual funds may be substantial securityholders of an Underlying Fund.

10. A substantial securityholder of a Top Fund may have a significant interest in an Underlying Fund in which the Top Funds invests.

11. There will be no sales fees or redemption fees payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund.

12. There will be no management fees or incentive fees payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service.

13. TDAM will not cause the securities of an Underlying Fund held by a Top Fund to be voted at any meeting of the securityholders of an Underlying Fund.

14. The financial statements of each of the TD Harbour Capital Funds will be prepared and delivered to securityholders in accordance with National Instrument 81-106. The securityholders of a Top Fund will receive the financial statements of any Underlying Fund in which the Top Fund invests.

15. No offering memorandum is currently prepared in respect of the TD Harbour Capital Funds.

16. Each client who is an investor in a TD Harbour Capital Fund enters into an investment management agreement (the "IMA") with TDAM which grants TDAM discretion over the client's account and pursuant to which the client consents to the investment of all or any portion of the account in units of one or more TD Harbour Capital Funds as long as such investment is consistent with the investment objectives and restrictions for the account.

17. The investment objectives and restrictions applicable to a TD Harbour Capital Fund are contained in the trust agreement applicable to the fund (the "Trust Agreement"). The fees, compensation and expenses payable by a TD Harbour Capital Fund are also contained in the Trust Agreement applicable to the fund as are matters relating to the structure of the fund, the calculation of net asset value, distributions, the powers and duties of TDAM and the trustee and all other matters material to the fund. Certain of these matters are also summarized in the financial statements of the TD Harbour Capital Funds. A client who requests a copy of the Trust Agreement receives one. However, clients do not generally receive any document describing the TD Harbour Capital Funds, other than as described below.

18. The investment objectives and restrictions, fees and expenses and other principal features of the TD Harbour Capital Funds are explained to a client at the time a client enters into an IMA if the IMA contemplates investment in one or more TD Harbour Capital Funds.

19. The client receives annual audited and interim (unaudited) financial statements of the relevant TD Harbour Capital Funds.

20. A client also receives a portfolio holdings report on a monthly basis showing the client's holdings of securities, including units of the TD Harbour Capital Funds. The report also shows a fund's holdings of securities. Where a Top Fund invests in an Underlying Fund, the Underlying Fund's holdings of securities will be included in the portfolio holdings report.

21. Existing clients have received notice of an amendment, to be effective 60 days after the notice, to the investment objectives of the TD Harbour Capital Funds to permit an investment in the TD Harbour Capital Commodity Fund. The notice included the investment objective of the TD Harbour Capital Commodity Fund and advice that the management of the TD Harbour Capital Commodity Fund would be the same as the existing TD Harbour Capital Funds. The first monthly portfolio holdings report sent to such clients after an investment by a Top Fund in the TD Harbour Capital Commodity Fund will advise clients that no more than 20% of the net assets of the Top Fund will be invested in the TD Harbour Capital Commodity Fund. It will also contain an explanation of the process or criteria used to select the TD Harbour Capital Commodity Fund.

22. In the future, prior to a Top Fund commencing a program to invest in Underlying Funds, existing clients who invest in a Top Fund will be given at least 60 days written notice of the program. The notice will provide disclosure of: (i) the intent of the Top Fund to invest its assets in securities of the Underlying Funds; (ii) the investment objective of any Underlying Fund in which a Top Fund will invest; (iii) the fact that the Underlying Funds are managed by TDAM; (iv) the percentage of net assets of the Top Fund dedicated to the investment in securities of the Underlying Funds; and (v) the process or criteria used to select the Underlying Funds.

23. Where a Top Fund invests in an Underlying Fund, new clients are provided with a document containing the disclosure outlined in items (i) – (v) in paragraph 22 above at the time they enter into the IMA.

24. An investment by a Top Fund in securities of an Underlying Fund will represent the business judgment of "responsible persons" uninfluenced

by considerations other than the best interests of the Top Fund and the Underlying Fund.

25. In the absence of this Order, the Applicable Restrictions prohibit the Top Funds from knowingly making or holding investments in the Underlying Funds in certain circumstances.

Decision

The Decision Maker is satisfied that the test contained in the Act that provides the Decision Maker with the jurisdiction to make the decision has been met. The decision of the Decision Maker under the Act is that the Requested Relief is granted provided that:

(a) securities of the Top Funds are distributed in Ontario solely to Exempt Purchasers under Ontario securities legislation;

(b) each Underlying Fund is a “mutual fund in Ontario” as defined in the Act;

(c) each Top Fund does not vote any of the securities it holds of the Underlying Funds, except that each Top Fund may, if TDAM so chooses, arrange for all the securities it holds of the Underlying Fund to be voted by the beneficial holders of securities of the Top Fund;

(d) no management fees or incentive fees are payable by a Top Fund that, to a reasonable person, would duplicate a fee payable by the Underlying Fund for the same service;

(e) no sales fees or redemption fees are payable by a Top Fund in relation to its purchases or redemptions of securities of an Underlying Fund;

(f) investors in a Top Fund receive written disclosure which discloses:

(i) the intent of the Top Fund to invest its assets in securities of the Underlying Funds;

(ii) that the Underlying Funds are managed by TDAM;

(iii) what percentage of net assets of the Top Fund is dedicated to the investment in securities of the Underlying Funds; and

(iv) the process or criteria used to select the Underlying Funds; and

(g) investors in a Top Fund are entitled to receive from TDAM, on request and free of charge, a copy of the offering memorandum (if any) relating to all Underlying Funds in which the Top Fund may invest its assets.

DATED March 3, 2006

"Paul M. Moore"

"Paul K. Bates"

2.2.6 Telepanel Systems Inc. - ss. 83, 144

Headnote

Section 144 – variation of cease trade order to permit a corporate reorganization pursuant to section 191 of the CBCA to proceed, followed by a revocation of the cease trade order upon completion of the reorganization.

Section 83 – issuer deemed to have ceased to be reporting issuer under the Act.

Applicable Ontario Statutory Provision:

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1), 6(3), 83, 127, 144.

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

AND

IN THE MATTER OF
TELEPANEL SYSTEMS INC.

ORDER
(Sections 83 and 144)

WHEREAS the securities of Telepanel Systems Inc. (**"Telepanel"**) are subject to an order issued by a director (a "**Director**") of the Ontario Securities Commission (the "**Commission**") pursuant to paragraph 2 of subsection 127(1) and subsection 127(5) of the Act, dated June 25, 2003 and as extended by a further order issued by a Director dated July 7, 2003 pursuant to subjection 127(8) of the Act (collectively, the **"Cease Trade Order"**) directing that all trading in the securities of Telepanel cease until the Cease Trade Order is revoked by a further order or revocation;

AND WHEREAS Telepanel has applied to the Commission pursuant to sections 83 and 144 of the Act (the **"Application"**) for an order varying the Cease Trade Order to allow the Reorganization (as defined below) to proceed, an order revoking the Cease Trade Order upon the completion of the Reorganization, and an order deeming Telepanel to have ceased to be a reporting issuer under the Act upon the completion of the Reorganization;

AND UPON Telepanel having represented that:

1. Telepanel is a corporation incorporated under the *Canada Business Corporations Act* (the **"CBCA"**) and is a reporting issuer in British Columbia, Alberta and Ontario (the **"Reporting Jurisdictions"**). Telepanel is not a reporting issuer in any Canadian jurisdiction other than the Reporting Jurisdictions. Telepanel's head office is located at 10 Compass Court, Toronto, Ontario.

2. Telepanel develops, manufactures and supplies products used in the electronic shelf label industry. Telepanel currently has installations at approximately 60 supermarkets and warehouse chains in North America and continues to support these customers.

3. The authorized share capital of Telepanel consists of an unlimited number of common shares, of which approximately 29 million were outstanding on November 30, 2005 (the **"Telepanel Shares"**).

4. The Telepanel Shares were listed on the Toronto Stock Exchange (**"TSX"**) and quoted on the Nasdaq National Market (**"Nasdaq"**). The TSX de-listed the Telepanel Shares as a result of Telepanel's failure to meet its listing requirements. Nasdaq also delisted the Telepanel Shares.

5. In the United States, the Telepanel Shares trade only on the over-the-counter Pink Sheets Market under the trading symbol TLSXF. No securities of Telepanel are traded on a marketplace (as defined in National Instrument 21-101 *Marketplace Operation*) (a **"Marketplace"**) in Canada.

6. The Cease Trade Order was issued due to the failure of Telepanel to file audited financial statements under Part XVIII of the Act for its fiscal year ended January 31, 2003.

7. Securities of Telepanel are currently also subject to cease trade orders issued by the securities regulatory authorities in the provinces of Alberta and British Columbia. Telepanel has applied for orders varying and revoking those cease trade orders as well.

8. Telepanel remains in default of certain continuous disclosure obligations under Ontario securities law in addition to the failure to file audited annual financial statements which resulted in the imposition of the Cease Trade Order.

9. Telepanel is insolvent and currently owes creditors, including secured creditors and trade creditors, more than $20 million.

10. On November 4, 2005, Telepanel and NRT Technologies Corporation (**"NRT"**) entered into an agreement (the **"Offer"**) pursuant to which Telepanel filed a proposal as amended, the **"Proposal"**) for the benefit of its creditors under the *Bankruptcy and Insolvency Act* (Canada) (the **"BIA"**).

11. The Proposal contemplates, among other things, the reorganization of the share capital of Telepanel under section 191 of the CBCA. As a result of this reorganization, Articles of Reorganization will be filed under the CBCA pursuant to which all of the common shares of Telepanel outstanding as at the effective date of the Proposal (the **"Telepanel Shares"**) will be

cancelled and a new class of common shares (the **"New Shares"**) will be created. NRT will then subscribe for one New Share for an aggregate consideration of $1 million. NRT will be the sole shareholder of Telepanel upon completion of the Proposal.

12. NRT is a private company controlled by John Dominelli. NRT and its shareholders are unrelated to Telepanel and its shareholders.

13. The Board of Directors of Telepanel has unanimously determined that the Proposal is in the best interests of Telepanel and has unanimously approved the Offer.

14. Telepanel accepted the Offer because (i) it provides for significant consideration to be paid by NRT, (ii) no other offers were received, and (iii) Telepanel cannot continue to operate indefinitely in its current financial position. The Offer provides the only means by which there will be some recovery for Telepanel's creditors and Telepanel will be able to continue to operate.

15. At a meeting of Telepanel's creditors held on December 1, 2005, the creditors unanimously accepted the Proposal, thus supporting the transaction with NRT even though they will be incurring significant losses.

16. Under the terms of the Proposal, Telepanel shareholders are not entitled to any payment or other compensation with respect to the cancellation of their Telepanel Shares or otherwise, as there is no value in the Telepanel Shares. Evidence of the lack of value of the Telepanel Shares is that secured creditors of Telepanel will be incurring significant losses by approving the Proposal. In addition, shareholders will not have any rights of dissent under section 190 of the CBCA. Section 191(7) of the CBCA specifically provides that shareholders do not have a right of dissent in the context of a proposal under the BIA.

17. Telepanel brought a motion before the Ontario Superior Court of Justice for directions with respect to the type and extent of notice to shareholders of the reorganization of its share capital pursuant to the Offer and the cancellation of the Telepanel Shares contemplated thereby. The Court granted an order that Telepanel post a notice in the form approved by the Court on Telepanel's website and on SEDAR informing shareholders of the transaction and dispensed with any other notice to the shareholders. Those notices were posted on November 18, 2005 and remain posted. Telepanel has not been contacted by any shareholder requesting further information with respect to the reorganization or Proposal since the posting of the notices.

18. The Proposal was approved by order of the Ontario Superior Court of Justice on December 20, 2005. The completion of the transactions contemplated by the Offer and Proposal (the **"Reorganization"**) is expected to occur in January, 2006, subject to satisfaction of the applicable conditions.

19. Upon the completion of the Reorganization, NRT will be the sole shareholder of Telepanel. No securities of Telepanel will be traded on a marketplace (as defined in National Instrument 21-101 *Marketplace Operation*). Telepanel will have no securities, including debt securities, outstanding other than the one New Share issued to NRT.

20. Telepanel is concurrently seeking an order from the securities regulatory authorities in each of the Reporting Jurisdictions:

    (a) that the cease trade order applicable in the Reporting Jurisdiction be partially revoked to permit

        (i) the issuance of the New Share to NRT and the cancellation of the Telepanel Shares in connection with the Reorganization with the result that NRT will become the sole shareholder of Telepanel; and

        (ii) all other acts in furtherance of the Reorganization that may be considered to fall within the definition of "trade" within the meaning of the Act;

    (b) that the cease trade order applicable in the Reporting Jurisdiction be revoked upon NRT becoming the sole shareholder of Telepanel; and

    (c) that Telepanel be deemed to cease to be a reporting issuer upon NRT becoming the sole shareholder of Telepanel.

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

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

IT IS ORDERED pursuant to section 144 of the Act that the Cease Trade Order be and is hereby partially revoked to permit:

(i) the issuance of the New Share to NRT and the cancellation of the Telepanel Shares in connection with the Reorganization with the result that NRT

will become the sole shareholder of Telepanel; and

(ii) all other acts in furtherance of the Reorganization that may be considered to fall within the definition of “trade” within the meaning of the Act.

IT IS FURTHER ORDERED pursuant to section 144 of the Act that the Cease Trade Order be and is hereby revoked effective upon the completion of the Reorganization and upon NRT becoming the sole shareholder of Telepanel in connection with the Reorganization.

DATED January 10, 2006.

"Charlie MacCready"
Assistant Manager, Corporate Finance

IT IS FURTHER ORDERED pursuant to section 83 of the Act that Telepanel will be deemed to have ceased to be a reporting issuer under the Act upon the completion of the Reorganization and upon NRT becoming the sole shareholder of Telepanel in connection with the Reorganization.

DATED January 10, 2006.

"Paul M. Moore", Q.C.
Vice-Chair

"Robert W. Davis", FCA

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Fulcrum Financial Group Inc. et al.

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

AND

IN THE MATTER OF
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.

SETTLEMENT HEARING

Hearing:	March 6, 2006	
Panel:	Paul M. Moore, Q.C., Chair Robert W. Davis, Commissioner David L. Knight, Commissioner	
Appearances:	Gregory W. MacKenzie Melanie Adams	For the Staff of the Commission
	Matthew Wilton	For Leszek Dziadecki
Also present:	Leszek Dziadecki	

ORAL RULING AND REASONS

The following text has been prepared for purposes of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the chair of the panel for the purpose of providing a public record of the decision.

[1] We approve the settlement agreement as presented to us.

[2] The following are our oral reasons.

[3] The reasons should be read in connection with the reasons for approval concerning the parallel settlement agreement between Zephyr Alternative Power Inc. and the Commission which was approved previously today.

[4] Dziadecki is a registrant. In July of 2005 he began selling convertible debentures on behalf of Zephyr relying upon the accredited investor exemption in Rule 45-501.

[5] He received from Zephyr a sales commission of 20 percent for each convertible debenture sold.

[6] He is registered with the Commission as a salesperson and branch manager in the categories of mutual fund dealer, limited market dealer and scholarship plan dealer.

[7] We were advised by counsel that since this regulatory proceeding began, Mr. Dziadecki is no longer a branch manager.

[8] Dziadecki's sponsoring firm is Global Maxfin Investments Inc., a member of the Mutual Fund Dealers Association of Canada.

[9] Dziadecki failed to inform Global that he was selling Zephyr convertible debentures, which were sold without Global's knowledge or approval. The sales were characterized by counsel for Staff as off book sales.

[10] Between July and October 2005 Dziadecki sold $171,000 worth of convertible debentures to ten investors and was paid $28,200 in sales commissions by Zephyr.

[11] In October 2005 Dziadecki made two convertible debenture sales totalling $30,000, which Zephyr had not issued at the time of the Commission cease trade order of November 3, 2005.

[12] These funds, including the $6,000 sales commission payable to Dziadecki, were deposited in a dedicated bank account and are being held by Zephyr in this amount pending an order by the Commission.

[13] Dziadecki and Zephyr have agreed that the $6,000 will not be paid to Dziadecki. The $6,000 will be paid by Zephyr to the two investors in accordance with the procedures that have been accepted by the Commission pursuant to the Zephyr settlement agreement.

[14] The conduct of Dziadecki was contrary to the public interest in the following way:

1. Dziadecki sold Zephyr securities and accepted commission payments from Zephyr without the knowledge or approval of his sponsoring dealer, contrary to the Mutual Fund Dealers Association rule 1.1.5 paragraphs (g) and (h). By doing so, Dziadecki prevented Global from fulfilling its duties of supervision in respect of Dziadecki's sales of convertible debentures and its duty to provide to purchasers written confirmation of their trades as required by the section 36 of the Securities Act.

2. In respect of the three sales of Zephyr convertible debentures described above, Dziadecki failed to identify or correct erroneous information in the subscription agreement which indicated that Dziadecki would be paid a commission of 10 percent instead of 20 percent.

[15] Under the terms of the settlement set out in the settlement agreement, there will be:

1 An order by the Commission that:

(a) Pursuant to clause 1 of section 127(1) of the Act, that terms and conditions be imposed on Dziadecki's registration requiring close supervision of Dziadecki's trading by his sponsoring dealer for a period of two years and that within this time period Dziadecki complete the Conduct and Practices course;

(b) Pursuant to clause 6 of section 127(1) of the Act, Dziadecki be reprimanded;

(c) Pursuant to section 127(1) of the Act, Dziadecki pay to the Commission $5,000 in costs.

2. An undertaking by Dziadecki that:

(a) Dziadecki will continue to cooperate with Staff in relation to the investigation of this matter and any related enforcement proceedings, and

(b) Dziadecki will make a settlement payment to the Commission of $28,200, representing the total commissions paid to Dziadecki in respect of the sale of Zephyr convertible debentures and that these funds be designated for the benefit of certain investors who purchased Zephyr convertible debentures in circumstances contrary to Ontario securities law in accordance with procedures acceptable to the Commission or to other third parties as determined by the Commission. The procedures were accepted by the Commission pursuant to the Zephyr settlement agreement.

[16] We believe that this settlement agreement will act as a deterrent to others with respect to off book transactions and with respect to deliberate actions on the part of a registrant that frustrate the supervisory role assigned to dealers over their employees.

[17] Mr. Dziadecki would you stand, please.

[18] Mr. Dziadecki, we accept your counsel's representations that you are remorseful and we believe that your co-operation with the Commission and the terms of the settlement agreement show that that is the case.

[19] You are hereby reprimanded. You may be seated.

Approved by the chair of the panel on March 9, 2006.

"Paul M. Moore"

3.1.2 Fulcrum Financial Group Inc. et al.

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

AND

IN THE MATTER OF
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.

SETTLEMENT HEARING

Hearing:	March 6, 2006	
Panel:	Paul M. Moore, Q.C., Chair Robert W. Davis, Commissioner David L. Knight, Commissioner	
Appearances:	Gregory W. MacKenzie Melanie Adams	For the Staff of the Commission
	Philip Anisman	For Zephyr Alternative Power
Also present:	Edward Tsang	

ORAL RULING AND REASONS

The following text has been prepared for purposes of publication in the Ontario Securities Commission Bulletin and is based on excerpts of the transcript of the hearing. The excerpts have been edited and supplemented and the text has been approved by the chair of the panel for the purpose of providing a public record of the decision.

[1] We approve the settlement agreement. I'm going to give oral reasons.

[2] Zephyr is an Ontario corporation that manufactures wind turbines. To funds its operations Zephyr has raised capital through equity and debt financing, including the issue of convertible debentures.

[3] Relying upon the accredited investor exemption in Rule 45-501, with the assistance of limited market dealers, the respondent Dziadecki and others, Zephyr issued convertible debentures.

[4] The limited market dealers earned a sales commission of 20 percent for each convertible debenture sale.

[5] Zephyr understood that the convertible debentures could only be sold to accredited investors who met the income or financial asset minimums prescribed by Rule 45-501.

[6] Between May and October 2005 Zephyr received proceeds of $476,000 from the sale of convertible debentures to sixteen investors and paid $95,000 in sales commissions.

[7] If a prospective investor wished to purchase a convertible debenture, the limited market dealer would provide the investor with a subscription agreement. The investor was required to sign the subscription agreement and to complete schedule B to it, certifying the investor's accredited investor status.

[8] Specifically, the investor was required to check the appropriate box on schedule B, indicating which of the accredited investor income or financial asset qualification criteria applied to the investor.

[9] After a subscription agreement was signed by a prospective investor, the limited market dealer sent Zephyr the subscription agreement along with the investor's cheque for the amount of the proposed convertible debenture purchased ranging from $5,000 to $100,000.

[10] Zephyr deposited the investor's cheque and the president of the company countersigned the subscription agreement on behalf of Zephyr and issued the convertible debenture.

[11] Zephyr would then send a copy of the countersigned subscription agreement to the investor, including a copy of the convertible debenture in the amount purchased by the investor.

[12] The evidence is that Zephyr believed that all sales of its convertible debentures were in compliance with Ontario securities law.

[13] Four of the sixteen subscription agreements signed by prospective investors and provided by one of the salespersons to Zephyr, contained a schedule B that was not completed and thus did not certify that the prospective investor was accredited.

[14] The evidence is that Zephyr did not notice that these Schedule Bs were not completed. Zephyr countersigned the subscription agreements and issued the convertible debentures in respect of the four investors for proceeds of $200,000, of which $40,000 was paid by Zephyr to the limited market dealer in sales commissions.

[15] The information contained in schedule C to the subscription agreements regarding sales commissions to be paid by Zephyr states: "Additionally, the corporation expects to pay commissions of 20 percent of the gross proceeds of the issuance of the convertible debentures."

[16] Some of the subscription agreements provided to Zephyr by the limited market dealers and in turn by Zephyr to investors who purchased convertible debentures, contained an earlier draft of schedule C which said that "commissions of 10 percent" would be paid by Zephyr instead of the 20 percent which Zephyr paid to the limited market dealers.

[17] Nine of the sixteen subscription agreements signed by investors and sent to Zephyr by the limited market dealers, including the four subscription agreements referred to previously, contained a schedule C referencing a 10 percent sales Commission.

[18] The evidence is that Zephyr did not notice these errors.

[19] Zephyr countersigned the subscription agreements and issued the convertible debentures in respect of the nine investors for proceeds of $361,000, of which $72,000 was payable by Zephyr in sales Commission.

[20] In respect of certain sales of its convertible debentures, Zephyr:

1. in respect of the sales to the four investors described above, failed to take steps to ensure that a prospectus exemption was available contrary to its responsibilities described in section 3.3 of Companion Policy to Rule 45-501 of this Commission.

2. in respect of the sales to the nine investors described above, failed to ensure that the information contained in the subscription agreements regarding the amount of sales commissions to be paid to persons selling Zephyr debentures was correct.

[21] Both these failures amounted to conduct contrary to the public interest.

[22] This case is a reminder that there is an obligation on an issuer that wishes to rely on an exemption to satisfy itself that that exemption is available. Notwithstanding any inquiry, if the exemption is not available, then it is not available.

[23] We note that Zephyr has been co-operative in the investigation of this matter and that the time from the issuing of the notice of hearing and the statement of allegations to the time of the settlement has been just four months.

[24] There is a requirement for Zephyr to inquire further as to whether each of the investors, and not just the four investors who did not check off the box, but whether each of the sixteen investors is in fact an accredited investor. Once those inquiries are made, whether or not the investors are accredited investors, if they do not wish to rescind, then the transactions will be allowed to stand.

[25] We were somewhat concerned that the procedures agreed to contemplate that each of the sixteen investors will be given the right to rescind and if he or she does not exercise the right to rescind, then the transaction will be binding regardless of whether the investor is, in fact, an accredited investor.

[26] We have decided to approve this settlement notwithstanding that fact. We accept the submissions of counsel that an investor who is not an accredited investor and who is given the right of rescission would be in the same or better position that he

or she would be in had there not been a settlement, namely, the ability to pursue through legal resource (but without being obliged to do so) to seek to undo the transaction.

[27] We're satisfied that this provision doesn't, somehow, open the possibility in the future of a back door exemption to our prospectus requirements.

[28] The terms of the settlement include:

1. an order by the Commission that

   (a) pursuant to clause 4 of section 127(1), Zephyr immediately institute a program of compliance described in schedule 1 to the settlement agreement to ensure that future exempt sales of securities by Zephyr are in compliance with Ontario securities law;

   (b) pursuant to clause 6 of section 127(1), Zephyr be reprimanded; and

   (c) pursuant to clause 2 of section 127(1) and section 144, the temporary order made by this Commission on November 3, 2005, and continued until April 11, 2006, shall cease to apply to Zephyr; and

2. An undertaking by Zephyr that:

   (a) Zephyr will continue to cooperate with Staff in relation to the investigation of this matter and any related enforcement proceedings.

   (b) Zephyr will in accordance with the procedures acceptable to the Commission make a rescission offer to any Zephyr convertible debenture holder who:

      i. was not an accredited investor at the time of purchase; or

      ii. received a subscription agreement referencing a 10 percent sales commission and at the time of purchase did not understand and would not have purchased a convertible debenture if he or she had understood that Zephyr would pay a 20 percent sales commission; or

      iii. was induced to purchase by a salesperson making misleading representations regarding the nature of level of risk regarding the Zephyr convertible debenture and would otherwise not have purchased the convertible debenture.

[29] The Commission accepts the compliance protocol and also accepts the rescission protocol set out as exhibits to the settlement agreement and tendered to the Commission today as exhibits 2 and 3.

Approved by the chair of the panel on March 9, 2006.

"Paul M. Moore"

3.1.3 Keith L. Gillam

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 KEITH L. GILLAM

SETTLEMENT AGREEMENT BETWEEN
THE STAFF OF THE ONTARIO SECURITIES COMMISSION
AND KEITH L. GILLAM

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 Keith L. Gillam ("Gillam") propose to settle the matters described below on the terms set out herein.

II. STATEMENT OF FACTS

Acknowledgment

2. Gillam acknowledges that the facts set out in paragraphs 3 through 12 of this Settlement Agreement are correct.

Facts

3. Vicwest Corporation ("Vicwest") is a manufacturer of metal building products with its head office located in Oakville, Ontario. Gillam is a member of Vicwest's Board of Directors and is a member of the Board's Audit Committee.

4. On November 8, 2004 Vicwest's Board of Directors held a Director's Meeting, attended by Gillam. At that meeting the Board approved the following matters:

   - The creation of a sub-committee, known as the Finance Committee, to consider converting the corporation to an income trust.

   - The adoption of a number of policies, including an Insider Trading Policy. At the meeting there was a general discussion regarding the Insider Trading Policy and the black out periods.

5. On December 10, 2004 the Board met to receive an update of the 2004 forecast and the 2005 business plan. Gillam attended the meeting. The updated 2004 forecast showed sales, margin, EBITDA and income increases significantly above what was anticipated in the 2004 business plan. Those results were consistent with Vicwest's performance relative to the 2004 business plan in the first three quarters of 2004.

6. Vicwest's Insider Trading Policy provides that regular black out periods commence on the first day of the month following the quarter end and terminate on the third business day following the public release of the quarterly financial results. The regularly scheduled black out period relating to the 2004 year end financial statements would normally have commenced on January 3, 2005. However, the Board implemented an earlier black out policy from December 10, 2004, the date on which the 2004 forecast and 2005 business plan were presented to the Board.

7. By memo dated December 13, 2004 Gillam was advised that the trading black out period was extended to include the time period December 10, 2004 to March 15, 2004. On December 17, 2005 Gillam executed an acknowledgement that he had received and reviewed the Insider Trading Policy approved by the Board.

8. On January 26, 2005 Gillam purchased 7,500 shares of Vicwest at $7.50 per share (the "Share Purchase"). On February 7, 2005 Gillam filed an Insider Report reflecting the Share Purchase.

9. On March 11, 2005 Vicwest issued a press release announcing positive year-end financials and Board approval to pursue the proposal for an income trust conversion. On March 14, 2005 Vicwest filed a Material Change Report regarding the income trust proposal.

10. Subsequent to the above press release, Staff of the Commission began investigating the Share Purchase by Gillam.

11. Through the Share Purchase Gillam may be deemed to have realized a profit in the amount of $25,191.50, as calculated pursuant to s. 122(6) of the Act. The shares have not been resold by Gillam.

12. Gillam has co-operated with Staff of the Commission in its investigation of this matter.

Conduct Contrary to the Public Interest

13. The Share Purchase was done at a time when Gillam was in possession of a material fact that had not generally been disclosed and by his conduct, as described above, Gillam has acted contrary to the public interest.

14. Gillam acknowledges that his trading conduct in regards to the Share Purchase was not acceptable. Gillam advises and Staff accept that the trading conduct was done inadvertently in the context of extreme personal circumstances.

III. TERMS OF SETTLEMENT

15. Gillam agrees to the following settlement terms:

(i) Payment of $25,191.50, payable to the Ontario Securities Commission for the benefit of a third party;

(ii) Payment in the amount of $ 3,000 on account of costs incurred by Staff.

(iii) Gillam will attend a corporate governance course at the University of Toronto's Rotman School of Business or an alternate course which has the approval of Staff;

(iv) Pending successful completion of (iii) above and written notification of same to Staff, Gillam undertakes not to trade, in any manner, in securities of any reporting issuer on which Gillam sits as an Officer or Director, unless he receives prior written confirmation from the Chief Financial Officer and Chief Executive Officer of the reporting issuer; and

(v) Gillam agrees that he will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement discussions/negotiations or the process of obtaining the Executive Director's consent to this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

IV. STAFF COMMITMENT

16. If this Settlement receives the consent of the Executive Director, and Gillam satisfies the terms set out above, Staff will not initiate any other proceedings under the Act against Gillam in relation to the facts set out in Part II of this Settlement Agreement.

17. If this Settlement receives the consent of the Executive Director, and at any subsequent time Gillam 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

18. 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 Gillam leading up to the execution of this Settlement Agreement, shall be without prejudice to Staff and Gillam;

(b) Staff and Gillam 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 Gillam or as may be required by law.

VI. DISCLOSURE OF SETTLEMENT AGREEMENT

19. This Settlement Agreement and its terms will be treated as confidential by Staff and Gillam 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 Gillam, or as may be required by law.

20. Any obligation of confidentiality shall terminate upon receiving the Executive Director's consent to this settlement.

21. Staff and Gillam 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

22. Gillam 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.

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

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

DATED this 9th day of March, 2006

_____ _____

Witness **Keith L. Gillam**

DATED this 10th day of March, 2006

STAFF OF THE ONTARIO
SECURITIES COMMISSION

(Per) _____
MICHAEL WATSON
Director, Enforcement Branch

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

DATED this 10th day of March, 2006

_____
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
Funtime Hospitality Corp.	03 Mar 06	15 Mar 06	15 Mar 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
Radiant Energy Corporation	01 Mar 06	14 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		
Big Red Diamond Corporation	03 Mar 06	16 Mar 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		
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
Radiant Energy Corporation	01 Mar 06	14 Mar 06	14 Mar 06		

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Chapter 5

Rules and Policies

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

ONTARIO SECURITIES COMMISSION
RULE 13-502
FEES

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ONTARIO SECURITIES COMMISSION
RULE 13-502
FEES

PART 1 – INTERPRETATION

1.1 Definitions – In this Rule

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

"capital markets activities" means

(a) activities for which registration under the Act or an exemption from registration is required,

(b) acting as an investment fund manager, or

(c) activities for which registration under the *Commodity Futures Act*, or an exemption from registration under the *Commodity Futures Act*, is required;

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

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

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

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

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

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

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

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

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

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

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

"Class 3B reporting issuer" means a reporting issuer

(a) that is not incorporated or organized under the laws of Canada or a jurisdiction in Canada,

(b) that is not a Class 3A reporting issuer, and

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

"Class 3C reporting issuer" means a reporting issuer

(a) that is not incorporated or organized under the laws of Canada or a jurisdiction in Canada, and

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

"IDA" means the Investment Dealers Association of Canada;

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

(a) the same investment fund manager, or

(b) investment fund managers that are affiliates of each other;

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

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

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

(a) that has a permanent establishment in Ontario, the percentage of the income of the person or company allocated to Ontario for the fiscal year in the corporate tax filings made for the person or company under the ITA, or

(b) that does not have a permanent establishment in Ontario, the percentage of the total revenues of the person or company attributable to capital markets activities in Ontario;

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

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

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

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

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

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

PART 2 – CORPORATE FINANCE PARTICIPATION FEES

Division 1: General

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

2.2 Participation Fee

(1) A reporting issuer must pay the participation fee shown in Appendix A opposite the capitalization of the reporting issuer, as its capitalization is determined under section 2.11, 2.12 or 2.14.

(2) Despite subsection (1), a Class 3A reporting issuer must pay a participation fee of $600.

(3) Despite subsection (1), a Class 3B reporting issuer must pay the greater of

(a) $600, and

(b) 1/3 of the participation fee shown in Appendix A opposite the capitalization of the reporting issuer, as its capitalization is determined under subsection 2.13.

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

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

(b) the date on which its annual financial statements are filed.

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

(a) a Class 1 reporting issuer must file a completed Form 13-502F1,

(b) a Class 2 reporting issuer must file a completed Form 13-502F2,

(c) a Class 3A reporting issuer must file a completed Form 13-502F3A,

(d) a Class 3B reporting issuer must file a completed Form 13-502F3B, and

(e) a Class 3C reporting issuer must file a completed Form 13-502F3C.

2.5 Late Fee

(1) Subject to subsection (2), a reporting issuer that is late in paying a participation fee under this Part must pay an additional fee of one percent of the participation fee for each business day on which the participation fee remains due and unpaid.

(2) A reporting issuer is not required to pay a fee under this section in excess of 25 percent of the participation fee payable under this Part.

Division 2: Exceptions

2.6 Participation Fee for New Reporting Issuers

(1) A person or company that is not a reporting issuer and that has filed a prospectus to distribute securities must pay a participation fee before the issuance of a receipt or an MRRS decision document for the prospectus, calculated by multiplying

(a) the participation fee shown in Appendix A opposite the capitalization calculated under subsection (4), by

(b) the number of entire months remaining in the fiscal year of the person or company after it becomes a reporting issuer, divided by 12.

(2) For the purposes of subsections (4) and (5), a person or company is deemed to be a reporting issuer.

(3) For the purpose of subsection (4), a person or company is deemed to be a Class 1 reporting issuer if the person or company

(a) is incorporated or organized under the laws of Canada or a jurisdiction in Canada, and

(b) reasonably believes that it will have securities listed or quoted on a marketplace in Canada or the United States of America within 30 days of becoming a reporting issuer.

(4) The capitalization of a person or company referred to in subsection (1) is determined as provided under section 2.11, 2.12, 2.13 or 2.14, adjusted by

(a) for a Class 1, Class 3B or Class 3C reporting issuer, using the offering price of the securities being distributed under the prospectus, as disclosed in the prospectus, as the amount required to be calculated under subparagraph 2.11(a)(ii), paragraph 2.11(b), or paragraph 2.13(b),

(b) for a Class 2 reporting issuer, basing its capitalization on the audited financial statements for the most recent fiscal year contained in the prospectus, and

(c) assuming the completion of all distributions offered under the prospectus as at the date of filing of the prospectus.

(5) A person or company that is not a reporting issuer and that has filed a non-offering prospectus must pay a participation fee before the issuance of a receipt or an MRRS decision document for the prospectus, calculated by multiplying

(a) the participation fee shown in Appendix A opposite the capitalization calculated under section 2.12, using the audited financial statements for the most recent fiscal year contained in the prospectus, by

(b) the number of entire months remaining in the fiscal year of the person or company after it becomes a reporting issuer, divided by 12.

(6) A person or company that becomes a reporting issuer, other than through the filing of a prospectus, must pay a participation fee within two business days of becoming a reporting issuer, calculated by multiplying,

(a) for

(i) a Class 1 reporting issuer, the participation fee shown in Appendix A opposite the capitalization calculated under section 2.11,

(ii) a Class 2 reporting issuer, the participation fee shown in Appendix A opposite the capitalization calculated under section 2.12,

(iii) a Class 3A reporting issuer, $600,

(iv) a Class 3B reporting issuer, the greater of $600 and one-third of the participation fee shown in Appendix A opposite the capitalization calculated under section 2.13,

(v) a Class 3C reporting issuer, the participation fee shown in Appendix A opposite the capitalization calculated under section 2.14, by

(b) the number of entire months remaining in the fiscal year of the person or company after it becomes a reporting issuer, divided by 12.

(7) For the purpose of subparagraphs (a)(i), (iv), and (v) of subsection (6), the value of each class or series of the reporting issuer's listed securities is calculated by multiplying the number of securities of the class or series outstanding by the closing price of the class or series on the day on which the listing occurred.

(8) This section does not apply to a reporting issuer formed from a statutory amalgamation or arrangement, or to a person or company continuing from a transaction to which paragraph 2.11(1)(a) or (b) of National Instrument 45-106 *Prospectus and Registration Exemptions* applies, if the amalgamation, arrangement or other transaction occurs within a fiscal year of a predecessor issuer in which the predecessor issuer paid a participation fee under this Rule.

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

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

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

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

2.9 Participation Fee Exemption for Subsidiary Entities

(1) Section 2.2 does not apply to a reporting issuer that is a subsidiary entity if

(a) a parent of the subsidiary entity is a reporting issuer,

(b) the parent has paid the participation fee applicable to the parent under section 2.2,

(c) the capitalization of the subsidiary entity was included in the calculation of the participation fee referred to in paragraph (b), and

(d) the net assets and gross revenues of the subsidiary entity represent more than 90 percent of the consolidated net assets and gross revenues of the parent for the most recently completed fiscal year of the parent.

(2) Section 2.2 does not apply to a reporting issuer that is a subsidiary entity if

(a) a parent of the subsidiary entity is a reporting issuer,

(b) the parent has paid the participation fee applicable to the parent under section 2.2,

(c) the capitalization of the subsidiary entity was included in the calculation of the participation fee referred to in paragraph (b), and

(d) the subsidiary entity is entitled to rely on an exemption, waiver or approval from the requirements in sections 4.1(1), 4.3(1), 5.1(1), 5.2 and 6.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

(3) If, under subsection (1) or (2), a reporting issuer has not paid a participation fee, the reporting issuer must file a completed Form 13-502F6 at the time it is otherwise required to pay the participation fee under section 2.3.

(4) If, under subsection (2), a reporting issuer has not paid a participation fee and any of paragraphs (2)(a), (b), (c) or (d) cease to apply, the reporting issuer must pay, as soon as practicable, a participation fee calculated by multiplying the participation fee prescribed under section 2.2 by the number of entire months remaining in the fiscal year of the reporting issuer divided by 12.

2.10 Participation Fee Estimate for Class 2 Reporting Issuers

(1) If the annual financial statements of a Class 2 reporting issuer are not available by the date referred to in section 2.3, the Class 2 reporting issuer must, on that date,

(a) file a completed Form 13-502F2 showing a good faith estimate of the information required to calculate its capitalization as at the end of the fiscal year, and

(b) pay the participation fee shown in Appendix A opposite the capitalization estimated under paragraph (a).

(2) A Class 2 reporting issuer that estimated its capitalization under subsection (1) must, when it files its annual financial statements for the applicable fiscal year,

(a) calculate its capitalization under section 2.12,

(b) pay the participation fee shown in Appendix A opposite the capitalization calculated under section 2.12, less the participation fee paid under subsection (1), and

(c) file a completed Form 13-502F2A.

(3) If a reporting issuer paid an amount paid under subsection (1) that exceeds the participation fee calculated under section (2), the issuer is entitled to a refund from the Commission of the amount overpaid.

Division 3: Calculating Capitalization

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

(a) the average market value over the previous fiscal year of each class or series of the reporting issuer's securities listed or quoted on a marketplace, calculated by multiplying

(i) the total number of securities of the class or series outstanding at the end of the previous fiscal year, by

(ii) the simple average of the closing prices of the class or series on the last trading day of each month of the previous fiscal year of the reporting issuer on

(A) the marketplace in Canada on which the highest volume of the class or series was traded in that fiscal year, or

(B) if the class or series was not traded on a marketplace in Canada, the marketplace in the United States of America on which the highest volume of the class or series was traded in that fiscal year, and

(b) the market value at the end of the fiscal year, as determined by the reporting issuer in good faith, of each class or series of securities of the reporting issuer not referred to in paragraph (a) if any securities of the class or series

(i) were initially issued to a person or company resident in Canada, and

(ii) trade over the counter or, after their initial issuance, are otherwise generally available for purchase or sale by way of transactions carried out through, or with, dealers.

2.12 Class 2 Reporting Issuers

(1) The capitalization of a Class 2 reporting issuer is the aggregate of each of the following items, as shown in its audited balance sheet as at the end of the previous fiscal year:

(a) retained earnings or deficit;

(b) contributed surplus;

(c) share capital or owners' equity, options, warrants and preferred shares;

(d) long term debt, including the current portion;

(e) capital leases, including the current portion;

(f) minority or non-controlling interest;

(g) items classified on the balance sheet between current liabilities and shareholders' equity, and not otherwise referred to in this subsection;

(h) any other item forming part of shareholders' equity not otherwise referred to in this subsection.

(2) Despite subsection (1), a reporting issuer may calculate its capitalization using unaudited annual financial statements if it is not required to prepare, and does not ordinarily prepare, audited annual financial statements.

(3) Despite subsection (1), a reporting issuer that is a trust that issues only asset-backed securities through pass-through certificates may calculate its capitalization using the monthly filed distribution report for the last month of its fiscal year, if the reporting issuer is not required to prepare, and does not ordinarily prepare, audited annual financial statements.

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

(a) the number of securities of the class or series outstanding at the end of the reporting issuer's previous fiscal year, by

(b) the simple average of the closing prices of the class or series on the last trading day of each month of the previous fiscal year on the marketplace on which the highest volume of the class or series was traded in that fiscal year.

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

2.15 Reliance on Published Information

(1) Subject to subsection (2), in determining its capitalization for purposes of this Part, a reporting issuer may rely on information made available by a marketplace on which securities of the reporting issuer trade.

(2) If a reporting issuer reasonably believes that the information made available by a marketplace is incorrect, subsection (1) does not apply and the issuer must make a good faith estimate of the information required.

PART 3 – CAPITAL MARKETS PARTICIPATION FEES

3.1 Participation Fee

(1) On December 31, a registrant firm must pay the participation fee shown in Appendix B opposite the registrant firm's specified Ontario revenues, as that revenue is calculated under section 3.3, 3.4 or 3.5.

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

3.2 Disclosure of Fee Calculation

(1) By December 1, a registrant firm must file a completed Form 13-502F4 showing the information required to determine the participation fee due on December 31.

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

3.3 Specified Ontario Revenues for IDA and MFDA Members

(1) The specified Ontario revenues of a registrant firm that is a member of the IDA or the MFDA is calculated by multiplying

(a) the registrant firm's total revenue for its fiscal year ending on or before December 31 of the current year, less revenue not attributable to capital markets activities for its fiscal year, by

(b) the registrant firm's Ontario percentage for the fiscal year.

(2) For the purpose of paragraph (1)(a), "total revenue" means,

(a) for an IDA member, the amount shown as total revenue on Statement E of the Joint Regulatory Financial Questionnaire and Report filed with the IDA by the registrant firm, and

(b) for an MFDA member, the amount shown as total revenue on Statement D of the MFDA Financial Questionnaire and Report filed with the MFDA by the registrant firm.

3.4 Specified Ontario Revenues for Others

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

(a) the registrant firm's gross revenues, as shown in the audited financial statements prepared for its fiscal year ending on or before December 31 of the current year, less deductions permitted under subsection (3), by

(b) the registrant firm's Ontario percentage for the fiscal year.

(2) The specified Ontario revenues of an unregistered investment fund manager is calculated by multiplying

(a) the fund manager's gross revenues, as shown in the audited financial statements for its previous fiscal year, less deductions permitted under subsection (3), by

(b) the fund manager's Ontario percentage for its previous fiscal year.

(3) For the purpose of paragraphs (1)(a) and (2)(a), a person or company may deduct the following items otherwise included in gross revenues:

(a) revenue not attributable to capital markets activities for the fiscal year;

(b) redemption fees earned during the fiscal year on the redemption of investment fund securities sold on a deferred sales charge basis;

(c) administration fees earned during the fiscal year relating to the recovery of costs from investment funds managed by the person or company for operating expenses paid on behalf of the investment fund by the person or company;

(d) advisory or sub-advisory fees paid during the fiscal year by the person or company to a registrant firm, as "registrant firm" is defined in this Rule and in Rule 13-503 (*Commodity Futures Act*) *Fees*;

(e) trailing commissions paid during the fiscal year by the person or company to a registrant firm.

(4) Despite subsection (1), a registrant firm that is registered only as one or more of a limited market dealer, an international dealer or an international adviser may calculate its gross revenues using unaudited financial statements if it is not required to prepare, and does not ordinarily prepare, audited financial statements.

(5) Despite subsection (2), an unregistered investment fund manager may calculate its gross revenues using unaudited financial statements if it is not required to prepare, and does not ordinarily prepare, audited financial statements.

3.5 Estimating Specified Ontario Revenues for Late Fiscal Year End

(1) If the annual financial statements of a registrant firm have not been completed by December 1 in a year, the registrant firm must,

(a) on December 1, file a completed Form 13-502F4 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the fiscal year, and

(b) on December 31, pay the participation fee shown in Appendix B opposite the specified Ontario revenues estimated under paragraph (a).

(2) A registrant firm that estimated its specified Ontario revenues under subsection (1) must, when its annual financial statements for the applicable fiscal year have been completed,

(a) calculate its specified Ontario revenues under section 3.3 or 3.4, as applicable,

(b) determine the participation fee shown in Appendix B opposite the specified Ontario revenues calculated under paragraph (a), and

(c) complete a Form 13-502F4 reflecting the annual financial statements.

(3) If the participation fee determined under subsection (2) differs from the participation fee paid under subsection (1), the registrant firm must, not later than 90 days after the end of its fiscal year,

(a) pay the participation fee determined under subsection (2), less the participation fee paid under subsection (1),

(b) file the Form 13-502F4 completed under subsection (2), and

(c) file a completed Form 13-502F5.

(4) If a registrant firm paid an amount paid under subsection (1) that exceeds the participation fee determined under subsection (2), the registrant firm is entitled to a refund from the Commission of the amount overpaid.

3.6 Late Fee

(1) Subject to subsection (2), a person or company that is late in paying a participation fee under this Part must pay an additional fee of one percent of the participation fee for each business day on which the participation fee remains due and unpaid.

(2) A person or company is not required to pay a fee under subsection (1) in excess of 25 percent of the participation fee payable under this Part.

PART 4 – ACTIVITY FEES

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

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

4.3 Late Fee

(1) A person or company that files a document listed in item A of Appendix D after the document was required to be filed must, concurrently with filing the document, pay the late fee shown in Appendix D opposite the description of the document.

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

PART 5 – CURRENCY CONVERSION

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

PART 6 – EXEMPTION

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

PART 7 – REVOCATION AND EFFECTIVE DATE

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

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

APPENDIX A – CORPORATE FINANCE PARTICIPATION FEES

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

APPENDIX B – CAPITAL MARKETS PARTICIPATION FEES

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

APPENDIX C - ACTIVITY FEES

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

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

Document or Activity	Fee
2. An application for relief from any of the following: (a) Rule 13-502 *Fees;* (b) Rule 31-506 *SRO Membership – Mutual Fund Dealers*; (c) Rule 31-507 *SRO Membership – Securities Dealers and Brokers*; (d) Multilateral Instrument 31-102 *National Registration Database*; (e) Multilateral Instrument 33-109 *Registration Information*; (f) Part 3 of Rule 31-502 *Proficiency*.	$1,500
3. An application for relief from Part 1 or Part 2 of Rule 31-502 *Proficiency*.	$800
4. Application (a) under section 27, subsection 38(3), subsection 72(8) or section 83 of the Act or subsection 1(6) of the *Business Corporations Act*; (b) under section 144 of the Act for an order revoking a cease-trade order to permit trades solely for the purpose of establishing a tax loss in accordance with Commission Policy 57-602; and (c) other than a pre-filing, where the discretionary relief or regulatory approval is evidenced by the issuance of a receipt for the applicants' final prospectus (such as certain applications under Rule 41-501 or National Instrument 81-101).	Nil
5. Application for relief from section 213 of the *Loan and Trust Corporations Act.*	$1,500
6. (1) Application made under subsection 46(4) of the *Business Corporations Act* for relief from the requirements under Part V of that Act. (2) Application for consent to continue in another jurisdiction under paragraph 4(b) of *Forms* – O. Reg. 289/00 to the *Business Corporations Act*. *Note*: *These fees are in addition to the fee payable to the Minister of Finance as set out in the Schedule attached to the Minister's Fee Orders relating to applications for exemption orders made under the Business Corporations Act to the Commission*.	$400
F. Pre-Filings *Note: The fee for a pre-filing will be credited against the applicable fee payable if and when the formal filing (e.g., an application or a preliminary prospectus) is actually proceeded with; otherwise, the fee is non-refundable.*	$3,000

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

APPENDIX D – ADDITIONAL FEES FOR LATE DOCUMENT FILINGS

Document	Late Fee
A. Fee for late filing of any of the following documents: (a) Annual financial statements and interim financial statements; (b) Annual information form filed under National Instrument 51-102 *Continuous Disclosure Obligations*; (c) Form 45-501F1 or Form 45-106F1 filed by a reporting issuer; (d) Notice under section 104 of the Regulation; (e) Report under section 141 or 142 of the Regulation; (f) Filings for the purpose of amending Form 3 and Form 4 or Form 33-109F4 under Multilateral Instrument 33-109 *Registration Information*; (g) Any document required to be filed by a registrant firm or individual in connection with the registration of the registrant firm or individual under the Act with respect to (i) terms and conditions imposed on a registrant firm or individual, or (ii) an order of the Commission; (h) Form 13-502F4; (i) Form 13-502F5; (j) Form 13-502F6.	$100 per business day (subject to a maximum aggregate fee of $5,000 (i) per fiscal year, for a reporting issuer, for all documents required to be filed within a fiscal year of the issuer, and (ii) for a registrant firm and an unregistered investment fund manager for all documents required to be filed within a calendar year)
B. Fee for late filing of Form 55-102F2 – *Insider Report*	$50 per calendar day per insider per issuer (subject to a maximum of $1,000 per issuer within any one year beginning on April 1st and ending on March 31st.) The late fee does not apply to an insider if (a) the head office of the issuer is located outside Ontario, and (b) the insider is required to pay a late fee for the filing in a jurisdiction in Canada other than Ontario.

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

Reporting Issuer Name: _____

Fiscal year end date used to calculate capitalization: _____

Market value of listed or quoted securities:

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

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

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

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

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

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

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

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

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

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

Late Fee, if applicable
(As determined under section 2.5 of the Rule) _____

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

Reporting Issuer Name: _____

Fiscal year end date used to calculate capitalization: _____

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

Retained earnings or deficit	(A)
Contributed surplus	(B)
Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	(C)
Long term debt (including the current portion)	(D)
Capital leases (including the current portion)	(E)
Minority or non-controlling interest	(F)
Items classified on the balance sheet between current liabilities and shareholders' equity (and not otherwise listed above)	(G)
Any other item forming part of shareholders' equity and not set out specifically above	(H)

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

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

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

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

Late Fee, if applicable _____
(As determined under section 2.5 of the Rule)

FORM 13-502F2A

ADJUSTMENT OF FEE PAYMENT
FOR CLASS 2 REPORTING ISSUERS

Reporting Issuer Name: _____

Fiscal year end date used to calculate capitalization: _____

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

Show calculation of actual capitalization based on audited financial statements:

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

Retained earnings or deficit	(A)
Contributed surplus	(B)
Share capital or owners' equity, options, warrants and preferred shares (whether such shares are classified as debt or equity for financial reporting purposes)	(C)
Long term debt (including the current portion)	(D)
Capital leases (including the current portion)	(E)
Minority or non-controlling interest	(F)
Items classified on the balance sheet between current liabilities and shareholders' equity (and not otherwise listed above)	(G)
Any other item forming part of shareholders' equity and not set out specifically above	(H)
Capitalization (Add items (A) through (H))	
Participation Fee (From Appendix A of the Rule, select the participation fee beside the capitalization calculated above)	(ii)
Refund due (Balance owing) (Indicate the difference between (i) and (ii))	(i) – (ii) =

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

Reporting Issuer Name: _____

Fiscal year end date: _____

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

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

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

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

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

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

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

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

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

Participation Fee $600
(From subsection 2.2(2) of the Rule)

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

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

Late Fee, if applicable ____
(As determined under section 2.5 of the Rule)

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

Reporting Issuer Name: _____

Fiscal year end date used to calculate capitalization: _____

Market value of securities:

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

Simple average of the closing price of that class or series as of the last trading day of each month of the fiscal year (See section 2.13(b) of the Rule) _____ (ii)

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

(Repeat the above calculation for each listed or quoted class or series of securities of the reporting issuer) _____ (B)

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

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

Fee Payable
1/3 of the participation fee or $600, whichever is greater _____
(See subsection 2.2(3) of the Rule)

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

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

Late Fee, if applicable _____
(As determined under section 2.5 of the Rule)

FORM 13-502F3C
CLASS 3C REPORTING ISSUERS – PARTICIPATION FEE

Reporting Issuer Name: _____

Fiscal year end date used to calculate capitalization: _____

Subsection 2.14 requires Class 3C reporting issuers to calculate their market capitalization in accordance with section 2.11.

Market value of listed or quoted securities:

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

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

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

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

Market value of other securities:

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

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

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

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

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

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

Late Fee, if applicable
(As determined under section 2.5 of the Rule) _____

FORM 13-502F4
CAPITAL MARKETS PARTICIPATION FEE CALCULATION

General Instructions

1. IDA members must complete Part I of this Form and MFDA members must complete Part II. Unregistered investment fund managers and registrant firms that are not IDA or MFDA members must complete Part III.

2. The components of revenue reported in each Part should be based on the same principles as the comparative statement of income which is prepared in accordance with generally accepted accounting principles ("GAAP"), or such equivalent principles applicable to the audited financial statements of international dealers and advisers and foreign investment fund managers, except that revenues should be reported on an unconsolidated basis.

3. Members of the Investment Dealers Association of Canada may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.

4. Members of the Mutual Fund Dealers Association of Canada may refer to Statement D of the MFDA Financial Questionnaire and Report for guidance.

5. Comparative figures are required for the registrant firms' and unregistered investment fund managers' year end date.

6. Participation fee revenue will be based on the portion of total revenue that can be attributed to Ontario. The percentage attributable to Ontario for the reported year end should be the provincial allocation rate used in the corporate tax return for the same fiscal period. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from capital markets activities in Ontario.

7. All figures must be expressed in Canadian dollars and rounded to the nearest thousand.

8. Information reported on this questionnaire must be certified by two members of senior management in Part IV to attest to its completeness and accuracy.

Notes for Part III

1. Gross revenue is defined as the sum of all revenues reported on a gross basis as per the audited financial statements, except where unaudited financial statements are permitted in accordance with subsection 3.4(4) or (5) of the Rule. Audited financial statements should be prepared in accordance with GAAP, or such equivalent principles applicable to the audited financial statements of international dealers and advisers and foreign investment fund managers, except that revenues should be reported on an unconsolidated basis. Items reported on a net basis must be adjusted for purposes of the fee calculation.

2. Redemption fees earned upon the redemption of investment fund units sold on a deferred sales charge basis are permitted as a deduction from total revenue on this line.

3. Administration fees permitted as a deduction are limited solely to those that are otherwise included in gross revenue and represent the reasonable recovery of costs from the investment funds for operating expenses paid on their behalf by the registrant firm or unregistered investment fund manager.

4. Where the advisory services of another registrant firm, within the meaning of this Rule or Rule 13-503 (*Commodity Futures Act*) *Fees*, are used by the person or company to advise on a portion of its assets under management, such sub-advisory costs are permitted as a deduction on this line.

5. Trailer fees paid to other registrant firms are permitted as a deduction on this line.

Participation Fee Calculation

Firm Name: _____

Fiscal year end: _____

Part I – IDA Members

	Current Year $	Prior Year $ (if available)
1. Total revenue from Statement E of the Joint Regulatory Financial Questionnaire and Report		
2. Less revenue not attributable to capital markets activities		
3. Revenue subject to participation fee (line 1 less line 2)		
4. Ontario percentage (See definition in Rule)	%	%
5. Specified Ontario revenues (line 3 multiplied by line 4)		
6. Participation fee (From Appendix B of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)		

Part II – MFDA Members

1. Total revenue from Statement D of the MFDA Financial Questionnaire and Report		
2. Less revenue not attributable to capital markets activities		
3. Revenue subject to participation fee (line 1 less line 2)		
4. Ontario percentage (See definition in Rule)	%	%
5. Specified Ontario revenues (line 3 multiplied by line 4)		
6. Participation fee (From Appendix B of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)		

Part III – Advisers, Other Dealers, and Unregistered Investment Fund Managers

1. Gross revenue (note 1)		
Less the following items:		
2. Revenue not attributable to capital markets activities		
3. Redemption fee revenue (note 2)		
4. Administration fee revenue (note 3)		
5. Advisory or sub-advisory fees paid to registrant firms, as defined under this Rule and Rule 13-503 (*Commodity Futures Act*) *Fees* (note 4)		
6. Trailer fees paid to other registrant firms (note 5)		

7. Total deductions (sum of lines 2 to 6)		
8. Revenue subject to participation fee (line 1 less line 7)		
9. Ontario percentage (See definition in Rule)	%	%
10. Specified Ontario revenues (line 8 multiplied by line 9)		
11. Participation fee (From Appendix B of the Rule, select the participation fee beside the specified Ontario revenues calculated above)		

Part IV - Management Certification

We have examined the attached statements and certify that, to the best of our knowledge, they present fairly the revenues of the firm for the period ended _____ and are prepared in agreement with the books of the firm.

We certify that the reported revenues of the firm are complete and accurate and in accordance with generally accepted accounting principles.

	Name and Title	Signature	Date
1.			
2.			

FORM 13-502F5
ADJUSTMENT OF FEE FOR REGISTRANT FIRMS

Registrant Firm Name: _____

Fiscal year end: _____

Note: Subsection 3.5(3) of the Rule requires that this Form must be filed concurrent with a completed Form 13-502F4 that shows the firm's actual participation fee calculation.

1. Estimated participation fee paid under subsection 3.5(1) of the Rule: _____

2. Actual participation fee calculated under subsection 3.5(2) of the Rule: _____

3. Refund due (Balance owing): _____
(Indicate the difference between lines 1 and 2)

FORM 13-502F6
SUBSIDIARY ENTITY EXEMPTION NOTICE

Name of Subsidiary Entity: _____

Name of Parent: _____

Fiscal Year End Date: _____

Indicate below which exemption the subsidiary entity intends to rely on by checking the appropriate box:

1. Subsection 2.9(1) ☐

The reporting issuer (subsidiary entity) meets the following criteria set out under subsection 2.9(1) of the Rule:

a) the parent of the subsidiary entity is a reporting issuer;

b) the parent has paid the participation fee required;

c) the parent company includes the market capitalization of the subsidiary entity in its calculation of its participation fee; and

d) the net assets and gross revenues of the subsidiary entity represent more than 90 percent of the consolidated net assets and gross revenues of the parent for the previous financial year of the parent.

	Net Assets for the previous financial year	**Gross Revenues for the previous financial year**	
Reporting Issuer (Subsidiary)	_____	_____	(A)
Reporting Issuer (Parent)	_____	_____	(B)
Percentage (A/B)	_____%	_____%	

2. Subsection 2.9(2) ☐

The reporting issuer (subsidiary entity) meets the following criteria set out under subsection 2.9(2) of the Rule:

a) the parent of the subsidiary entity is a reporting issuer;

b) the parent has paid the participation fee required;

c) the parent company includes the market capitalization of the subsidiary entity in its calculation of its participation fee; and

d) the subsidiary entity is entitled to rely on an exemption, waiver or approval from the requirements in sections 4.1(1), 4.3(1), 5.1(1), 5.2 and 6.1 of National Instrument 51-102 *Continuous Disclosure Obligations*.

ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-502CP
FEES

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ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-502CP
FEES

PART 1 PURPOSE OF COMPANION POLICY

1.1 Purpose of Companion Policy – The purpose of this Companion Policy is to state the views of the Commission on various matters relating to Rule 13-502 Fees (the "Rule"), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2 PURPOSE AND GENERAL APPROACH OF THE RULE

2.1 Purpose and General Approach of the Rule

(1) The purpose of the Rule is to establish a fee regime that creates a clear and streamlined fee structure and to adopt fees that accurately reflect the Commission's costs of providing services.

(2) The fee regime of the Rule is based on the concepts of "participation fees" and "activity fees".

2.2 Participation Fees

(1) Reporting issuers, registrant firms and unregistered investment fund managers are required to pay participation fees annually. Participation fees are designed to cover the Commission's costs of providing services whose costs are not easily attributable to specific market participants. The participation fee required of each market participant is based on a measure of the market participant's size, which is used to approximate its proportionate participation in the Ontario capital markets.

(2) Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of $39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The appendix to this Companion Policy shows how the Commission has applied the surplus to each participation fee level.

2.3 Participation Fees Payable in Advance

(1) Although participation fees are determined by using information from the payor's previous fiscal year, both corporate finance and capital markets participation fees are applied to the costs of the Commission of the payor's participation in Ontario's capital markets in the upcoming year.

(2) This principle is reflected in section 2.6 of the Rule, which deals with the payment of a participation fee for a new reporting issuer. The section requires a new reporting issuer to calculate its annual participation fee as it normally would, but only pay a proportionate amount based on the number of months left in its fiscal year.

2.4 Registered Individuals – The participation fee is paid at the firm level under the Rule. That is, a "registrant firm" is required to pay a participation fee, not an individual who is registered as a salesperson, representative, partner, or officer of the firm.

2.5 Activity Fees – Activity fees are designed to represent the direct cost of Commission resources expended in undertaking the activities listed in Appendix C of the Rule (e.g., reviewing prospectuses, registration applications, and applications for discretionary relief). Activity fees are based on the average cost to the Commission of providing the service.

2.6 Registrants under the Securities Act and the Commodity Futures Act

(1) The Rule imposes an obligation to pay a participation fee on registrant firms, defined in the Rule as a person or company registered as a dealer or adviser under the Act. An entity so registered may also be registered as a dealer or adviser under the *Commodity Futures Act*. Given the definition of "capital markets activities" under the Rule, the revenue of such an entity from its *Commodity Futures Act* activities must be included in its calculation of revenues when determining its fee under the Rule. Section 2.8 of Rule 13-503 (*Commodity Futures Act*) *Fees* exempts such an entity from paying a participation fee under that rule if it has paid its participation fees under the *Securities Act* Rule.

(2) Note that dealers and advisers registered under the *Commodity Futures Act* are subject to activity fees under Rule 13-503 (*Commodity Futures Act*) *Fees* even if they are not required to pay participation fees under that rule.

2.7 No Refunds

(1) Generally speaking, a person or company that pays a fee under the Rule is not entitled to a refund of that fee. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a reporting issuer, registrant firm or unregistered investment fund manager that loses that status later in the fiscal year for which the fee was paid.

(2) An exception to this principle is provided in subsections 2.10(3) and 3.5(4) of the Rule. These provisions allow for a refund where a Class 2 reporting issuer or a registrant firm overpaid an estimated participation fee.

(3) The Commission will also consider requests for adjustments to fees paid in the case of incorrect calculations made by fee payors.

2.8 Indirect Avoidance of Rule – The Commission may examine arrangements or structures implemented by market participants and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will be interested in circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm, thereby possibly artificially reducing the firm's specified Ontario revenues and, consequently, its participation fee.

PART 3 CORPORATE FINANCE PARTICIPATION FEES

3.1 Application to Investment Funds – Part 2 of the Rule does not apply to an investment fund if the investment fund has an investment fund manager. The reason for this is that under Part 3 of the Rule an investment fund's manager must pay a capital markets participation fee in respect of revenues generated from managing the investment fund.

3.2 Late Fees – Section 2.5 of the Rule requires a reporting issuer to pay an additional fee when it is late in paying its participation fee. Reporting issuers should be aware that the late payment of participation fees may lead to the reporting issuer being noted in default and included on the list of defaulting reporting issuers available on the Commission's website.

3.3 Determination of Market Value

(1) Section 2.11 of the Rule requires the calculation of the capitalization of a Class 1 reporting issuer to include the aggregate market value of classes of securities that may not be listed or quoted on a marketplace, but trade over the counter or, after their initial issuance, are otherwise generally available for sale. Note that the requirement that securities be valued in accordance with market value excludes from the calculation securities that are not normally traded after their initial issuance.

(2) When determining the value of securities that are not listed or quoted, a reporting issuer should use the best available source for pricing the securities. That source may be one or more of the following:

(a) pricing services,

(b) quotations from one or more dealers, or

(c) prices on recent transactions.

(3) Note that market value calculation of a class of securities included in a calculation under section 2.11 includes all of the securities of the class, even if some of those securities are still subject to a hold period or are otherwise not freely tradable.

(4) If the closing price of a security on a particular date is not ascertainable because there is no trade on that date or the marketplace does not generally provide closing prices, a reasonable alternative, such as the most recent closing price before that date, the average of the high and low trading prices for that date, or the average of the bid and ask prices on that date is acceptable.

3.4 Owners' Equity – A Class 2 reporting issuer calculates its capitalization on the basis of certain items reflected in its audited balance sheet. One such item is "share capital or owners' equity". The Commission notes that "owners' equity" is designed to describe the equivalent of share capital for non-corporate issuers, such as partnerships or trusts.

3.5 "Green Shoes" and Over-Allotment Options – Paragraph 2.6(4)(a) of the Rule requires that the participation fee for Class 1, Class 3B and Class 3C reporting issuers be based on the offering price of the securities being distributed under a prospectus. The Commission notes that this calculation should assume the issue of any securities under "green shoes" or over-allotment options.

PART 4 CAPITAL MARKET PARTICIPATION FEES

4.1 Filing Forms under Section 3.5 – If the estimated participation fee paid under subsection 3.5(1) by a registrant firm does not differ from its true participation fee determined under subsection 3.5(2), the registrant firm is not required to file either a Form 13-502F4 or a Form 13-502F5 under subsection 3.5(3).

4.2 Late Fees – Section 3.6 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm. The Commission may also consider measures in the case of late payment of fees by an unregistered investment fund manager, such as prohibiting the manager from continuing to manage any investment fund or cease trading the investment funds managed by the manager.

4.3 Form of Payment of Fees – Unregistered investment fund managers make filings and pay fees under Part 3 of the Rule by paper copy. The filings and payment should be sent to the Ontario Securities Commission, Investment Funds. Registrant firms pay through the National Registration Database.

4.4 "Capital Market Activities"

(1) A person or company must consider its capital market activities when calculating its participation fee. The term "capital market activities" is defined in the Rule to include "activities for which registration under the Act or an exemption from registration is required". The Commission is of the view that these activities include, without limitation, trading in securities, providing securities-related advice and portfolio management services. The Commission notes that corporate advisory services may not require registration or an exemption from registration and would therefore, in those contexts, not be capital markets activities.

(2) The definition of "capital market activities" also includes activities for which registration or an exemption from registration under the *Commodity Futures Act* is required. The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

4.5 Permitted Deductions – Subsection 3.4(3) permits certain deductions to be made for the purpose of calculating specified Ontario revenues for unregistered investment fund managers and certain registrant firms. The purpose of these deductions is to prevent the "double counting" of revenues that would otherwise occur.

4.6 Application to Non-resident Unregistered Investment Fund Managers – For greater certainty, the Commission is of the view that Part 3 of the Rule applies to non-resident unregistered investment fund managers managing investment funds distributed in Ontario on a prospectus exempt basis.

PART 5 ACTIVITY FEES

5.1 Investment Funds – Section 4.3 of the Rule provides for the payment of only one fee for an application made by or on behalf of investment funds in an investment fund family, if the application pertains to each investment fund. It is contemplated that discretionary relief required by investment funds in an investment fund family in circumstances that are the same for all of them can be sought by way of a single application.

APPENDIX – USE OF SURPLUS TO REDUCE PARTICIPATION FEES

Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of $39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The charts below show how the Commission has applied the surplus to each participation fee level.

1. Corporate Finance Participation Fees

Capitalization	Pre-Surplus Participation Fee	Reduction due to Application of Surplus	Participation Fee
under $25 million	$930	$330	$600
$25 million to under $50 million	$2,200	$900	$1,300
$50 million to under $100 million	$5,300	$2,100	$3,200
$100 million to under $250 million	$10,700	$4,000	$6,700
$250 million to under $500 million	$23,200	$8,500	$14,700
$500 million to under $1 billion	$32,300	$11,800	$20,500
$1 billion to under $5 billion	$46,600	$16,900	$29,700
$5 billion to under $10 billion	$60,100	$21,800	$38,300
$10 billion to under $25 billion	$70,000	$25,300	$44,700
$25 billion and over	$79,000	$28,700	$50,300

2. Capital Markets Participation Fees

Specified Ontario Revenues	Pre-Surplus Participation Fee	Reduction due to Application of Surplus	Participation Fee
under $500,000	$1,000	$200	$800
$500,000 to under $1 million	$3,500	$1,000	$2,500
$1 million to under $3 million	$7,500	$1,900	$5,600
$3 million to under $5 million	$14,100	$1,500	$12,600
$5 million to under $10 million	$29,000	$3,500	$25,500
$10 million to under $25 million	$59,000	$7,000	$52,000
$25 million to under $50 million	$88,300	$10,300	$78,000
$50 million to under $100 million	$177,000	$21,000	$156,000
$100 million to under $200 million	$295,000	$36,000	$259,000
$200 million to under $500 million	$595,000	$70,000	$525,000
$500 million to under $1 billion	$770,000	$92,000	$678,000
$1 billion to under $2 billion	$970,000	$115,000	$855,000
$2 billion and over	$1,600,000	$165,000	$1,435,000

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

ONTARIO SECURITIES COMMISSION
RULE 13-503 (COMMODITY FUTURES ACT) FEES

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ONTARIO SECURITIES COMMISSION
RULE 13-503 (COMMODITY FUTURES ACT) FEES

PART 1 DEFINITIONS

1.1 Definitions - In this Rule

"CFA" means the *Commodity Futures Act*;

"CFA activities" means activities for which registration under the CFA or an exemption from registration is required;

"IDA" means the Investment Dealers Association of Canada;

"Ontario percentage" means, for the fiscal year of a registrant firm

(a) that has a permanent establishment in Ontario, the percentage of the income of the registrant firm allocated to Ontario for the fiscal year in the corporate tax filings made for the registrant firm under the *Income Tax Act* (Canada), or

(b) that does not have a permanent establishment in Ontario, the percentage of the total revenues of the registrant firm attributable to CFA activities in Ontario;

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

"specified Ontario revenues" means the revenues determined in accordance with section 2.4, 2.5 or 2.6.

PART 2 PARTICIPATION FEES

2.1 Application – This Part does not apply to a registrant firm that is registered under the *Securities Act* and that has paid its participation fee under Rule 13-502 *Fees* under the *Securities Act*.

2.2 Participation Fee – On December 31, a registrant firm must pay the participation fee shown in Appendix A opposite the registrant firm's specified Ontario revenues, as that revenue is calculated under section 2.4 or 2.5.

2.3 Disclosure of Fee Calculation – By December 1, a registrant firm must file a completed Form 13-503F1 showing the information required to determine the participation fee due on December 31.

2.4 Specified Ontario Revenues for IDA Members

(1) The specified Ontario revenues of a registrant firm that is a member of the IDA is calculated by multiplying

(a) the registrant firm's total revenue for its fiscal year ending on or before December 31 of the current year, less revenue not attributable to CFA activities for its fiscal year, by

(b) the registrant firm's Ontario percentage for its fiscal year.

(2) For the purpose of paragraph (1)(a), "total revenue" means the amount shown as total revenue on Statement E of the Joint Regulatory Financial Questionnaire and Report filed with the IDA by the registrant firm.

2.5 Specified Ontario Revenues for Others

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

(a) the registrant firm's gross revenues, as shown in the audited financial statements prepared for its fiscal year ending on or before December 31 of the current year, less deductions permitted under subsection (2), by

(b) the registrant firm's Ontario percentage for its fiscal year.

(2) For the purpose of paragraph (1)(a), a registrant firm may deduct the following items otherwise included in gross revenues:

(a) revenue not attributable to CFA activities for the fiscal year,

(b) advisory or sub-advisory fees paid during the fiscal year by the registrant firm to a person or company registered as a dealer or an adviser under the CFA or under the *Securities Act*.

2.6 Estimating Specified Ontario Revenues for Late Fiscal Year End

(1) If the annual financial statements of a registrant firm have not been completed by December 1 in a year, the registrant firm must,

(a) on December 1, file a completed Form 13-503F1 showing a good faith estimate of the information required to calculate its specified Ontario revenues as at the end of the fiscal year, and

(b) on December 31, pay the participation fee shown in Appendix A opposite the specified Ontario revenues estimated under paragraph (a).

(2) A registrant firm that estimated its specified Ontario revenues under subsection (1) must, when its annual financial statements for the applicable fiscal year have been completed,

(a) calculate its specified Ontario revenues under section 2.4 or 2.5, as applicable,

(b) determine the participation fee shown in Appendix A opposite the specified Ontario revenues calculated under paragraph (a), and

(c) complete a Form 13-503F1 reflecting the annual financial statements.

(3) If the participation fee determined under subsection (2) differs from the participation fee paid under subsection (1), the registrant firm must, not later than 90 days after the end of its fiscal year,

(a) pay the participation fee determined under subsection (2), less the participation fee paid under subsection (1),

(b) file the Form 13-503F1 completed under subsection (2), and

(c) file a completed Form 13-503F2.

(4) If a registrant firm paid an amount paid under subsection (1) that exceeds the participation fee determined under subsection (2), the registrant firm is entitled to a refund from the Commission of the amount overpaid.

2.7 Late Fee

(1) Subject to subsection (2), a registrant firm that is late in paying a participation fee under this Part must pay an additional fee of one percent of the participation fee for each business day on which the participation fee remains due and unpaid.

(2) A registrant firm is not required to pay a fee under subsection (1) in excess of 25 percent of the participation fee payable under this Part.

PART 3 ACTIVITY FEES

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

3.2 Late Fee – A person or company that files a document listed in Appendix C after the document was required to be filed must, concurrently with filing the document, pay the late fee shown in Appendix C opposite the description of the document.

PART 4 CURRENCY CONVERSION

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

PART 5 EXEMPTION

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

PART 6 – REVOCATION AND EFFECTIVE DATE

6.1 **Revocation** – Ontario Securities Commission Rule 13-503 (*Commodity Futures* Act) Fees, which came into force on November 29, 2003, is revoked.

6.2 **Effective Date** - This Rule comes into force on April 1, 2006.

APPENDIX A – PARTICIPATION FEES

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

APPENDIX B - ACTIVITY FEES

Document or Activity	Fee
A. Applications for relief, approval and recognition	
1. Any application for relief, regulatory approval or recognition under any section of the CFA, Regulation or any Rule of the Commission made under the CFA not listed in item A.2 or A.3. *Note: The following are included in the applications that are subject to a fee under this item:* *(i) recognition of an exchange under section 34 of the CFA, a self-regulatory organization under section 16 of the CFA or a clearing house under section 17 of the CFA;* *(ii) registration of an exchange under section 15 of the CFA; and* *(iii) approval of the establishment of a council, committee or ancillary body under section 18 of the CFA.*	$3,000 for each section under which an application is made (plus $2,000 if the applicant is not subject to, and is not reasonably expected to become subject to, a participation fee under this Rule or Rule 13-502 under the *Securities Act*) subject to the overall limitation set out below The maximum fee for an application, regardless of the number of sections under which application is made, shall be $7,500 if the applicant is subject to, or is reasonably expected to become subject to, a participation fee under this Rule or Rule 13-502 under the *Securities Act*, or $9,500 if the applicant is not subject to, and is not reasonably expected to become subject to, a participation fee under this Rule or Rule 13-502 under the *Securities Act*. These limits apply to the application even if the application is made under both the CFA and the *Securities Act*; i.e. an application under both statutes will not be subject to a fee of more than $7,500 or $9,500, as applicable.
2. Application under (a) Section 24, 36(1), 40, or 46(2) of the CFA, and (b) Subsection 27(1) of the Regulation to the CFA.	Nil
3. An application for relief from any of the following: (a) Rule 13-503 (*Commodity Futures Act*) *Fees*; (b) OSC Rule 31-509 (*Commodity Futures Act*) *National Registration Database*; (c) OSC Rule 33-506 (*Commodity Futures Act*) *Registration Information*.	$1,500
B. Registration-Related Activity	
1. New registration of a firm in any category of registration *Note: If a firm is registering as both a dealer and an adviser, it is required to pay two activity fees.*	$600
2. Change in registration category *Note: This includes a dealer becoming an adviser or vice versa, or changing a category of registration within the general category of adviser. A dealer adding a category of registration, such as a dealer becoming both a dealer and an adviser, is covered in the preceding section.*	$600

Document or Activity	Fee
3. Registration of a new director, officer or partner (trading or advising), salesperson, floor trader or representative *Notes:* *(i) Registration of a new non-trading or non-advising director, officer or partner does not trigger an activity fee.* *(ii) An individual registering as both a dealer and an adviser will be required to pay two activity fees.* *(iii) A registration fee will not be charged if an individual makes application to register with a new registrant firm within three months of terminating employment with his or her previous registrant firm if the individual's category of registration remains unchanged.*	$200 per person
4. Change in status from a non-trading or non-advising capacity to a trading or advising capacity	$200 per person
5. Registration of a new registrant firm, or the continuation of registration of an existing registrant firm, resulting from or following an amalgamation of registrant firms	$2,000
6. Application for amending terms and conditions of registration	$500
C. Application for Approval of the Director under Section 9 of the Regulation	$1,500
D. Request for Certified Statement from the Commission or the Director under Section 62 of the CFA	$100
E. Requests of the Commission	
1. Request for a photocopy of Commission records	$0.50 per page
2. Request for a search of Commission records	$150
3. Request for one's own Form 7	$30

APPENDIX C – ADDITIONAL FEES FOR LATE DOCUMENT FILINGS

Document	Late Fee
1. Fee for late filing of any of the following documents: (a) Annual financial statements and interim financial statements; (b) Report under section 15 of Regulation to the CFA; (c) Report under section 17 of Regulation to the CFA; (d) Filings for the purpose of amending Form 5 and Form 7 or Form 33-506F4 under Rule 33-506; (e) Any document required to be filed by a registrant firm or individual in connection with the registration of the registrant firm or individual under the CFA with respect to (i) terms and conditions imposed on a registrant firm or individual, or (ii) an order of the Commission; (f) Form 13-503F1; (g) Form 13-503F2.	$100 per business day (subject to a maximum of $5,000 for a registrant firm for all documents required to be filed within a calendar year)

FORM 13-503F1
(COMMODITY FUTURES ACT)

PARTICIPATION FEE CALCULATION

General Instructions

1. IDA members must complete Part I of this Form. All other registrant firms must complete Part II.

2. The components of revenue reported in this Form should be based on the same principles as the comparative statement of income that is prepared in accordance with generally accepted accounting principles ("GAAP"), or such equivalent principles applicable to the audited financial statements of non-resident advisers, except that revenues should be reported on an unconsolidated basis.

3. Members of the Investment Dealers Association of Canada may refer to Statement E of the Joint Regulatory Financial Questionnaire and Report for guidance.

4. Comparative figures are required for the registrant firm's year end date.

5. Participation fee revenue will be based on the portion of total revenue that can be attributed to Ontario. The percentage attributable to Ontario for the reported year end should be the provincial allocation rate used in the corporate tax return for the same fiscal period. For firms that do not have a permanent establishment in Ontario, the percentage attributable to Ontario will be based on the proportion of total revenues generated from CFA activities in Ontario.

6. All figures must be expressed in Canadian dollars and rounded to the nearest thousand.

7. Information reported on this questionnaire must be certified by two members of senior management in Part IV to attest to its completeness and accuracy.

Notes for Part II

1. Gross Revenue is defined as the sum of all revenues reported on a gross basis as per the audited financial statements prepared in accordance with GAAP, or such equivalent principles applicable to the audited financial statements of non-resident advisers, except that revenues should be reported on an unconsolidated basis. Items reported on a net basis must be adjusted for purposes of the fee calculation. Gross revenues are reduced by amounts not attributable to CFA activities.

2. Where the advisory or sub-advisory services of another registrant firm are used by the registrant firm to advise on a portion of its assets under management, such advisory or sub-advisory costs are permitted as a deduction on this line.

Participation Fee Calculation

Firm Name: _____

Fiscal Year End: _____

PART I – IDA Members

	Current Year $	Prior Year $
1. Total revenue from Statement E of the Joint Regulatory Financial Questionnaire and Report		
2. Less revenue not attributable to CFA activities		
3. Revenue subject to participation fee (line 1 less line 2)		

Part II – Advisers and Other Dealers

1. Gross revenue as per the audited financial statements (note 1)		
Less the following items:		
2. Amounts not attributable to CFA activities		
3. Advisory or sub-advisory fees paid to other registrant firms (note 2)		
4. Revenue subject to participation fee (line 1 less lines 2 and 3)		

Part III – Calculating Specified Ontario Revenues

1. Gross revenue subject to participation fee (line 3 from Part I or line 4 from Part II)	$_____
2. Ontario Percentage (See definition in Rule)	_____ %
3. Specified Ontario revenues (line 3 multiplied by line 4)	_____
4. Participation fee (From Appendix A of the Rule, select the participation fee opposite the specified Ontario revenues calculated above)	_____

Part IV - Management Certification

We have examined the attached statements and certify that, to the best of our knowledge, they present fairly the revenues of the firm for the period ended _____ and are prepared in agreement with the books of the firm.

We certify that the reported revenues of the firm are complete and accurate and in accordance with generally accepted accounting principles.

	Name and Title	Signature	Date
1.	_____	_____	_____
2.	_____	_____	_____

FORM 13-503F2
(COMMODITY FUTURES ACT)

ADJUSTMENT OF FEE PAYMENT

Firm Name: _____

Fiscal Year End: _____

Note: Subsection 2.6(3) of the Rule requires that this Form must be filed concurrent with a completed Form 13-503F1 that shows the firm's actual participation fee calculation.

1. Estimated participation fee paid under subsection 2.6(1) of the Rule: _____

2. Actual participation fee calculated under subsection 2.6(2) of the Rule: _____

3. Refund due (Balance owing): _____
   (Indicate the difference between lines 1 and 2)

ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-503CP
(COMMODITY FUTURES ACT) FEES

TABLE OF CONTENTS

ONTARIO SECURITIES COMMISSION
COMPANION POLICY 13-503CP
(COMMODITY FUTURES ACT) FEES

PART 1 PURPOSE OF COMPANION POLICY

1.1 Purpose of Companion Policy – The purpose of this Companion Policy is to state the views of the Commission on various matters relating to Rule 13-503 (*Commodity Futures Act*) *Fees* (the "Rule"), including an explanation of the overall approach of the Rule and a discussion of various parts of the Rule.

PART 2 PURPOSE AND GENERAL APPROACH OF THE RULE

2.1 Purpose and General Approach of the Rule

(1) The general approach of the Rule is to establish a fee regime that is consistent with the approach of Rule 13-502 (the "OSA Fees Rule"), which governs fees paid under the *Securities Act*. Both rules are designed to create a clear and streamlined fee structure and to adopt fees that accurately reflect the Commission's costs of providing services.

(2) The fee regime of the Rule is based on the concepts of "participation fees" and "activity fees".

2.2 Participation Fees

(1) Registrant firms are required to pay participation fees annually. Participation fees are designed to cover the Commission's costs of providing services whose costs are not easily attributable to specific market participants. The participation fee required of each market participant is based on a measure of the market participant's size, which is used to approximate its proportionate participation in the Ontario capital markets.

(2) Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of $39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The appendix to this Companion Policy shows how the Commission has applied the surplus to each participation fee level.

2.3 Participation Fees Payable in Advance – Although participation fees are determined by using information from a registrant firm's previous fiscal year, participation fees are applied to the costs of the Commission of the firm's participation in Ontario's capital markets in the upcoming year.

2.4 Registered Individuals – The participation fee is paid at the firm level under the Rule. That is, a "registrant firm" is required to pay a participation fee, not an individual who is registered as a salesperson, representative, partner, or officer of the firm.

2.5 Activity Fees – Activity fees are designed to represent the direct cost of Commission resources expended in undertaking the activities listed in Appendix B of the Rule (e.g., reviewing registration applications and applications for discretionary relief). Activity fees are based on the average cost to the Commission of providing the service.

2.6 Registrants under the CFA and the *Securities Act*

(1) A registrant firm that is registered both under the CFA and the *Securities Act* is exempted by section 2.1 of the Rule from the requirement to pay a participation fee under the Rule if it is current in paying its participation fees under the OSA Fees Rule. The registrant firm will include revenues derived from CFA activities as part of its revenues for purposes of determining its participation fee under the OSA Fees Rule.

(2) A registrant firm that is registered both under the CFA and the *Securities Act* must pay activity fees under the CFA Rule even though it pays a participation fee under the OSA Fees Rule.

2.7 No Refunds

(1) Generally speaking, a person or company that pays a fee under the Rule is not entitled to a refund of that fee. For example, there is no refund available for an activity fee paid in connection with an action that is subsequently abandoned by the payor of the fee. Also, there is no refund available for a participation fee paid by a registrant firm whose registration is terminated later in the year for which the fee was paid.

(2) An exception to this principle is provided in subsection 2.6(4) of the Rule. This provision allows for a refund where a registrant firm overpaid an estimated participation fee.

(3) The Commission will also consider requests for adjustments to fees paid in the case of incorrect calculations made by fee payors.

2.8 Indirect Avoidance of Rule – The Commission may examine arrangements or structures implemented by registrant firms and their affiliates that raise the suspicion of being structured for the purpose of reducing the fees payable under the Rule. For example, the Commission will be interested in circumstances in which revenues from registrable activities carried on by a corporate group are not treated as revenues of a registrant firm, thereby possibly artificially reducing the firm's specified Ontario revenues and, consequently, its participation fee.

PART 3 PARTICIPATION FEES

3.1 Filing Forms under Section 2.6 – If the estimated participation fee paid under subsection 2.6(1) by a registrant firm does not differ from its true participation fee determined under subsection 2.6(2), the registrant firm is not required to file either a Form 13-503F1 or a Form 13-503F2 under subsection 2.6(3).

3.2 Late Fees – Section 2.7 of the Rule prescribes an additional fee if a participation fee is paid late. The Commission and the Director will, in appropriate circumstances, consider tardiness in the payment of fees as a matter going to the fitness for registration of a registrant firm.

3.3 "CFA Activities" – Calculation of the participation fee involves consideration of the CFA activities undertaken by a person or company. The term "CFA activities" is defined in section 1.1 of the Rule to include "activities for which registration under the CFA or an exemption from registration is required". The Commission is of the view that these activities include, without limitation, trading in commodity futures contracts, providing commodity futures contracts-related advice and portfolio management services involving commodity futures contracts.

APPENDIX – USE OF SURPLUS TO REDUCE PARTICIPATION FEES

Over the three year period ending March 2006, the Commission projects that it will have an accumulated surplus of $39.5 million. This surplus will be used to reduce the participation fees that would otherwise have been payable under the Rule. The chart below shows how the Commission has applied the surplus to each participation fee level.

Specified Ontario Revenues	Pre-Surplus Participation Fee	Reduction due to Application of Surplus	Participation Fee
under $500,000	$1,000	$200	$800
$500,000 to under $1 million	$3,500	$1,000	$2,500
$1 million to under $3 million	$7,500	$1,900	$5,600
$3 million to under $5 million	$14,100	$1,500	$12,600
$5 million to under $10 million	$29,000	$3,500	$25,500
$10 million to under $25 million	$59,000	$7,000	$52,000
$25 million to under $50 million	$88,300	$10,300	$78,000
$50 million to under $100 million	$177,000	$21,000	$156,000
$100 million to under $200 million	$295,000	$36,000	$259,000
$200 million to under $500 million	$595,000	$70,000	$525,000
$500 million to under $1 billion	$770,000	$92,000	$678,000
$1 billion to under $2 billion	$970,000	$115,000	$855,000
$2 billion and over	$1,600,000	$165,000	$1,435,000

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Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND FORM 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
03/01/2006	2	1096463 Alberta Ltd. - Contracts for Differences	800,000.00	2.00
02/28/2006	1	730401 B.C. Ltd. - Debentures	4,950.00	5.00
02/16/2006	63	Abacus Mining & Exploration Corporation - Units	14,500,001.00	23,571,430.00
03/09/2006	11	AeroMechanical Services Ltd. - Common Shares	1,158,193.29	3,860,644.00
03/07/2006	67	AeroMechanical Services Ltd. - Units	1,128,780.00	4,341,459.00
03/01/2006	1	Agnico-Eagle Mines Limited - Flow-Through Shares	6,005,000.00	154,000.00
03/10/2006	1	Airline Intelligence Systems Inc. - Common Shares	25,000.00	25,000.00
03/03/2006	4	Airline Intelligence Systems Inc. - Common Shares	130,000.00	260,000.00
02/09/2006	33	Amera Resources Corporation - Units	847,200.00	141,200.00
02/28/2006	41	AMG Oil Ltd. - Units	1,704,900.00	6,000,000.00
02/28/2006 to 03/03/2006	66	Arius Research Inc. - Units	26,183,520.80	32,729,401.00
01/28/2005 to 06/26/2005	6	Asset Allocation Private Trust - Units	79,127.79	5,389.49
12/16/2005 to 02/24/2006	4	BDCM Offshore Opportunity Fund II, Ltd. - Common Shares	235,000,000.00	N/A
03/02/2006	3	Bioenvelop Technologies Corporation - Debentures	1,450,000.00	1,000,000.00
03/01/2006	6	BioLytical Laboratories Inc. - Common Shares	1,134,480.00	2,768,960.00
01/01/2005 to 12/31/2005	228	BluMont Canadian Opportunities Fund - Units	9,057,991.35	53,400.05
01/01/2005 to 12/31/2005	249	BluMont Hirsch Long/Short Fund - Units	44,723,410.64	313,322.02
01/01/2005 to 12/31/2005	1596	BluMont Hirsch Performance Fund - Units	78,330,551.62	3,682,395.96
01/01/2005 to 12/31/2005	148	BluMont Man Multi-Strategy Fund - Units	16,922,867.88	16,804,839.13
02/28/2006	35	Brightside Technologies Inc. - Common Shares	1,814,025.00	290,244.00
03/03/2006	31	BroadSign International Inc. - Common Shares	2,090,448.11	20,400,951.00
11/10/2005	54	C & C Energy Canada Ltd. - Common Shares	3,683,940.00	3,683,940.00
03/02/2006	66	Canadian Shield Resources Inc. - Units	1,000,000.00	8,000,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
03/09/2006	2	Capucines Investments Corporation - Debentures	98,337,000.00	98,337,000.00
02/22/2006	35	CareVest Blended Mortgage Investment Corporation - Preferred Shares	761,174.00	761,174.00
02/22/2006	47	CareVest First Mortgage Investment Corporation - Preferred Shares	1,882,310.00	1,882,310.00
01/26/2006	1	Cascadero Copper Corporation - Common Shares	150,000.00	1,000,000.00
11/29/2005 to 12/06/2005	45	Cash Minerals Ltd. - Units	9,896,073.75	12,262,500.00
01/26/2006	11	Clearford Industries Inc. - Debentures	24,500,000.00	24,500,000.00
01/26/2006	1	Clearford Industries Inc. - Warrants	0.00	1.00
02/13/2006	15	Coal Investment Corporation - Units	9,999,999.75	2,666,666.00
02/22/2006	12	Columbia Metals Corporation Limited - Units	4,155,000.00	8,310,000.00
02/23/2006	326	Connacher Oil and Gas Limited - Common Shares	100,000,950.00	8,571,500.00
12/23/2005	11	C.O.R.E Holdings Inc. - Common Shares	2,154,496.00	6,575.00
02/28/2006	151	Dalmac Energy Inc. - Units	6,000,000.00	4,800,000.00
01/07/2005 to 12/30/2005	58	Diversified Private Trust - Units	7,127,427.85	470,765.03
02/28/2006	7	DragonWave Inc. - Notes	3,500,000.00	N/A
02/18/2006	1	e-Radio USA, Inc. - Notes	57,610.00	1.00
01/17/2005 to 09/15/2005	6	Enhanced Equity Private Trust - Units	193,201.01	5,376.10
02/24/2006	1	Fourth Civen Fund (No. 2) Limited Partnership - L.P. Interest	342,025,000.00	N/A
02/24/2006	1	Fourth Civen Fund (No. 2) Limited Partnership - L.P. Interest	342,025,000.00	N/A
02/24/2006	2	Fourth Civen Fund (No. 4) Limited Partnership - L.P. Interest	27,362,000.00	N/A
02/24/2006	2	Fourth Civen Fund (No. 4) Limited Partnership - L.P. Interest	27,362,000.00	N/A
02/24/2006	4	Fourth Civen Fund (UBTI) Limited Partnership - L.P. Interest	273,620,000.00	N/A
02/24/2006	4	Fourth Civen Fund (UBTI) Limited Partnership - L.P. Interest	273,620,000.00	N/A
02/27/2006	1	Francisco Partners II, L.P. - L.P. Interest	50,000,000.00	50,000,000.00
02/27/2006 to 03/03/2006	19	General Motors Acceptance Corporation of Canada, Limited - Notes	5,022,938.31	50,229.38
02/15/2006	3	Geophysical Prospecting Inc. - Common Shares	12,500.00	500,000.00
03/03/2006	2	Geophysical Prospecting Inc. - Common Shares	28,000.00	400,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
03/07/2006	1	Geophysical Prospecting Inc. - Common Shares	5,000.00	100,000.00
03/01/2006	1	Giraffe Capital Limited Partnership I - L.P. Units	250,000.00	158.68
02/28/2006 to 03/07/2006	119	Gold Point Energy Corp. - Common Shares	3,867,000.00	3,867,000.00
02/23/2006	3	Golden Chalice Resources Inc. - Common Shares	19,000.00	50,000.00
03/03/2006	1	Goldrush Resources Ltd. - Common Shares	3,302,277.00	6,540,000.00
01/23/2006	1	Greencastle Resources Ltd. - Units	300,000.00	1,000,000.00
03/07/2006	2	Greencore Composites Inc. - Units	250,010.00	30.00
01/21/2005 to 12/30/2005	27	Growth & Income Private Trust - Units	3,684,102.50	248,460.40
03/08/2006	19	GTO Resources Inc. - Units	585,000.00	3,000,000.00
03/01/2006	53	Gulf Shores Resources Ltd. - Units	1,800,000.00	3,000,000.00
08/29/2005	2	Haviland Resources Inc. - Debentures	225,000.00	806,500.00
02/21/2006	1	IG Realty Investments Inc. - Common Shares	45,021.65	N/A
12/30/2005	1	Imperial Capital Acquisition Fund III (Institutional) 2 Limited Partnership - L.P. Units	80,000.00	80,000.00
12/30/2005	1	Imperial Capital Acquisition Fund III (Institutional) 3 Limited Partnership - L.P. Units	40,000.00	40,000.00
02/22/2006 to 02/28/2006	2	Inspiration Mining Corporation - Units	165,000.00	550,000.00
03/03/2006	2	Jatheon Technologies Inc. - Preferred Shares	110,000.00	547,500.00
02/28/2006	27	JumpTV.com, Inc. - Common Shares	2,983,950.00	1,047,000.00
02/28/2006	1	KBSH Enhanced Income Fund - Units	16,500.00	1,412.79
03/06/2006	9	Kodiak Oil & Gas Corp. - Common Shares	6,757,000.00	2,900,000.00
02/10/2006	8	KWG Resources Inc. - Units	215,000.00	4,300,000.00
03/02/2006	5	Labrador Technologies Inc. - Units	400,000.00	4,000,000.00
01/07/2005 to 12/30/2005	64	Lincluden Private Trust - Units	11,544,924.98	822,041.62
03/01/2006	5	Magenta II Mortgage Investment Corporation - Special Trust Securities	444,500.00	428,000.00
03/01/2006	1	Magenta Mortgage Investment Corporation - Common Shares	200,000.00	200,000.00
02/28/2006	42	Magnus Energy Inc. - Common Shares	10,110,996.75	6,259,245.00
02/28/2006	78	Medoro Resources Ltd. - Common Shares	10,000,000.00	100,000,000.00
02/28/2006	43	Melkior Resources Inc. - Units	700,000.00	5,600,000.00
03/06/2006	13	Member Partners' Consolidated Properties Limited Partnership - L.P. Units	667,000.00	667,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
12/30/2005	11	Metalex Ventures Ltd. - Flow-Through Shares	2,418,000.00	3,454,283.00
12/09/2005	34	Metalex Ventures Ltd. - Flow-Through Shares	3,065,651.00	3,412,002.00
01/11/2006	5	Metalex Ventures Ltd. - Units	332,600.00	475,143.00
03/02/2006	5	Minaean International Corp. - Units	375,000.00	1,500,000.00
03/01/2006	13	Mogul Energy International Inc. - Common Shares	831,720.00	1,792,500.00
02/25/2006	2	Musicrypt Inc. - Units	19,900.00	63,333.00
02/28/2006	19	Neuromed Pharmaceuticals Inc. - Units	17,289,466.68	7,238,435.00
02/28/2006	19	Neuromed Pharmaceuticals Ltd. - Units	11,552,562.86	7,238,435.00
01/31/2006 to 02/07/2006	2	New Solutions Financial (II) Corporation - Debentures	150,000.00	3.00
03/03/2006	1	NIF-T - Notes	166,520,761.00	166,520,761.00
02/28/2006	1	Old Yale Ventures Limited Partnership - L.P. Units	50.00	5.00
03/02/2006	45	Orko Gold Corporation - Units	3,068,999.50	8,798,570.00
02/02/2006	2	Performance Plants Inc. - Notes	333,334.00	N/A
01/16/2006	1	PharmaGap Inc. - Debentures	115,620.00	115,620.00
01/19/2006	54	Procyon Biopharma Inc. - Units	14,188,880.65	61,690,785.00
01/23/2006	1	Queenstake Resources Ltd. - Warrants	120,000.00	2,000,000.00
01/27/2006	1	Real Assets US Social Equity Index Fund - Units	25,500.80	N/A
02/28/2006	2	Recapture Metals Limited - Common Shares	200,400.00	445,333.00
12/30/2005	2	Recapture Metals Limited - Common Shares	351,249.75	780,555.00
02/28/2006	6	Redbourne Realty Fund Inc. - Common Shares	12,207,012.80	12,207.01
02/28/2006	6	Redbourne Realty Fund I, L.P. - Units	4,792,858.80	4,792.86
02/24/2006	1	Regent Ventures Ltd. - Flow-Through Units	12,000.00	5,000,000.00
03/01/2006	1	Renaissance Institutional equities Fund International L.P. - L.P. Interest	5,747,000.00	5,000,000.00
01/24/2006	18	Ripple Lake Diamonds Inc. - Units	822,400.05	5,482,667.00
03/01/2006	3	SiGe Semiconductor Inc. - Common Shares	4,854,312.51	6,827,278.00
03/01/2006	6	SiGe Semiconductor Inc. - Preferred Shares	12,151,609.23	4,200,451.00
03/09/2006	23	Silver Eagle Mines Inc. - Units	1,174,808.00	1,022,024.00
02/28/2006 to 03/09/2006	104	Silver Eagle Mines Inc. - Warrants	1,464,500.00	1,464,500.00
03/01/2006	19	SLM Corporation - Notes	325,000,000.00	325,000,000.00
02/28/2006	1	SMART Trust - Notes	742,247.88	1.00
01/30/2006	4	Strike Minerals Inc. - Common Shares	120,000.00	1,200,000.00
01/30/2006	36	The Buffalo Oil Corporation - Common Shares	1,000,001.20	454,546.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
02/28/2006	18	The McElvaine Investment Trust - Trust Units	798,560.61	N/A
01/01/2005 to 12/31/2005	91	Tremont Core Diversified Fund - Trust Units	9,048,940.63	98,243.28
02/15/2006	39	UEX Corporation - Common Shares	12,000,000.00	8,222,600.00
02/15/2006	143	UEX Corporation - Flow-Through Shares	41,113,000.00	2,000,000.00
01/23/2006 to 01/31/2006	18	Unigold Inc. - Common Shares	4,228,922.87	4,444,443.00
12/02/2005	1	Unigold Inc. - Common Shares	236,499.90	1,819,230.00
02/22/2006	58	U.S. Gold Corporation - Units	75,150,000.00	16,700,000.00
02/28/2006	4	Value Partners Investments Inc. - Units	70,000.00	27,346.00
02/28/2006	19	Wallbridge America Limited - Units	679,500.00	2,265,000.00
02/27/2006	190	Web World Holdings Ltd. - Common Shares	1,787,990.52	2,117,190.00
03/02/2006	16	Wycliffe Resources Inc. - Flow-Through Shares	510,000.00	144,000.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Ashton Mining of Canada Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated March 13, 2006
Mutual Reliance Review System Receipt dated March 14, 2006
Offering Price and Description:
Price: $1.40 per Common Share
$15,000,000.00
10,714,286 Common Shares
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Capital Corporation
Dundee Securities Corporation
National Bank Financial Inc.
Promoter(s):
-
Project #901417

Issuer Name:
Boardwalk Real Estate Investment Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated March 13, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
$60,420,000.00
2,650,000 Units
Price: $22.80 per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
Raymond James Ltd.
CIBC World Markets Inc.
Scotia Capital Inc.
Desjardins Securities Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Genuity Capital Markets
TD Securities Inc.
Promoter(s):
-
Project #901129

Issuer Name:
Coastal Contacts Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated March 10, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
$22,500,000.00
9,000,000 Common Shares to be issued upon exercise of 9,000,000 previously issued Special Warrants at a price per Special Warrant of $2.50
Underwriter(s) or Distributor(s):
Versant Partners Inc.
Orion Securities Inc.
Octagon Capital Corporation
Promoter(s):
-
Project #900896

Issuer Name:
Dawson Creek Capital Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated March 9, 2006
Mutual Reliance Review System Receipt dated March 9, 2006
Offering Price and Description:
$300,000.00 - 1,500,000 Common Shares
at a price of $0.20 per Common Share
Underwriter(s) or Distributor(s):
Raymond James Ltd.
Promoter(s):
Jeffrey A. Dawson
Project #899944

Issuer Name:
Demcap Investments inc.
Principal Regulator - Quebec
Type and Date:
Preliminary CPC Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
Minimum Offering: $800,000.00 or 2,666,667 Common Shares
Maximum Offering: $1,200,000.00 or 4,000,000 Common Shares
Price: 0.30$ per Common Share
Minimum Subsrciption: $300 or 1,000 Common Shares
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Promoter(s):
Claude Blanchet
Project #900889

Issuer Name:
Exile Resources Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 10, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
Up to * Units
$ * per Unit
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
MGI Securities Inc.
Promoter(s):
Stephen Brown
Christopher J.F. Harrop
Project #900782

Issuer Name:
Fidelity China Fund
Fidelity Global Real Estate Fund
Fidelity International Disciplined Equity Fund
Fidelity International Value Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated March 8, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
Series A, B, F, O, S and T Units
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Fidelity Investments Canada Limited
Promoter(s):
Fidelity Investments Canada Limited
Project #899519

Issuer Name:
Jade Energy Services Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated March 13, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
$ *
* Common Shares
Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Raymond James Ltd.
Tristone Capital Inc.
Promoter(s):
Dennis Weinberger
Stan G.P. Grad
Project #901283

Issuer Name:
Jaguar Mining Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 9, 2006
Mutual Reliance Review System Receipt dated March 9, 2006
Offering Price and Description:
$53,025,000 - 10,100,000 Common Shares
Price: $5.25 per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
Paradigm Capital Inc.
Promoter(s):
Brazilian Resources, Inc.
IMS Empreendimentos LTDA
Project #899959

Issuer Name:
John Deere Credit Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Shelf Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
$1,250,000,000.00 - Medium Term Notes (Unsecured)
Unconditionally guaranteed as to payment of principal, premium (if any), interest and certain other amounts by JOHN DEERE CAPITAL CORPORATION
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Merrill Lynch Canada Inc.
Promoter(s):
-
Project #899437

Issuer Name:
Northland Power Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 9, 2006
Mutual Reliance Review System Receipt dated March 10, 2006
Offering Price and Description:
$175,134,000.00 - 11,560,000 Subscription Receipts, each representing the right to receive one Trust Unit
Price: $15.15 per Subscription Receipt
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Scotia Capital Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Canaccord Capital Corporation
FirstEnergy Capital Corp.
Promoter(s):
-
Project #900404

Issuer Name:
Qwest Energy Canadian Resource Class
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectus dated March 10, 2006
Mutual Reliance Review System Receipt dated March 10, 2006
Offering Price and Description:
Offering Series A Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Qwest Energy Investment Management Corp.
Project #900708

Issuer Name:
ROI Sceptre Monthly Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 10, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
Offering Series A, F, O, 5 and 7 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Return on Innovation Management Ltd.
Project #901019

Issuer Name:
SCITI Total Return Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated March 14, 2006
Mutual Reliance Review System Receipt dated March 14, 2006
Offering Price and Description:
Maximum $ * (* Units)
$10,00 per Unit
Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
TD Securities Inc.
HBBC Securities (Canada) Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Desjardins Securities Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Richardson Partners Financial Limited
Wellington West Capital Inc.
Promoter(s):
Scotia Capital Inc.
Project #901519

Issuer Name:
Strategic Energy Fund (formerly NCE Strategic Energy Fund)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 13, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
Offering Rights to Subscribe for Units
Subscription Price: Three Rights and $ * per Unit
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #901067

Issuer Name:
The Descartes Systems Group Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
$14,940,000.00 - 3,600,000 Common Shares Price: $4.15 per Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #899530

Issuer Name:
Theratechnologies Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
$20,475,000.00 - 10,500,000 Common Shares Price: $1.95 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Jennings Capital Inc.
Promoter(s):
-
Project #899431

Issuer Name:
UBS (Canada) Global Allocation Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated March 6, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
Series D Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
UBS Global Asset Management (Canada) Co.
Project #899116

Issuer Name:
West High Yield (W.H.Y.) Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Long Form Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 10, 2006
Offering Price and Description:
A Minimum of 4,000,000 Units and a Maximum of 5,000,000 Units at a price of $0.40 per Unit
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
-
Project #900742

Issuer Name:
Aecon Group Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 10, 2006
Mutual Reliance Review System Receipt dated March 10, 2006
Offering Price and Description:
$28,125,000.00 - 4,500,000 Common Shares Price: $6.25 per Common Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
GMP Securities L.P.
Paradigm Capital Inc.
Raymond James Ltd.
Promoter(s):
-
Project #897771

Issuer Name:
AGF Elements Balanced Portfolio
AGF Elements Conservative Portfolio
AGF Elements Global Portfolio
AGF Elements Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 10, 2006 to Final Simplified Prospectuses and Annual Information Forms dated November 21, 2005
Mutual Reliance Review System Receipt dated March 14, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
AGF Funds Inc.
Project #833920

Issuer Name:
Cipher Pharmaceuticals Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
$12,000,000.00 - 2,500,000 Common Shares Price: $4.80 per Common Share
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Clarus Securities Inc.
GMP Securities L.P.
Promoter(s):
-
Project #894852

Issuer Name:
Clarington Canadian Balanced Fund
Clarington Canadian Bond Fund
Clarington Canadian Dividend Fund
Clarington Canadian Equity Class
Clarington Canadian Equity Fund
Clarington Canadian Income Fund
Clarington Canadian Income Fund II
Clarington Global Equity Class
Clarington Global Equity Fund
Clarington Global Income Fund
Clarington Money Market Fund
Clarington Short-Term Income Class
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated February 28, 2006 to Final Simplified Prospectuses and Annual Information Forms dated August 26, 2005
Mutual Reliance Review System Receipt dated March 10, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
ClaringtonFunds Inc.
Promoter(s):
ClaringtonFunds Inc.
Project #787914

Issuer Name:
European Minerals Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 13, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Pacific International Securities Inc.
Promoter(s):
-
Project #897864

Issuer Name:
Fidelity Global Disciplined Equity Fund
Fidelity Monthly Income Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated February 22, 2006 to Final Simplified Prospectuses and Annual Information Forms dated October 18, 2005
Mutual Reliance Review System Receipt dated March 9, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Fidelity Investments Canada Limited
Promoter(s):
Fidelity Investments Canada Limited
Project #828265

Issuer Name:
GrowthWorks Canadian Fund Ltd.
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 7, 2006 to Final Prospectus dated December 5, 2005
Mutual Reliance Review System Receipt dated March 14, 2006
Offering Price and Description:
Class A Shares in Series
Offering Price: Net Asset Value per Series Share
Underwriter(s) or Distributor(s):
GrowthWorks Capital Ltd.
Promoter(s):
-
Project #848931

Issuer Name:
Liquor Stores Income Fund
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
$49,149,423.00 - 2,427,132 Units Price: $20.25 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Sprott Securities Inc.
Clarus Securities Inc.
National Bank Financial Inc.
HSBC Securities (Canada) Inc.
Promoter(s):
The Liquor Depot Corporation
Liquor World Group Inc.
Project #894991

Issuer Name:
Resolve Business Outsourcing Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 9, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
22,500,000 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:
Roadrunner Capital Corporation
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated March 10, 2006
Mutual Reliance Review System Receipt dated March 13, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
Wellington West Capital Markets Inc.
Promoter(s):
John R. Ing
Shawn McReynolds
Harold M. Wolkin
Project #881366

Issuer Name:
Russel Metals Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 8, 2006
Offering Price and Description:
$257,500,000.00 - 10,000,000 Common Shares Price: $25.75 per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
-
Project #895875

Issuer Name:
Short Term Bond Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated March 8, 2006
Mutual Reliance Review System Receipt dated March 9, 2006
Offering Price and Description:
Class O Units, Class F Units, Class I Units, Class P Units, Class R units, Class S Units, Class T Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
SEI Investments Canada Company
Project #886111

Issuer Name:
Trimark Government Income Fund
Trimark Diversified Income
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated March 8, 2006 to Final Simplified Prospectuses and Annual Information Forms dated August 12, 2005
Mutual Reliance Review System Receipt dated March 14, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
n/a
Promoter(s):
AIM Funds Management Inc.
Project #804561

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Hargreave Hale Limited	Limited Market Dealer	March 13, 2006
New Registration	York Street Capital Corp.	Limited Market Dealer	March 10, 2006
New Registration	Nomura Asset Management U.S.A. Inc.	International Adviser (Investment Counsel and Portfolio Manager)	March 9, 2006
Change in Category	Goldman Sachs Execution & Clearing, L.P.	From: International Dealer To: International Dealer Limited Market Dealer	March 10, 2006
Change in Category	Strategic Analysis (1994) Corporation	From: Investment Counsel and Portfolio Manager To: Limited Market Dealer, Investment Counsel and Portfolio Manager	March 10, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 Amendments to IDA By-law 4.9 Regarding the Proficiency Requirements for Branch Managers of Branches Having Only Non-Retail Accounts

INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENTS TO BY-LAW 4.9 REGARDING THE PROFICIENCY REQUIREMENTS FOR BRANCH MANAGERS OF BRANCHES HAVING ONLY NON-RETAIL ACCOUNTS

These amendments were blacklined to indicate amendments from the version that was published on October 29, 2004 at (2004) 27 OSCB 8941.

THE BOARD OF DIRECTORS of the Investment Dealers Association of Canada hereby amends the By-laws, Regulations, Forms and Policies of the Association by amending By-laws 4.6, 4.9 and Policy 6, Part I, Section 1 as follows:

"4.6.

(a) Each Member shall appoint a branch manager to be in charge of each of its branch offices and, where necessary to ensure continuous supervision of the branch office, a Member may appoint one or more assistant or co-branch managers who shall have the authority of a branch manager in the absence or incapacity of the branch manager. A branch manager shall be normally present at the branch of which he or she is in charge.

(b) A Member having a branch office that has no client accounts other than accounts for non-retail clients as defined in By-law 18.8 may appoint a branch manager (non-retail) to be in charge of the branch and, where necessary to ensure continuous supervision of the branch office, a Member may appoint one or more assistant or co-branch managers (non-retail), who shall have the authority of a branch manager in the absence or incapacity of the branch manager. A branch manager (non-retail) shall be normally present at the branch of which he or she is in charge.

(c) A Member shall notify the Association as required in accordance with By-law 40, of the opening or closure of a branch office."

"4.9. No person shall act as a sales manager, branch manager, assistant branch manager, co-branch manager, branch manager (non-retail), assistant branch manager (non-retail) or co-branch manager (non-retail) unless the person:

(a) Has satisfied the applicable proficiency requirements outlined in Part I of Policy No. 6; and

(b) Has been approved by the Association."

"Policy 6, Part I, Section 1:

1. <u>Branch Managers and Sales Managers</u>

(a) The proficiency requirements for a sales manager, branch manager, assistant or co-branch manager under By-law 4.9 are:

(<u>i</u>) Two years of experience as a securities dealer or working in the office of a broker or dealer in securities in various positions or such equivalent experience as may be acceptable to the applicable District Council;

(<u>ii</u>) Approval as a registered representative; and

(<u>iii</u>) Successful completion of

(<u>A</u>) The Branch Managers Course,

(B) The Options Supervisors Course if the Member trades options with the public and

(C) The Effective Management Seminar within 18 months of approval.

(b) The proficiency requirements for a branch manager (non-retail), assistant branch manager (non-retail) or co-branch manager (non-retail) under By-law 4.9 are:

(i) Successful completion of:

(A) The Branch Managers Course, or

(B) the Partners, Directors and Senior Officers Qualifying Examination, and

(ii) ~~If the branch has any persons approved to trade with the public and the Member trades options with the public, successful completion of the Options Supervisors Course~~ The proficiency requirements necessary to conduct or supervise the trading activity carried on by Approved Persons in the branch."

The Board of Directors also resolves that when proposed IDA Policy 4 – Minimum Industry Standards for Institutional Account Supervision is implemented, the words "non-retail clients as defined in By-law 18.8" in Paragraph (b) of revised By-law 4.6 shall be replaced by "institutional clients as defined in Policy 4".

PASSED AND ENACTED by the Board of Directors, this 20th day of October 2004, to be effective on a date to be determined by Association staff.

13.1.2 IDA Amendment to Regulation 1300.1 – Suitability and Institutional Accounts

INVESTMENT DEALERS ASSOCIATION OF CANADA
AMENDMENT TO REGULATION 1300.1 – SUITABILITY AND INSTITUTIONAL ACCOUNTS

I OVERVIEW

A Current Rules

Current suitability provisions are contained in Regulation 1300.1. Exemptions from the suitability requirement are also contained in Regulation 1300.1. Where a Member provides an order-execution only service for a particular transaction, without any recommendations to the client, the suitability requirement is not applied (if the Member complies with the policies and procedures set out in Policy No. 9 and receives Association approval).

Policy No. 4 Minimum Standards for Institutional Account Opening, Operation and Supervision was approved by the Board of Directors on January 19, 2005 and is in the process of being approved by the appropriate securities commissions. Section I.B (3) provides an exemption for institutional accounts from the suitability obligations of Policy No. 4 where a Member executes a trade on the instructions of another Member, a portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer.

B The Issue

Regulation 1300.1(p) imposes a suitability requirement on Members. As Section I.B (3) of Policy No. 4 provides an exemption from this suitability requirement, this exemption should be referenced in Regulation 1300.1.

C Objective

The objective of the proposed amendment is to ensure that the exemption contained in Policy No. 4 is effective and consistent with Regulation 1300.1.

D Effect of Proposed Rules

The proposed amendment will ensure that the suitability obligation contained in Regulation 1300.1 is applicable in the appropriate circumstances and that any exemptions from this requirement are clearly set out in the same regulation.

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Regulation

Present Rules

Regulation 1300.1(p) contains the current suitability provision which requires dealers to consider such factors as a client's age, investment objectives, risk tolerance, investment knowledge, net worth and income in order to assess whether each transaction, recommended or non-recommended is suitable for the client.

Regulation 1300.1 also provides that a suitability determination is not required where the Member acts solely as an order-taker for a client on a particular transaction who executes a trade without a recommendation, provided that the dealer has met the requirements of Policy No. 9.

Policy No. 4 Minimum Standards for Institutional Account Opening, Operation and Supervision was approved by the Board of Directors on January 19, 2005. The Policy provides procedures for opening institutional accounts, account suitability review and supervision of these accounts.

The Policy defines institutional accounts and enumerates factors, which will be considered in determining whether the Member's suitability obligation owed to an institutional customer has been fulfilled.

Section I.B (3) provides an exemption for institutional accounts from the suitability determination where a Member executes a trade on the instructions of another Member, a portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer.

Proposed Rule Amendment

The proposed amendment would make it clear in Regulation 1300.1 that where a Member executes a trade on the instructions of another Member, a portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer, the Member is exempt from the suitability obligation in the regulation. It will ensure that the exemption in Policy No. 4 is consistent with the provisions of Regulation 1300.1 and works in conjunction with the regulation.

B Issues and Alternatives Considered

No other alternatives were considered.

C Comparison With Similar Provisions

The exemption from the suitability requirements contained in Policy No. 4 was based on an examination of suitability relief contained in securities legislation among numerous provinces in Canada. The exemption in Policy No. 4 parallels those found in the securities legislation in some provinces, which does not require a suitability determination to be made by a dealer who executes a trade on the instructions of another dealer, investment counsel, portfolio manager or financial institution.

D Systems Impact of Rule

There are no systems issues associated with the proposed amendment.

E Best interests of the Capital Markets

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

F Public Interest Objective

According to the IDA's Order of Recognition as a self-regulatory organization, the IDA shall, where requested, provide in respect of a proposed rule change "a concise statement of its nature, purposes and effects, including possible effects on market structure and competition". Statements have been made elsewhere as to the nature and effects of the proposals with respect to the proposed amendments.

The general purpose of the amendment is:

- for such other purposes as may be approved by the Commission.

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

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

III COMMENTARY

A Filing in Other Jurisdictions

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

B Effectiveness

The proposed change would ensure that the exemption contained in Policy No. 4 works effectively with the suitability regime outlined in Regulation 1300.1.

C Process

The proposed change has been reviewed and approved by senior management.

IV Sources

IDA Regulation 1300 and proposed Policy No. 4.

V OSC requirement to publish for comment

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

Questions may be referred to:

Michelle Alexander
Director, Regulatory Policy
Investment Dealers Association of Canada
(416) 943-5885
malexander@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENTS TO REGULATION 1300.1 –
SUITABILITY AND INSTITUTIONAL ACCOUNTS

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

1. Regulation 1300.1 is amended by:

   (a) Replacing the text “Regulation 1300.1(r)” in Regulation 1300.1(p) with the text “Regulations 1300.1(r) and 1300.1(s)”;

   (b) Replacing the text “Regulation 1300.1(s)” in Regulation 1300.1(r) with the text “Regulation 1300.1(t)”;

   (c) Adding new section 1300.1(s) after Regulation 1300.1(r) as follows:

   “Each Member that executes a trade on the instructions of another Member, portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer, pursuant to Section I.B (3) of Policy No. 4 is not required to comply with Regulation 1300.1(p)”;

   (d) Renumbering existing section 1300.1(s) to 1300.1(t).

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

INVESTMENT DEALERS ASSOCIATION OF CANADA

AMENDMENTS TO REGULATION 1300.1 –
SUITABILITY AND INSTITUTIONAL ACCOUNTS

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Suitability Generally

(p) Subject to Regulations 1300.1(r) and 1300.1(s), each Member shall use due diligence to ensure that the acceptance of any order from a customer is suitable for such customer based on factors including the customer's financial situation, investment knowledge, investment objectives and risk tolerance.

Suitability Determination Required When Recommendation Provided

(q) Each Member, when recommending to a customer the purchase, sale, exchange or holding of any security, shall use due diligence to ensure that the recommendation is suitable for such customer based on factors including the customer's financial situation, investment knowledge, investment objectives and risk tolerance.

Suitability Determination Not Required

(r) Each Member that has applied for and received approval from the Association pursuant to Regulation 1300.1(t~~s~~), is not required to comply with Regulation 1300.1(p), when accepting orders from a customer where no recommendation is provided, to make a determination that the order is suitable for such customer.

(s) Each Member that executes a trade on the instructions of another Member, portfolio manager, investment counsel, limited market dealer, bank, trust company or insurer, pursuant to Section I.B (3) of Policy No. 4 is not required to comply with Regulation 1300.1(p).

Association Approval

(t~~s~~) The Association, in its discretion, shall only grant such approval where the Association is satisfied that the Member will comply with the policies and procedures outlined in Policy No. 9. The application for approval shall be accompanied by a copy of the policies and procedures of the Member. Following such approval, any material changes in the policies and procedures of the Member shall promptly be submitted to the Association.

13.1.3 IDA Policy No. 5 - Code of Conduct for IDA Member Firms Trading in Wholesale Domestic Debt Markets

POLICY NO. 5

CODE OF CONDUCT FOR IDA MEMBER FIRMS TRADING IN WHOLESALE DOMESTIC DEBT MARKETS

PREFACE

This Policy No. 5 is black-lined to indicate amendments from the version that was published on July 15, 2005 at (2005) 28 OSCB 6125.

Purpose

Policy No. 5 describes the standards for trading by market participants in wholesale domestic Canadian debt markets. This IDA policy was developed jointly with the Bank of Canada and Department of Finance to ensure the integrity of Canadian debt securities markets and thereby to encourage liquidity, efficiency and the maintenance of active trading and lending and promote public confidence in such debt markets.

In its application to IDA Member Firms, Policy No. 5 is supplementary to and explanatory of the By-laws and Regulations of the Association. It does not replace or restrict the application of the IDA By-laws and Regulations to the wholesale domestic debt market.

History

In the spring of 1998 the Bank of Canada and Department of Finance introduced several initiatives, in consultation with the Investment Dealers Association and other market participants, to maintain a well-functioning market in Government of Canada securities.

These actions were prompted by what was perceived as potential challenges to the liquidity and integrity of debt markets, including such factors as declining benchmark issue size in response to falling government borrowing requirements, the predominance of heavily capitalized market-makers and the emergence of levered market participants[3].

The federal government has defined its jurisdiction over domestic debt markets as the new issue or primary markets for Government of Canada securities. Since the liquidity and integrity of secondary markets are also at risk from reduced issue size, and capitalized and levered market participants, the Investment Dealers Association worked with the Bank of Canada and Department of Finance to develop a formal code of conduct for dealing practices in wholesale (i.e. institutional) domestic debt markets. This code of business conduct is embodied for IDA Members in IDA Policy No. 5, and is intended by the participants in its development to be applicable in principle to all participants in wholesale domestic markets. It complements the federal government's objective to safeguard the liquidity and integrity of domestic markets.

The IDA and the Provincial securities regulatory authorities (collectively the Canadian Securities Administrators (CSA)) also have in place specific and general rules that regulate domestic secondary market trading carried out by IDA member firms. Policy No. 5 provides further amplification and, in some cases, broader application of these rules in relation to domestic debt markets.

In 2002 the CSA and IDA conducted, through an independent consultant, a survey of domestic debt market participants, including Members, to determine whether they were encountering any problems in the debt market. The survey was followed by reviews of a number of IDA Members by Association Staff to further delineate the issues, one of which was the difficulty of developing operational and supervisory procedures from the general provisions of Policy No. 5. In 2004 the IDA struck a committee to revise Policy 5. That committee has worked with the Bank of Canada and the Department of Finance to develop this version of Policy No. 5.

Application

While IDA Policy No. 5 applies directly only to IDA member firms and their related companies (as defined in By-law 1.1), which play an active and integral role in domestic debt markets, this code of conduct should also guide the actions of all other market participants. Examples of such market participants are chartered banks, which play a role in the marketplace analogous to IDA

[3] New auction rules (www.bankofcanada.ca/en/auct.htm#rules) were developed to set out the administrative and reporting procedures for Primary Dealers and Government Securities Distributors, and for their clients bidding at auctions for Government of Canada treasury bills and bonds. There were also revisions to the Terms of Participation, which defines the nomenclature for IDA member firms and chartered banks eligible to bid at Government of Canada securities auctions and the rules and responsibilities governing these designated Primary Dealers and Government Securities Distributors.

member firms, insurance companies, money managers, pension funds, mutual funds and hedge funds. The Bank of Canada and the Department of Finance are joining the Association in taking steps to make these institutions aware of the IDA code of conduct and encourage them to adopt and enforce similar rules. Members should also promote the standards established in this Policy among their affiliates, customers, and counterparties.

Aspects of the Policy require the co-operation of affiliates and customers of Members, for example in reporting and certain disclosure, and Members are expected to conduct their business in a way that will encourage compliance with the Policy by affiliates, customers and counterparties to the extent applicable.

Moreover, dealings between Members, their related companies, affiliates, customers and other counterparties must be on terms which are consistent with this Policy and such dealings shall be deemed to include any terms necessary for a party to implement or comply with this Policy. Members must not condone or knowingly facilitate conduct by their affiliates, customers or counterparties that deviates from this Policy and its purpose of maintaining and promoting public confidence in the integrity of the Domestic Debt Market. Subject to Applicable Law, the surveillance provisions of this Policy require reporting to the Association or appropriate authorities of the failure, or suspected failure, of Members, their affiliates, customers and counterparties to comply with this Policy.

Members generally are responsible for the conduct of their partners, directors, officers, registrants and other employees and compliance by such persons with the Rules of the Association pursuant to By-law 29.1. In addition, partners, directors, officers, registrants and other employees of Members and their related companies are expected to comply with the Rules of the Association and other regulatory requirements, and this Policy is to be construed as being applicable to related companies and such persons whenever reference is made to a Member.

Implementation and Compliance Expectations

Policy No 5 sets out specific requirements for dealing with customers and counterparties, including that customer dealings be carried out on a confidential basis, and standards related to market conduct. As with all IDA By-laws, Regulations and Policies, the Association expects member firms that are involved in wholesale domestic debt markets to have in place written policies and procedures relating to their dealings with customers and trading[4]. Such policies and procedures must address both Policy 5 and all other IDA and CSA regulations related to the Member's whole domestic debt market activities. These policies and procedures must be readily available to relevant employees, who must be properly trained and qualified. Internal controls and operating systems must be in place to support compliance.

The Association will audit Member's sales and trading activities in the Domestic Debt Markets to ensure compliance with this Policy.

The Policy also provides for 'on demand' reporting to the Association of large securities positions held by dealers or traded with customers, if market circumstances warrant the need for such information.

The terms of the Policy are binding on Members and all related companies of Members and failure to comply with the Policy may subject a Member, a related company or their personnel to sanctions pursuant to the enforcement and disciplinary By-laws of the Association. The disciplinary Rules of the Association provide for a wide range of sanctions, including fines of up to the greater of $5,000,000 per offence for Members ($1,000,000 per offence for Approved Persons) or triple the amount of the benefit from the breach, reprimands, suspension or termination of approval or expulsion. Notice of such sanctions is given to the public and government and other regulatory authorities in accordance with the Rules. In addition, other government or regulatory authorities such as the Bank of Canada, Department of Finance (Canada) or provincial securities regulatory authorities may, in their discretion, impose formal or informal sanctions including, in the case of Government of Canada securities, the suspension or removal by the Bank of Canada of eligible bidder status for auctions of such securities.

The Policy, together with applicable securities legislation, the auction rules and Terms of Participation for Primary Dealers and Government Securities Distributors, will ensure proper conduct of market participants at auctions of Government of Canada securities, in other primary markets and in secondary markets, and will result in the close coordination between federal authorities, the CSA, IDA member firms and Association staff in the exchange of detailed market information and the enforcement of proper market conduct.

[4] See also IDA By-law 29.27.

POLICY NO. 5

TRADING IN WHOLESALE DOMESTIC DEBT MARKETS

TABLE OF CONTENTS

1. DEFINITIONS

The following terms used in this Policy shall have the meanings indicated:

"Applicable Laws" means the common or civil law or any statute or regulation of any jurisdiction in which Members and their related companies trade in the Domestic Debt Market, or any rule, policy, regulation, directive, order or other requirement of any regulatory authority, exchange or self-regulatory organization applicable to trading in, or having jurisdiction over, the Domestic Debt Market and/or Members or their related companies.

"Domestic Debt Market" means any Canadian wholesale debt market in which Members participate as dealers on their own account as principal, as agent for customers, as primary distributors or jobbers as approved by the Bank of Canada or in any other capacity and in respect of any debt or fixed income securities issued by any government in Canada or any Canadian institution, corporation or other entity or any derivative instruments thereon, and includes, without limitation, repo, security lending and other specialty or related debt markets.

"Rules" means the Constitution, By-laws, Regulations, Rulings, Policies and Forms of the Investment Dealers Association of Canada, from time to time in effect.

2. MEMBER STANDARDS AND PROCEDURES

2.1 Policies and Procedures

Members shall have written policies and procedures relating to trading in the Domestic Debt Market and the matters identified in this Policy. Such policies and procedures shall be approved by the board of directors of the Member or an appropriate level of senior management and by the Association. The policies and procedures must be established and implemented by senior management and must be periodically reviewed to ensure that they are appropriate to the size, nature and complexity of the Member's business and remain appropriate as such business and market circumstances change.

2.2 Responsibility

Members shall ensure that all personnel engaged in Members' trading activities in the Domestic Debt Market are properly qualified and trained, are aware of all Applicable Laws, this Policy and internal policies and procedures relating to Domestic Debt Market Trading and are supervised by appropriate levels of management.

2.3 Controls and Compliance

Members shall maintain and enforce internal control and compliance procedures as part of the policies and procedures required in paragraph 2.1 above to ensure that trading in Domestic Debt Markets by the Member is in accordance with Applicable Laws and this Policy.

2.4 Confidentiality

Members shall ensure that dealings in the Domestic Debt Market with customers and counterparties is on a confidential basis. Except with the express permission of the party concerned or as required by Applicable Law or Rules (including requests for information or reporting by the Association or by the Bank of Canada), Members shall not disclose or discuss, or request that others disclose or discuss, the participation of any customer or counterparty in the Domestic Debt Market or the terms of any trading or anticipated trading by such customer or counterparty. In addition, Members shall ensure that their own trading activities are kept confidential including information with respect to customers and trading and planning strategies. The policies and procedures adopted to ensure confidentiality should restrict access to information to the personnel that require it to properly perform their job functions, confine trading to "restricted access" office areas by designated personnel and encourage the use of secure forms of communications and technology (e.g. careful use of cell or speaker phones, secure systems access and close supervision).

2.5 Resources and Systems

Members must devote adequate human, financial and operational resources to their trading activities in the Domestic Debt Market. Further, Members must implement operation and technological safeguards to ensure that their trading activities in the Domestic Debt Markets can be fully supported. This requirement contemplates not only that the Member have sufficient capital, liquidity support and personnel, but also that it

have comprehensive operational systems appropriate for Domestic Debt Market trading such as all aspects of risk management (market, credit, legal, etc.), transaction valuation, technology and financial reporting.

3. DEALINGS WITH CUSTOMERS AND COUNTERPARTIES

3.1 Know-Your-Client and Suitability

Members must learn the essential facts about every customer, order and account accepted and to ensure the suitability of investment recommendations made to a customer. This applies to Members dealing with all customers that trade in the Domestic Debt Market. IDA Policy 4 establishes minimum standards of supervision necessary to ensure compliance with Regulation 1300.1 in dealings with institutional clients and will be applicable to dealings with customers in the Domestic Debt Market.

3.2 Conflicts of Interest

Good business conduct as well as provisions of the other Rules of the Association and Applicable Law require that Members avoid conflicts of interest in their dealings with customers, counterparties and the public. Such conflicts can arise in many different circumstances but one of the underlying principles is that a fair, efficient and liquid Domestic Debt Market relies in part on open and unbiased dealings by Members, and fulfillment by Members of their duties to customers before their own interests or those of their personnel. The policies and procedures of Members should clearly describe the standards of conduct for Members and personnel. Examples of some of the matters to be included in the policies and procedures are restrictions and controls for trading in the accounts of Members' personnel, prohibition of the use of inside information and practices such as front running, fair client priority and allocation standards and prompt and accurate disclosure to customers and counterparties where any apparent but unavoidable conflict of interest arises.

4. MARKET CONDUCT

4.1 Duty to Deal Fairly

Members must observe high standards of ethics and conduct in the transaction of their business and prohibit any business conduct or practice which is unbecoming or detrimental to the public interest. Members must act fairly, honestly and in good faith when marketing, entering into, executing and administering trades in the Domestic Debt Market.

4.2 Criminal and Regulatory Offences

Members shall ensure that their trading in the Domestic Debt Market does not contravene any Applicable Law including, without limitation, money laundering, criminal or provincial securities legislation or the directions or requirements of the Bank of Canada or the Department of Finance (Canada) whether or not such directives or requirements are binding or have the force of law.

4.3 Prohibited Practices

Without limiting the generality of the foregoing, no Member or partner, officer, director, employee or agent of a Member shall:

(a) engage in any trading practices in the Domestic Debt Market that are fraudulent, deceptive or manipulative; such as

(1) executing trades which are primarily intended to artificially increase trading volumes;

(2) executing trades which are primarily intended to artificially increase or decrease trading prices;

(3) spreading, or acquiescing or assisting in the spreading, of any rumours or information regarding issuers or the Domestic Debt Market that the Member or partner, director, officer, employee or agent of the Member knows or believes, or reasonably ought to know or believe, to be false or misleading;

(4) disseminating any information that falsely states or implies governmental approval of any institution or trading; or

(5) conspiring or colluding with another market participant to manipulate or unfairly deal in the Domestic Debt Market.

(b) engage in any trading which takes unfair advantage of customers, counterparties or material non-public information, such as:

(1) acting on specific knowledge of a new issue or client order in such a way as to unfairly profit from the expected resultant market movement and/or distort market levels;

(2) executing proprietary trades ahead of client orders on the same side of the market without first disclosing to the client the intention to do so and obtaining the client's approval;

(3) using proprietary information, the release of which could reasonably be expected to affect market prices, to profit unfairly;

(4) using material, non public information which may reasonably be expected to affect prices in the Domestic Debt Market, for gain; or

(5) abusing market procedures or conventions to obtain an unfair advantage over, or to unfairly prejudice, its counterparties or customers;

(6) consummating a trade where the price is clearly outside the context of the prevailing market and has been proposed or agreed as a result of manifest error.

(c) engage in any trading in derivatives on Domestic Debt Market instruments in contravention of the above prohibitions;

(d) accept any order from or effect any trade with another Domestic Debt Market participant if the Member knows or has reasonable grounds to believe that the other participant is, by giving the order or conducting the trade, contravening this Policy 5 or any Applicable Laws;

(e) accept or permit any associate to accept, directly or indirectly, any material remuneration, benefit or other consideration from any person other than the Member or its affiliates or its related companies, in respect of the activities carried out by such partner, officer, director, employee or agent on behalf of the Member or its affiliates or its related companies in connection with the sale or placement of securities on behalf of any of them;

(f) give, offer or agree to give or offer, directly or indirectly, to any partner, director, officer, employee, shareholder or agent of a customer, or any associate of such persons, a material advantage, benefit or other consideration in relation to any business of the customer with the Member, unless the prior written consent of the customer has first been obtained.

4.4 **Market Conventions and Clear Communication**

Members shall use clear and unambiguous language in course of their trading activities, particularly when negotiating trades on the Domestic Debt Market. Each kind of trading in the Domestic Debt market has its own unique terminology, definitions and calculations and a Member shall, prior to engaging in any trading, familiarize itself with the terminology and conventions relevant to that type of trading.

5. ENFORCEMENT

5.1 **Association Procedures to Apply**

Compliance by Members with the terms of this Policy will be enforced in accordance with the general compliance, investigative and disciplinary Rules of the Association.

5.2 **Surveillance**

Careful surveillance of the Domestic Debt Market and the trading activities of market participants is required to ensure that the objectives of this Policy are achieved. Members and their related companies are responsible for monitoring their trading and the conduct of their employees and agents. Members have an obligation to report promptly to the Association or any other authority having jurisdiction, including the Bank of Canada, breaches of the Policy or suspicious or irregular market conduct. Members should also encourage their

customers or counter-parties who raise concerns about any Domestic Debt Market activity or participants to report such concerns to the relevant authorities.

5.3 **Net Position Reports**

As part of the surveillance of Domestic Debt markets, the Association may require a Member and its related companies to file the IDA Net Position Report. Net Position Reports may be requested by either the Bank of Canada (for Government of Canada securities), or by the Association. The request for a report, and associated requests for information required to clarify individual Member's reports, would be undertaken as a preliminary step to identify large holdings of securities that could have allowed a participant to have undue influence or control over the Government of Canada, provincial, municipal or corporate debt markets.

POLICY NO. 5B

RETAIL DEBT MARKET TRADING AND SUPERVISION

Purpose

Policy No. 5B describes the standards for trading and supervision by IDA Members of retail domestic debt market activity.

Policy No. 5B is supplementary to and explanatory of the By-laws and Regulations of the Association. It does not replace or restrict the application of the IDA By-laws and Regulations to the retail domestic debt market.

1. DEFINITIONS

"**Retail Debt Market Trading**" means trading conducted by Members, whether as principal or agent, to fill orders received from a retail customer for any debt or fixed income securities or any derivative instruments thereon including, without limitation, repo, security lending and other specialty or related debt markets.

"**Retail Customer**" means a customer of the Member that is not an institutional client as defined in IDA Policy 4.

2. MEMBER POLICIES AND PROCEDURES

Members shall have written policies and procedures relating to trading in the Retail Debt Market and the matters identified in this Policy. Such policies and procedures shall be approved by the board of directors of the Member or an appropriate level of senior management and by the Association. The policies and procedures must be established and implemented by senior management and must be periodically reviewed to ensure that they are appropriate to the size, nature and complexity of the Member's business and remain appropriate as such business and market circumstances change.

3. COMMISSIONS AND MARK-UPS

Members must have written procedures or guidelines issued to its registered representatives regarding mark-ups or commissions on debt or fixed income securities sold to the Member's retail customers. The Member must have reasonable monitoring procedures to detect and monitor mark-ups or commissions which exceed those specified in the written procedures or guidelines and ensure that such mark-up or commission is justified in the reasonable judgment of the Member.

4. MARKET CONDUCT

4.1 Duty to Deal Fairly

Members must observe high standards of ethics and conduct in the transaction of their business and prohibit any business conduct or practice which is unbecoming or detrimental to the public interest. Members shall act fairly, honestly and in good faith when marketing, entering into, executing and administering trades in the Retail Debt Market.

4.2 Prohibited Practices

Without limiting the generality of the foregoing, no Member or partner, officer, director, employee or agent of a Member shall:

(a) engage in any trading practices in the Retail Debt Market that are fraudulent, deceptive or manipulative; such as

(1) executing trades which are primarily intended to artificially increase trading volumes;

(2) executing trades which are primarily intended to artificially increase or decrease trading prices;

(3) spreading, or acquiescing or assisting in the spreading, of any rumours or information regarding issuers that the Member or partner, director, officer, employee or agent of the Member knows or believes, or reasonably ought to know or believe, to be false or misleading;

(4) disseminating any information that falsely states or implies governmental approval of any institution or trading; or

(5) conspiring or colluding with another registrant to manipulate or unfairly deal in the Retail Debt Market.

(b) engage in any trading which takes unfair advantage of customers, counterparties or material non-public information, such as:

(1) acting on specific knowledge of a new issue or client order in such a way as to unfairly profit from the expected resultant market movement and/or distort market levels;

(2) executing proprietary trades ahead of client orders on the same side of the market without first disclosing to the client the intention to do so and obtaining the client's approval;

(3) using proprietary information, the release of which could reasonably be expected to affect market prices, to profit unfairly;

(4) using material, non public information which may reasonably be expected to affect prices in the Domestic Debt Market, for gain; or

(5) abusing market procedures or conventions to obtain an unfair advantage over, or to unfairly prejudice, its counterparties or customers;

(6) consummating a trade where the price is clearly outside the context of the prevailing market and has been proposed or agreed as a result of manifest error.

(c) engage in any trading in derivatives on debt market instruments in contravention of the above prohibitions.

(d) accept any order from or effect any trade for a retail customer if the Member knows or has reasonable grounds to believe that the customer is, by giving the order or conducting the trade, contravening this Policy 5B or any statute or regulation, or any rule, policy, directive, order or other requirement of any regulatory authority, exchange or self-regulatory organization governing the Member or the market in which the trade will be effected.

IDA RESPONSES TO COMMENT RECEIVED ON
PROPOSED POLICY NO. 5 – CODE OF CONDUCT FOR IDA MEMBER FIRMS
TRADING IN WHOLESALE DOMESTIC DEBT MARKETS AND
PROPOSED POLICY NO. 5B – RETAIL DEBT MARKET TRADING AND SUPERVISION

Response to Comments on Policy No. 5 and No. 5B

There was only one comment letter received, from the Bourse de Montreal, commenting on Policy 5. There were no comments on Policy 5B.

Comment

The Bourse comment letter expresses concerns that Policy 5 opens the door for the IDA to encroach on its field of competence – the surveillance and regulation of its listed derivatives market, including derivatives on fixed income instruments.

IDA Response

IDA By-laws, Regulations and Policies frequently overlap with those of other regulatory and self-regulatory agencies, including members of the CSA. This does not mean that there is or needs to be duplication of regulatory effort. The IDA recognizes that the Bourse has systems, information and expertise to regulate the trading in its market. It would be foolhardy in the extreme for the IDA to even consider attempting to duplicate or encroach on the Bourse's regulatory programs.

It is nonetheless useful for the IDA to have regulations directed at activity carried on in different markets and subject to the primary jurisdiction of those markets. Some Members, for example, are not participating organizations in those markets but trade through participating organizations. In the event of some improper trading activity by such a Member, the IDA would be the only one of the two organizations having jurisdiction to take action.

Comment

The Bourse also expresses concern that the duplication of regulations presents the possibility of a market participant being disciplined more than once for the same infraction. Except in extraordinary circumstances, such as a violation which called into question the suitability of a market participant to continue as a Member of the IDA, the IDA is opposed to duplicative regulation and would be highly unlikely to succeed in an action imposing double jeopardy.

IDA Response

Canadian regulatory and self-regulatory organizations have a long history of working out overlaps in jurisdiction with working protocols and case-by-case decisions. Policy 5 is not intended and does nothing to alter that approach.

Comment

The Bourse comment letter expresses concern that subsequent rule changes by either the Bourse or the IDA will result in a misalignment of rules between the two organizations. It suggests including a provision that in the event of any contradiction between Policy 5 and those of the exchange or SRO having primary jurisdiction in a market, those of the organization having primary jurisdiction will apply.

The Bourse notes that the provisions of Policy 5, and particularly Section 4.3 thereof, are consistent with the rules of the Bourse. All IDA rules changes are subject to comment and the Bourse will remain free to comment in the unlikely event that the IDA changes Policy 5 in a way that creates such a misalignment. Similarly, the IDA would comment on any Bourse rule changes coming to its attention that were contradictory of Policy 5 or any other IDA By-law, Regulation or Policy.

IDA Response

While it is the IDA's general policy to ensure harmony between its rules and those of other regulatory and self-regulatory organizations having jurisdiction over its Members, whether the IDA would change a proposed or existing rule to prevent such a contradiction has to be left to a case-by-case decision. It has always been the protocol that where Canadian SROs have different rules, the most stringent rule applies to common Members. The IDA sees no reason to change that approach.

Comment

The Bourse comment letter suggests that Section 5.1 of Policy 5 on the application of IDA procedures to enforcement actions under the Policy be changed to note that in the event it appears that the regulations of the exchange or SRO have not been

complied with by a Member that is a participating organization of the exchange or SRO, the IDA will leave the investigation and enforcement of the matter to the exchange or SRO.

IDA Response

Section 5.1 is a very general statement that other IDA procedures apply to the enforcement of the Policy. It is silent on the question being raised by the Bourse which is one of practical administration as noted above. The IDA sese no reason to make the addition suggested.

Comment

The Bourse comment letter raises issues regarding the Net Position Reports provided for in section 5.3 of Policy 5.

IDA Response

The content of those reports is not part of the proposed revisions to IDA Policy 5. These reports were designed in consultation with the Bank of Canada for limited purposes and are rarely requested. The specific criticisms and suggestions raised by the Bourse are not germane to the purposes of the report.

Comment

The Bourse suggests adding a statement that compliance with section 5.3 of Policy 5 does not relieve a Member from any obligation to file any position reports required by an exchange or SRO of which the Member is a participant.

IDA Response

There is no suggestion in section 5.3 of such relief, nor does the IDA see any likelihood that any exchange or SRO participant would read such relief into section 5.3.

Chapter 25

Other Information

25.1 Approvals

25.1.1 Creststreet Investment Management Limited - s. 213(b) of the LTCA

February 27, 2006

McMillan Binch Mendelsohn
BCE Place, Suite 4400
Bay Wellington Tower,
181 Bay Street
Toronto, ON M5J 2T3

Attention: Jennifer Schwartz

Dear Sirs/Medames:

RE: Creststreet Investment Management Limited (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application #081/06

Further to your application dated February 3, 2006 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that the assets of Creststreet RSP Energy Hedge Fund (the "Fund"), and other Future Trusts will be held in the custody of a bank listed in Schedule I, II, or III of the Bank Act (Canada) or an affiliate of such bank, the Ontario Securities Commission (the "Commission") makes the following order. Pursuant to the authority conferred on 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 the Fund and other Future Trusts that may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Paul M. Moore"

"Wendell S. Wigle"

25.2 Consents

25.2.1 Caterpillar Financial Services Limited - 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.
Canada Business Corporations Act, R.S.C. 1985, c. C-144, as am.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulation Cited

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

IN THE MATTER OF
ONT. REG. 289/00, AS AM., (the Regulation)
MADE UNDER
THE BUSINESS CORPORATIONS ACT,
R.S.O. 1990, c. B.16, AS AMENDED (the OBCA)

AND

IN THE MATTER OF
CATERPILLAR FINANCIAL SERVICES LIMITED

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Caterpillar Financial Services Limited (the Applicant) to the Ontario Securities Commission (the Commission) requesting consent (the Request) from the Commission for the Applicant to continue in another jurisdiction (the Continuance), 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 Applicant having represented to the Commission that:

1. The Applicant was incorporated under the OBCA on December 12, 1985. The Applicant is a direct wholly-owned subsidiary of Caterpillar Financial Nova Scotia Corporation (Caterpillar Nova Scotia), which is a direct wholly-owned subsidiary of Caterpillar Financial Services Corporation

(Caterpillar Financial), incorporated under the laws of the State of Delaware. The Applicant's registered and principal office is located at 700 Dorval Drive, Suite 705, Oakville, Ontario, Canada L6K 3V3.

2. The Applicant has an authorized share capital consisting of an unlimited number of special shares and an unlimited number of common shares, of which no special shares and 20,377,254 common shares were issued and outstanding as at March 8, 2006.

3. The Applicant intends to apply to the Director under the OBCA for authorization to continue under the *Canada Business Corporations Act* (CBCA). Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, its Application for Continuance must be accompanied by a consent from the Commission.

4. The Applicant became a reporting issuer under the *Securities Act* (Ontario) (the Act) and an offering corporation under the OBCA by virtue of its filing of a base shelf prospectus dated July 17, 2001, in connection with the establishment of an offering from time to time of medium term notes. The Applicant is also a reporting issuer or its equivalent in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, Nova Scotia, New Brunswick and Newfoundland (the Jurisdictions).

5. The Applicant intends to remain a reporting issuer under the Act and in the other Jurisdictions after the Continuance.

6. The Applicant is not included in a list of defaulting reporting issuers maintained by the Commission or any of the other Jurisdictions.

7. The Applicant has not issued securities to the public other than medium term notes and has also issued commercial paper.

8. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act.

9. The Continuance is supported by the Applicant's sole shareholder Caterpillar Nova Scotia and its parent Caterpillar Financial.

10. The Continuance will be approved by the Applicant's sole shareholder prior to the Applicant applying to the Director under the OBCA for authorization to continue under the CBCA.

11. 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 Applicant as a corporation under the CBCA.

DATED March 10, 2006.

"Susan Wolburgh Jenah"

"Robert W. Davis"

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