

The Ontario Securities Commission

# OSC Bulletin

April 7, 2006

Volume 29, Issue 14

(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)

**The Ontario Securities Commission**

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Toronto, Ontario  
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## Chapter 1

# Notices / News Releases

### 1.1 Notices

#### 1.1.1 Current Proceedings Before The Ontario Securities Commission

APRIL 07, 2006

#### CURRENT PROCEEDINGS

#### BEFORE

#### ONTARIO SECURITIES COMMISSION

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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  
Suite 1700, Box 55  
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Paul K. Bates	—	PKB
Robert W. Davis, FCA	—	RWD
Harold P. Hands	—	HPH
David L. Knight, FCA	—	DLK
Patrick J. LeSage	—	PJL
Mary Theresa McLeod	—	MTM
Carol S. Perry	—	CSP
Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

### SCHEDULED OSC HEARINGS

April 10, 2006  
10:00 a.m.  
**In the Matter of Certain Directors, Officers and Insiders of Nortel Networks Corporation and Nortel Networks Limited**

s. 127(1) and 127(5)

P. Hayward in attendance for Staff

Panel: SWJ

April 10, 2006  
11:00 a.m.  
**Richard Ochnik & 1464210 Ontario Inc.**

s. 127

M. Britton in attendance for Staff

Panel: PMM/RWD/DLK

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: PMM

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 18, 2006 3:00 p.m.	<b>In the Matter of Certain Directors, Officers and Insiders of Royal Group Technologies Limited</b>  s. 127(1) and 127(5)  P. Hayward in attendance for Staff  Panel: TBA	June 9, 2006 10:00 a.m.	<b>Olympus United Group Inc.</b>  s.127  M. MacKewn in attendance for Staff  Panel: TBA
April 19, 2006 9:30 a.m.	<b>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</b>  s.127 & 127.1  D. Ferris in attendance for Staff  Panel: PMM	June 9, 2006 10:00 a.m.	<b>Norshield Asset Management (Canada) Ltd.</b>  s.127  M. MacKewn in attendance for Staff  Panel: TBA
April 21, 2006 10:30 a.m.	<b>Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg</b>  <b>Motion Hearing</b>  s. 127  M. MacKewn & T. Hodgson for Staff  Panel: SWJ/WSW/CSP	June 26, 2006 10:00 a.m.  June 27, 2006 2:30 p.m.  June 28-30, 2006 10:00 a.m.	<b>Universal Settlement International Inc.</b>  s. 127 & 127.1  Y. Chisholm in attendance for Staff  Panel: TBA
May 4, 2006 10:00 a.m.	<b>Juniper Fund</b>  s. 127 and 127.1  D. Ferris in attendance for Staff  Panel: SWJ	July 31, 2006 10:00 a.m.	<b>Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton</b>  s. 127  J. Cotte in attendance for Staff  Panel: TBA
May 31, 2006 10:00 a.m.	<b>Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited</b>  S. 127  T. Hodgson in attendance for Staff  Panel: TBA	October 16, 2006 to November 10, 2006 10:00 a.m.  TBA	<b>James Patrick Boyle, Lawrence Melnick and John Michael Malone*</b>  s. 127 and 127.1  Y. Chisholm in attendance for Staff  Panel: TBA  * Malone settled December 22, 2005  <b>Yama Abdullah Yaqeen</b>  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. Boulton 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

TBA                    **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

\* Settled April 4, 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 OSC Staff Notice 12-704 - Materials to be Provided on a Compact Disc or 3.25" Disk on Exemptive Relief Applications**

**Ontario Securities Commission**

**Staff Notice 12-704**

**Materials to be Provided on a Compact Disc or 3.25" Disk on Exemptive Relief Applications**

In addition to materials filed in paper format, applicants for exemptive relief are asked to provide the following materials on a compact disc or a 3.25" disk in Microsoft Word format:

- a copy of the application; and
- a draft form of the decision document.

Filers do not need to provide these materials if the Commission is a non-principal regulator.

Filers are reminded to review National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications* and O.S.C. Policy 2.1 *Applications to the Ontario Securities Commission* for additional guidance relating to application filings.

For further information, please contact:

David Mattacott  
Applications Administrator  
Corporate Finance Branch  
Ontario Securities Commission  
416-593-8325

April 7, 2006

**1.1.3 Notice of Commission Approval – Amendments to By-Law 2 – Eliminating the Reference to District Association Auditors and Other Housekeeping Amendments**

**THE INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)**

**AMENDMENTS TO BY-LAW 2 – ELIMINATING THE REFERENCE TO DISTRICT ASSOCIATION AUDITORS AND OTHER HOUSEKEEPING AMENDMENTS**

**NOTICE OF COMMISSION APPROVAL**

The Ontario Securities Commission approved housekeeping amendments to IDA By-law 2 – *Membership*. The objective of the amendments is to ensure that all references to District Association Auditors are eliminated from the rules and that there remains consistency throughout the rules. The amendments also serve to remove the option of relying on the financial review performed by the Bourse de Montréal Inc. (the "Bourse") that was set out in By-law 2.13 to reflect the fact that the Bourse transferred its membership regulation functions to the IDA. In addition, the Autorité des marchés financiers approved, and the Alberta Securities Commission and the British Columbia Securities Commission did not object to the amendments. The description and a copy of the amendments are contained in Chapter 13 of this Ontario Securities Commission Bulletin.



1.1.4 OSC Staff Notice 11-739 (Revised) - Policy Reformulation Table of Concordance and List of New Instruments

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of March 31, 2006 has been posted to the OSC Website at [www.osc.gov.on.ca](http://www.osc.gov.on.ca) under Policy and Regulation/Status Summaries.

Table of Concordance

Item Key
The third digit of each instrument represents the following: 1-National/Multilateral Instrument; 2-National/Multilateral Policy; 3-CSA Notice; 4-CSA Concept Release; 5-Local Rule; 6-Local Policy; 7-Local Notice; 8-Implementing Instrument; 9-Miscellaneous

Reformulation

Instrument	Title	Status
CSAN 4 52-301	Audit Committees	<i>Withdrawn March 3/06</i>
CSAN 5	Proposed Foreign Issuer Prospectus and Continuous Disclosure System (Draft National Policy Statement No. 53)	<i>Withdrawn March 3/06</i>

New Instruments

11-309	Withdrawal of CSA Notices	<i>Published March 3, 2006</i>
11-739	Policy Formulation Table of Concordance and List of New Instruments (Revised)	<i>Published February 10/06</i>
11-757	Withdrawal of OSC Notices	<i>Published February 10/06</i>
11-903	Request for Comment Regarding Statement of Priorities for Fiscal Year Ending March 31, 2007	<i>Published for comment March 24/06</i>
13-310	Securities Regulatory Authority Closed Dates 2002/03 (2002)	<i>Withdrawn March 3/06</i>
13-311	Changes to SEDAR Annual Filing Service Charges (2003)	<i>Withdrawn March 3/06</i>
13-312	Securities Regulatory Authority Closed Dates 2003 (2003)	<i>Withdrawn March 3/06</i>
13-313	Securities Regulatory Authority Closed Dates 2004 (2004)	<i>Withdrawn March 3/06</i>
13-502	Fees – Revocation and Replacement	<i>To come into force April 1/06</i>
13-503	(under the Commodity Futures Act) Fees – Revocation and Replacement	<i>To come into force April 1/06</i>
23-304	Joint CSA/SRO Notice – Status of the Transaction Reporting and Electronic Audit Trail System (TREATS)	<i>Published March 17/06</i>
24-101	Institutional Trade Matching and Settlement	<i>Republished for comment Mar 3/06</i>
24-302	Entitlement Payments to <i>The Canadian Depository for Securities Limited (CDS)</i>	<i>Published Mar 3/06</i>
31-305	Registration Streamlining System	<i>Withdrawn March 3/06</i>
31-306	National Registration Database (NRD)	<i>Withdrawn March 3/06</i>
31-307	National Registration Database (NRD) – NRD Enrolment and User Fees	<i>Withdrawn March 3/06</i>
33-306	Date of NRD Freeze Period	<i>Withdrawn March 3/06</i>
41-303	Harmonization of Prospectus Requirements Across the CSA	<i>Withdrawn March 3/06</i>
43-304	43-304, 62-302 and 81-308 – Prospectus Filing Matters – Arthur Andersen LLP Consent	<i>Withdrawn March 3/06</i>
44-303	Filing of Notice of Intention to be Qualified to File a Short Form Prospectus Under NI 44-101 Short Form Prospectus Distributions	<i>Published March 10/06</i>
45-106	Prospectus and Registration Exemptions – <b>Amendment</b>	<i>Came into Force January 6/06</i>
45-303	Interpretation of the Amalgamation Exemption	<i>Withdrawn March 3/06</i>

51-307	Status of Proposed Continuous Disclosure Rule	<b><i>Withdrawn March 3/06</i></b>
52-304	Application of NPS 31 Change of Auditor of a Reporting Issuer and NI 81-102 Mutual Funds When a Reporting Issuer Appoints a New Auditor as a Result of Arthur Andersen LLP – Canada Ceasing to Practice Public Accounting	<b><i>Withdrawn March 3/306</i></b>
52-305	Optional Use of US GAAP and US GAAS by SEC Issuers	<b><i>Withdrawn March 3/06</i></b>
52-308	Status of Proposed Instrument Regarding Reporting on Internal Control over Financial Reporting	<b><i>Withdrawn March 10/06</i></b>
52-310	Proposed Timing of Proposed Multilateral Instrument 52-111 and Companion Policy 52-111CP Reporting on Internal Control over Financial Reporting	<b><i>Withdrawn March 10/06</i></b>
52-313	Status of Proposed MI 52-111 Reporting on Internal Control over Financial Reporting and Proposed Amended and Restated MI 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings	<b><i>Published March 10/06</i></b>
53-302	Proposal for a Statutory Civil Remedy for Investors in the Secondary Market and Response to the Proposed Change to the Definitions of "Material Fact" and "Material Change"	<b><i>Withdrawn March 3/06</i></b>
55-306	Applications for Relief from the Insider Reporting Requirements by Certain Vice-Presidents	<b><i>Withdrawn March 3/06</i></b>
55-309	Launch of the System for Electronic Disclosure by Insiders (SEDI) and Other Insider Reporting Matters	<b><i>Withdrawn March 3/06</i></b>
55-311	System for Electronic Disclosure by Insiders (SEDI) – Issuer Profile Supplement Filing Requirement	<b><i>Withdrawn March 3/06</i></b>
62-302	43-304, 62-302 and 81-308 – Prospectus Filing Matters – Arthur Andersen LLP Consent	<b><i>Withdrawn March 3/06</i></b>
81-308	43-304, 62-302 and 81-308 – Prospectus Filing Matters – Arthur Andersen LLP Consent	<b><i>Withdrawn March 3/06</i></b>
81-309	Application of NPS 31 Change of Auditor of a Reporting Issuer and NI 81-102 Mutual Funds When a Reporting Issuer Appoints a New Auditor as a Result of Arthur Andersen LLP – Canada Ceasing to Practice Public Accounting	<b><i>Withdrawn March 3/06</i></b>
81-313	Status of Proposed National Instrument 81-106 Investment Fund Continuous Disclosure	<b><i>Withdrawn March 3/06</i></b>

For further information, contact:

Darlene Watson  
 Project Officer  
 Ontario Securities Commission  
 416-593-8148

April 7, 2006

**1.2 Notices of Hearing**

**1.2.1 Royal Group Technologies Limited - ss. 127(1), 127(5)**

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

**AND**

**IN THE MATTER OF  
CERTAIN DIRECTORS, OFFICERS AND  
INSIDERS OF  
ROYAL GROUP TECHNOLOGIES LIMITED  
(BEING THE PERSONS LISTED  
IN SCHEDULE "A" HERETO)**

**NOTICE OF HEARING  
(Subsection 127(1) and 127(5))**

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to section 127 of the Act (a "Hearing") at 20 Queen Street West, 17<sup>th</sup> Floor Hearing Room, Toronto, Ontario commencing on the 18<sup>th</sup> day of April, 2006, at 3:00 p.m. or as soon as possible after that time;

**TO CONSIDER** whether, pursuant to subsection 127(1) of the Act, it is in the public interest for the Commission to make an Order:

1. that all trading in and acquisitions of securities of Royal Group Technologies Limited ("Royal Group"), whether direct or indirect, by any of the Respondents cease until two business days following the receipt by the Commission of all filings Royal Group is required to make pursuant to Ontario securities laws or for such period as the Commission may determine; and/or
2. such other order as the Commission may deem appropriate;

**BY REASON OF** the allegations set out in the Statement of Allegations of Staff of the Commission and such additional allegations as the Staff may advise and the Commission may permit;

**AND FURTHER TAKE NOTICE** that any party to the proceeding may be represented by counsel at the Hearing;

**AND FURTHER TAKE NOTICE** that if a party fails to attend the Hearing, the Hearing may proceed in the absence of that party and such party will not be entitled to receive any further notice of the proceeding;

**AND FURTHER TAKE NOTICE** that, pursuant to subsection 127(7) of the Act, the Temporary Order may be extended until the Hearing is concluded or under

subsection 127(8) of the Act if satisfactory information is not provided within the fifteen-day period.

**DATED** at Toronto this 3<sup>rd</sup> day of April, 2006.

"John Stevenson"  
Secretary to the Commission  
Ontario Securities Commission

Schedule "A"

Badger, Mark  
Banducci, Carol  
Bates, Scott  
Bitondo, Angelo  
Blanford, Lawrence J.  
Cryer, Thomas W.  
Hacking, James  
Hamilton, Collin  
Hansell, Carol  
Hock, Helmut  
Holcomb, Bradley  
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Miller, Bryce  
Sardo, V. James  
Savage, Graham  
Sheffield, William H.  
Slaght, Ronald  
Tambuchi, Piero  
Towe, Glenn  
Vella, Tony  
Wilson, Daryl

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

**AND**

**IN THE MATTER OF  
CERTAIN DIRECTORS, OFFICERS AND  
INSIDERS OF  
ROYAL GROUP TECHNOLOGIES LIMITED  
(BEING THE PERSONS LISTED  
IN SCHEDULE "A" HERETO)**

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

Staff of the Ontario Securities Commission make the following allegations:

1. Royal Group Technologies Limited ("Royal Group") is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.
2. Each of the persons listed in Schedule "A" (individually, a "Respondent" and collectively, the "Respondents") is, or was, at some time since the end of the period covered by the last financial statements filed by Royal Group, namely September 30, 2005, a director, officer or insider of Royal Group and during that time had, or may have had, in the ordinary course access to or received material information with respect to Royal Group that has not been generally disclosed.
3. On March 14, 2006, Royal Group issued and subsequently filed on SEDAR a press release disclosing that it will delay the release of its audited 2005 financial results, the filing of its 2005 Annual Report to Shareholders, the filing of its Annual Information Form and the filing of its 2005 Form 40F (collectively, the "2005 Disclosure Documents").
4. As a result of the foregoing, Royal Group did not expect to be able to file the 2005 Disclosure Documents by the prescribed deadline under Ontario securities law, namely March 31, 2006.
5. Royal Group has not filed the 2005 Disclosure Documents as of the date of this order.
6. Royal Group is in default of the requirements of Ontario securities law for the reason that Royal Group has not filed the 2005 Disclosure Documents within the time period required by Ontario securities law.
7. It would be prejudicial to the public interest to allow the Respondents to trade in the securities of Royal Group until such time as all disclosure required by Ontario securities law has been made by Royal Group.

8. It is therefore in the public interest that an order be issued that all trading in and all acquisitions of securities of Royal Group, whether direct or indirect, by the Respondents shall cease until two full business days following the receipt by the Commission of all filings Royal Group is required to make pursuant to Ontario securities law.

April 3, 2006

**Schedule "A"**

Badger, Mark  
Banducci, Carol  
Bates, Scott  
Bitondo, Angelo  
Blanford, Lawrence J.  
Cryer, Thomas W.  
Hacking, James  
Hamilton, Collin  
Hansell, Carol  
Hock, Helmut  
Holcomb, Bradley  
Hollis, Irvine  
Kennedy, Steve  
Kleynhans, Stephen  
Kruyne, Bernard  
Laidlaw, Rick  
Lamoureux, Robert E.  
Lawn, James G.  
Macri, Enzo  
Mazzariol, Rob  
Meehan, Larry  
Miller, Bryce  
Sardo, V. James  
Savage, Graham  
Sheffield, William H.  
Slaght, Ronald  
Tambuchi, Piero  
Towe, Glenn  
Vella, Tony  
Wilson, Daryl

1.2.2 Suzanne Morrison - ss. 127, 127.1

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

**AND**

**IN THE MATTER OF  
SUZANNE MORRISON**

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

**TAKE NOTICE** that the Commission will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") at its offices on the 17<sup>th</sup> Floor, 20 Queen Street West, Toronto, Ontario, in the Large Hearing Room, commencing on the 4<sup>th</sup> day of April, 2006 at 2:30 p.m. or as soon thereafter as the hearing can be held, to consider whether it is in the public interest to make an order:

**TO CONSIDER** whether, in the opinion of the Commission, it is in the public interest for the Commission to make an order:

- (a) pursuant to paragraph 2 of subsection 127(1) of the Act that the Respondent cease trading in securities for such time as the Commission may direct;
- (b) pursuant to paragraph 3 of subsection 127(1) of the Act that any exemptions contained in Ontario securities law do not apply to the Respondents or any of them for such period as specified by the Commission;
- (c) pursuant to paragraph 7 of subsection 127(1) of the Act that the Respondent resign any positions she may hold as an officer or director of any issuer;
- (d) pursuant to paragraph 8 of subsection 127(1) of the Act that the Respondent be prohibited from becoming or acting as a director or officer of any issuer;
- (e) pursuant to section 127.1 of the Act that the Respondents pay the costs of Staff's investigation and the costs of, or related to, this proceeding, incurred by or on behalf of the Commission; and
- (f) to make such other order as the Commission may deem appropriate.

**BY REASON OF** the allegations set out in the Statement of Allegations and such additional allegations as counsel may advise and the Commission may permit;

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

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

**DATED** at Toronto this 31<sup>st</sup> day of March, 2006

"John Stevenson"  
Secretary to the Commission

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

**AND**

**IN THE MATTER OF  
SUZANNE MORRISON**

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

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

**The Respondent**

1. Suzanne Morrison ("Morrison") is the President, Chief Financial Officer and a director of Momentas Realty Corp. ("Momentas Realty"), an Ontario issuer with its head office in Toronto. Morrison is not registered in any capacity with the Ontario Securities Commission (the "Commission").

**Prior Cease Trade Order**

2. Commencing in or around July 2003, prior to the incorporation of Momentas Realty, Morrison became involved in the operation of Momentas Corporation, a predecessor company and 48% shareholder of Momentas Realty.
3. Morrison holds the same positions with Momentas Corporation as she does with Momentas Realty.
4. Between July 2003 and June 2005, Momentas Corporation sold convertible debentures of Momentas Corporation (the "Momentas Corporation Convertible Debentures") to residents of Ontario, British Columbia and Alberta. In selling its securities without a prospectus and without registration, Momentas Corporation purportedly relied upon the former OSC Rule 45-501 (now "National Instrument 45-106").
5. Since June 2005, Morrison and others, including Momentas Corporation, have been prohibited from trading as a result of temporary orders imposed and extended by the Commission (the "Temporary Cease Trade Orders") in proceedings commenced pursuant to section 127 of the *Securities Act*, R.S.O. c.S.5, as amended (the "Act") in respect of the sale of Momentas Corporation Convertible Debentures (the "Momentas Corporation Commission Proceedings").
6. On July 14, 2005, the Commission held a hearing to determine whether it was in the public interest to extend the Temporary Cease Trade Orders against Momentas Corporation until the conclusion of the hearing in the Momentas Corporation Commission Proceedings. At that

time, the Commission concluded that Momentas Corporation "had been acting as a market intermediary and distributing securities without being registered".

7. The panel extended the Temporary Cease Trade Orders against Momentas until the conclusion of the hearing in the Momentas Corporation Commission Proceedings, or the date upon which Momentas Corporation becomes registered as a limited market dealer and its officers, directors and/or employees involved in the sale of securities to the public become registered in accordance with Ontario securities law.
8. Neither Momentas Corporation nor any of its officers, directors and/or employees, including Morrison, sought or obtained such registration.

**Sale of Momentas Realty Securities**

9. Following the Temporary Cease Trade Orders, Momentas Realty began selling convertible debentures of Momentas Realty (the "Momentas Realty Convertible Debentures") pursuant to an offering memorandum dated May 1, 2005 (the "Offering Memorandum").
10. Momentas Realty states in its Offering Memorandum that it intends to raise \$70,000,000 in aggregate proceeds from the sale of Momentas Realty Convertible Debentures for its stated business of "real estate development and investment".
11. To date, Momentas Realty has raised approximately \$3 million through the sale of Momentas Realty Convertible Debentures to residents of Ontario, British Columbia, Alberta and Nova Scotia. Of this amount, approximately \$1.6 million has been raised from residents of Ontario in purported reliance upon National Instrument 45-106.
12. By her activities relating to the sale of the Momentas Realty Convertible Debentures, Morrison has carried out acts in furtherance of trades in securities of Momentas Realty without being registered in accordance with section 25 of the Act and has breached the Temporary Cease Trade Orders.
13. As an officer and director of Momentas Realty, Morrison has authorized, permitted or acquiesced in breaches of the Act by Momentas Realty with respect to the sale of Momentas Realty Convertible Debentures described above.

**Conduct Contrary to the Public Interest**

14. The conduct of the Respondent contravened Ontario securities law and was contrary to the public interest.

15. Staff reserve the right to make such further and other allegations as Staff may submit and the Commission may permit.

DATED AT TORONTO this 31<sup>st</sup> day of March 2006.

**1.2.3 Momentas Corporation et al. - ss. 127, 127.1**

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

**AND**

**IN THE MATTER OF  
MOMENTAS CORPORATION, HOWARD RASH,  
ALEXANDER FUNT, SUZANNE MORRISON  
AND MALCOLM ROGERS**

**AND**

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

**AND**

**IN THE MATTER OF  
SUZANNE MORRISON**

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

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") at the Commission's offices on the 17<sup>th</sup> floor, 20 Queen Street West, Toronto, Ontario, commencing on Tuesday the 4<sup>th</sup> day of April, 2006, at 2:30 p.m. or as soon thereafter as the hearing can be held.

**AND TAKE NOTICE THAT** the purpose of the Hearing is for the Commission to consider whether it is in the public interest to approve the settlement of the within proceedings entered into between Staff of the Commission ("Staff") and the respondent Suzanne Morrison;

**BY REASON OF** the allegations set out in the Statements of Allegations of Staff in these matters and such additional allegations as counsel may advise and the Commission may permit.

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

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

**DATED** at Toronto this 31<sup>st</sup> day of March, 2006

"John Stevenson"  
Secretary to the Commission



1.2.4 Momentas Corporation et al. - ss. 127, 127.1

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

**AND**

**IN THE MATTER OF  
MOMENTAS CORPORATION, HOWARD RASH,  
ALEXANDER FUNT, SUZANNE MORRISON  
AND MALCOLM ROGERS**

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

**TAKE NOTICE** that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") at the Commission's offices on the 17<sup>th</sup> floor, 20 Queen Street West, Toronto, Ontario, commencing on Tuesday the 4<sup>th</sup> day of April, 2006, at 3:30 p.m. or as soon thereafter as the hearing can be held.

**AND TAKE NOTICE THAT** the purpose of the Hearing is for the Commission to consider whether it is in the public interest to approve the settlement of the proceeding entered into between Staff of the Commission ("Staff") and the respondent Malcolm Rogers;

**BY REASON OF** the allegations set out in the Statements of Allegations of Staff in these matters and such additional allegations as counsel may advise and the Commission may permit.

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

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

**DATED** at Toronto this 3<sup>rd</sup> day of April, 2006

"Daisy G. Aranha"  
for:Secretary to the Commission

1.4 Notices from the Office of the Secretary

1.4.1 Royal Group Technologies Limited

**FOR IMMEDIATE RELEASE  
April 3, 2006**

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

**AND**

**IN THE MATTER OF  
CERTAIN DIRECTORS, OFFICERS  
AND INSIDERS OF  
ROYAL GROUP TECHNOLOGIES LIMITED  
(BEING THE PERSONS LISTED  
IN SCHEDULE "A" HERETO)**

**TORONTO** – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on April 18, 2006 at 3:00 p.m. in the above noted matter.

A copy of the Notice of Hearing, together with Staff's Statement of Allegations, are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Eric Pelletier  
Manager, Media Relations  
416-595-8913

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

**1.4.2 Mega C Power Corporation et al.**

**FOR IMMEDIATE RELEASE  
April 3, 2006**

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

**AND**

**IN THE MATTER OF  
MEGA-C POWER CORPORATION,  
RENE PARDO, GARY USLING,  
LEWIS TAYLOR SR., LEWIS TAYLOR JR.,  
JARED TAYLOR, COLIN TAYLOR AND  
1248136 ONTARIO LIMITED**

**TORONTO** – The Commission issued an Order on March 30, 2006 adjourning the commencement of the hearing to May 31, 2006 at 10:00 a.m. in the above named matter.

A copy of the Order is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Eric Pelletier  
Manager, Media Relations  
416-595-8913

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

**1.4.3 Momentas Corporation et al.**

**FOR IMMEDIATE RELEASE  
April 3, 2006**

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

**AND**

**IN THE MATTER OF  
MOMENTAS CORPORATION, HOWARD RASH,  
ALEXANDER FUNT, SUZANNE MORRISON  
AND MALCOLM ROGERS  
(Sections 127 and 127.1)**

**TORONTO** – Following a hearing held today in the above noted matter, the Commission adjourned the commencement of the hearing to a later date to be determined at a hearing scheduled for Thursday, April 6, 2006 at 10:00 a.m.

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Eric Pelletier  
Manager, Media Relations  
416-595-8913

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

1.4.4 Momentas Corporation et al.

FOR IMMEDIATE RELEASE  
April 3, 2006

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

AND

IN THE MATTER OF  
MOMENTAS CORPORATION, HOWARD RASH,  
ALEXANDER FUNT, SUZANNE MORRISON  
AND MALCOLM ROGERS

AND

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

AND

IN THE MATTER OF  
SUZANNE MORRISON

**TORONTO** – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on April 4, 2006 at 2:30 p.m. in the above noted matter. The purpose of the Hearing is for the Commission to consider whether it is in the public interest to approve the settlement entered into between Staff of the Commission and the respondent Suzanne Morrison.

A further Notice of Hearing was issued in relation to a Statement of Allegations issued by Staff of the Commission against the respondent Suzanne Morrison.

A copy of the Notices of Hearing and Staff's Statement of Allegations are available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Eric Pelletier  
Manager, Media Relations  
416-595-8913

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

1.4.5 Momentas Corporation et al.

FOR IMMEDIATE RELEASE  
April 3, 2006

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

AND

IN THE MATTER OF  
MOMENTAS CORPORATION, HOWARD RASH,  
ALEXANDER FUNT, SUZANNE MORRISON  
AND MALCOLM ROGERS

**TORONTO** – The Office of the Secretary issued a Notice of Hearing scheduling a hearing on April 4, 2006 at 3:30 p.m. in the above noted matter to consider whether it is in the public interest to approve the settlement reached between Staff of the Commission and the respondent, Malcolm Rogers.

A copy of the Notice of Hearing is available at [www.osc.gov.on.ca](http://www.osc.gov.on.ca).

OFFICE OF THE SECRETARY  
JOHN P. STEVENSON  
SECRETARY

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

Eric Pelletier  
Manager, Media Relations  
416-595-8913

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

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## Chapter 2

# Decisions, Orders and Rulings

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### 2.1 Decisions

#### 2.1.1 Viking Energy Royalty 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:** Viking Energy Royalty Trust, 2006 ABASC 1187

March 29, 2006

##### Burnet, Duckworth & Palmer LLP

1400, 350 - 7 Avenue SW  
Calgary, AB T2P 3N9

**Attention: Spencer M. Coupland**

Dear Sir:

**Re: Viking Energy Royalty Trust (the “Applicant”) - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, 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 29<sup>th</sup> day of March, 2006.

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

**2.1.2 Crestview Towers Limited Partnership - 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 24, 2006

**Datile Securities Inc.**

208-1 West Pearce Street,  
Richmond Hill, Ontario  
L4B 3K3

Attention: Mr. Lewis Martin, President

Dear Sir:

**Re: Crestview Towers Limited Partnership (the “Applicant”) – Application to Cease to be a Reporting Issuer under the Securities Legislation of the Ontario and Alberta Jurisdictions (the “Jurisdictions”)**

As the Applicant has represented to the Decision Makers that,

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

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

"Erez Blumberger"  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**2.1.3 Royster-Clark 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.

March 30, 2006

**Blake, Cassels & Graydon LLP**

Barristers & Solicitors  
#3500, 855 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 4J8

ATTENTION: Michael Kicis

Dear Sirs:

**RE: Royster-Clark Ltd. (the “Applicant”) – Application to Cease to be a Reporting Issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (collectively, the “Jurisdictions”)**

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

As the Applicant has represented to the Decision Makers that:

- the outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in any one jurisdiction 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 has applied for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer;
- 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.

“Erez Blumberger”  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**2.1.4 Sentry Select Corporate Class Ltd. and Sentry  
Select Money Market Class - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications –

NI 81-101 Mutual Fund Prospectus Disclosure, s. 6.1 – exemption from the requirement in items 5(a), 7(5), 8(1) and 8(2) of Part B of Form 81-101F1 to describe the Fund in the simplified prospectus as a money market fund and provide disclosure in a manner applicable to money market funds – Although the Fund does not meet the definition of a “money market fund”, it invests substantially all of its assets in an underlying money market fund – The investment objectives and attributes of the Fund make it similar to that of a “money market fund” and this should be reflected in the disclosure provided in the simplified prospectus.

NI 81-102 Mutual Funds, s. 19.1 - exemption from the requirements in subsections 15.3(6), 15.4(3), 15.4(6), 15.8(2) and paragraph 15.10(6)(a) to permit the Fund to present disclosure in sales communications in a manner applicable to money market funds - Although the Fund does not meet the definition of a “money market fund”, it invests substantially all of its assets in an underlying money market fund – The investment objectives and attributes of the Fund make it similar to that of a “money market fund” and this should be reflected in the performance data disclosure and calculations provided in the sales communications.

**Applicable Legislative Provisions**

National Instrument 81-101 Mutual Fund Prospectus Disclosure, s. 6.1, items 5(a), 7(5), 8(1) and 8(2) of Part B of Form 81-101F1.

National Instrument 81-102 Mutual Funds, ss. 15.3(6), 15.4(3), 15.4(6), 15.8(2), 15.10(6)(a), 19.1.

**March 21, 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, THE YUKON TERRITORY,  
THE NORTHWEST TERRITORIES AND NUNAVUT  
(the “Jurisdictions”)**

**AND**

**IN THE MATTER OF  
THE MUTUAL RELIANCE REVIEW SYSTEM  
FOR EXEMPTIVE RELIEF APPLICATIONS  
 (“MRRS”)**

**AND**

**IN THE MATTER OF  
SENTRY SELECT CORPORATE CLASS LTD.  
(the "Corporation")**

**AND**

**IN THE MATTER OF  
SENTRY SELECT MONEY MARKET CLASS  
(the "Fund")**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Corporation for a decision under the securities legislation of the Jurisdictions (the "Legislation") for an exemption from the following requirements of National Instrument 81-101 *Mutual Fund Prospectus Disclosure* and National Instrument 81-102 *Mutual Funds* ("NI 81-102") in order to permit the Fund to present disclosure in its simplified prospectus and in sales communications in a manner applicable to money market funds:

1. Item 5(a) of Form 81-101F1, Part B to enable the Fund to be described in the Fund Details table as a money market fund;
2. Item 7(5) of Form 81-101F1, Part B to enable the Fund to provide only that disclosure applicable to money market funds;
3. Item 8(1) of Form 81-101F1, Part B to enable the Fund to provide only that disclosure applicable to money market funds;
4. Item 8(2) of Form 81-101F1, Part B to exempt the Fund from listing the top ten holdings of an underlying money market fund where substantially all of the assets of the Fund are invested in that underlying money market fund;
5. subsection 15.3(6) of NI 81-102 to enable the Fund to be referred to as a money market fund in sales communications;
6. subsections 15.4(3) and 15.4(6) of NI 81-102 to permit the Fund not to comply with the sales communication warnings applicable to a mutual fund other than a money market fund, provided that:
  - (a) if the sales communication of the Fund does not contain performance data, it shall contain the warning set out in subsection 15.4(4) of NI 81-102 applicable to a money market fund, or
  - (b) if the sales communication of the Fund contains performance data, it shall contain the warning set out in subsection

15.4(7) of NI 81-102 applicable to a money market fund;

7. subsection 15.8(2) of NI 81-102 to permit a sales communication of the Fund to provide standard performance data that is not calculated in accordance with the requirements applicable to a mutual fund other than a money market fund, provided that the sales communication:
  - (a) complies with the requirements applicable to a money market fund in subsection 15.8(1) of NI 81-102, and
  - (b) if applicable, contains the disclosure required by paragraph 15.9(1)(b) of NI 81-102; and
8. paragraph 15.10(6)(a) of NI 81-102 to permit the Fund not to comply with the calculation of performance data applicable to a mutual fund other than a money market fund, provided that the Fund comply with the calculation of performance data applicable to a money market fund in paragraph 15.10(6)(b) of NI 81-102

(collectively, the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

**Interpretation**

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

**Representations**

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

1. Sentry Select Capital Corp. (the "Manager") is a corporation incorporated under the laws of Ontario. Its head office is in Toronto.
2. The Corporation is a mutual fund corporation incorporated under the laws of Ontario. Its head office is in Toronto.
3. A preliminary and pro forma simplified prospectus and annual information form have been filed with the Decision Makers to qualify Series A shares of the Fund for distribution across Canada.
4. The Manager will act as manager of the Fund.



5. The investment objective of the Fund will be to maximize short-term income and preserve capital by investing substantially all of its assets in units of Sentry Select Money Market Fund (the "Underlying Fund").
6. The Underlying Fund is managed by the Manager. Units of the Underlying Fund are currently qualified for distribution across Canada pursuant to a simplified prospectus and annual information form dated July 27, 2005.
7. The Underlying Fund is a "money market fund" as defined in Section 1.1 of NI 81-102.
8. Because substantially all of the assets of the Fund will be invested in units of the Underlying Fund, the Fund will not be a "money market fund" as defined in Section 1.1 of NI 81-102.
9. The Fund will seek to maintain a constant net asset value per unit.
10. The Fund will be, and the Underlying Fund is, a reporting issuer in all of the provinces and territories of Canada and not in default of any requirements of the securities legislation of those jurisdictions.

**Decision**

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

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

"Rhonda Goldberg"  
Investment Funds Branch  
Ontario Securities Commission

**2.1.5 Brandes Investment Partners & Co. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Applicant for registration as mutual fund dealer exempted from sections 2.1 and 3.3(1) of OSC Rule 31-506 – Applicant has agreed to the imposition of certain terms and conditions on its registration as a mutual fund dealer that are set out in the Appendix to the decision.

**Applicable Statute**

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

**Applicable Ontario Rule**

Rule 31-506 SRO Membership – Mutual Fund Dealers, ss. 2.1, 3.1, 5.1.

**March 28, 2006**

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

**AND**

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

**AND**

**IN THE MATTER OF  
BRANDES INVESTMENTS PARTNERS & CO.  
(the Registrant)**

**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 Registrant under the securities legislation of the Jurisdictions (the **Legislation**) for a decision (the **Requested Relief**) exempting the Registrant from requirements (collectively, the **MFDA Membership Requirements**) in the Legislation that would require the Registrant, as an applicant for registration under the Legislation as a dealer in the category of "mutual fund dealer", to file an application for, and obtain, membership in the Mutual Fund Dealers Association of Canada (the **MFDA**).

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, including the attached Appendix (the **Appendix**) to this decision, unless they are otherwise defined in this decision or the Appendix.

**Representations**

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

- 1. The Registrant is a corporation subsisting under the laws of the Province of Nova Scotia.
- 2. The Registrant has applied, or will soon apply, for registration under the Legislation of each Jurisdiction as a dealer in the category of “mutual fund dealer” (or the equivalent).
- 3. The Registrant is currently registered under the Legislation of Ontario as an adviser, in the categories of “investment counsel” and “portfolio manager”, and, as a dealer, in the category of “limited market dealer”.
- 4. The Registrant’s principal business activity is managing mutual funds, the securities of which are generally offered for sale to the public in some or all of the provinces and territories of Canada pursuant to one or more prospectuses for which a receipt will have been issued under applicable Canadian securities legislation.
- 5. In each Jurisdiction, after the Registrant obtains registration as a mutual fund dealer under the Legislation of the Jurisdiction, the Registrant proposes to engage in certain trading activities that are, in the case of each Jurisdiction, incidental to its principal business activity in that Jurisdiction.
- 6. For each Jurisdiction, the Registrant has agreed to the imposition of terms and conditions on its registration as a mutual fund dealer under the Legislation of the Jurisdiction as set out in the Appendix (which outlines the activities the Registrant has agreed to restrict itself to in connection with its application for this decision).
- 7. Before the Registrant makes a trade with any client pursuant to its registration in a Jurisdiction as a mutual fund dealer, the Registrant shall provide to the client prominent written notice that:

*The Registrant is not currently, and does not intend to become, a member of the Mutual Fund Dealers Association of Canada; consequently, clients of the Registrant will not have available to them investor protection benefits that would otherwise derive from membership of the Registrant in the MFDA, including coverage under MFDA Investor Protection Corporation (being the investor protection plan for clients of members of the MFDA).*

**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 of each Jurisdiction is that the Requested Relief is granted provided that:

For each Jurisdiction, the Registrant complies with the terms and conditions on its registration under the Legislation of the Jurisdiction as a mutual fund dealer as set out in the Appendix.

“David M. Gilkes”

**APPENDIX  
TO MRRS DECISION**

**TERMS AND CONDITIONS  
ON THE REGISTRATION OF  
BRANDES INVESTMENT PARTNERS & CO.  
AS A MUTUAL FUND DEALER UNDER THE  
LEGISLATION OF THE JURISDICTION**

**Interpretation**

1. In this Appendix, except as otherwise defined below or unless the context otherwise requires, defined terms contained in National Instrument 14-101 *Definitions* shall have the same meaning in this Appendix.

2. In this Appendix,

(a) “Adviser” means an adviser as defined in the Legislation of the Jurisdiction;

(b) “Client Name Trade” means, for the Registrant, a trade to, or on behalf of, a person or company, in securities of a mutual fund, that is managed by the Registrant or an affiliate of the Registrant, where, immediately before the trade, the person or company is shown on the records of the mutual fund or of an other mutual fund managed by the Registrant or an affiliate of the Registrant as the holder of securities of such mutual fund, and the trade consists of:

(A) a purchase, by the person or company, through the Registrant, of securities of the mutual fund; or

(B) a redemption, by the person or company, through the Registrant, of securities of the mutual fund;

and where, the person or company:

(C) is a client of the Registrant that was not solicited by the Registrant; or

(D) was an existing client of the Registrant on the Effective Date;

(c) “Effective Date” means **[for each Jurisdiction, insert date Registrant obtains registration as a mutual fund dealer under the Legislation of the Jurisdiction]**

(d) “Employee”, for the Registrant, means:

(A) an employee of the Registrant;

(B) an employee of an affiliated entity of the Registrant; or

(C) an individual that is engaged to provide, on a *bona fide* basis, consulting, technical, management or other services to the Registrant or to an affiliated entity of the Registrant, under a written contract between the Registrant or the affiliated entity and the individual or a consultant company or consultant partnership of the individual, and, in the reasonable opinion of the Registrant, the individual spends or will spend a significant amount of time and attention on the affairs and business of the Registrant or an affiliated entity of the Registrant;

(e) “Employee”, for a Service Provider, means an employee of the Service Provider or an affiliated entity of the Service Provider, provided that, at the relevant time, in the reasonable opinion of the Registrant, the employee spends or will spend, a significant amount of time and attention on the affairs and business of:

(A) the Registrant or an affiliated entity of the Registrant; or

(B) a mutual fund managed by the Registrant or an affiliated entity of the Registrant;

(f) “Executive”, for the Registrant, means a director, officer or partner of the Registrant or of an affiliated entity of the Registrant;

(g) “Executive”, for a Service Provider, means a director, officer or partner of the Service Provider or of an affiliated entity of the Service Provider;

(h) “Exempt Trade”, for the Registrant, means:

(i) for each Jurisdiction, a trade in securities of a mutual fund that is made between a person or company and an underwriter acting as purchaser or between or among underwriters;

(ii) for Ontario, a trade in securities of a mutual fund for which the

- Registrant would have available to it an exemption from the dealer registration requirement under the Legislation if the Registrant were not a "market intermediary" as such term is defined in section 204 of the Ontario Regulation;
- (iii) for each Jurisdiction other than Ontario, a trade in securities of a mutual fund for which the Registrant would have available to it an exemption from the dealer registration requirement under the Legislation; or
- (iv) for each Jurisdiction, a trade in securities of a mutual fund for which the Registrant has received a discretionary exemption from the dealer registration requirement under the Legislation;
- (i) "Fund-on-Fund Trade" means a trade that consists of:
- (i) a purchase, through the Registrant, of securities of a mutual fund that is made by another mutual fund;
- (ii) a purchase, through the Registrant, of securities of a mutual fund that is made by a person or company where the person or company, an affiliated entity of the person or company, or an other person or company is, or will become, the counterparty in a specified derivative or swap with another mutual fund; or
- (iii) a sale, through the Registrant, of securities of a mutual fund that is made by another mutual fund where the party purchasing the securities is:
- (A) a mutual fund managed by the Registrant or an affiliated entity of the Registrant; or
- (B) a person or company that acquired the securities where the person or company, an affiliated entity of the person or company, or an other person or
- company is, or was, the counterparty in a specified derivative or swap with another mutual fund; and
- where, in each case, at least one of the referenced mutual funds is a mutual fund that is managed by either the Registrant or an affiliated entity of the Registrant;
- (j) "In Furtherance Trade" means, for the Registrant, a trade by the Registrant that consists of any act, advertisement, or solicitation, directly or indirectly in furtherance of an other trade in securities of a mutual fund, where the other trade consists of:
- (i) a purchase or sale of securities of a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or
- (ii) a purchase or sale of securities of a mutual fund where the Registrant acts as the principal distributor of the mutual fund;
- and where, in each case, the purchase or sale is made by or through an other registered dealer if the Registrant is not otherwise permitted to make the purchase or sale pursuant to these terms and conditions;
- (k) "Managed Account" means, for the Registrant, an investment portfolio account of a client under which the Registrant, pursuant to a written agreement made between the Registrant and the client, makes investment decisions for the account and has full discretionary authority to trade in securities for the account without obtaining the client's specific consent to the trade;
- (l) "Managed Account Trade" means, for the Registrant, a trade to, or on behalf of, a Managed Account of the Registrant, where the trade consists of a purchase or redemption, through the Registrant of securities of a mutual fund, that is made on behalf of the Managed Account, where, in each case:
- (i) the Registrant is the portfolio adviser to the mutual fund;

- (ii) the mutual fund is managed by the Registrant or an affiliate of the Registrant; and
- (iii) either of:
  - (A) the mutual fund is prospectus-qualified in the Jurisdiction; or
  - (B) the trade is not subject to either the prospectus requirement or the dealer registration requirement under the Legislation of the Jurisdiction;
- (m) "Mutual Fund Instrument" means National Instrument 81-102 *Mutual Funds*, as amended;
- (n) "Ontario Regulation" means R.R.O. 1990, Reg. 1015, as amended, made under the Securities Act, R.S.O. 1990, c. S.5, as amended;
- (o) "Permitted Client" means a person or company that is a client of the Registrant, and that is, or was at the time the person or company became a client of the Registrant:
  - (i) an Executive or Employee of the Registrant;
  - (ii) a Related Party of an Executive or Employee of the Registrant;
  - (iii) a Service Provider or an affiliated entity of a Service Provider;
  - (iv) an Executive or Employee of a Service Provider; or
  - (v) a Related Party of an Executive or Employee of a Service Provider;
- (p) "Permitted Client Trade" means, for the Registrant, a trade to a person, who is a Permitted Client or who represents to the Registrant that he or she is a person included in the definition of Permitted Client, in securities of a mutual fund that is managed by the Registrant or an affiliate of the Registrant, and the trade consists of a purchase or redemption, by the person, through the Registrant, of securities of the mutual fund;
- (q) "Pooled Fund Rule" means, for the Registrant, and for a Jurisdiction, a rule or other regulation under the Legislation of the Jurisdiction that relates, in whole or in part, to the distribution of securities of a mutual fund and/or non-redeemable investment fund, other than pursuant to a prospectus for which a receipt has been under the Legislation, made by the Registrant to or on behalf of a Managed Account, but does not include National Instrument 45-106 *Prospectus and Registration Exemption* or BC Instrument 45-505 *Alternative Reporting Requirements for Exempt Distributions of Securities of Eligible Pooled Funds*;
- (r) "Registered Plan" means a registered pension plan, deferred profit sharing plan, registered retirement savings plan, registered retirement income fund, registered education savings plan or other deferred income plan registered under the *Income Tax Act* (Canada);
- (s) "Registrant" means Brandes Investment Partners & Co.;
- (t) "Related Party", for a person, means another person who is:
  - (i) the spouse of the person;
  - (ii) the issue of:
    - (A) the person,
    - (B) the spouse of the person, or
    - (C) the spouse of any person that is the issue of a person referred to in subparagraphs (A) or (B) above;
  - (iii) the parent, grandparent or sibling of the person, or the spouse of any of them;
  - (iv) the issue of any person referred to in paragraph (iii) above;
  - (v) a Registered Plan established by, or for the exclusive benefit of, one, some or all of the foregoing;
  - (vi) a trust where one or more of the trustees is a person referred to above and the beneficiaries of the trust are restricted to one, some, or all of the foregoing; or

- (vii) a corporation where all the issued and outstanding shares of the corporation are owned by one, some, or all of the foregoing;
  - (u) “securities”, for a mutual fund, means shares or units of the mutual fund;
  - (v) “Seed Capital Trade” means a trade in securities of a mutual fund made to a persons or company referred to in any of subparagraphs 3.1(1)(a)(i) to 3.1(1)(a)(iii) of the Mutual Fund Instrument; and
  - (w) “Service Provider” means:
    - (i) a person or company that provides or has provided professional, consulting, technical, management or other services to the Registrant or an affiliated entity of the Registrant;
    - (ii) an Adviser to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant; or
    - (iii) a person or company that provides or has provided professional, consulting, technical, management or other services to a mutual fund that is managed by the Registrant or an affiliated entity of the Registrant.
3. (1) In this Appendix, a person or company is considered to be an affiliated entity of another person or company if one is a subsidiary entity of the other or if both are subsidiary entities of the same person or company, or if each of them is controlled by the same person or company.
- (2) In this Appendix, a person or company is considered to be controlled by a person or company if
- (a) in the case of a person or company
    - (i) voting securities of the first-mentioned person or company carrying more than 50 percent of the votes for the election of directors are held, otherwise than by way of security only, by or for the benefit of the other person or company, and
- (ii) the votes carried by the securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned person or com-pany;
  - (b) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned person or com-pany holds more than 50 percent of the interests in the partnership; or
  - (c) in the case of a limited partnership, the gener-al partner is the second-mentioned person or company.
- (3) In this Appendix, a person or company is considered to be a subsidiary entity of another person or company if
- (a) it is controlled by
    - (i) that other, or
    - (ii) that other and one or more persons or companies, each of which is controlled by that other, or
    - (iii) two or more persons or companies, each of which is controlled by that other; or
  - (b) it is a subsidiary entity of a person or company that is that other's subsidiary entity.
4. In this Appendix:
- (a) “issue” and “sibling” includes any person having such relationship through adoption, whether legally or in fact;
  - (b) “parent” and “grandparent” includes a parent or grandparent through adoption, whether legally or in fact;
  - (c) “registered dealer” means a person or company that is registered under the Legislation of the Jurisdiction as a dealer in a category that permits the person or company to act as dealer for the subject trade; and

- (d) "spouse", for an Employee or Executive, means a person who, at the relevant time, is the spouse of the Employee or Executive.

5. In this Appendix, any terms that are not otherwise defined in National Instrument 14-101 *Definitions* or specifically defined above shall, unless the context otherwise requires, have the meaning:

- (a) specifically ascribed to such term in the Mutual Fund Instrument; or
- (b) if no meaning is specifically ascribed to such term in the Mutual Fund Instrument, the same meaning the term would have for the purposes of the Legislation of the Jurisdiction.

**Restricted Registration: Permitted Activities**

6. The registration of the Registrant as a mutual fund dealer under the Legislation of the Jurisdiction shall be for the purposes only of trading by the Registrant in securities of a mutual fund where the trade consists of:

- (a) a Client Name Trade;
- (b) an Exempt Trade;
- (c) a Fund-on-Fund Trade;
- (d) an In Furtherance Trade;
- (e) a Managed Account Trade, provided, at the time of the trade, the Registrant is registered under the Legislation of the Jurisdiction as an adviser in the categories of "investment counsel" and "portfolio manager" or their equivalent;
- (f) a Permitted Client Trade; or
- (g) a Seed Capital Trade;

provided that, in the case of all trades that are only referred to in clauses (a) or (f), the trades are limited and incidental to the principal business of the Registrant, and provided also that paragraph (e) will cease to be in effect one year after the coming into force, subsequent to March 28, 2006, of any Pooled Fund Rule.

**2.1.6 Scotia Cassels Investment Counsel Limited - MRRS Decision**

**Headnote**

MRRS - exemption granted under subparagraph 121(2)(a)(ii) of the Securities Act (Ontario) from subsection 118(2)(b) to permit in specie subscriptions and redemptions by separately managed accounts in mutual funds where portfolio manager of managed accounts is also portfolio manager of the mutual funds.

**Applicable Legislative Provisions**

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

**March 30, 2006**

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

**AND**

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

**AND**

**IN THE MATTER OF  
SCOTIA CASSELS INVESTMENT COUNSEL LIMITED  
(the Filer)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the prohibition contained in the Legislation that prohibits a portfolio manager from knowingly causing an investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, any associate of a responsible person or the portfolio manager (the Self-Dealing Prohibition) shall not apply to effect certain transfers of securities between the Separately Managed Accounts and the Funds, all as defined below.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

### Interpretation

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

### Representations

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

1. The Filer is a corporation organized under the *Canada Business Corporations Act*. The Filer is registered as an adviser in the categories of investment counsel and portfolio manager in each of the Jurisdictions.
2. There are currently (i) six funds bearing the name Scotia Cassels (Scotia Cassels Funds) which only offer a Scotia Private Client Unit class ("PCU Class"), (ii) 7 funds managed by Scotia Securities Inc. for which there is also a PCU Class of units (Scotia Funds). The Scotia Cassels Funds and the Scotia Funds, together with any other mutual or pooled funds established in the future which are associates of the Filer and for which the Filer is the portfolio manager from time to time are collectively hereinafter referred to as the Funds.
3. Each of the Funds is or will be an open-end mutual fund trust established under the laws of the Province of Ontario. The existing Funds are reporting issuers in each province and territory of Canada but future Funds may not be reporting issuers. Scotia Securities Inc., an affiliate of the Filer is the manager of each Fund. Each of the Funds is or will be associates of the Filer under the Legislation as the Filer serves or will serve in a capacity similar to a trustee of the Funds.
4. The Filer provides discretionary portfolio management services to clients pursuant to investment management agreements between the clients and the Filer (Managed Account Agreements). Based on the size of the assets of the clients and depending on the allocation of a client's assets to a particular asset class, the Filer either manages the client's assets on a segregated account basis (Separately Managed Accounts) or on a pooled basis.
5. Pursuant to most of its Managed Account Agreements with its clients, the Filer has full authority to provide its portfolio management services, including investing clients in mutual funds for which the Filer is the portfolio manager and for changing those funds as the Filer determines in accordance with the mandate of the clients. To the extent the Filer either currently does not have such authority or enters into an

agreement with a new client, the Filer will obtain the prior specific written consent of the relevant Separately Managed Account client before it engages in any In Specie Transfers, as defined below, in connection with the purchase or redemption of units of the Funds for its Separately Managed Accounts

6. The Filer may determine that in lieu of holding portfolio securities in a Separately Managed Account, the clients would be better served to be invested in one or more of the Funds. As a result, the Filer desires to have such clients subscribe in kind for units of the relevant Funds. Further, future clients of the Filer may have an existing portfolio of securities when they retain the Filer such that the Filer may similarly desire to have the clients subscribe for the Funds in kind provided these securities are appropriate for the Fund.
7. In addition, due to portfolio changes for a client, the Filer may determine, in connection with a redemption, to redeem in kind certain portfolio securities held by a Fund and subscribe in kind for another Fund or Funds or simply hold the portfolio securities on behalf of the clients in a Separately Managed Account. Lastly, some clients require the in kind redemption of their units in a Fund.
8. In order to ensure that neither the Separately Managed Accounts nor a Fund incurs significant expenses related to the disposition and acquisition of portfolio securities in connection with the purchase or redemption of units of a Fund, the Filer proposes to facilitate such purchases and redemptions of the Fund units by transfers in kind of portfolio securities between a Separately Managed Account and a Fund (In Specie Transfers). These transactions will either involve the payment of the purchase price for units of a Fund or the payment of the redemption price of units of a Fund by In Specie Transfers between the Separately Managed Account and the Funds.
9. Effecting such internal cross-trades of securities between the Separately Managed Accounts and the Funds will allow the Filer to manage each asset class more effectively and reduce transaction costs for the client and the Fund. For example, cross trading reduces market impact costs, which can be detrimental to the clients and/or Funds(s). Cross-trading also allows a portfolio manager to retain within its control institutional-size blocks of securities that otherwise would need to be broken and re-assembled. Such securities often are those that trade in lower volumes, with less frequency, and have larger bid-ask spreads.
10. The only cost which will be incurred by a Fund or Separately Managed Account for an In Specie Transfer is a nominal administrative charge levied



by the custodian of the Fund in recording the trades (the Custodial Charge).

Makers with the jurisdiction to make the decision has been met.

11. Scotia Securities Inc. (the manager of the Funds) will value the securities transferred under an In Specie Transfer on the same valuation day on which the unit purchase price or redemption price of a Fund is determined. With respect to the purchase of units of a Fund, the securities transferred to a Fund under an In Specie Transfer in satisfaction of the purchase price of those units will be valued as if the securities were portfolio assets of the Fund, as contemplated by subsection 9.4(2)(b)(iii) of National Instrument 81-102 - *Mutual Funds* (NI 81-102). With respect to the redemption of units of a Fund, the securities transferred to a Separately Managed Account in satisfaction of the redemption price of those units will have a value equal to the amount at which those securities were valued in calculating the net asset value per security used to establish the redemption price of the units of the Fund, as contemplated by subsection 10.4(3)(b) of NI 81-102.

The decision of the Decision Makers under the Legislation is that the Self-Dealing Prohibition shall not apply to the Filer in connection with the payment of the purchase price or redemption price of units of a Fund by In Specie Transfers between the Funds and the Separately Managed Accounts, provided that:

12. None of the securities which are subject to In Specie Transfers are or will be securities of related issuers of The Bank of Nova Scotia, the parent company of the Filer.

13. Prior to executing an In Specie Transfer, the In Specie Transfer will be reviewed by the Filer's Compliance Committee to ensure that the conditions of this MRRS Decision Document are or will be met at the time of the transaction and to determine that the transaction represents the business judgment of the Filer acting in its discretionary capacity with respect to the Fund and the Separately Managed Account, uninfluenced by considerations other than the best interests of the Fund and Separately Managed Account. The review by the Filer's Compliance Committee will be submitted in the form of detailed minutes to the Filer's board of directors on a quarterly basis.

14. In the absence of the order, the Filer would be prohibited by the Self-Dealing Prohibition from (a) causing a Separately Managed Account to make In Specie Transfers of securities of any issuer to a Fund in payment of the purchase price for units of a Fund subscribed for by the Separately Managed Account; and (b) causing a Fund to make In Specie Transfers of securities of any issuer to a Separately Managed Account in payment of the redemption price for units of the Fund redeemed by a Separately Managed Account.

(a) in connection with the purchase of units of a Fund by a Separately Managed Account:

(i) the Filer obtains the prior written consent of the client of the relevant Separately Managed Account before it engages in any In Specie Transfers in connection with the purchase of units;

(ii) the Fund would at the time of payment be permitted to purchase those securities;

(iii) the securities are acceptable to the portfolio adviser of the Fund and consistent with the Fund's investment objectives;

(iv) the value of the securities is equal to the issue price of the units of the Fund for which they are used as payment, valued as if the securities were portfolio assets of the Fund;

(v) the statement of portfolio transactions next prepared for the Separately Managed Account shall include a note describing the securities delivered to the Fund and the value assigned to such securities; and

(b) in connection with the redemption of units of a Fund by a Separately Managed Account:

(i) the Filer obtains the prior written consent of the client of the relevant Separately Managed Account to the payment of redemption proceeds in the form of an In Specie Transfer;

(ii) the securities are acceptable to the portfolio adviser of the Separately Managed Account and consistent with the

**Decision**

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

- Separately Managed Account's investment objective;
- (iii) the value of the securities is equal to the amount at which those securities were valued in calculating the net asset value per unit used to establish the redemption price;
  - (iv) the holder of the Separately Managed Account has not provided notice to terminate its Managed Account Agreement with the Filer;
  - (v) the statement of portfolio transactions next prepared for the Separately Managed Account shall include a note describing the securities delivered to the Separately Managed Account and the value assigned to such securities; and
- (c) the Filer does not receive any compensation in respect of any sale or redemption of units of a Fund and, in respect of any delivery of securities further to an In Specie Transfer, the only charge paid by the Separately Managed Account is the Custodial Charge.

"Susan Wolburgh Jenah"

"Paul K. Bates"

**2.1.7 Canadian Imperial Bank of Commerce and CIBC Asset Management Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – certain mutual funds granted exemptions from National Instrument 81-102 Mutual Funds to engage in short selling of securities up to 10% of net assets, subject to certain conditions and requirements.

**Rules Cited**

National Instrument 81-102 Mutual Funds, ss. 2.6(a) and (c), 6.1(1), 19.1.

March 9, 2006

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

AND

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

IN THE MATTER OF  
CANADIAN IMPERIAL BANK OF COMMERCE  
AND  
CIBC ASSET MANAGEMENT INC.  
(collectively the Filers)

AND

THE FUNDS LISTED IN APPENDIX "A"  
(the Existing 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 the Filers, on behalf of the Existing Funds and each mutual fund hereinafter created and managed by a Filer or any of the affiliates of the Filers (the Future Funds and together with the Existing Funds, the Funds), for a decision under the securities legislation of the Jurisdictions (the Legislation) exempting the Funds from the following requirements of the Legislation, subject to certain terms and conditions:

- (a) the requirement contained in subsection 2.6(a) of National Instrument 81-102 Mutual Funds (NI 81-102) prohibiting a mutual fund from providing a security interest over a mutual fund's assets;
- (b) the requirement contained in subsection 2.6(c) of NI 81-102 prohibiting a mutual fund from selling securities short; and
- (c) the requirement contained in subsection 6.1(1) of NI 81-102 prohibiting a mutual fund from depositing any part of a mutual fund's assets with an entity other than the mutual fund's custodian.

(paragraphs (a), (b) and (c) together shall be referred to as the Requested Relief)

Under the Mutual Reliance Relief for Exemption Applications:

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

**Interpretation**

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

**Representations**

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

1. Each Fund is or will be an open-end mutual fund trust or a class of shares of a mutual fund corporation established under the laws of Ontario of which one of the Filers (or an affiliate of the Filers) is the manager. Each Fund is currently or will be a reporting issuer in all of the provinces and territories of Canada.
2. The investment practices of each Fund comply or will comply in all respects with the requirements of Part 2 of NI 81-102, except to the extent that the Funds have received permission from the Decision Makers to deviate therefrom.
3. Any short sales made by a Fund will be subject to compliance with the investment objectives of such Fund.
4. In order to effect a short sale, a Fund will borrow securities from either its custodian or a dealer (in either case, the Borrowing Agent), which Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities.
5. Each Fund will implement the following controls when conducting a short sale:
  - (a) securities will be sold short for cash, with the Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;
  - (b) the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;
  - (c) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
  - (d) the securities sold short will be liquid securities that:
    - (i) are listed and posted for trading on a stock exchange, and
      - (A) the issuer of the security has a market capitalization of not less than CDN\$300 million, or the equivalent thereof, of such security at the time the short sale is effected; or
      - (B) the investment advisor has pre-arranged to borrow for the purposes of such short sale; or
    - (ii) are bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America;
  - (e) at the time securities of a particular issuer are sold short:
    - (i) the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 2% of the total net assets of the Fund; and
    - (ii) the Fund will place a "stop-loss" order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 115% (or such lesser percentage as the Filers may determine) of the price at which the securities were sold short;
  - (f) the Fund will deposit fund assets with the Borrowing Agent as security in connection with the short sale transaction;
  - (g) the Fund will keep proper books and records of all short sales and Fund assets deposited with Borrowing Agents as security;

- (h) the Fund will develop written policies and procedures for the conduct of short sales prior to conducting any short sales; and
- (i) the Fund will provide disclosure in its simplified prospectus and annual information form of the short selling strategies and the details of this exemptive relief prior to implementing the short selling strategy.

**Decision**

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

1. the aggregate market value of all securities sold short by the Fund does not exceed 10% of the total net assets of the Fund on a daily marked-to-market basis;
2. the Fund holds "cash cover" (as defined in NI 81-102) in an amount, including the Fund assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;
3. no proceeds from short sales by the Fund are used by the Fund to purchase long positions in securities other than cash cover;
4. the Fund maintains appropriate internal controls regarding its short sales including written policies and procedures, risk management controls and proper books and records;
5. any short sales made by a Fund will be subject to compliance with the investment objectives of the Fund;
6. the short selling relief will not apply to a Future Fund that is classified as a money market fund or a short-term income fund;
7. for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;
8. for short sale transactions outside of Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall:
  - (a) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and
  - (b) have a net worth in excess of the equivalent of \$50 million determined from its most recent audited financial statements that have been made public;
9. except where the Borrowing Agent is the Fund's custodian, when the Fund deposits Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the total net assets of the Fund, taken at market value as at the time of the deposit;
10. the security interest provided by a Fund over any of its assets that is required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
11. prior to conducting any short sales, the Fund discloses in its simplified prospectus or an amendment thereto a description of: (a) short selling, (b) how the Fund intends to engage in short selling, (c) the risks associated with short selling, and (d) in the Investment Strategy section of the simplified prospectus, the Fund's strategy and this exemptive relief;
12. prior to conducting any short sales, the Fund discloses in its annual information form or an amendment thereto the following information:
  - i. that there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;

## Decisions, Orders and Rulings

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- ii. who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;
  - iii. the trading limits or other controls on short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;
  - iv. whether there are individuals or groups that monitor the risks independent of those who trade; and
  - v. whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;
13. prior to conducting any short sales, each Fund has provided to its securityholders not less than 60 days' written notice that discloses the Fund's intent to begin short selling transactions and the disclosure required in the Fund's simplified prospectus and annual information form as outlined in paragraphs 11 and 12 above;
14. this relief shall terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in subsections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102.

“Leslie Byberg”  
Manager, Investment Funds Branch  
Ontario Securities Commission

## APPENDIX "A"

<b>FUND NAMES BY FAMILY OF FUNDS</b>	
<b>Renaissance Talvest Mutual Funds</b>	<b>CIBC Mutual Funds</b>
Renaissance Canadian Bond Fund	CIBC International Small Companies Fund
Renaissance Canadian Real Return Bond Fund	CIBC Financial Companies Fund
Renaissance Canadian High Yield Bond Fund	CIBC Canadian Resources Fund
Renaissance Canadian Balanced Fund	CIBC Energy Fund
Renaissance Canadian Balanced Value Fund	CIBC Canadian Real Estate Fund
Renaissance Tactical Allocation Fund	CIBC Precious Metals Fund
Renaissance Canadian Income Trust Fund	CIBC Canadian Bond Fund
Renaissance Canadian Income Trust Fund II	CIBC North American Demographics Fund
Renaissance Canadian Dividend Income Fund	CIBC Monthly Income Fund
Renaissance Canadian Core Value Fund	CIBC Global Technology Fund
Renaissance Canadian Growth Fund	CIBC Global Bond Fund
Renaissance Canadian Small Cap Fund	CIBC Canadian Bond Index Fund
Renaissance U.S. Equity Value Fund	CIBC Balanced Fund
Renaissance U.S. Equity Growth Fund	CIBC Global Bond Index Fund
Renaissance U.S. Index Fund	CIBC Diversified Income Fund
Renaissance International Growth Fund	CIBC Balanced Index Fund
Renaissance International Index Fund	CIBC Dividend Fund
Renaissance Global Growth Fund	CIBC Canadian Index Fund
Renaissance Global Opportunities Fund	CIBC Core Canadian Equity Fund
Renaissance Global Sectors Fund	CIBC U.S. Equity Index Fund
Renaissance Euro Fund	Canadian Imperial Equity Fund
Renaissance Developing Capital Markets Fund	CIBC U.S. Index RRSP Fund
Renaissance Global Technology Fund	CIBC Capital Appreciation Fund
Talvest Income Fund	CIBC International Index Fund
Talvest Bond Fund	CIBC Canadian Small Companies Fund
Talvest High Yield Bond Fund	CIBC International Index RRSP Fund
Talvest Global Bond Fund	CIBC Canadian Emerging Companies Fund
Talvest Cdn. Asset Allocation Fund	CIBC European Index Fund
Talvest Global Asset Allocation Fund	CIBC U.S. Small Companies Fund
Talvest Millennium High Income Fund	CIBC European Index RRSP Fund
Talvest Dividend Fund	CIBC Global Equity Fund
Talvest Cdn. Equity Value Fund	CIBC Japanese Index RRSP Fund
Talvest Cdn. Multi Management Fund	CIBC European Equity Fund
Talvest Cdn. Equity Growth Fund	CIBC Emerging Markets Index Fund
Talvest Millennium Next Generation Fund	CIBC Japanese Equity Fund
Talvest Small Cap Cdn. Equity Fund	CIBC Asia Pacific Index Fund
Talvest U.S. Equity Fund	CIBC Emerging Economies Fund
Talvest International Equity Fund	CIBC Nasdaq Index Fund
Talvest Global Equity Fund	CIBC Far East Prosperity Fund
Talvest Global Markets Fund	CIBC Nasdaq Index RRSP Fund
Talvest Global Small Cap Fund	CIBC Latin American Fund
Talvest Global Multi Management Fund	
Talvest European Fund	
Talvest Asian Fund	
Talvest China Plus Fund	
Talvest Global Health Care Fund	
Talvest Global Resource Fund	
Talvest Global Science & Technology Fund	

<b>FUND NAMES BY FAMILY OF FUNDS</b>	
<b>Frontiers Pools</b>	<b>Imperial Pools</b>
Frontiers Canadian Fixed Income Pool	Imperial Canadian Bond Pool
Frontiers Canadian Monthly Income Pool	Imperial Canadian Income Trust Pool
Frontiers Canadian Equity Pool	Imperial International Bond Pool
Frontiers U.S. Equity Pool	Imperial Canadian Dividend Income Pool
Frontiers International Equity Pool	Imperial Canadian Dividend Pool
Frontiers Emerging Markets Equity Pool	Imperial Canadian Equity Pool
Frontiers Global Bond Pool	Imperial Registered U.S. Equity Index Pool
	Imperial U.S. Equity Pool
	Imperial Registered International Equity Index Pool
	Imperial International Equity Pool
	Imperial Overseas Equity Pool
	Imperial Emerging Economies Pool



**2.1.8 Arrow Epic North American Diversified Fund et al. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications - subparagraph 121(2)(a)(ii) of the Securities Act (Ontario) (the Act) – exemption from the requirements in paragraph 118(2)(b) of the Act that prohibits a portfolio manager from knowingly causing any investment portfolio managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, any associate of a responsible person or the portfolio manager—The Applicant wanted relief in order to implement a merger of two mutual funds that are not reporting issuers. The Applicant represented that the merger was in the best interests of the funds and the trade is a one-time trade conducted with common valuation procedures.

**Applicable Legislative Provisions**

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

**March 7, 2006**

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

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

**AND**

**IN THE MATTER OF  
ARROW EPIC NORTH AMERICAN DIVERSIFIED FUND  
and  
ARROW EPIC CAPITAL FUND (the Funds)**

**AND**

**IN THE MATTER OF  
ARROW HEDGE PARTNERS 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, in connection with the merger of Arrow Epic North American Diversified Fund (the **Terminating Fund**) and Arrow Epic Capital Fund (the **Continuing Fund**) (each a Fund and collectively the **Funds**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) granting relief from the restriction in the Legislation which prohibits a portfolio manager from knowingly causing any investment portfolio

managed by it to purchase or sell the securities of any issuer from or to the account of a responsible person, any associate of a responsible person or the portfolio manager, in order to implement the merger of the Terminating Fund and the Continuing Fund (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

**Interpretation**

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

**Representations**

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

- 6. The Filer intends to merge the Terminating Fund into the Continuing Fund (the **Merger**).
- 7. The Filer is a corporation established under the laws of Ontario with its head office in Toronto, Ontario. The Filer is the manager, trustee and portfolio manager of the Funds.
- 8. Each of the Funds is established under the laws of the Province of Ontario as a “mutual fund in Ontario” as defined under the *Securities Act* (Ontario).
- 9. Each Fund offers its units in all provinces and territories of Canada pursuant to applicable prospectus exemptions.
- 10. Each Fund is not a “reporting issuer” under the Legislation and is not subject to National Instrument 81-102 *Mutual Funds*.
- 11. Epic Capital Management Inc. (**Epic Capital**) is a portfolio sub-advisor to the Filer in respect of each of the Funds.
- 12. Each of the Filer and Epic Capital is registered with the Ontario Securities Commission as an advisor in the category of investment counsel and portfolio manager. Neither the Filer nor Epic Capital is registered as an advisor in any other province or territory.
- 13. The Filer has decided to effect the Merger because of the small sizes of the Funds, the similarities in their investment portfolios and the desire to have Epic Capital focus on one investment objective and strategy.

14. Unitholders of the Terminating Fund will be asked to approve the Merger at a special meeting of unitholders to be held on March 16, 2006 (the **Meeting**). In connection with the Meeting, the Filer will be sending to the unitholders of the Terminating Fund a notice of meeting, management information circular and a related form of proxy (collectively, the **Meeting Materials**). If unitholders approve the Merger, it is proposed that the Merger will occur on or about March 17, 2006 (the **Effective Date**), subject to regulatory approvals, where necessary and in any event no later than March 31, 2006.
15. The Merger is expected to take place using the following steps:
- (a) The assets of the Terminating Fund will be transferred to the Continuing Fund at a value determined in accordance with the valuation procedures set out in the constating documents of the Terminating Fund and the Continuing Fund.
  - (b) On the Effective Date, the Continuing Fund will acquire substantially all of the investment portfolio and other assets of the Terminating Fund. In return, the Continuing Fund will issue to the Terminating Fund units of the Continuing Fund having an aggregate net asset value equal to the value of the assets acquired.
  - (c) The Continuing Fund will not assume any of the Terminating Fund's liabilities. Instead, the Terminating Fund will retain sufficient assets to satisfy its estimated liabilities, if any, as of the Effective Date.
  - (d) The Terminating Fund will declare, pay and automatically reinvest a distribution to its unitholders of net income and net capital gains and income (if any).
  - (e) On the Effective Date, all of the units of the Terminating Fund will be automatically redeemed at their net asset value which will be paid by delivering to its unitholders units of an equivalent class of the Continuing Fund having an equal aggregate net asset value.
  - (f) The Terminating Fund will be wound-up as soon as reasonably possible following the Merger.
  - (g) All tax elections and tax returns in connection with the Merger will be prepared and filed by each of the Funds.
16. The Filer believes the Merger is in the best interests of unitholders as the Continuing Fund will be larger in size enabling it to take advantage of cost efficiencies. Also, Epic Capital will be able to focus on a single strategy rather than have to divide its management time.
17. The Funds have substantially similar fee structures and valuation procedures.
18. The assets of the Terminating Fund will be transferred to the Continuing Fund in accordance with the steps described above. Because the transfer of assets will take place at a value determined by common valuation procedures and the issue of units will be based upon the relative net asset value of the assets received by the Continuing Fund, the Filer believes that there will be no conflict of interest for the Filer to effect the Merger.
19. Units of the Funds are redeemable weekly at their respective net asset values up to the Valuation Date prior to the Meeting. Unitholders of the Terminating Fund will be sent the Meeting Materials informing them of the Merger and will be able to redeem their units at any time prior to the Merger, should they wish to do so. Unitholders of the Terminating Fund also have the right to switch, any time, their investment in the Terminating Fund to securities of a comparable class of another fund of the Filer without paying any redemption fee to the Terminating Fund or the Filer (although the investor's dealer may charge a fee of up to 2% of the value of the units switched).
20. In the opinion of the Filer, the Merger will not adversely affect unitholders of the Terminating Fund or the Continuing Fund and will in fact be in the best interests of unitholders of each of the Funds.
21. Under the Legislation, the Filer, as portfolio manager of the Funds, would be considered a responsible person and, because the Filer is the trustee of each Fund, the Filer would also be considered an associate of a responsible person. Therefore, in the absence of this order, the Filer would be prohibited from selling the securities of the Terminating Fund to the Continuing Fund in connection with the Merger.

#### Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the Merger is completed no later than March 31, 2006.

"Paul K. Bates"  
Commissioner  
Ontario Securities Commission

"Paul M. Moore"  
Vice Chair  
Ontario Securities Commission

**2.1.9 ExtendMedia 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 31, 2006

**Goodmans LLP**

250 Yonge Street, Suite 2400  
Toronto, Ontario M5B 2M6

**Attention: Mr. Richard Warren**

Dear Mr. Warren,

**Re: ExtendMedia Inc. (the "Applicant") –  
Application to Cease to be a Reporting Issuer  
under Section 83 of the Securities Act  
(Ontario)**

The Applicant has applied to the Ontario Securities Commission for an order under section 83 of 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;
- 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.

"Erez Blumberger"  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

**2.1.10 Environmental Management Solutions Inc. -  
MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the requirement to provide in an information circular disclosure regarding executive compensation, securities authorized for issuance under equity compensation plans, indebtedness of directors and executive officers – Disclosure not relevant to decision whether to approve financing transaction.

**Applicable Legislative Provisions**

National Instrument 51-102 - Continuous Disclosure Obligations, Part 9 and s. 13.1, and Form 51-102F5 - Information Circular, items 8, 9 and 10.

February 24, 2006

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

**AND**

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

**AND**

**IN THE MATTER OF  
ENVIRONMENTAL MANAGEMENT SOLUTIONS INC.  
(the Applicant)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (each, a Decision Maker and collectively, the Decision Makers) in each of the Jurisdictions has received an application from the Applicant for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirement to include in the Applicant's Information Circular (defined below) the information required in Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations* by Item 8 - Executive Compensation, Item 9 - Securities Authorized for Issuance under Equity Compensation Plans, and Item 10 - Indebtedness of Directors and Executive Officers (the Required Disclosure).

In accordance with the provisions of section 5.3 of National Policy 12-201 *Mutual Reliance Review System for Exemptive Relief Applications*, the Applicant has requested that the Decision Makers treat this decision document, and the application and supporting materials submitted in connection herewith, in confidence until the earlier of March

15, 2006, and such date as the Applicant mails and files the Information Circular, which is expected to occur on or about March 1, 2006 (the exemption from the requirement to make the Required Disclosure referred to in the first recital together with the confidential treatment of this decision document, and the application and supporting materials submitted in connection herewith, being hereafter referred to, collectively, as the Requested Relief).

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

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

**Interpretation**

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

**Representations**

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

1. The Applicant was incorporated on August 31, 2000, under the *Business Corporations Act* (Alberta) and was continued under the *Canada Business Corporations Act* on September 28, 2004, and to the best of its knowledge, is not in default of any of the requirements of the securities legislation of any of the Jurisdictions.
2. The Applicant's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. As at February 2, 2006, there were 38,012,247 common shares and no preferred shares issued and outstanding.
3. The Applicant's common shares are listed and posted for trading on the Toronto Stock Exchange under the symbol "EMS".
4. The Applicant has called a special meeting (the Special Meeting) to be held on or about March 22, 2006, to ask shareholders to consider and if thought advisable, to pass a resolution authorizing the Company to complete a financing agreement (the Financing) with ONCAP II, L.P. (ONCAP) under which the Applicant would be provided with \$20,000,000 of new capital through the issuance of 20,000 units; each unit consisting of a \$950 principal amount of secured convertible debenture (each a Debenture, and collectively the Debentures) and 500, \$0.10 convertible preferred shares in the capital of the Applicant (each a

- Preferred Share, and collectively the Preferred Shares).
5. This capital will be used by the Applicant to: (i) repay all existing indebtedness of the Applicant and its subsidiaries, except for approximately \$800,000 in capital leases; (ii) acquire the minority interest in a subsidiary of the Applicant, Les Composts du Quebec Inc. (CDQ) of approximately 29% so that the Applicant will indirectly own 100% of CDQ; (iii) pay for the \$1.7 million settlement with a shareholder of the Applicant, Frank D'Addario and certain of his related parties; (iv) finance approved capital expenditures; and (v) pay the fees associated with the ONCAP Financing.
6. To be implemented, the Financing must be approved by a majority of the votes cast by the shareholders at the Special Meeting.
7. The management proxy circular of the Applicant (the Information Circular) in connection with the Special Meeting will be mailed to the shareholders of the Applicant on or about March 1, 2006.
8. The Debentures, of which an aggregate principal amount of \$19,000,000 will be issued at closing, will bear interest of 5% per annum payable quarterly. The terms of the Debentures include covenants and events of default customary for a convertible secured debenture in these circumstances. ONCAP will have the right to convert the Debentures (as a unit together with the applicable number of Preferred Shares) into common shares at a conversion price equal to \$0.323, subject to adjustment as further described in the Applicant's press release dated December 19, 2005, publicly available on SEDAR.
9. The Preferred Shares, of which 10 million will be issued at closing (having an aggregate principal amount of \$1,000,000), will carry a right to dividends equal to 5% per annum payable quarterly. The Preferred Shares will be convertible (as a unit together with the applicable amount of Debentures) into common shares at a conversion price of \$0.323, subject to adjustment as further described in the Applicant's press release dated December 19, 2005, publicly available on SEDAR. The Preferred Shares will have the right to vote at all meetings of shareholders along with the issued and outstanding common shares. Following closing, ONCAP's voting position at meetings of shareholders will be approximately 21%.
10. Based on the number of issued and outstanding common shares as of the date hereof and assuming the conversion (as a unit) of the Debentures and the Preferred Shares, ONCAP would own approximately 63% of the common shares and have a voting position of approximately 63% at meetings of shareholders.
11. Under the terms of the Debentures, and as permitted by the Applicant's articles of continuance, the board of directors of the Applicant will be fixed at four directors, provided that ONCAP will have the right to nominate up to two additional directors at any time for appointment by the board. In addition ONCAP will have the right to appoint two observers who will have the right to receive notice of, and attend, all meetings of directors.
12. It is expected that at closing, four of the eight current directors of the Applicant will resign. The board will set the number of directors at four, as permitted by its articles of continuance. It is expected that immediately following closing the board will include the current President and CEO of the Applicant, Tony Busseri, and three existing independent directors. The Applicant intends to include disclosure describing these arrangements in the Information Circular and to include disclosure consistent with Item 7 of Form 51-102F5 in respect of these directors in the Information Circular.
13. It is a covenant of the Debentures that at the Applicant's next annual meeting in May 2006, and each subsequent meeting during the term of the Debenture, a slate of four directors, or, if ONCAP has triggered its right to nominate two additional directors, six directors (including the ONCAP nominees) will be put forward for election by shareholders.
14. The Legislation in the Jurisdictions requires that, subject to the relief referred to herein being granted, the Information Circular include the Required Disclosure.
15. The Required Disclosure was provided to the shareholders in the information circular dated March 31, 2005 (the 2005 Annual and Special Meeting Circular), that was mailed to shareholders in connection with the holding of the Applicant's annual and special meeting of shareholders held on April 29, 2005, and which is publicly available on SEDAR.
16. There has been no material change in the Required Disclosure since it was last publicly disclosed, and it is not relevant to a shareholder's decision whether or not to vote in favour of the Financing.
17. The Required Disclosure will be provided in an information circular that is to be prepared in connection with the Applicant's regular annual meeting that is scheduled to be held in May 2006. It is anticipated that such information circular will

be mailed to shareholders on or about March 31, 2006.

18. Confidential treatment by the Decision Makers of this decision document, and the application and supporting materials submitted in connection herewith, until the earlier of March 15, 2006 and the date on which the Information Circular is mailed to the Applicant's shareholder and filed on SEDAR (which is expected to take place on or about March 1, 2006), is expected to avoid the potential for selective disclosure of certain aspects of the proposed Financing transaction prior to the date on which the Information Circular, which will contain comprehensive disclosure regarding same, is mailed to all of the Applicant's shareholders.

#### 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.

"Erez Blumberger"  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

#### 2.1.11 Income Financial Plus Trust - s. 83

##### Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Securities Act, R.S.O. 1990, c. S.5, as am., s. 83 - Applicant is seeking relief to be deemed to have ceased to be a reporting issuer in compliance with the requirements set out in CSA Notice 12-307- Applicant has been wound up and no longer requires to be a reporting issuer - satisfies all the requirements set out in CSA Notice 12-307.

##### Applicable Legislative Provisions

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

CSA Staff Notice 12-307 - Ceasing to be a Reporting Issuer under the Mutual Reliance Review System for Exemptive Relief Applications. (2003) 26 OSCB 6348.

March 30, 2006.

##### Blake, Cassels & Graydon LLP

Box 25 Commerce Court West  
Toronto, Ontario  
M5L 1A9

##### Attention: Stacy McLean

Dear Ms. McLean:

**Re: Income Financial Plus Trust (the Applicant) - Application to cease to be a Reporting Issuer under the securities legislation of Ontario, Quebec, Alberta, Saskatchewan, New Brunswick, Nova Scotia and Newfoundland and Labrador (the Jurisdictions) as set out in CSA Staff Notice 12-307 Application No. 06/152**

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

As the Applicant has represented to the Decision Makers that:

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

Surrender of Reporting Issuer Status with the British Columbia Securities Commission and provided notice to the Manitoba Securities Commission that it has ceased to be a reporting issuer in Manitoba; and

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

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

“Leslie Byberg”  
Manager, Investment Funds

**2.1.12 TD Asset Management Inc. et al. - MRRS Decision**

**Headnote**

Approval of fund mergers pursuant to subsection 5.5(1)(b) of NI 81-102- exemption from securityholder approval requirement in clause 5.1(f) of NI 81-102 -motivated by elimination of foreign content restrictions from Income Tax Act - sole difference between merging funds being the objective to maintain RSP eligibility no longer necessary.

**Applicable Legislative Provisions**

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

**March 23, 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,  
NORTHWEST TERRITORIES, YUKON AND NUNAVUT  
(THE JURISDICTIONS)**

**AND**

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

**AND**

**IN THE MATTER OF  
TD ASSET MANAGEMENT INC. (TDAM)**

**AND**

**TD MANAGED INCOME PORTFOLIO  
TD MANAGED INCOME & MODERATE  
GROWTH PORTFOLIO  
TD MANAGED BALANCED GROWTH PORTFOLIO  
TD MANAGED AGGRESSIVE GROWTH PORTFOLIO  
TD MANAGED MAXIMUM EQUITY GROWTH  
PORTFOLIO  
TD FUNDSMART MANAGED INCOME PORTFOLIO  
TD FUNDSMART MANAGED INCOME & MODERATE  
GROWTH PORTFOLIO  
TD FUNDSMART MANAGED BALANCED  
GROWTH PORTFOLIO  
TD FUNDSMART MANAGED AGGRESSIVE  
GROWTH PORTFOLIO AND  
TD FUNDSMART MANAGED MAXIMUM EQUITY  
GROWTH PORTFOLIO  
(THE TERMINATING FUNDS)**

**AND**

**TD MANAGED INCOME RSP PORTFOLIO  
TD MANAGED INCOME & MODERATE**

**GROWTH RSP PORTFOLIO  
TD MANAGED BALANCED  
GROWTH RSP PORTFOLIO  
TD MANAGED AGGRESSIVE  
GROWTH RSP PORTFOLIO  
TD MANAGED MAXIMUM EQUITY  
GROWTH RSP PORTFOLIO  
TD FUNDSMART MANAGED INCOME  
RSP PORTFOLIO  
TD FUNDSMART MANAGED INCOME & MODERATE  
GROWTH RSP PORTFOLIO  
TD FUNDSMART MANAGED BALANCED  
GROWTH RSP PORTFOLIO  
TD FUNDSMART MANAGED AGGRESSIVE  
GROWTH RSP PORTFOLIO AND  
TD FUNDSMART MANAGED MAXIMUM EQUITY  
GROWTH RSP PORTFOLIO  
(THE CONTINUING FUNDS)  
(COLLECTIVELY, THE FILERS)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from TDAM in respect of the Terminating Funds and the Continuing Funds (collectively, the Funds) for a decision under the Securities Legislation of the Jurisdictions (the Legislation) that:

- (a) exempts the Terminating Funds from the requirement of section 5.1(f) of National Instrument 81-102 (NI 81-102) to obtain the prior approval of the securityholders (the Securityholder Approval Requirement) of the Terminating Funds to the merger (a Merger) of any Terminating Fund into the applicable Continuing Fund; and
- (b) approves each Merger as contemplated by section 5.5 (1)(b) of NI 81-102

(collectively, the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (c) Ontario is the principal regulator for this application, and
- (d) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

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

**Representations**

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

1. TDAM is a corporation incorporated under the *Business Corporations Act* (Ontario) and is the manager of each Fund.
2. Each Fund is a trust established under the laws of Ontario. Each Fund is a reporting issuer or the equivalent thereof in each Jurisdiction, is subject to the requirements of NI 81-102 and is not in default of any requirements of applicable securities legislation.
3. Each of the Funds invests primarily in units of mutual funds (each an Underlying Fund) which vary depending on the investment objective of the Fund, and may invest directly in guaranteed investment certificates, bonds issued by Canadian or provincial governments and strip bonds.
4. The only difference in investment objectives between a Terminating Fund and the applicable Continuing Fund is that the investment objectives of the Continuing Fund include an additional objective to maintain eligibility for registered plans. The investment strategies of a Terminating Fund and its Continuing Fund are the same. In any event, both are eligible for registered plans.
5. As a result of the elimination of the foreign property rules from the *Income Tax Act* (Canada) (the Tax Act) on June 29, 2005 (the Tax Changes), there is no longer a reason for both a Terminating Fund and the applicable Continuing Fund since there are no longer any adverse tax consequences under the Tax Act for holding foreign property in excess of formerly prescribed limits in a registered plan. Accordingly there is no longer a requirement for a difference between the Underlying Funds held by a Terminating Fund and the Underlying Funds held by the corresponding Continuing Fund, in order that the latter maintain eligibility for registered plans.
6. On the date of a Merger, a Continuing Fund will have invested its assets directly in securities of the same Underlying Funds and in approximately the same proportions as the direct and indirect investments of the applicable Terminating Fund. Consequently, on the date of each Merger, each Terminating Fund and the applicable Continuing Fund will provide investors with exposure to the same Underlying Funds and approximately the same investment portfolio.
7. Subsection 5.1(f) of NI 81-102 requires that each Terminating Fund which will cease to continue after its Merger obtain the prior approval of its securityholders before effecting the Merger.
8. TDAM is of the opinion that the costs of convening special meetings to obtain such approvals far exceed the benefits of convening such meetings, and that it would not be prejudicial to



- securityholders to grant an exemption from such requirement on the conditions described below.
9. All of the Mergers would be done on a tax deferred basis.
10. TDAM has concluded that it would be appropriate to terminate the Terminating Funds to reduce redundancy and any possible confusion among investors in the Funds.
11. The management expense ratio (MER) for each Terminating Fund and the applicable Continuing Fund, are capped at rates which are identical. Accordingly, securityholders of the Terminating Funds have not been disadvantaged by the time which has elapsed since the Tax Changes were implemented.
12. In determining which Funds should continue, in this case, TDAM considers the relative net assets of the Funds to be the most important factor and that in each case it is appropriate for the Fund with the most assets to be the Continuing Fund. In all cases, the Continuing Fund has more assets than the corresponding Terminating Fund (by between 132% and 917% as of January 31, 2006).
13. TDAM is satisfied that the trustee of each Fund has sufficient authority and flexibility under the constating documents of the Funds to implement the Mergers without securityholder approval if the relief requested herein is granted by the Decision Makers.
- (d) files the press release with the securities regulatory authorities in the Jurisdictions as soon as practical after TDAM decides to proceed with a Merger and, in any event, at least 60 days before the date of such Merger;
2. TDAM sends or causes to be sent to each registered holder of units of a Terminating Fund, a communication that describes the purpose of the Merger and the manner in which units in the Terminating Fund will be exchanged for units of the applicable Continuing Fund that is part of or accompanies the management report of fund performance for the Terminating Fund for the period ended December 31, 2005; and
3. Each Merger is in compliance with all of the requirements of section 5.6 (1) of NI 81-102 other than paragraphs 5.6 (e) and (f) of NI 81-102.

"Leslie Byberg"  
Manager, Investment Funds  
Ontario Securities Commission

**Decision**

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

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

1. TDAM, as manager of the Terminating Funds:
- (a) issues a press release announcing its intention to effect the Mergers in the manner described in the Decision,
- (b) sends a communication to dealers who have clients invested in a Terminating Fund describing the applicable Mergers so that dealers and their sales representatives will be in a position to discuss the applicable Mergers with their clients,
- (c) posts the press release and the dealer communication to TDAM's website, and

**2.1.13 Elliott & Page Diversified Fund - s. 83**

**Headnote**

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

**Applicable Ontario Statutory Provisions, Rules and Notices**

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

March 13, 2006

**Fasken Martineau DuMoulin LLP**  
66 Wellington Street West  
Suite 4200, Toronto Dominion Bank Tower  
Box 20, Toronto-Dominion Centre  
Toronto, Ontario M5K 1N6

**Attention: Jeffrey D. Klam**

Dear Sirs/Mesdames:

**RE: Elliott & Page Diversified Fund (the “Fund”) – Application to Cease to be a Reporting Issuer under the securities legislation of the Provinces of Alberta, Saskatchewan, Ontario, Quebec, New Brunswick, Nova Scotia and Newfoundland and Labrador (collectively, the “Jurisdictions”) Application #018/06**

Elliott & Page Limited (“EPL”), the manager of the Fund, has applied for and on behalf of the Fund to the local securities regulatory authority of 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 EPL has represented for and on behalf of the Fund to the Decision Makers that,

- the outstanding securities of the Fund, 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 Fund are traded on a marketplace as defined in National Instrument 21-101 - *Marketplace Operation*;
- the Fund 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 Fund 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 Fund is deemed to have ceased to be a reporting issuer.

“Rhonda Goldberg”  
Assistant Manager, Investment Funds Branch

2.1.14 Allbanc Split Corp. II - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Split-share corporation granted relief from delivering annual financial statements and from preparing annual management report of fund performance for first fiscal year end. – Financial statements and management report of fund performance would only cover a short operating period. – First interim MRFP must be delivered to all securityholders and must include financial highlights. – National Instrument 81-106 Investment Fund Continuous Disclosure.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 4.2, 5.1.

March 27, 2006

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

AND

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

AND

IN THE MATTER OF  
ALLBANC SPLIT CORP. II  
(the “Filer”)

**MRRS DECISION DOCUMENT**

Background

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

- an exemption from the requirement contained in section 5.1(2)(a) of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“NI 81-106”) to deliver to its shareholders annual financial statements for the period from incorporation to February 28, 2006; and
- an exemption from the requirement contained in section 4.2 of NI 81-106 to file a management

report of fund performance (“MRFP”) for the period from incorporation to February 28, 2006, as would otherwise be required pursuant to applicable Legislation (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:

“Capital Shares” means the 13,300,000 class A capital shares of the Filer distributed pursuant to the Prospectus;

“Initial Financial Statements” means the financial statements of the Filer for the period from incorporation to February 28, 2006;

“Portfolio Shares” means the portfolio of common shares of Bank of Montreal, Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, The Bank of Nova Scotia and The Toronto-Dominion Bank held by the Filer;

“Preferred Shares” means the 6,650,000 class A preferred shares of the Filer distributed pursuant to the Prospectus; and

“Prospectus” means the final prospectus of the Filer dated January 25, 2006.

Representations

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

1. The Filer was incorporated under the laws of the Province of Ontario on December 7, 2005. The fiscal year end of the Filer is February 28. The Filer filed the Prospectus with the securities regulatory authority in each of the provinces and territories of Canada pursuant to which the distribution of Capital Shares and Preferred Shares was completed on February 9, 2006 (the “Closing Date”). Pursuant to an over-allotment option exercisable for a period of 30 days from the Closing Date, up to 15% of the number of each of the Capital Shares and Preferred Shares have been authorized for issuance. The Filer carried on no relevant business activity from its date of incorporation until filing the Prospectus.
2. The Filer is a passive investment company whose principal undertaking is the holding of the Portfolio

Shares in order to generate fixed cumulative preferential distributions for the holders of the Preferred Shares and to enable the holders of Capital Shares to participate in any capital appreciation in the Portfolio Shares after payment of administrative and operating expenses of the Filer. The Portfolio Shares held by the Filer will only be disposed of as described under the heading "The Company – Sale of Portfolio Shares" commencing on page 11 of the Prospectus and "Details of the Offerings" commencing on page 17 of the Prospectus. The sole purpose of the Filer is to provide a vehicle through which different investment objectives with respect to participation in the Portfolio Shares may be satisfied.

3. Pursuant to the requirements of the Legislation, and subject to any relief obtained pursuant to this application, the Filer would be required to (i) prepare and file in the Jurisdictions and deliver to its shareholders the Initial Financial Statements and (ii) prepare and file in the Jurisdictions an MRFP for the same period.
4. The Filer will audit its financial statements for the period ended February 28, 2006.
5. The benefit to be derived by the shareholders of the Filer from receiving the Initial Financial Statements would be minimal in view of (i) the short period from the date of the Prospectus, January 25, 2006, to the fiscal year end, February 28, 2006; and (ii) the nature of the minimal business carried on by the Filer.
6. The expense to the Filer of sending to its shareholders the Initial Financial Statements would not be justified in view of the benefit to be derived by the shareholders from receiving such statements.
7. The limited activities of the Filer for the period from December 7, 2005 to February 28, 2006 do not provide meaningful information for the purposes of the preparation of an MRFP.
8. For example, in respect of certain MRFP requirements, Form 81-106F1 requires a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund, a summary of the results of operations of the investment fund for the financial year in which the management discussion of fund performance pertains, a discussion of the recent developments affecting the investment fund, a discussion of any transactions involving related parties to the investment fund, disclosure of selected financial highlights for the investment fund and a summary of the investment fund's portfolio as at the end of the financial year of the investment fund to which the MRFP pertains.

Given the minimal business carried on by the Filer and the fact that the Filer filed its Prospectus close to the time of its fiscal year end, no disclosure on these and other items required to be disclosed by Form 81-106F1 could be meaningfully provided in the MRFP.

**Decision**

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

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

- (i) the Initial Financial Statements are filed and posted for viewing on SEDAR and [www.scotiamanagedcompanies.com](http://www.scotiamanagedcompanies.com);
- (ii) the Filer send a copy of such Initial Financial Statements to any shareholder of the Filer who so requests;
- (iii) the Filer will prepare an MRFP for the period ended August 28, 2006 in accordance with Form 81-106F1, except that it will also include financial highlights as required by Part B, Item 3 of Form 81-106F1; and
- (iv) the Filer will deliver the MRFP referred to in (iii) to each of its securityholders, as if section 18.5 of NI 81-106 applied.

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

**2.1.15 BMO Investments Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – s 62(5) of the Securities Act (Ontario) – Application for lapse date extension for the simplified prospectus of the BMO Funds – Filer is contemplating fund mergers and mandate changes and requires an extension to allow it sufficient time to obtain the necessary approvals for these changes.

**Applicable Legislative Provisions**

Securities Act, R.S.O. 1990, c. S.5, as am., s. 62(5).

**March 17, 2006**

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

**AND**

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

**AND**

**IN THE MATTER OF  
BMO INVESTMENTS INC.  
AND  
THE MUTUAL FUNDS SET OUT  
IN APPENDIX “A”  
(COLLECTIVELY, THE FUNDS)**

**MRRS DECISION DOCUMENT**

**WHEREAS** the Canadian securities regulatory authority or regulator (the “Decision Maker”) in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador (the “Jurisdictions”) has received an application (the “Application”) from BMO Investments Inc. (the “Manager”) and the Funds for a decision pursuant to the securities legislation of the Jurisdictions (the “Legislation”) that the time limits for the renewal of the simplified prospectus of the Funds dated April 21, 2005 (the “Prospectus”) be extended to those time limits that would be applicable if the lapse date of the Prospectus were May 11, 2006.

**AND WHEREAS** pursuant to the Mutual Reliance Review System for Exemptive Relief Applications (the “System”), the Ontario Securities Commission is the principal regulator for this application;

**AND WHEREAS** it has been represented by the Manager to the Decision Makers that:

- (a) The Manager is the manager of the Funds.
- (b) The Funds are either open-ended mutual fund trusts established under the laws of Ontario or classes of BMO Global Tax Advantage Funds Inc., a mutual fund corporation.
- (c) The Funds are currently qualified for distribution in all of the provinces and territories of Canada under the simplified prospectus of the Funds dated April 21, 2005, as amended.
- (d) In each province of Canada, provided a pro forma simplified prospectus is filed 30 days prior to April 21, 2006, a final version of the simplified prospectus is filed by May 1, 2006, and a receipt for the simplified prospectus is issued by the securities regulatory authorities by May 11, 2006, the units of the Funds may be distributed without interruption throughout this prospectus renewal period.
- (e) The Funds are reporting issuers under the Legislation. None of the Funds is in default of any of the requirements of the Legislation.
- (f) The Manager is contemplating a fund merger and mandate changes that may affect the Funds, and which, should they occur, will take effect by May 5, 2006. Any fund mergers and mandate changes that occur will be effected in accordance with the requirements of National Instrument 81-102 including, without limitation, filing appropriate amendments to the Prospectus and seeking unitholder and regulatory approval where necessary.
- (g) The trustees and directors of the Funds are independent of the Manager. The trustees must approve any proposed mergers or mandate changes as well as the Funds’ prospectus documents and any amendments to such prospectus documents.
- (h) If the requested relief is not granted, a prospectus must be filed in accordance with the existing time limits for the renewal of the Prospectus, and must be filed by May 1, 2006. Such a prospectus may need to be substantially revised shortly after final filing should the fund merger and/or mandate changes take place in early May, 2006. The financial costs and time involved in preparing, filing and printing a revised prospectus for the Funds would be unduly costly.
- (i) Since April 21, 2005, the date of the Prospectus, no material change has occurred that has not been disclosed by way of an amendment to the Prospectus. Accordingly, as amended, the Prospectus presents up to date information

regarding the Funds. The extension requested will not affect the currency or accuracy of the information contained in the Prospectus, as amended, and as may be further amended in accordance with disclosure obligations, and, accordingly, will not be prejudicial to the public interest.

**AND WHEREAS** pursuant to 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 pursuant to the Legislation is that the time limits provided by Legislation as they apply to a distribution of securities under a prospectus are hereby extended to the time limits that would be applicable if the lapse date for the Prospectus of the Funds were May 11, 2006 and that units of the Funds may continue to be distributed provided that a final simplified prospectus is filed no later than 10 days after May 11, 2006 and that a receipt for the simplified prospectus is obtained no later than 20 days after May 11, 2006.

"Leslie Byberg"  
Manager, Investment Funds Branch

## Appendix "A"

### **BMO Security Funds**

BMO T-Bill Fund  
BMO Money Market Fund  
BMO AIR MILES<sup>®†</sup> Money Market Fund  
BMO Premium Money Market Fund

### **BMO Income Funds**

BMO Mortgage and Short-Term Income Fund  
BMO Bond Fund  
BMO Monthly Income Fund  
BMO Global Bond Fund  
BMO World Bond Fund<sup>1</sup>  
BMO Global Monthly Income Fund

### **BMO Growth Funds**

BMO Asset Allocation Fund  
BMO Dividend Fund  
BMO Equity Index Fund  
BMO Equity Fund  
BMO U.S. Equity Index Fund<sup>2</sup>  
BMO U.S. Growth Fund  
BMO U.S. Equity Fund<sup>3</sup>  
BMO International Index Fund<sup>4</sup>  
BMO International Equity Fund  
BMO NAFTA Advantage Fund  
BMO European Fund  
BMO Japanese Fund

### **BMO Aggressive Growth Funds**

BMO Special Equity Fund  
BMO U.S. Special Equity Fund  
BMO Resource Fund  
BMO Precious Metals Fund  
BMO Global Science & Technology Fund  
BMO Emerging Markets Fund

### **BMO U.S. Dollar Funds**

BMO U.S. Dollar Money Market Fund  
BMO U.S. Dollar Bond Fund  
BMO U.S. Dollar Monthly Income Fund  
BMO U.S. Dollar Equity Index Fund

### **BMO Global Tax Advantage Funds<sup>±</sup>**

BMO Short-Term Income Class  
BMO Dividend Class  
BMO Canadian Equity Class  
BMO Global Balanced Class  
BMO U.S. Equity Class  
BMO Global Equity Class  
BMO Greater China Class

<sup>±</sup> All funds within this category are part of BMO Global Tax Advantage Funds Inc., a mutual fund corporation

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<sup>1</sup> Formerly BMO International Bond Fund  
<sup>2</sup> Formerly BMO RSP U.S. Equity Index Fund  
<sup>3</sup> Formerly BMO U.S. Value Fund  
<sup>4</sup> Formerly BMO RSP International Index Fund

**2.1.16 Creststreet 2005 Limited Partnership - MRRS Decision**

**Headnote**

MRRS for exceptive relief applications- Exemption from Annual Information Form Requirements of Part 9 of National Instrument 81-106 (NI 81-106) –Flow through limited partnership issuer - wants relief from AIF requirements –the costs of complying with Part 9 of NI 81-106 far outweigh the benefits- limited partners have adequate alternative continuous disclosure in the prospectus, financial statements and MRFP- given the Issuer’s limited range of activities and intended dissolution in January 2007 limited partners will not derive much benefit from AIF.

**Applicable Legislative Provisions**

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

**April 4, 2006**

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

**AND**

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

**AND**

**IN THE MATTER OF  
CRESTSTREET 2005 LIMITED PARTNERSHIP  
(the “Filer”)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “Legislation”) exempting the Filer from the requirement in Section 9.2 of National Instrument 81-106 (“NI 81-106”) to file an annual information form (the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

- (a) for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

**Interpretation**

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

**Representations**

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

1. The Filer is a limited partnership formed pursuant to the provisions of the *Limited Partnerships Act* (Ontario) on December 22, 2004.
2. The Filer was formed to achieve capital appreciation through investment in a diversified portfolio of equity securities, comprised principally of flow through shares (“Flow-Through Shares”), of companies engaged in oil and gas, mining or renewable energy exploration and development in Canada or that invest in securities of entities engaged in such activities (“Resource Issuers”).
3. The Filer was granted a decision document, dated March 9, 2005, by the OSC in its capacity as principal regulator under National Policy 43-201 Mutual Reliance Review System for Prospectuses and Annual Information Forms on behalf of the securities regulatory authority or regulator for each of the other provinces of Canada, which decision document evidences the issue of final receipts for the Filer’s prospectus (the “Prospectus”) dated March 8, 2005 relating to an offering of up to 7,500,000 limited partnership units. As a result, the Filer is a reporting issuer or the equivalent thereof in each province of Canada.
4. On March 30, 2005, the Filer completed the issue of 5,428,165 non-redeemable limited partnership units under the Prospectus (the “Partnership Units”). No additional Partnership Units have been or may be issued by the Filer. The Partnership Units have not been and will not be listed or quoted for trading on any stock exchange or market.
5. It is the current intention of the Filer, as described in the Prospectus, to transfer its assets to Creststreet Mutual Funds Limited, an open-ended mutual fund corporation incorporated under the laws of Canada, (“CMFL”), on January 19, 2007 on a tax deferred basis in exchange for redeemable resource class shares of CMFL (the “Creststreet Resource Fund”). Upon the dissolution of the Filer, which will occur immediately following such transfer, such shares of the Creststreet Resource Fund will be distributed to the partners of the Filer *pro rata* on a tax-deferred basis. Such transaction is subject, *inter alia*, to any necessary regulatory approvals and in the event that it is not possible to complete the transaction, it is the current intention of the

Filer to dissolve and distribute its net assets *pro rata* to its partners no later than September 30, 2007 or such later date as may be approved by the limited partners of the Filer by extraordinary resolution.

6. Since its formation on December 22, 2004, the Filer's activities have been limited to (i) completing the issue of the Partnership Units under the Prospectus, (ii) investing its available funds in Flow-Through Shares of Resource Issuers and (iii) incurring expenses as described in the Prospectus.
7. The limited partners of the Filer will obtain adequate financial information from the Filer's annual and interim financial statements and management report of fund performance. If a material change takes place in the business and affairs of the Filer, the Filer will ensure that a timely material change report is filed with the securities regulatory authority or regulator in each of the Jurisdictions.
8. The Prospectus, the financial statements and management report of fund performance provide sufficient information necessary for a limited partner to understand the Filer's business, its financial position and its future plans, including the intended asset transfer and dissolution on January 19, 2007.
9. In light of the limited range of business activities to be conducted by the Filer, the nature of the investment of the limited partners in the Filer and the fact that the Filer intends to dissolve on or about January 19, 2007, the requirement to file an annual information form does not produce a benefit to the limited partners and may impose a material financial burden on the Filer.

**Decision**

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met. The decision of the Decision Makers under the Legislation is that the requirement in Section 9.2 of NI 81-016 to file an annual information form shall not apply to the Filer.

"Leslie Byberg"  
Manager, Investment Funds  
Ontario Securities Commission

**2.1.17 Advantage-Value Limited Partnership 1994 et al. - MRRS Decision**

**Headnote**

MRRS – Exemption from preparing and filing the statement of changes in net assets and the statement of investment portfolios, the quarterly portfolio disclosure, the management report of fund performance (MRFP), the annual information form (AIF) and from establishing and maintaining proxy policies and procedures as well as proxy records. – Deferred sales commission financing vehicles are special purpose investment vehicles and that a number of the disclosure requirements in NI 81-106 are not relevant. – An alternative management discussion disclosure is a condition to the MRFP exemption. The AIF exemption is conditional for issuers that are not listed. - National Instrument 81-106 Investment Fund Continuous Disclosure subsections 2.1(1)(c), 2.1(1)(e), 2.3(c), 2.3(e), 4.2, 6.2 9.2, 10.2,10.3, 10.4 and 17.1.

**Applicable Legislative Provisions**

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.1(1)(c), 2.1(1)(e), 2.3(c), 2.3(e), 4.2, 6.2, 9.2, 10.2,10.3, 10.4, 17.1.

**April 4, 2006**

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

**AND**

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

**AND**

**IN THE MATTER OF  
ADVANTAGE-VALUE LIMITED PARTNERSHIP 1994  
ADVANTAGE-VALUE LIMITED PARTNERSHIP 1996  
CLARINGTON LIMITED PARTNERSHIP 1997  
FIDELITY PARTNERSHIP 1993  
FIDELITY PARTNERSHIP 1994  
FIDELITY PARTNERSHIP 1995  
FIDELITY PARTNERSHIPS 1996  
INFINITY 1997 LIMITED PARTNERSHIP  
MACKENZIE MASTER LIMITED PARTNERSHIP  
NAVIGATOR PARTNERS LIMITED PARTNERSHIP NO. 1  
NAVIGATORS PARTNERS LIMITED  
PARTNERSHIP NO. 2  
O'DONNELL 1996 LIMITED PARTNERSHIP  
O'DONNELL 1997 LIMITED PARTNERSHIP  
TEMPLETON LIMITED PARTNERSHIP 1993  
TEMPLETON LIMITED PARTNERSHIP 1994**



**TEMPLETON LIMITED PARTNERSHIP 1995  
TEMPLETON LIMITED PARTNERSHIP 1996 AND  
TEMPLETON LIMITED PARTNERSHIP 1997  
(each a Limited Partnership and collectively, the  
Limited Partnerships)**

**AND**

**INFINITY INCOME TRUST  
MULTI-FUND INCOME TRUST  
(each a Income Trust and  
collectively, the Income Trusts)  
(the Limited Partnerships and the Income Trusts  
are collectively, the Filers)**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdiction (the Legislation) and pursuant to section 17.1 of National Instrument 81-106 (NI 81-106):

1. exempting each Limited Partnership and each Income Trust from the requirements contained in sections 2.1(1)(c) and (e) and 2.3(c) and (e) of NI 81-106 to include in the annual and interim financial statements prepared for the Limited Partnership and the Income Trusts a statement of changes in its net assets and a statement of its investment portfolio (the Financial Statements Requirement).
2. exempting each Limited Partnership and each Income Trust from the requirement contained in section 4.2 of NI 81-106 to file and send to each limited partner of such Limited Partnership (each a Limited Partner and collectively, the Limited Partners) and to each unitholder of the Income Trusts (each a Unitholder and collectively, the Unitholders) an annual management report of fund performance (MRFP) for each financial year and an interim MRFP for each interim period at the same time that it files its annual financial statements or its interim financial statements for that financial year (the MRFP Requirement).
3. exempting each Limited Partnership and each Income Trust from the requirements contained in section 6.2 of NI 81-106 to prepare, post to a website (if it has one), or send to any Limited Partner and Unitholder that makes such a request, a quarterly portfolio disclosure (the Quarterly Disclosure Requirement).
4. exempting each Limited Partnership and each Income Trust from the requirement contained in section 9.2 of NI 81-106 to file an annual information form (the AIF Requirement).

5. exempting each Limited Partnership and each Income Trust from the requirements mentioned in sections 10.2, 10.3 and 10.4 of NI 81-106 (the Proxy Requirement) to:
  - (a) establish policies and procedures that it will follow to determine whether, and how, to vote or any matter for which the Limited Partnership or Income Trust receives proxy materials for a meeting of securityholders of an issuer or, where it has not prepared an AIF, to prepare a summary of such policies and procedures;
  - (b) maintain a proxy voting record; and
  - (c) prepare, post to a website (if it has one) or send to any Limited Partner and Unitholder that makes such a request, a copy of the Limited Partnership's, or Income Trust's most recent proxy voting policies and procedures and proxy voting record.

The foregoing requested exemptions are collectively referred to as the Requested Relief.

**Interpretation**

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

**Representations**

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

1. Each Limited Partnership was formed under the *Limited Partnerships Act* (Ontario) and is a reporting issuer in one or more of the Jurisdictions.
2. Each Income Trust is an unincorporated trust established under the laws of the Province of Ontario and is a reporting issuer in one or more of the Jurisdictions.
3. Each Limited Partnership and each Income Trust is a "non-redeemable investment fund" as that term is defined in NI 81-106.
4. Each Limited Partnership and each Income Trust is a passive, single purpose vehicle, formed (or in the case of Mackenzie Master Limited Partnership, whose predecessors were formed) for the purpose of arranging for, and paying the selling commission related to, the distribution to investors of units or shares (collectively, Securities) of mutual funds managed by a fund manager (collectively, the Funds) which are

acquired by investors on a deferred sales charge basis.

5. In return for their services, each Limited Partnership and each Income Trust receives from the fund manager a monthly distribution fee and any deferred sales charges payable by an investor on the redemption of distributed securities (Distributed Securities). Distributed Securities are securities for which a Limited Partnership or Income Trust paid the selling commission, securities issued on subsequent transfers, and deferred charge securities issued on the reinvestment of distributions or dividends on, or proceeds of redemptions of, such securities. The redemption fee schedules in respect of which investors were required to pay deferred sales charges if they redeemed their investments only applied for a certain number of years and these periods have all since expired.
6. Each Limited Partnership and Income Trust has ceased to finance additional selling commissions related to the distribution of mutual fund securities.
7. The entitlement to the distribution fees and deferred sales charges continue for each Limited Partnership and each Income Trust, as the case may be, until the earlier of:
  - (a) such time as there are no longer any Distributed Securities outstanding;
  - (b) the Limited Partnership is dissolved pursuant to the terms of its Partnership Agreement; and
  - (c) the Income Trust is terminated by special resolution of the Unitholders.
8. During each year, and in the case of Advantage-Value Limited Partnership 1994 and Advantage-Value Limited Partnership 1996, Clarington Limited Partnership 1997, Infinity 1997 Limited Partnership, Navigator Partners Limited Partnership No. 1, Navigator Limited Partners Limited Partnership No. 2 and Infinity Income Trust, during each quarter, each Limited Partnership and Income Trust distributes to its Limited Partners and Unitholders, as the case may be, an amount equal to the amount by which distribution fees, deferred sales charges and investment income earned by the Limited Partnership or income trust during the year and the amount of any reserves retained at the end of the previous year, exceeds the expenses.
9. As noted above, the Limited Partnerships and the Income Trusts only receive the monthly distribution fees in respect of Distributed Securities which have not been redeemed. As a number of years have elapsed since the Limited Partnerships and the Income Trusts were first

created, the securities which were funded by the Limited Partnerships and the Income Trusts and still remain outstanding have declined and will continue to decline with a corresponding reduction in the distribution fee revenue. As the income of each Limited Partnership and each Income Trust declines, any expenses of the Limited Partnership and the Income Trust increase as a percentage of that income.

10. The performance of each Limited Partnership and each Income Trust is largely out of the control of its General Partners and Manager, as the case may be. It is controlled by decisions of investors in the relevant Funds to retain or redeem their securities, by market conditions, and the investment performance of the Funds. As a result, commentary on the historical performance of a Limited Partnership or Income Trust is of little value to investors since it does not predict future results or distribution levels. Factual information regarding the distribution of fees earned and expenses are contained in the financial statements of each Limited Partnership and each Income Trust.
11. The Limited Partners of each Limited Partnership and the Unitholders of each Income Trust currently receive, and, subject to delivery requirements in NI 81-106, will continue to receive, semi-annual financial statements and audited annual financial statements of the Limited Partnership or Income Trust, as the case may be.
12. The units of Fidelity Partnership 1996, the Multi-fund Income Trust and Mackenzie Master Limited Partnership are currently listed on the Toronto Stock Exchange (TSX). The units of Fidelity Partnership 1993, Fidelity Partnership 1994, Fidelity Partnership 1995 and the Infinity Income Trust were previously listed on the TSX. However, their listings were removed when their assets were reduced to a level where they no longer complied with the TSX's listing requirements. Fidelity Partnership 1993 is scheduled to terminate on March 31, 2006 under the provisions of its Partnership Agreement.

#### Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted to exempt the Filers from:

- (i) the Financial Statements Requirement;
- (ii) the MRFP Requirement provided that the following information is either included in, or

accompanies the relevant Filer's financial statements:

1. a management discussion of the following items:
    - a) business overview,
    - b) overall performance,
    - c) Distributed Securities including their redemption experience and the market value of Distributed Securities that remain outstanding,
    - d) results of operations, and
    - e) liquidity; and
  2. a summary of financial highlights for the past three annual financial years and for the interim periods (as that term is defined in NI 81-106) completed in the most recent twenty four months, which includes, at a minimum, the following information:
    - a) total revenue,
    - b) net income (on an entity and per unit basis),
    - c) total assets, and
    - d) market value of Distributed Securities outstanding;
- (iii) the Quarterly Disclosure Requirement;
- (iv) the AIF Requirement provided that the relevant Filer is not listed or quoted on any stock exchange; and
- (v) the Proxy Requirement.

This Decision terminates, with respect to any Limited Partnership or Income Trust 30 days after the occurrence of a material change in its affairs unless it satisfies the Decision Makers that the exemption should continue.

"Leslie Byberg"  
Manager, Investment Funds  
Ontario Securities Commission

## 2.1.18 Front Street Capital et al. -- MRRS Decision

### Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief granted to existing mutual funds and mutual funds to be established from National Instrument 81-102 Mutual Funds to permit short selling of securities up to 20% of net assets per fund, subject to certain conditions and requirements.

### Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.6(a), 2.6(c), 6.1(1), 19.1.

March 30, 2006

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

**AND**

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

**AND**

**IN THE MATTER OF  
FRONT STREET CAPITAL  
(the "Manager" and "Filer")**

**AND**

**IN THE MATTER OF  
FRONT STREET SMALL CAP CANADIAN FUND AND  
FRONT STREET SPECIAL OPPORTUNITIES  
CANADIAN FUND LTD.  
(the "Existing 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 the Filer, on behalf of the Existing Funds and each mutual fund for which the Filer, or an affiliate of the Filer, hereafter becomes the manager (the "Future Funds" and, together with the Existing Funds, the "Funds"), for a decision under the securities legislation of the Jurisdictions (the "Legislation") exempting the Funds from the following requirements of the Legislation, subject to certain terms and conditions:

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**Decisions, Orders and Rulings**

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- (a) the requirement contained in subsection 2.6(a) of National Instrument 81-102 *Mutual Funds* ("NI 81-102") prohibiting a mutual fund from providing a security interest over a mutual fund's assets;
  - (b) the requirement contained in subsection 2.6(c) of NI 81-102 prohibiting a mutual fund from selling securities short; and
  - (c) the requirement contained in subsection 6.1(1) of NI 81-102 prohibiting a mutual fund from depositing any part of a mutual fund's assets with an entity other than the mutual fund's custodian;
- (paragraphs (a), (b) and (c) together shall be referred to as the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

**Interpretation**

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

**Representations**

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

- 1. Each Fund is, or will be, an open-end mutual fund trust or a class of shares of a mutual fund corporation established under the laws of Ontario or Canada of which the Manager, or an affiliate of the Manager, is the manager. Each Fund is currently or will be a reporting issuer in all of the provinces and territories of Canada.
- 2. The investment practices of each Fund comply or will comply in all respects with the requirements of Part 2 of NI 81-102, except to the extent that the Funds have received permission from the Decision Makers to deviate therefrom.
- 3. The decision of the Manager to permit short selling by a Future Fund will be subject to the approval of the Future Fund's Board of Governors or board of directors, as applicable.
- 4. Each short sale made by a Fund will be subject to compliance with the investment objectives of such Fund.
- 5. In order to effect a short sale, a Fund will borrow securities from either its custodian or a dealer (in either case, the "Borrowing Agent"), which

Borrowing Agent may be acting either as principal for its own account or as agent for other lenders of securities.

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

- (a) securities will be sold short for cash, with the Fund assuming the obligation to return to the Borrowing Agent the securities borrowed to effect the short sale;
  - (b) the short sale will be effected through market facilities through which the securities sold short are normally bought and sold;
  - (c) the Fund will receive cash for the securities sold short within normal trading settlement periods for the market in which the short sale is effected;
  - (d) the securities sold short will be liquid securities that:
    - (i) are listed and posted for trading on a stock exchange, and
      - A. the issuer of the security has a market capitalization of not less than CDN\$300 million, or the equivalent thereof, of such security at the time the short sale is effected; or
      - B. the investment advisor has pre-arranged to borrow for the purposes of such short sale;
- or
- (ii) are bonds, debentures or other evidences of indebtedness of or guaranteed by the Government of Canada or any province or territory of Canada or the Government of the United States of America;
- (e) at the time securities of a particular issuer are sold short:
    - (i) the aggregate market value of all securities of that issuer sold short by the Fund will not exceed 5% of the net assets of the Fund; and

- (ii) the Fund will place a stop-loss order with a dealer to immediately purchase for the Fund an equal number of the same securities if the trading price of the securities exceeds 115% (or such lesser percentage as the Manager may determine) of the price at which the securities were sold short;
  - (f) the Fund will deposit Fund assets with the Borrowing Agent as security in connection with the short sale transaction;
  - (g) the Fund will keep proper books and records of all short sales and Fund assets deposited with Borrowing Agents as security;
  - (h) the Fund will develop written policies and procedures for the conduct of short sales prior to conducting any short sales; and
  - (i) the Fund will provide disclosure in its simplified prospectus of the short selling strategies and the details of this exemptive relief prior to implementing the short selling strategy.
- 5. any short sale made by a Fund is subject to compliance with the investment objectives of the Fund;
  - 6. the Requested Relief will not apply to a Future Fund that is classified as a money market fund or a short-term income fund;
  - 7. for short sale transactions in Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall be a registered dealer in Canada and a member of a self-regulatory organization that is a participating member of the Canadian Investor Protection Fund;
  - 8. for short sale transactions outside of Canada, every dealer that holds Fund assets as security in connection with short sale transactions by the Fund shall:
    - (a) be a member of a stock exchange and, as a result, be subject to a regulatory audit; and
    - (b) have a net worth in excess of the equivalent of CDN\$50 million determined from its most recent audited financial statements that have been made public;
  - 9. except where the Borrowing Agent is the Fund's custodian, when the Fund deposits Fund assets with a Borrowing Agent as security in connection with a short sale transaction, the amount of Fund assets deposited with the Borrowing Agent does not, when aggregated with the amount of Fund assets already held by the Borrowing Agent as security for outstanding short sale transactions of the Fund, exceed 10% of the net assets of the Fund, taken at market value as at the time of the deposit;

**Decision**

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

- 1. the aggregate market value of all securities sold short by the Fund does not exceed 20% of the net assets of the Fund on a daily marked-to-market basis;
- 2. the Fund holds cash cover (as defined in NI 81-102) in an amount, including the Fund assets deposited with Borrowing Agents as security in connection with short sale transactions, that is at least 150% of the aggregate market value of all securities sold short by the Fund on a daily marked-to-market basis;
- 3. no proceeds from short sales by the Fund are used by the Fund to purchase long positions in securities other than cash cover;
- 4. the Fund maintains appropriate internal controls regarding its short sales including written policies and procedures, risk management controls and proper books and records;
- 10. the security interest provided by the Fund over any of its assets that is required to enable the Fund to effect short sale transactions is made in accordance with industry practice for that type of transaction and relates only to obligations arising under such short sale transactions;
- 11. prior to conducting any short sales, the Fund discloses in its simplified prospectus or an amendment thereto a description of: (a) short selling, (b) how the Fund intends to engage in short selling, (c) the risks associated with short selling, and (d) in the Investment Strategy section of the simplified prospectus, the Fund's strategy and this exemptive relief;
- 12. prior to conducting any short sales, the Fund discloses in its annual information form or an amendment thereto the following information:

- (a) that there are written policies and procedures in place that set out the objectives and goals for short selling and the risk management procedures applicable to short selling;
  - (b) who is responsible for setting and reviewing the policies and procedures referred to in the preceding paragraph, how often the policies and procedures are reviewed, and the extent and nature of the involvement of the board of directors or trustee in the risk management process;
  - (c) the trading limits and other controls on short selling in place and who is responsible for authorizing the trading and placing limits or other controls on the trading;
  - (d) whether there are individuals or groups that monitor the risks independent of those who trade; and
  - (e) whether risk measurement procedures or simulations are used to test the portfolio under stress conditions;
13. prior to conducting any short sales, each Existing Fund has provided to its securityholders that purchased securities of the Existing Fund prior to the simplified prospectus and annual information form of the Fund including the information outlined in paragraphs 11 and 12 above not less than 60 days' written notice that discloses the Fund's intent to begin short selling transactions and the disclosure required in the Fund's simplified prospectus and annual information form as outlined in paragraphs 11 and 12 above;
14. this relief shall terminate upon the coming into force of any legislation or rule of the Decision Makers dealing with matters referred to in subsections 2.6(a), 2.6(c) and 6.1(1) of NI 81-102.

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

**2.1.19 Fiera Capital Management Inc. and Senecal Investment Counsel, Inc. - MRRS Decision**

**Headnote**

Mutual Reliance Review System for Exemptive Relief Applications – relief from certain filing requirements of MI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals under an internal reorganization from a corporate structure to a partnership as part of the parent companies conversion to an income trust.

**Applicable Rule**

MI 33-109 – Registration Information.

**December 2, 2005**

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

**AND**

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

**AND**

**IN THE MATTER OF  
FIERA CAPITAL MANAGEMENT INC. ("Fiera")  
AND  
SENECAL INVESTMENT COUNSEL, INC. ("Senecal")  
(Senecal, together with Fiera, the "Filers")**

**MRRS DECISION DOCUMENT**

**Background**

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") exempting the Filers from requirements of Regulation 33-109Q *Respecting Registration Information* and National Instrument 33-109 *Registration Information* (collectively, "**33-109**") so as to permit the Filers to bulk transfer to a new entity created for the Filers (the "**New Fiera**") under the National Registration Database ("**NRD**"), the office locations and certain registered and non-registered individuals that are associated on NRD with the Filers (the "**Affected Locations and Individuals**") following a share purchase agreement entered into on June 21, 2005 (the "**Share Purchase Agreement**") whereby the Filers ultimately merged into one entity on October 1, 2005 (the "**Merger**") to pursue each company's business activities under the name Fiera Capital Management Inc. (the "**Requested Relief**");

## Decisions, Orders and Rulings

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

- a) the Autorité des marchés financiers is the principal regulator for this application, and
- b) the MRRS decision document evidences the decision of each Decision Maker.

### Interpretation

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

### Representations

1. Founded in 2003, Fiera provides investment management services to a diverse clientele composed largely of institutional investors, mutual funds, religious congregations, foundations and private wealth portfolios. Fiera is incorporated under the laws of Canada. Fiera is registered in Québec as an Unrestricted Practice Advisor (Derivatives), in Ontario as an Investment Counsel, Portfolio Manager, Limited Market Dealer and Commodity Trading Manager, in Manitoba as a Portfolio Manager (Securities) and as an Advisor (Commodities) and in Alberta, New Brunswick and Nova Scotia as a Portfolio Manager & Investment Counsel.
2. Founded in 1981, Senecal provides investment management services to Canadian pension plans and other institutional clients. Senecal was incorporated under the laws of the province of Ontario. Senecal is registered in Alberta, Manitoba, Ontario and Nova Scotia as a Portfolio Manager & Investment Counsel.
3. Fiera to the best of its knowledge, is not in default of any of the requirements of the Legislation of any of the Jurisdictions.
4. Pursuant to the Share Purchase Agreement, Fiera acquired all of the issued and outstanding shares in the capital of Senecal (the “**Transaction**”).
5. In connection with the Transaction, the following steps took place:
  - a. Senecal increased its authorized capital to add a class of voting, non-participating preferred shares (the “**Preferred Shares**”) which were redeemable by Senecal on October 1, 2005;
  - b. Following the authorization of the issuance of 125 Preferred Shares, the then current sole shareholder of Senecal, namely, 1518794 Ontario Inc., subscribed to 125 Preferred Shares (the “**Issued Preferred Shares**”);

- c. On June 21, 2005, Fiera acquired all of the issued and outstanding common shares of Senecal (the “**Common Shares**”) from 1518794 Ontario Inc.;

- d. On October 1, 2005, the Issued Preferred Shares were redeemed.

6. Immediately after the redemption of the Issued Preferred Shares, Fiera and Senecal underwent the Merger.
7. For the purposes of NRD, the successor registrant to Fiera and Senecal is New Fiera.
8. Fiera and Senecal intend to perform the bulk transfer on NRD of all Affected Locations and Individuals to New Fiera.
9. It would be unduly onerous and time-consuming to individually transfer all Affected Locations and Individuals to New Fiera, as per the requirements set out in 33-109, having regard to the fact that there should be no change to the individuals’ employment or responsibilities and that each individual to be transferred from Senecal and Fiera will be transferred under the same category. Moreover, it is imperative that the transfer of the Affected Locations and Individuals occur on the same date, in order to ensure that there is no break in registration.
10. The Merger is not contrary to the public interest and has no negative consequences on the ability of Fiera to comply with all applicable regulatory requirements or the ability to satisfy any obligations to clients of Fiera.

### Decision

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

The decision of the Decision Makers pursuant to the Legislation is that the Requested Relief is granted, and the following requirements of the Legislation shall not apply to Fiera and Senecal in respect of the Affected Locations and Individuals that will be bulk transferred from Fiera and Senecal to New Fiera:

- a. the requirement to submit a notice regarding the termination of each employment, partner or agency relationship under section 4.3 of 33-109;
- b. the requirement to submit a notice regarding each individual who ceases to be a non-registered individual under section 5.2 of 33-109;

- c. the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of 33-109;
- d. the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of 33-109; and
- e. the requirement under section 3.1 of 33-109 to notify the regulator of a change to the business location information in Form 33-109F3.

"Nancy Chamberland", Notary  
Executive Director, Distribution

## 2.2 Orders

### 2.2.1 Crestview Towers Limited Partnership - s. 144

#### Headnote

Revocation of order deeming issuer to have ceased to be a reporting issuer – representation in previous order incorrect.

#### Ontario Statutory Provisions

Section 144 and Section 83 of the Act.

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

AND

**IN THE MATTER OF  
CRESTVIEW TOWERS LIMITED PARTNERSHIP  
(the Applicant)**

**ORDER  
(Section 144)**

**WHEREAS** the Applicant obtained an order (the **Prior Order**) dated March 1, 2006 that deemed the Applicant to have ceased to be a reporting issuer.

**AND WHEREAS** the Applicant has applied to the Ontario Securities Commission (the **Commission**) pursuant to section 144 of the Act for a revocation of the Prior Order (the **Application**).

**AND WHEREAS** the Applicant having represented to the Commission as follows:

1. The granting of the Prior Order was based on certain representations made by the Applicant in the Prior Order.
2. As at March 1, 2006, the representation in the Prior Order that the Applicant will not be a reporting issuer or the equivalent in any jurisdiction in Canada immediately following the Director granting the relief requested was not correct because the Applicant was, and continues to be, a reporting issuer in the jurisdiction of Alberta.
3. Other than Ontario and Alberta, the Applicant is not a reporting issuer in any jurisdiction in Canada.
4. With this Application, the Applicant has also applied to be deemed to have ceased to be a reporting issuer in Ontario and Alberta (the **MRRS Application**).



5. The MRRS Application has been submitted in the format set out in CSA Staff Notice 12-307 *Ceasing to be a Reporting Issuer under the Mutual Reliance Review System for Exemptive Relief Applications*.
6. The Applicant expects relief to be granted under the MRRS Application immediately after the relief requested under this Application is granted.

**AND WHEREAS** considering the Application and the recommendation of staff to the Director.

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

**IT IS ORDERED**, pursuant to section 144 of the Act, that the Prior Order be revoked.

**DATED** at Toronto this 23rd day of March, 2006.

"Erez Blumberger"  
Assistant Manager, Corporate Finance  
Ontario Securities Commission

## 2.2.2 Anitech Enterprises Inc. - s. 144

### Headnote

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

### Statutes Cited

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

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

**AND**

**IN THE MATTER OF  
ANITECH ENTERPRISES INC.**

**ORDER  
(Section 144)**

**WHEREAS** the securities of Anitech Enterprises Inc. (the **Applicant**) are subject to a cease trade order made by the Director dated June 7, 2004 pursuant to subsection 127(1) of the *Securities Act* (Ontario) (the **Act**), which order was made in connection with a temporary cease trade order made by the Director dated May 26, 2004 pursuant to subsections 127(1) and 127(5) of the Act (collectively, the **Cease Trade Order**) directing that trading in the securities of the Applicant cease unless revoked by a further order of revocation;

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

**AND WHEREAS** on February 13, 2006, the Commission varied the Cease Trade Order to permit the amalgamation (the **Amalgamation**) of Anitech and AMtag ID Inc. (**AMtag**) and related transactions;

**AND WHEREAS** the Applicant has represented to the Commission that:

1. The Applicant was incorporated on April 4, 1986 under the laws of Alberta, was subsequently continued under the laws of British Columbia, and finally continued under the *Business Corporations Act* (Ontario) on July 6, 1993. The Applicant does not maintain a head office since it has no active operations. The Applicant's mailing address is currently Suite 6, PO Box 105, 14845 Yonge Street, Aurora, Ontario, L4G 6P6. The Applicant's records are currently located at the offices of

- Fasken Martineau DuMoulin LLP, at 66 Wellington Street West, Suite 4200, Toronto Dominion Bank Tower, Toronto-Dominion Centre, Toronto, Ontario, M5K 1N6. Upon the completion of the Amalgamation the Applicant will have its registered and principal business office at 4480 Harvester Road, Burlington, Ontario, L7L 4X2.
2. The authorized share capital of the Applicant consists of an unlimited number of common shares, of which 19,160,496 common shares are issued and outstanding as of January 25, 2006. Other than its common shares, the Applicant has no securities, including debt securities, outstanding.
  3. The Applicant is a reporting issuer under the securities legislation of the provinces of Ontario, British Columbia and Alberta. The Applicant is not a reporting issuer in any other jurisdiction in Canada.
  4. The common shares of the Applicant are listed on the NEX board of the TSX Venture Exchange but have been suspended from trading, and are not listed or quoted on any other exchange or market in Canada or elsewhere.
  5. The Cease Trade Order was issued due to the failure by the Applicant to file with the Commission audited financial statements for the year ended December 31, 2003 and interim financial statements for the three months ended March 31, 2004 (the **Financial Statements**) as required by the Act.
  6. The Applicant is also subject to cease trade orders issued by the British Columbia Securities Commission dated June 2, 2004 and the Alberta Securities Commission dated June 30, 2004 for failure to file the Financial Statements. The Applicant has concurrently applied for a revocation of these cease trade orders.
  7. The Financial Statements were not filed with the Commission due to a lack of funds to pay for the preparation and audit of such statements.
  8. The audited financial statements for the years ended December 31, 2003 and 2004, and unaudited financial statements for the nine months ended September 30, 2005, were filed with the Commission, via SEDAR on December 21, 2005.
  9. The Applicant is up to date in its continuous disclosure obligations, has paid all outstanding filing fees associated therewith, and is no longer in default of the requirements of the Act or any of the rules or regulations made thereunder.
  10. The Applicant has agreed to amalgamate with AMtag (the **Amalgamation**), subject to shareholder approval, to form an amalgamated corporation which will be called "iPico Inc." or such other name as the board of directors of the Corporation, in its sole discretion but subject to applicable regulatory approval, deems appropriate. On the Amalgamation, each of the current shareholders of the Applicant will receive one common share of the amalgamated corporation (**Amalco**) for every 191.6049 common shares of the Applicant held on the date of the Amalgamation; provided, however, that Shareholders who hold fewer than 19,161 common shares of the Applicant, or who would otherwise be entitled to receive a fractional share of Amalco, will instead receive a cash payment equal to one dollar (\$1.00) multiplied by the number of shares (including fractional shares) of Amalco that would otherwise have been issuable to such shareholder. The shareholders of AMtag will receive one common share of Amalco for each common share of AMtag and one 5% cumulative redeemable convertible Class A Share of Amalco for each 5% cumulative redeemable convertible Class A Share of AMtag, as the case may be, held on the date of the Amalgamation. In addition, each obligation of AMtag to issue shares (whether an option, warrant, convertible debt instrument, exchangeable shares of a subsidiary or other contractual obligation) will become an obligation to issue an equal number of common shares or Class A Shares of Amalco, as the case may be. As a result of the Amalgamation, the shareholders of AMtag will own a minimum of approximately 99.73% of the issued and outstanding shares of Amalco, while the current shareholders of the Applicant will hold a maximum of approximately 0.27% of the issued and outstanding shares of Amalco. It is expected that immediately after the Amalgamation Amalco will have 24,650,320 common shares and 5,000,000 Class A Shares issued and outstanding, and 18,529,680 common shares issuable on the exercise or conversion of warrants, options, and convertible debt instruments of Amalco and exchangeable shares of a subsidiary of Amalco.
  11. In connection with, and as a condition of, the Amalgamation, AMtag has entered into agreements with iPico Holdings (Pty) Limited (**iPico**), its subsidiaries, and certain licencees of iPico (collectively, the **iPico Group**), to purchase certain assets of the iPico Group, principally intellectual property and material contracts (the **Asset Acquisition**), for consideration consisting of \$5,520,000, 2,873,910 shares (the **Exchangeable Shares**) of iPico South Africa (Pty) Ltd. (**iPico South Africa**), a wholly-owned subsidiary of AMtag, which will be exchangeable for 2,873,910 common shares of AMtag, and a \$4,475,770 debenture (the **Debenture**) convertible into 4,475,770 common shares of AMtag. Upon the completion of the Amalgamation, the Exchangeable Shares will be exchangeable for an equal number of common shares of Amalco, and the Debenture will be convertible into an equal number of common shares of Amalco.

12. In connection with, and as a condition of, the Asset Acquisition, AMtag must complete (i) a private placement of 5,000,000 preferred subscription receipts (each exercisable for one Class A Preferred share and Class A Preferred share purchase warrant of AMtag, each such warrant being exercisable to acquire one common share of AMtag at a price of \$1.00 per share for a period of 36 months from closing) to Brookfield Technology Fund (**Brookfield**) for gross proceeds of \$5,000,000 (the **Preferred Offering**), and (ii) a private placement of 10,000,000 common subscription receipts (each exercisable for one common share and half of a common share purchase warrant of AMtag, each such warrant being exercisable for one common share of AMtag at a price of \$1.00 per share for a period of 18 months from closing) for gross proceeds of \$10,000,000 (the **Common Offering** and together with the Preferred Offering, the **Private Placement**). The proceeds of the Private Placement will be used to finance the Asset Acquisition, to pay the costs of the Asset Acquisition, the Private Placement and the Amalgamation, and to provide working capital for Amalco.
13. On March 9, 2006, AMtag closed into escrow the Asset Acquisition. All conditions precedent to the completion of the Asset Acquisition have been satisfied except for the payment of the cash portion of the purchase price.
14. On March 10, 2006, AMtag closed into escrow the Preferred Offering. The gross proceeds of the Preferred Offering are being held in escrow by CIBC Mellon Trust Company (**CIBC Mellon**) pending the satisfaction of certain conditions as set out in the escrow agreement dated March 10, 2006 between AMtag, CIBC Mellon, and Brookfield. All of the conditions for the release of the escrowed funds have been completed except for the revocation of the Cease Trade Order, the delivery of certificates confirming the Applicant's status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario, the delivery of a legal opinion as to the Applicant's status and the resale restrictions applicable to the shares of Amalco to be issued upon the Amalgamation to the investors under the Preferred Offering, and the submission of a formal release notice.
15. On March 17 2006, AMtag closed into escrow the Common Offering. The net proceeds of the Common Offering are being held in escrow by CIBC Mellon pending the satisfaction of certain conditions as set out in the subscription receipt agreement between AMtag, CIBC Mellon and the lead agent for the Common Offering. All of the conditions for the release of the escrowed funds have been completed except for the revocation of the Cease Trade Order, the delivery of certificates confirming the Applicant's status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario, and the delivery of a legal opinion as to the Applicant's status and the resale restrictions applicable to the shares of Amalco to be issued upon the Amalgamation to the investors under the Common Offering, and the submission of a formal release notice.
16. The terms of the Amalgamation, Asset Acquisition the Common Offering and the Preferred Offering were described in the Management Information Circular of Anitech dated February 10, 2006 (the **Circular**), for the annual and special meeting of Anitech's shareholders which was duly held on March 9, 2006 (the **Meeting**). The Circular, together with the audited financial statements of the Applicant for the years ended December 31, 2003 and 2004, and unaudited financial statements for the nine months ended September 30, 2005, was duly mailed to Anitech's shareholders of record as of the record date of January 25, 2006 in accordance with National Instrument 54-101 Proxy Solicitation.
17. At the Meeting, the shareholders approved all matters proposed to be placed before them pursuant to the Circular. In particular, the Amalgamation was approved by (i) two-thirds of the votes cast by shareholders present at the Meeting in person or by proxy, and (ii) a majority of the votes cast by disinterested shareholders present at the Meeting in person or by proxy.
18. The Circular contained: (i) a description of the Cease Trade Order, (ii) a description of the Variance Orders, and (iii) a notice that while the Variance Orders allow for the completion of the Amalgamation, at the close of the Amalgamation all the shares of the company resulting from the Amalgamation (**Amalco**) will remain cease traded, and there is no guarantee a full revocation will be granted. In addition, prior to the Meeting all shareholders of record of Anitech as of the record date for the meeting received (i) a copy of each Cease Trade Order, (ii) a copy of each Variance Order, and (iii) written notice from Anitech and AMtag that all securities of Amalco, including all securities issued pursuant to the Amalgamation, will remain subject to the Cease Trade Order following the completion of the Amalgamation. Recipients of this notice were required to acknowledge in writing receipt of the notice and accompanying documents. The Corporation has received such acknowledgements from 25 shareholders, but does not expect to receive such acknowledgements from all recipients of the notice as the Corporation has been inactive for some time, some shareholders may have moved without notifying the transfer agent, or may simply fail to send back a written acknowledgement.
19. Prior to the completion of the Asset Acquisition, each of the vendors under the Asset Acquisition received (i) a copy of each Cease Trade Order, (ii) a copy of each Variance Order, and (iii) written notice from Anitech and AMtag that all securities of

Amalco, including all securities issued pursuant to the Asset Acquisition, will remain subject to the Cease Trade Orders following the completion of the Amalgamation. The vendors provided written acknowledgement that they received such notice and accompanying documents.

20. Prior to the completion of the Common Offering and the Preferred Offering, each subscriber under the Private Placement received, as part of the subscription agreement delivered to such subscriber for the Private Placement, (i) a copy of each Cease Trade Order, (ii) a copy of each Variance Order, and (iii) written notice from Anitech and AMtag that all securities of Amalco, including all securities issued pursuant to the Private Placement, will remain subject to the Cease Trade Orders following the completion of the Amalgamation. By executing their respective subscription agreements, each of the subscribers under the Private Placement acknowledged receipt of the foregoing notice and accompanying documents.
21. On February 8, 2006, the TSX Venture Exchange (the **Exchange**) granted conditional approval for the Amalgamation and the listing of the common shares of Amalco, subject to certain conditions.
22. All conditions precedent to the Amalgamation, except the filing of Articles of Amalgamation and the completion of the Asset Acquisition, have been satisfied. All conditions precedent to the Asset Acquisition, except the release of the proceeds of the Common Offering and the Preferred Offering from escrow, have been satisfied. All conditions precedent to the release of the proceeds of the Common Offering and the Preferred Offering from escrow, except the final and full revocation of the Cease Trade Orders, have been satisfied.
23. After the completion of the Private Placement, the Asset Acquisition and the Amalgamation, Amalco will have sufficient funds to cover its operating costs for twelve months.

**AND WHEREAS** considering the Application and the recommendation of staff to the Director;

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

**IT IS ORDERED**, pursuant section 144 of the Act, that the Cease Trade Order is hereby revoked.

**DATED** March 29<sup>th</sup>, 2006.

“Kelly Gorman”  
Assistant Manager  
Corporate Finance

## 2.2.3 Integra Capital Limited et al. - s. 80

### Headnote

Section 80 of the Commodity Futures Act (Ontario) -- relief from the adviser registration requirements of subsection 22(1)(b) of the CFA granted to sub-adviser's not ordinarily resident in Ontario in respect of advising certain funds, subject to certain terms and conditions. Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 -- Non-Resident Advisers made under the Securities Act (Ontario).

### Statutes Cited

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

**IN THE MATTER OF  
COMMODITY FUTURES ACT,  
R.S.O. 1990 C. 20 (THE CFA)**

**AND**

**IN THE MATTER OF  
INTEGRA CAPITAL LIMITED**

**AND**

**NEWTON CAPITAL MANAGEMENT LIMITED**

**AND**

**ANALYTIC INVESTORS INC.**

**ORDER  
(Section 80)**

**UPON** the application of Integra Capital Limited (the **Principal Adviser**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that neither Newton Capital Management Limited (**Newton**) or Analytic Investors Inc. (**Analytic**) (collectively the **Sub-Adviser's**) nor any of their directors, officers or employees (the **Sub-Adviser's Representatives**) acting on their behalf as an adviser, shall be subject to the adviser registration requirement in section 22(1)(b) of the CFA in respect of advice provided to the Principal Adviser for the benefit of the Integra Newton Global Bond Fund and Integra Analytic Canadian Market Neutral Fund (each a **Fund**, and collectively the **Funds**);

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

**AND UPON** the Principal Adviser having represented to the Commission that:

1. The Principal Adviser is a corporation formed under the laws of Ontario and is currently registered with the Commission as a dealer in the

category of limited market dealer, as an adviser in the categories of investment counsel and portfolio manager and as a commodity trading manager. The Principal Advisers business office is located in Oakville, Ontario.

2. Newton is a corporation formed under the laws of England. Newton is registered as an investor adviser with the U.S. Securities & Exchange Commission and uses the resources of Newton Investment Management Limited. Newton Investment Management Limited is regulated by the UK Financial Services Authority and is currently authorized to perform asset management services in the United Kingdom and in the other member states of the European Union (EU) through EU directives. Newton's principal business office is located in London, England.
3. Newton was appointed sub-adviser of the Integra Newton Global Bond Fund pursuant to a written agreement with the Principal Adviser which sets out the duties and obligations of Newton.
4. Analytic is a corporation formed under the laws of California. Analytic is registered as an investment adviser with the U.S. Securities & Exchange Commission and files notices as a federally covered adviser with the State of California. Analytic is also registered as a Commodity Trading Advisor under the U.S. *Commodity Exchange Act* and is a member of the U.S. National Futures Association as a Commodity Trading Advisor. Analytic's principal business office is located in Los Angeles, California.
5. Analytic was appointed sub-advisor of the Integra Analytic Canadian Market Neutral Fund pursuant to a written agreement with the Principal Adviser that sets out the duties and obligations of Newton.
6. Neither of the Sub-Adviser's are currently registered under the CFA as either an adviser or dealer.
7. The Sub-Adviser's, pursuant to their written agreement with the Principal Adviser, will provide advice to their respective Fund relating to commodity futures contracts and commodity futures options as a sub-adviser to the Principal Adviser (the **Proposed Advisory Services**).
8. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in section 22(1)(b) of the CFA, for a person or company acting as a sub-adviser to another registered adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(b) of the *Securities Act* (Ontario) available in section 7.3 of Commission Rule 35-502 - *Non-Resident Advisers*.

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

**IT IS ORDERED**, pursuant to section 80 of the CFA, that neither the Sub-Adviser, nor any of the Sub-Adviser's Representative's acting on behalf of the Sub-Adviser, is subject to section 22(1)(b) of the CFA, in respect of their acting as an adviser to the Principal Adviser, in connection with that Principal Adviser acting as an adviser to the Funds, provided that, at the relevant time and in the case of each Fund:

- (a) the Principal Adviser is registered under the CFA as an adviser in the category of commodity trading manager;
- (b) the duties and obligations of the Sub-Adviser are set out in a written agreement with the Principal Adviser;
- (c) the Principal Adviser has contractually agreed with the Fund to be responsible for any loss that arises out of any failure of the respective Sub-Adviser:
  - (i) to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund and its securityholders, or
  - (ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;
- (d) the Principal Adviser cannot be relieved by the Fund or its securityholders from its responsibility for any loss referred to in paragraph (c), above;
- (e) the securityholders of the Fund have received written disclosure, in a prospectus or other offering document to the extent applicable, disclosing:
  - (i) the responsibility of the Principal Adviser for losses arising out of any failure of the Sub-Adviser referred in paragraph (c), above, and
  - (ii) that there may be difficulty in enforcing legal rights against the Sub-Adviser because it is resident outside Canada and all or substantially all of the Sub-Adviser's assets may be situated outside of Canada; and
- (f) this Order shall terminate on the day that is three years after the date of the Order.

March 7, 2006

“Paul M. Moore”  
Commissioner

“Susan Wolburgh Jenah”  
Commissioner

2.2.4 Mega-C Power 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  
MEGA-C POWER CORPORATION, RENE PARDO,  
GARY USLING, LEWIS TAYLOR SR.,  
LEWIS TAYLOR JR.,  
JARED TAYLOR, COLIN TAYLOR AND  
1248136 ONTARIO LIMITED**

**ORDER  
(Section 127)**

**WHEREAS** on November 16, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing (the "Notice of Hearing") in relation to a Statement of Allegations issued by Staff of the Commission pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S. 5, as amended (the "Act") in respect of Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Ltd. (the "Respondents");

**AND WHEREAS** the first appearance took place on January 31, 2006, at which time initial disclosure was provided and the matter was adjourned on consent of all parties to March 30, 2006, at 10:00 am;

**AND WHEREAS** Staff has provided further disclosure on March 28, 2006;

**AND WHEREAS** the Respondents have requested and Staff consent to the adjournment of this matter to May 31, 2006 at 10:00 a.m., to allow counsel for the Respondents an opportunity to review the disclosure provided by Staff;

**IT IS HEREBY ORDERED** that:

The hearing is adjourned to commence on May 31, 2006, at 10:00 a.m., and to continue on such further dates as may be required for the completion of the hearing as may be fixed by the Secretary to the Commission and agreed to by the parties, or as scheduled by order of the Commission.

**DATED** at Toronto this 30<sup>th</sup> day of March, 2006.

“Susan Wolburgh Jenah”

**2.2.5 Morgan Stanley & Co. Incorporated - s. 7.1(1) of MI 33-109**

**Headnote**

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

**Statutes Cited**

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

**Rules Cited**

Multilateral Instrument 33-109 -- Registration Information.

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

**AND**

**IN THE MATTER OF  
MORGAN STANLEY & CO. INCORPORATED**

**ORDER  
(Section 7.1(1) of Multilateral Instrument 33-109)**

**UPON** the application (the **Application**) of Morgan Stanley & Co. Incorporated (the **Applicant**) pursuant to section 7.1 of Multilateral Instrument 33-109 *Registration Information (MI 33-109)* for an exemption from the requirement in subsection 2.1(c) and section 3.3 of MI 33-109 that the Applicant submit a completed Form 33-109F4 for all non-registered individuals (**Non-Registered Individuals**) of the Applicant in connection with the Applicant's registration as a dealer in the category of limited market dealer (**LMD**);

**AND UPON** considering the Application;

**AND UPON** the Applicant having represented to the Director that:

1. The Applicant is a corporation organized under the laws of the State of Delaware. The Applicant's principal place of business is in New York City, New York.
2. The Applicant is currently registered in Ontario as a dealer in the category of international dealer and as an advisor in the category of international adviser (investment counsel and portfolio manager). The Applicant has applied to the

Commission for registration as a non-resident LMD.

3. The Applicant is a global financial services firm and is registered in the United States with the United States Securities and Exchange Commission (the **SEC**) as a broker-dealer and as an investment adviser. The Applicant is also a member of the National Association of Securities Dealers (the **NASD**). The Applicant has approximately 10,000 employees. The Applicant has 7 directors and approximately 3,800 officers, 5 of which may be characterized as executive officers.
4. All individuals who intend to trade in securities in Ontario on behalf of the Applicant under the Applicant's non-resident LMD registration will register as registered individuals (**Registered Individuals**) in accordance with the registration requirement under section 25(1) of the Act and the requirements of MI 33-102 *National Registration Database (MI 33-102)*, by submitting a Form 33-109F4 completed with all the information required for a Registered Individual. It is currently anticipated that of the Applicant's approximately 3,800 officers, less than 1% will be involved in the Applicant's trading activity in Ontario and will therefore seek registration as Registered Individuals.
5. The Applicant's remaining directors and officers will be Non-Registered Individuals, as defined in MI 33-109. Of the Applicant's Non-Registered Individuals, many would not reasonably be considered to be directors or officers from a functional point of view. These individuals (the **Nominal Officers**) have the title of "managing director", "vice president" or a similar title, but are not in charge of a business unit, division or function of the Applicant and, in any event, will not be involved in or have oversight of the Applicant's dealer activities in Ontario. For purposes of reporting to securities regulatory authorities, the Applicant considers only the holders of its most senior executive positions to be officers (the **Executive Officers**).
6. The Applicant seeks relief from the requirement to submit a Form 33-109F4 for each of its the Nominal Officers.
7. The Applicant proposes to submit a Form 33-109F4 on behalf of each of its directors (the **Directors**) and Executive Officers, completed with all the information required for a Non-Registered Individual. The Applicant also proposes to submit a Form 33-109F4 for its designated compliance officer under the Applicant's non-resident LMD registration (the **Compliance Officer**). The Compliance Officer will monitor and supervise the Ontario trading activities of the Applicant with respect to compliance with Ontario securities laws

and any conditions of the Applicant's registration as a limited market dealer in Ontario.

8. In the absence of the requested exemption, subsection 2.1(c) and section 3.3 of MI 33-109 would require that in conjunction with its non-resident LMD registration, the Applicant submit a completed Form 33-109F4 for each of its Non-Registered Individuals which would include its Nominal Officers and any new Nominal Officers, rather than limiting this filing requirement to the much smaller number of directors and Executive Officers and the Compliance Officer. The information contained in the filed Form 33-109F4 would also need to be monitored on a constant basis to ensure that notices of change were submitted in accordance with the requirements of section 5.1 of MI 33-109.
9. Given the limited scope of the Applicant's proposed activities in Ontario and the number of its Nominal Officers, none of whom will have any involvement in the Applicant's Ontario activities, the preparation and filing of a Form 33-109F4 on behalf of each Nominal Officer would achieve no regulatory purpose, while imposing an unwarranted administrative and compliance burden on the Applicant.

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

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

March 20, 2006

"David M. Gilkes"

## 2.2.6 Stellation Asset Management LLC - s. 80

### Headnote

Section 80 of the Commodity Futures Act (Ontario) -- relief from the adviser registration requirements of subsection 22(1)(b) of the CFA granted to sub-adviser and underlying fund managers not ordinarily resident in Ontario in respect of advising certain funds, subject to certain terms and conditions. Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 - Non-Resident Advisers made under the Securities Act (Ontario).

### Statutes Cited

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

**IN THE MATTER OF  
COMMODITY FUTURES ACT,  
R.S.O. 1990 c. 20 (the CFA)**

**AND**

**IN THE MATTER OF  
STELLATION ASSET MANAGEMENT LLC**

**ORDER  
(Section 80)**

**UPON** the application of Stellation Asset Management (the **Applicant** or **Sub-Adviser**) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that neither the Sub-Adviser nor any of its directors, officers or employees, acting on its behalf as an adviser (the **Representatives**), shall be subject to the adviser registration requirement in section 22(1)(b) of the CFA in respect of advice provided to Impax Funds Management Inc. (the **Interim Principal Adviser**) for the benefit of the Stellation Capital Fund Ltd. (the **Fund**), in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges outside Canada and cleared through clearing houses outside Canada (the **Commodity Futures**);

**AND FURTHER** that neither the Underlying Managers (as defined below) nor any of their respective directors, officers or employees, acting on their behalf as an adviser (the **Underlying Managers Representatives**) shall be subject to the adviser registration requirement in section 22(1)(b) of the CFA in respect of advice provided to the Fund relating to Commodity Futures;

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

**AND UPON** the Sub-Adviser having represented to the Commission that:



1. The Sub-Adviser is a limited liability company formed under the laws of the State of Delaware in the United States. The head office of the Sub-Adviser is in New York, New York.
2. The Sub-Adviser is currently registered as an investment adviser with the U.S. Securities and Exchange Commission (under the 120 day approval rule). The Sub-Adviser has applied for registration under the *Securities Act* (Ontario) (**OSA**) as an international adviser in the category of investment counsel and portfolio manager, and as a dealer in the category of non-resident limited market dealer.
3. Until the Sub-Adviser is registered under the OSA it intends to rely upon an exemption from the OSA registration requirements pursuant to section 7.3 of Ontario Securities Commission Rule 35-502 – *Non Resident Advisers (Rule 35-502)*. There is presently no rule under the CFA that provides an exemption from the adviser registration requirement in section 22(1)(b) of the CFA, for a person or company acting as a sub-adviser to another registered adviser in respect of commodity futures options and commodity futures contracts that is similar to the exemption from the adviser registration requirement in clause 25(1)(b) of the *Securities Act* (Ontario) available in section 7.3 of Rule 35-502.
4. The Interim Principal Adviser is registered under the OSA as an adviser in the categories of investment counsel and portfolio manager. The Interim Principal Adviser is not currently registered under the CFA and will rely on an exemption in section 31(d) of the CFA from the registration requirements in section 22(1)(b) of the CFA.
5. The Fund is an exempted company formed under the laws of the Cayman Islands. The Fund is a fund of funds that will allocate its assets among a select group of hedge funds (the **Underlying Funds**) managed by investment managers that are unrelated to the Applicant (the **Underlying Managers**).
6. Although the Fund will initially be offered primarily in Canada, it is expected to also be offered in the British Virgin Islands, the Channel Islands, Sweden and England. It is currently intended that, in the long term, the Fund will be offered primarily abroad.
7. The Sub-Adviser will be responsible for the day-to-day investment management services in respect of the Fund, subject to the supervision of the Interim Principal Adviser, pursuant to the terms of a portfolio advisory agreement (the **Portfolio Advisory Agreement**).
8. Under the terms of the Portfolio Advisory Agreement, the Sub-Adviser will agree to:
  - (a) exercise its powers and discharge its duties honestly, in good faith, and in the best interests of the Fund and its securityholders; and
  - (b) exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in the circumstances;(together, the **Standard of Care**).
9. The Interim Principal Adviser has agreed to be responsible for the investment advice given or the portfolio management services provided by the Sub-Adviser and will be responsible to the Fund for any loss that arises out of the failure of the Sub-Adviser to discharge its obligations under the Portfolio Advisory Agreement in accordance with the Standard of Care.
10. At the time the Sub-Adviser becomes registered under the OSA as an advisor, the appointment of the Interim Principal Adviser will be terminated and the Applicant will contract directly with the Fund to act as its investment manager. At that time, the Applicant will rely on the exemption in section 31(d) of the CFA from the registration requirements in section 22(1)(b) of the CFA.
11. The offering documents of the Fund will disclose that:
  - (a) the Interim Principal Adviser has responsibility for the investment advice and portfolio management services provided by the Sub-Adviser; and
  - (b) to the extent applicable, there may be difficulty in enforcing any legal rights against the Fund because it is resident outside of Canada and all or substantially all of its assets are situated outside of Canada.

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

**IT IS ORDERED**, pursuant to section 80 of the CFA that neither the Sub-Adviser or any of its Representatives are subject to the requirements of section 22(1)(b) of the CFA, in respect of their investment advice and portfolio management services for the benefit of the Fund (the **Sub-Adviser Relief**), provided that:

- (a) the duties and obligations of the Sub-Adviser are set out in a written agreement with the Interim Principal Adviser;

- (b) the Interim Principal Adviser has contractually agreed with the Fund to be responsible for any loss that arises out of the failure of the Sub-Adviser to:
  - (i) exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and its securityholders; and
  - (ii) exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in the circumstances;
- (c) the Interim Principal Adviser cannot be relieved by the Fund or its securityholders of its responsibility for loss under paragraph (b) above;
- (d) the Sub-Adviser is registered as an investment adviser with the U.S. Securities and Exchange Commission;
- (e) the Interim Principal Adviser is registered under the OSA as an adviser in the categories of investment counsel and portfolio manager;
- (f) the Interim Principal Adviser and the Sub-Adviser ensure that no more than 5% of the Fund's assets will be invested in Underlying Funds that purchase or sell Commodity Futures;
- (g) the securityholders of the Fund have received written disclosure in the offering documents of the Fund, disclosing:
  - (i) the responsibility of the Interim Principal Adviser for losses arising out of any failure of the Sub-Adviser referred in paragraph (b), above, and
  - (ii) that there may be difficulty in enforcing legal rights against the Fund because it is resident outside Canada and all or substantially all of the Fund's assets may be situated outside of Canada.

**IT IS FURTHER ORDERED** that upon the registration of the Sub-Adviser as an international adviser under the OSA and the termination of the appointment of the Interim Principal Adviser, the Sub-Adviser Relief shall expire;

**AND IT IS FURTHER ORDERED** that neither the Underlying Managers or the Underlying Managers

Representatives are subject to the requirements of section 22(1)(b) of the CFA, in respect of their advisory activities in connection with the Underlying Funds and the Fund, provided that:

- (a) the Underlying Fund Managers and the Underlying Managers Representatives are registered, or exempt from registration, with the U.S. Commodity Futures Trading Commission or a similar regulatory authority in their home jurisdiction; and
- (b) no more than 5% of the Fund's assets will be invested in Underlying Funds that purchase or sell Commodity Futures unless the Applicant obtains registration as a Commodity Trading Manager under the CFA.

**AND IT IS FURTHER ORDERED** that this Order shall terminate on the day that is three years after the date of the Order.

March 31, 2006

"Robert L. Shirriff"

"Carol S. Perry"

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

**Headnote**

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

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

**AND**

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

**AND**

**IN THE MATTER OF  
SCOTIA CAPITAL (USA) INC.**

**AND**

**SCOTIA CAPITAL INC.**

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

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

**AND UPON** considering the Application, the original Order, In the Matter of Scotia Capital (USA) Inc. and Scotia Capital Inc., dated February 24, 2006 (the Original Order), and the recommendation of staff of the Commission;

**AND UPON** the Applicant having represented to the Commission that:

1. The Applicant is a corporation incorporated under the laws of the State of New York, with its principal place of business located in New York, New York, U.S.
2. The Applicant is a wholly-owned subsidiary of Scotia Capital Inc. and is an indirect wholly-owned subsidiary of The Bank of Nova Scotia.
3. Scotia Capital Inc. is registered under the Act as a dealer in the category of investment dealer and is a member of the Investment Dealers Association of Canada.
4. The Applicant is registered under the Act as a dealer in the category of non-resident limited market dealer.
5. The Applicant is also registered as a broker-dealer with the U.S. Securities and Exchange Commission and is a member of the National Association of Securities Dealers, Inc. (**NASD**).
6. The Applicant maintains a branch office in Toronto, Ontario (the **Toronto Branch**), in which the Representatives work.
7. The Representatives are, or will be, registered with the Commission as salespersons or trading officers of Scotia Capital Inc., in order to provide trading services to institutional clients of Scotia Capital Inc. that are resident in the Province of Ontario.
8. The Representatives in the Toronto branch will also act on behalf of the Applicant in respect of providing trading services to institutional investors who are resident and/or located in the United States (**US Clients**).
9. The Representatives are, or will also be, registered with NASD as general securities representatives of the Applicant.
10. The Representatives will, on behalf of the Applicant, act in respect of US Clients only.
11. The Representatives will not, on behalf of the Applicant, solicit or contact clients that are resident or located in the Province of Ontario.
12. For the purposes of maintaining their status as representatives of the Applicant, the Representatives are under the supervision and control of the Applicant and are subject to all securities-related and conflicts of interest policies and procedures of the Applicant, in addition to being under the supervision and control of Scotia Capital Inc. and subject to Scotia Capital Inc.'s securities-related policies and procedures including conflicts of interest policies.

13. There will be no conflict of interest arising from the Representatives' duties and responsibilities at Scotia Capital Inc. and at the Applicant, as each dealer registrant carries on different lines of business activity within their affiliated corporate group controlled by The Bank of Nova Scotia.
14. The Representatives who act on behalf of the Applicant in respect of trades with or on behalf of US Clients will comply with all applicable requirements of US securities law.

**IT IS ORDERED THAT** the Original Order of the Director is hereby revoked,

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

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

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

March 8, 2006.

"David M. Gilkes"

## 2.2.8 Naftex Energy Corporation - s. 144

### Headnote

Section 144 – partial revocation of cease trade order to permit meeting of shareholders, share consolidation, and other matters related thereto.

### Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am, ss. 127, 144.

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

**AND**

**IN THE MATTER OF  
NAFTEX ENERGY CORPORATION**

**ORDER  
(Section 144)**

**WHEREAS** Naftex Energy Corporation (Naftex) has made an application (the Application) to the Ontario Securities Commission (the Commission) for an order under section 144 of the Act to vary a cease trade order dated June 10, 2002 issued by the Commission under subsections 127(1) and 127(5) of the Act (the Order) solely to permit Naftex to mail a management information circular (the Circular), to hold the meeting of the shareholders of Naftex (the Meeting) contemplated therein and to effect the transaction contemplated therein.

**AND WHEREAS** Naftex has represented to the Commission that:

1. Naftex is a public oil and gas exploration and development company incorporated under the laws of the Yukon Territory.
2. Naftex is a reporting issuer in British Columbia, Alberta, Ontario and the Yukon Territory and is also subject to cease trade orders issued by the British Columbia Securities Commission (BCSC) and the Alberta Securities Commission (ASC). Naftex has concurrently applied to the BCSC and ASC for a partial revocation of their cease trade orders.
3. Naftex is authorized to issue an unlimited number of common shares (the Shares) without par or nominal value of which there are 94,289,963 Shares issued and outstanding.
4. The Shares of Naftex are listed on the NEX Board of the TSX Venture Exchange (the Exchange). Trading in the Shares was suspended on the Exchange effective May 31, 2002 as a result of the cease trade orders.

5. The Shares were later transferred to the NEX Board of the Exchange on December 1, 2003 for failure by Naftex to maintain the requirements of the Exchange.
6. The Order was issued against Naftex for failure to file financial statements for the year ended December 31, 2001 and for the three-month period ended March 31, 2002. Naftex subsequently failed to file annual financial statements for 2002, 2003 and 2004. Naftex was originally in non-compliance with the filing of its financial statements due to a lack of financial information regarding its activities in Egypt and Naftex was unable to timely file its financial statements beginning with the financial statements for the year ended December 31, 2001.
7. Naftex has now filed its annual financial statements for the fiscal years ended December 31, 2001, 2002, 2003 and 2004, including the required annual chief executive officer and chief financial officer certifications, where applicable, and its interim financial statements for the three, six, and nine month periods ended March 31, June 30 and September 30, 2005 compared to the same periods in 2004, respectively, including the required interim chief executive officer and chief financial officer certifications, where applicable.
8. Other than as outline in paragraph 7 above, Naftex is in default for not filing March 31, June 30 and September 30 interim financial statements for fiscal years 2002, 2003 and 2004 and Naftex does not intend to file interim financial statements for any other prior periods that have occurred since the date of the Order.
9. Norse Energy Corp ASA (Norse Energy) is the controlling shareholder of Naftex, holding 96.39% of the issued Shares. Norse Energy is a Norwegian public limited company whose shares are listed on Oslo Børs (the Norwegian Stock Exchange) in Oslo, Norway.
10. Given Naftex's current financial situation and outlook, it is unlikely to pay any dividends to shareholders of Naftex (Shareholders) in the foreseeable future. Thus, Shareholders have limited liquidity for their shareholdings and are not deriving any income therefrom.
11. Management has determined to mail the Circular to request that the Shareholders vote for a special resolution (the Consolidation Resolution) to amend the Articles of Naftex to consolidate all of the Shares (the Consolidation).
12. The Consolidation Resolution will authorize management to proceed with a consolidation of the Shares on the basis of every 3,366,222 old Shares being consolidated into one new Share. Fractional Shares will not be issued under the Consolidation; however, Shareholders will be paid for their fractional Shares based on a price of \$0.60 per old Share.
13. The Circular contains prospectus level disclosure, complies with Ontario Securities Commission Rule 61-501 *Insider Bids, Issuer Bids, Business Combination and Related Party Transactions*, contains a valuation and fairness opinion and provides dissent rights to Shareholders (Dissent Rights).
14. The only Shareholder that will hold Shares other than fractional Shares upon completion of the Consolidation is Norse Energy. The Consolidation will in effect result in Naftex becoming a wholly-owned subsidiary of Norse Energy and Shareholders (other than Norse Energy) will have no continuing interest in Naftex.
15. In connection with the completion of the Consolidation, Naftex will apply to have the Shares delisted from the Exchange and to cease to be a reporting issuer.
16. Naftex will apply to the Yukon Supreme Court for an order to obtain relief for failure to timely hold its annual general meeting, pursuant to the *Business Corporation Act* (Yukon).
17. Naftex cannot effect the Consolidation without mailing the Circular and holding the Meeting and Naftex cannot mail the Circular, hold the Meeting or effect the Consolidation without a variation of the Order.
18. Naftex is seeking a variation of the Order for the purpose of effecting the mailing of the Circular, holding the Meeting and effecting the Consolidation, including any action required by exercise of Dissent Rights.

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

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

**IT IS ORDERED**, pursuant to section 144 of the Act, that the Order be and is hereby partially revoked solely to permit the mailing of the Circular, the holding of the Meeting and the effecting of the Consolidation, including any action required by exercise of Dissent Rights.

**DATED** this 29<sup>th</sup> day of March, 2006

“John Hughes”  
Manager, Corporate Finance  
Ontario Securities Commission

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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
Outlook Resources Inc.	05 Apr 06	17 Apr 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
Harte Gold Corp.	05 Apr 06	18 Apr 06			
HMZ Metals Inc.	03 Apr 06	14 Apr 06			
Royal Group Technologies Limited	03 Apr 06	18 Apr 06			
Specialty Foods Group Income Fund	04 Apr 06	17 Apr 06			
Sterlite Gold Ltd.	04 Apr 06	17 Apr 06			
WGI Heavy Minerals, Incorporated	04 Apr 06	17 Apr 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	16 Mar 06		
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Harte Gold Corp.	05 Apr 06	18 Apr 06			
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06			
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		
Nortel Networks Corporation	27 Mar 06	10 Apr 06			
Nortel Networks Limited	27 Mar 06	10 Apr 06			

**Cease Trading Orders**

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<b>Company Name</b>	<b>Date of Order or Temporary Order</b>	<b>Date of Hearing</b>	<b>Date of Extending Order</b>	<b>Date of Lapse/ Expire</b>	<b>Date of Issuer Temporary Order</b>
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
Radiant Energy Corporation	01 Mar 06	14 Mar 06	14 Mar 06		
Royal Group Technologies Limited	03 Apr 06	18 Apr 06			
Specialty Foods Group Income Fund	04 Apr 06	17 Apr 06			
Sterlite Gold Ltd.	04 Apr 06	17 Apr 06			
WGI Heavy Minerals, Incorporated	04 Apr 06	17 Apr 06			



## Chapter 7

# Insider Reporting

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This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesSource (see [www.carswell.com](http://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](http://www.sedi.ca)).

## Chapter 8

# Notice of Exempt Financings

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### REPORTS OF TRADES SUBMITTED ON FORMS 45-106F1 AND FORM 45-501F1

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price (\$)	# of Securities Distributed
02/28/2006	1	Airesurf Networks Holdings Inc. - Units	5,000.00	50,000.00
03/16/2006	4	Airesurf Networks Holdings Inc. - Units	26,500.00	265,000.00
03/22/2006	26	Amanta Resources Ltd. - Units	1,500,000.00	5,000,000.00
01/01/2005 to 12/31/2005	197	Arrow Clocktower Platinum - Common Shares	8,091,823.50	374,370.23
01/01/2005 to 12/31/2005	2	Asian Opportunities Fund - Common Shares	456,116.74	47,561.08
01/01/2005 to 12/31/2005	12	Australian Relative Value - Common Shares	4,094,449.60	471,155.34
03/27/2006	23	Bayswater Ventures Corp. - Flow-Through Units	9,937,024.50	N/A
03/24/2006	1	Belair Networks Inc. - Option	1.00	1.00
03/02/2006	1	Bon-Ton Department Stores, Inc., The - Notes	5,676,000.00	5,000.00
03/15/2006	24	BRC Diamond Corporation - Common Shares	6,650,000.00	1,900,000.00
01/01/2005 to 12/31/2005	6	Burgundy Balanced Foundation Fund - Units	40,771,927.00	3,062,557.00
01/01/2005 to 12/31/2005	19	Burgundy Balanced Pension Fund - Units	36,921,171.00	2,606,766.00
01/01/2005 to 12/31/2005	86	Burgundy Canadian Small Cap Fund - Units	25,258,087.00	270,079.00
01/01/2005 to 12/31/2005	28	Burgundy Global Focused Opportunities Fund - Units	19,752,173.00	2,005,599.00
01/01/2005 to 12/31/2005	87	Burgundy Japanese Equity Fund - Units	31,306,928.00	1,724,179.00
01/01/2005 to 12/31/2005	4	Burgundy Pension Trust Fund - Units	1,203,473.00	66,199.00
01/01/2005 to 12/31/2005	9	Burgundy RCA Fund - Units	4,992,047.00	237,243.00
01/01/2005 to 12/31/2005	1	Burgundy Special Japan Fund - Units	3,750,000.00	257,543.00
01/01/2005 to 12/31/2005	59	Burgundy U.S. Smaller Companies Fund - Units	18,738,966.00	639,685.00
01/01/2005 to 12/31/2005	31	Burgundy U.S. Small/Mid Cap Fund - Units	11,808,050.00	1,254,678.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
03/21/2006	27	Call Genie Inc. - Common Shares	10,000,000.00	10,000,000.00
03/17/2006	47	Canarc Resource Corp. - Common Shares	3,528,599.02	4,299,511.00
03/07/2006	17	Cell-Loc Location Technologies Inc. - Units	708,750.00	2,835,000.00
03/17/2006	1	Columbia Metals Corporation Limited - Units	500,000.00	625,000.00
03/28/2006	29	Commercial Solutions Inc. - Warrants	15,000,000.00	3,000,000.00
03/17/2006	25	Creststreet Windpower Development (II) LP - Units	1,545,000.00	154,500.00
02/20/2006	1	Currie Rose Resources Inc. - Units	500,000.00	2,000,000.00
03/15/2006	2	Dejour Enterprises Ltd. - Units	1,025,000.00	N/A
01/01/2005 to 12/31/2005	200	Distressed Securities - Common Shares	11,118,242.53	386,159.45
03/17/2006	6	Dumont Nickel Inc. - Units	141,750.00	945,000.00
01/01/2005 to 12/31/2005	12	Dynamic Europe Fund - Common Shares	4,094,449.60	471,155.34
01/01/2005 to 12/31/2005	51	Elkhorn U.S. Long/Short - Common Shares	4,003,598.53	366,000.80
01/01/2005 to 12/31/2005	57	Elmwood Fund - Common Shares	1,274,102.94	105,820.20
01/01/2005 to 12/31/2005	42	Enhanced Income Fund - Common Shares	3,307,121.24	285,799.92
01/01/2005 to 12/31/2005	245	Enso Global - Common Shares	19,326,154.22	1,229,200.05
01/01/2005 to 12/31/2005	30	Epic Capital Fund - Common Shares	2,255,232.32	91,671.71
01/01/2005 to 12/31/2005	119	EPIC North American Diversified - Common Shares	4,481,288.90	283,474.01
01/01/2005 to 12/31/2005	6	European Loan Fund - Common Shares	419,000.00	43,581.72
03/10/2006	108	EverNote Corporation - Preferred Shares	6,255,487.00	5,799,525.00
01/01/2005 to 12/31/2005	3	Fiera Canadian Equity Growth Pooled Fund - Units	16,359,430.00	1,396,081.10
01/01/2005 to 12/31/2005	2	Fiera Capital Canadian Bond Pooled Fund - Units	20,685,859.00	519,495.71
01/01/2005 to 12/31/2005	3	Fiera Capital Canadian Equity Dividend Value Pooled Fund - Units	26,308,602.00	2,321,729.60
01/01/2005 to 12/31/2005	2	Fiera Capital Canadian Equity Ethical Pooled Fund - Units	19,416,478.00	1,506,478.53
01/01/2005 to 12/31/2005	4	Fiera Capital International Equity Value Pooled Fund - Units	15,569,637.00	1,046,303.06
01/01/2005 to 12/31/2005	5	Fiera Capital Money Market Pooled Fund - Units	482,637,847.00	42,212,880.27

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
01/01/2005 to 12/31/2005	1	Fiera Capital North American Market Neutral Pooled Fund - Units	808,632.00	78,136.79
01/01/2005 to 12/31/2005	4	Fiera Capital U.S. Equity Pooled Fund - Units	33,630,919.00	460,076.50
01/01/2005 to 12/31/2005	168	Focus Fund - Common Shares	1,180,070.73	78,482.00
03/21/2006	6	Gen 3 Solar, Inc. - Preferred Shares	5,642,200.00	3,750,000.00
03/24/2006	4	General Motors Acceptance Corporation of Canada, Limited - Notes	582,092.75	582,092.75
03/23/2006	1	Geophysical Prospecting Inc. - Common Shares	0.00	7,000.00
03/23/2006	1	Geophysical Prospecting Inc. - Common Shares	3,000.00	100,000.00
01/01/2005 to 12/31/2005	279	Global Long/Short - Common Shares	9,877,397.60	390,414.93
01/01/2005 to 12/31/2005	16	Global RSP Long/Short - Common Shares	248,898.10	15,152.42
01/01/2005 to 12/31/2005	416	Goodwood Fund - Common Shares	14,063,075.09	489,710.93
01/01/2005 to 12/31/2005	14	Greater European - Common Shares	4,963,959.59	547,619.63
01/01/2005 to 12/31/2005	1045	High Yield - Common Shares	57,473,172.34	2,640,096.91
03/15/2006	24	HSBC Bank Canada - Debentures	199,874,000.00	200,000,000.00
03/30/2006	1	H&R Block Canada, Inc. - Notes	6,000,000.00	1.00
01/01/2005 to 12/31/2005	8	IAFM Bond Fund - Trust Units	202,500.00	18,719.00
01/01/2005 to 12/31/2005	6	IAFM Canadian Equities Fund-Defensive - Trust Units	47,000.00	2,761.00
01/01/2005 to 12/31/2005	2	IAFM Canadian Equities Fund-Quality - Trust Units	14,000.00	1,000.00
01/01/2005 to 12/31/2005	7	IAFM Money Market Fund - Trust Units	186,819.00	18,586.00
01/01/2005 to 12/31/2005	7	IAFM Preferred Shares Fund - Trust Units	66,000.00	6,403.00
03/21/2006	174	IMA Exploration Inc. - Warrants	10,027,500.00	2,865,000.00
03/03/2006	11	International Montoro Resources Inc. - Flow-Through Shares	129,250.00	861,667.00
03/03/2006	30	International Montoro Resources Inc. - Units	358,500.00	29,875,000.00
12/23/2005 to 03/08/2006	23	Ivana Ventures Inc. - Units	2,890,600.00	3,613,250.00

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
03/08/2006	30	Ivana Ventures Inc. - Units	5,418,000.00	6,772,500.00
01/01/2005 to 12/31/2005	168	Japan Long/Short Fund - Common Shares	1,248,293.69	69,155.55
01/01/2005 to 12/31/2005	20	Japan Long/Short Fund - Common Shares	10,379,543.60	1,079,270.50
03/24/2006	1	KBSH Enhanced Income Fund - Units	762,178.54	65,154.60
02/20/2006	90	Kodiak Exploration Limited - Non Flow-Through Shares	3,274,004.70	10,913,349.00
03/16/2006	1	Laramide Resources Ltd. - Common Shares	1,731,425.52	333,608.00
03/24/2006	66	Lexington Energy Services Inc. - Common Shares	978,956.57	930,930.00
03/15/2006	12	Longford Corporation - Units	1,500,200.40	3,733,334.00
03/17/2006	10	MagIndustries Corp. - Common Shares	15,312,500.00	12,500,000.00
03/21/2006 to 03/24/2006	62	Midlands Minerals Corporation - Units	2,874,500.00	11,498,000.00
01/01/2005 to 12/31/2005	21	MMCAP Risk Arbitrage - Common Shares	4,621,869.87	387,642.29
01/01/2005 to 12/31/2005	1423	Multi-Strategy - Common Shares	34,987,436.04	1,174,601.39
03/21/2006	2	New Solutions Financial (II) Corporation - Debentures	100,000.00	2.00
03/21/2006	1	Nextest Systems Corporation - Common Shares	155,437.10	9,501.04
03/27/2006	3	NGRAIN (Canada) Corporation - Common Shares	1,160,000.00	580,000.00
03/21/2006	1	NioGold Mining Corp. - Common Shares	45,000.00	200,000.00
03/16/2006	10	Ontex Resources Limited - Common Shares	811,770.00	4,509,833.00
03/23/56	50	PGM Ventures Corporation - Units	6,476,540.00	6,681,200.00
01/01/2005 to 12/31/2005	161	PMC Global Long/Short - Common Shares	1,162,314.76	165,264.15
03/20/2006	13	PMI Ventures Ltd. - Common Shares	726,250.00	2,295,000.00
03/23/2006	1	Potentia Semiconductor Corporation - Notes	95,537.40	81,943.05
03/23/2006	5	Potentia Semiconductor Inc. - Notes	254,232.59	218,056.95
03/21/2006 to 03/28/2006	10	Powertree Limited Partnership I - Limited Partnership Units	95,000.00	19.00
01/01/2005 to 12/31/2005	14	Proxima Conv Arbitrage - Common Shares	2,195,333.26	232,784.44
01/01/2005 to 12/31/2005	4	Quant Market Neutral - Common Shares	6,239,411.26	603,079.63
01/01/2005 to 12/31/2005	13	R Fixed Income - Common Shares	66,581,227.62	671,031.22

**Notice of Exempt Financings**

<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
01/01/2005 to 12/31/2005	6	RAB Emerging Europe - Common Shares	747,016.43	76,714.99
01/01/2005 to 12/31/2005	8	RAB European High Yield - Common Shares	1,253,451.49	109,918.01
01/01/2005 to 12/31/2005	14	RAB UK Long/Short - Common Shares	1,724,000.00	177,464.19
03/29/2006	20	Rampart Ventures Ltd. - Units	817,500.00	92,000,000.00
01/01/2005 to 12/31/2005	16	Risk Arbitrage - Common Shares	1,785,772.16	83,067.92
01/01/2005 to 12/31/2005	2	Rogge Enhanced Income - Common Shares	456,116.74	47,561.08
03/09/2006	38	Route1 Inc. - Units	4,999,999.92	41,666,666.00
01/01/2005 to 12/31/2005	134	RSP Multi-Strategy - Common Shares	2,166,929.50	103,758.76
01/01/2005 to 12/31/2005	14	Scivest Net Short Fund - Common Shares	10,104,017.56	1,013,948.71
03/10/2006	19	Shelton Canada Corp. - Units	2,400,000.50	7,999,998.00
03/22/2006	2	St Andrew Goldfields Ltd - Debentures	600,000.00	600,000.00
12/30/2005	31	Sutcliffe Resources Ltd. - Common Shares	977,000.00	2,444,000.00
12/30/2005	3	Sutcliffe Resources Ltd. - Units	175,000.00	437,500.00
02/22/2006	7	Team Healthcare (Cayman) Ltd. - Preferred Shares	932,912.00	462.00
04/01/2005	5	TEIG Investment Partnership - Units	475,000,000.00	N/A
03/22/2006	1	The Goldman Sachs Group Inc. - Notes	17,616,000.00	15,000,000.00
03/21/2006	1	Traxtal Technologies Inc. - Common Shares	4,658,800.00	444.00
11/15/2005	15	Trillium Beverage Inc. - Common Shares	2,072,150.00	2,003,050.00
03/21/2006	1	Triosyn Corp. - Option	1.00	1.00
01/01/2005 to 12/31/2005	5	Unity Fund - Common Shares	951,956.48	117,025.82
03/24/2006	24	Vanguard Exploration Corp. - Common Shares	3,347,000.00	N/A
03/20/2006	1	Vesey Street Portfolio III, L.P. - Limited Partnership Interest	3,488,400.00	3,000.00
01/01/2005 to 12/31/2005	13	Vicis Relative Value - Common Shares	5,377,630.38	583,224.61
03/20/2006	30	Wallbridge America Limited - Units	1,154,950.00	3,864,880.00
03/20/2006	1	Walsingham Fund LP No. 1 - Units	50,000.00	50.00
03/23/2006	1	Wells Fargo & Company - Notes	88,305,000.00	75,000,000.00
03/21/2006	38	Western Troy Capital Resources Inc. - Common Shares	1,351,199.40	750,000.00

**Notice of Exempt Financings**

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<b>Transaction Date</b>	<b># of Purchasers</b>	<b>Issuer/Security</b>	<b>Total Pur. Price (\$)</b>	<b># of Securities Distributed</b>
01/01/2005 to 12/31/2005	165	WF Asia - Common Shares	6,253,412.89	266,091.88
01/01/2005 to 12/31/2005	4	Z Convertible Arbitrage-Zephyr - Common Shares	233,500.00	31,261.15

## Chapter 11

# IPOs, New Issues and Secondary Financings

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**Issuer Name:**

Liquor Barn Income Fund  
Principal Regulator – Alberta

**Type and Date:**

Preliminary Prospectus dated April 3, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #915221**

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**Issuer Name:**

Ivanhoe Mines Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated April 4, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

Cdn.\$164,480,000.00 - 16,000,000 Common Shares Price:  
Cdn.\$10.28 per Common Share

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.

**Promoter(s):**

-

**Project #915274**

**Issuer Name:**

Brompton Top 50 Compound Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated March 29, 2006  
Mutual Reliance Review System Receipt dated March 29, 2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.

CIBC World Markets Inc.

BMO Nesbitt Burns Inc.

National Bank Financial Inc.

Scotia Capital Inc.

TD Securities Inc.

HSBC Securities (Canada) Inc.

Canaccord Capital Corporation

Desjardins Securities Inc.

Blackmont Capital Inc.

Dundee Securities Corporation

Raymond James Ltd.

Research Capital Corporation

IPC Securities Corporation

Wellington West Capital Inc.

Acadian Securities Incorporated

Newport Securities LP

**Promoter(s):**

Brompton Funds Management Limited

**Project #908736**

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**Issuer Name:**

CGF Resource 2006 Flow-Through Limited Partnership  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Prospectus dated April 3, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

\$35,000,000.00 (maximum) 1,400,000 Limited Partnership  
Units \$5,000,000.00 (minimum) 200,000 Limited  
Partnership Units Price per Unit: \$25.00 Minimum  
Subscription: \$5,000 (200 Units)

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.

**Promoter(s):**

CGF 2006 FT Management Ltd.

CGF Resources FT Funds Management Ltd.

**Project #915138**

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**Issuer Name:**

Chesswood Income Fund  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Preliminary Prospectus dated  
March 30, 2006  
Mutual Reliance Review System Receipt dated March 31,  
2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Canaccord Capital Corporation  
Blackmont Capital Inc.  
Wellington West Capital Markets Inc.  
Desjardins Securities Inc.  
Genuity Capital Markets G.P.

**Promoter(s):**

cars4U Ltd.  
**Project #907667**

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**Issuer Name:**

Commercial Solutions Inc.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 29, 2006  
Mutual Reliance Review System Receipt dated March 30,  
2006

**Offering Price and Description:**

\$15,000,000.00 - 3,000,000 Common Shares to be issued  
upon exercise of 3,000,000 previously issued Special  
Warrant Price: \$5.00 per Special Warrant

**Underwriter(s) or Distributor(s):**

Paradigm Capital Inc.  
Industrial Alliance Securities Inc.

**Promoter(s):**

-  
**Project #909574**

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**Issuer Name:**

Connor, Clark & Lunn Global Financials Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31,  
2006

**Offering Price and Description:**

\$ \* - \* Units Price: \$10.00 per Unit Minimum: 100 Units

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

Connor, Clark & Lunn Capital Markets Inc.  
**Project #911694**

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**Issuer Name:**

Constellation Software Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated April 3, 2006  
Mutual Reliance Review System Receipt dated April 4,  
2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
CIBC World Markets Inc.  
Genuity Capital Markets G.P.  
National Bank Financial Inc.  
RBC Securities Inc.  
Sprott Securities Inc.

**Promoter(s):**

-  
**Project #914466**

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**Issuer Name:**

Corel Corporation  
Principal Regulator - Ontario

**Type and Date:**

Preliminary PREP Prospectus dated April 4, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

\$ U.S - \* 8,000,000 Common Shares Price: \$US \* per Common Share

**Underwriter(s) or Distributor(s):**

Morgan Stanley Canada Limited  
J.P. Morgan Securities Canada Inc.  
Deutsche Bank Securities Limited  
CIBC World Markets Inc.

**Promoter(s):**

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**Project #914932**

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**Issuer Name:**

DHX Media Ltd.  
Principal Regulator - Nova Scotia

**Type and Date:**

Preliminary Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated April 3, 2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation  
TD Securities Inc.

**Promoter(s):**

Michael Donovan  
Charles Bishop

**Project #914084**

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**Issuer Name:**

Dragon Capital Corporation  
Principal Regulator - Ontario

**Type and Date:**

Second Amended and Restated Preliminary CPC  
Prospectus dated March 29, 2006  
Mutual Reliance Review System Receipt dated April 3, 2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

Fraser Mackenzie Limited

**Promoter(s):**

Oliver Xing  
**Project #886188**

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**Issuer Name:**

E-Claim Solution  
Principal Regulator - Quebec

**Type and Date:**

Preliminary CPC Prospectus dated April 3, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

Minimum Offering: \$900,000.00 or 6,000,000 Common Shares; Maximum Offering: \$1,670,000.00 or 11,133,333 Common Shares Price: \$0.15 per common share

**Underwriter(s) or Distributor(s):**

Versant Partners Inc.

**Promoter(s):**

Claude Roy  
**Project #914470**

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**Issuer Name:**

Firm Capital Mortgage Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 4, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

\$25,000,000.00 - 6% Convertible Unsecured Subordinated Debentures, due June 30, 2013

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
BMO Nesbitt Burns Inc.  
RBC Dominion Securities Inc.  
Desjardins Securities Inc.

**Promoter(s):**

-

**Project #914966**

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**Issuer Name:**

First Calgary Petroleum Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Preliminary Short Form Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 30, 2006

**Offering Price and Description:**

\$141,030,000.00 - 15,670,000 Common Shares Price: \$9.00 per Common Share

**Underwriter(s) or Distributor(s):**

Canaccord Capital Corporation

**Promoter(s):**

-

**Project #910529**

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**Issuer Name:**

Great-West Lifeco Inc.  
Principal Regulator - Manitoba

**Type and Date:**

Preliminary Short Form Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 30, 2006

**Offering Price and Description:**

\$300,000,000.00 (12,000,000 shares) 4.50% Non-Cumulative First Preferred Shares, Series I  
Price: \$25.00 per share to yield 4.50%

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
Scotia Capital Inc.  
CIBC World Markets Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
HSBC Securities (Canada) Inc.  
Merrill Lynch Canada Inc.  
Desjardins Securities Inc.

**Promoter(s):**

-

**Project #910754**

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**Issuer Name:**

Long Reserve Life Resource Fund  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
TD Securities Inc.  
BMO Nesbitt Burns Inc.  
National Bank Financial Inc.  
Scotia Capital Inc.  
Canaccord Capital Corporation  
HSBC Securities (Canada) Inc.  
Raymond James Ltd.  
Desjardins Securities Inc.  
Dundee Securities Corporation  
Berkshire Securities Inc.  
Blackmont Capital Inc.  
GMP Securities L.P.  
MGI Securities Inc.  
Rothenberg Capital Management Inc.  
Wellington West Capital Inc.

**Promoter(s):**

Fairway Advisors Inc.

**Project #912203**

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**Issuer Name:**

Minefinders Corporation Ltd  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
Salman Partners Inc.  
GMP Securities L.P.  
Dundee Securities Corporation  
TD Securities Inc.

**Promoter(s):**

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**Project #912834**

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**Issuer Name:**

Silver Eagle Mines Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Minimum Offering of \$\* - (\* Units); Maximum Offering of \$\* (\* Units) Price: \$\* per Unit

And 1,464,500 Common Shares and 732,250 common share purchase warrants issuable upon exercise of 1,464,500 previously issued Special Warrants Price: \$1.00 per Special Warrant and 146,450 Compensation Options issuable upon the exercise of 146,450 previously issued compensation warrants, each Compensation Option entitling the holder to purchase one Unit at \$1.00

**Underwriter(s) or Distributor(s):**

Blackmont Capital Inc.  
TD Securities Inc.

**Promoter(s):**

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**Project #911691**

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**Issuer Name:**

Silver Wheaton Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Preliminary Short Form Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Cdn\$175,200,000.00 - 14,600,000 Common Shares Price:  
\$12.00 per Common Shares

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.  
Canaccord Capital Corporation  
Scotia Capital Inc.  
BMO Nesbitt Burns Inc.  
Haywood Securities Inc.  
Salaman Partners Inc.  
Blackmont Capital Inc.  
RBC Dominion Securities Inc.  
Sprott Securities Inc.

**Promoter(s):**

-

**Project #**912109

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**Issuer Name:**

Sunrise Senior Living Real Estate Investment Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated April 4, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

\$100,000,000.00 - 8,00,000 Units Price: \$12.50 per Unit

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Scotia Capital Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
National Bank Financial Inc.  
Canaccord Capital Corporation

**Promoter(s):**

Sunrise Senior Living, Inc.

**Project #**915067

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**Issuer Name:**

Tonbridge Power Inc.  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

\$ \* - \* Units (Each Unit comprised of One Common Share  
and One-Half Share Purchase Warrant)

Price: \$ \* per Unit

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
Orion Securities Inc.

**Promoter(s):**

Tonbridge Corporation

**Project #**914090

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**Issuer Name:**

Xceed Mortgage Trust  
Principal Regulator - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

(1) \$ \* , \* % Class A-1 Senior Notes, Series 2006-T1; (2) \$ \* , \* % Class A-2 Senior Notes, Series 2006-T1; (3) \$ \* , \* % Class B Subordinated Notes, Series 2006-T1; (4) \$ \* , \* % Class C Subordinated Notes, Series 2006-T1; (5) \$ \* , \* % Class D Subordinated Notes, Series 2006-T1

**Underwriter(s) or Distributor(s):**

CIBC World Markets Inc.  
RBC Dominion Securities Inc.  
BMO Nesbitt Burns Inc.  
TD Securities Inc.  
HSBC Securities (Canada) Inc.  
National Bank Financial Inc.

**Promoter(s):**

Xceed Mortgage Corporation

**Project #**911763

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**Issuer Name:**

Alberta Focused Income & Growth Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 30, 2006

**Offering Price and Description:**

\$125,000,000.00 - 12,500,000 Units @ \$10 per Unit

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

Middlefield Group Limited  
Middlefield Focused Management Limited

**Project #894061**

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**Issuer Name:**

Columbus Gold Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Prospectus dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Maximum Public Offering: \$5,000,000.00; Minimum Public Offering: \$2,500,000.00 up to: 5,882,352 Units Price: \$0.85 per Unit Each Unit consisting of one Common Share and one Common Share Purchase Warrant

**Underwriter(s) or Distributor(s):**

Global Securities Corporation

**Promoter(s):**

-

**Project #852539**

**Issuer Name:**

Counsel Select America  
Counsel Select Canada  
Counsel Select International  
Counsel Fixed Income  
Counsel Select Small Cap  
Counsel Conservative Portfolio  
Counsel Regular Pay Portfolio  
Counsel Balanced Portfolio  
Counsel Growth Portfolio  
Counsel All Equity Portfolio  
Counsel Managed Portfolio  
Principal Regulator - Ontario

**Type and Date:**

Amendment #1 dated March 24, 2006 to the Simplified Prospectuses and Annual Information Forms dated January 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Series D and F Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Counsel Group of Funds Inc.

**Project #873640**

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**Issuer Name:**

Discovery Air Inc.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

\$2,000,000.00 (minimum) to \$3,500,000.00 (maximum) Up to 7,000,000 Class A Common Shares at a price of \$0.50 per Class A Common Share

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.

**Promoter(s):**

Pacific & Western Bank of Canada

**Project #897845**

**Issuer Name:**

frontierAlt Energy 2006 Flow-Through Limited Partnership  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Maximum Offering: \$50,000,000 (50,000,000 Units @ \$10 per Unit)

Minimum Offering: \$3,500,000 (350,000 Units @ \$10 per Unit)

**Underwriter(s) or Distributor(s):**

Blackmont Capital Inc.  
Canaccord Capital Corporation  
Dundee Securities Corporation  
HSBC Securities (Canada) Inc.  
Raymond James Ltd.  
TD Securities Inc.  
Richardson Partners Financial Limited  
Wellington West Capital Inc.  
Jennings Capital Inc.  
J.F. Mackie & Company Ltd.

**Promoter(s):**

frontierAlt Energy 2006 Inc.  
Brickburn Asset Management Inc.

**Project #890825**

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**Issuer Name:**

Glamis Resources Ltd.  
Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated March 29, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Minimum Offering: 8,000 Units (\$8,000,000.00); Maximum Offering: 10,000 Units (\$10,000,000.00) Price: \$1,000 Per Unit - Minimum Subscription: Five Units (\$5,000)

**Underwriter(s) or Distributor(s):**

GMP Securities L.P.

**Promoter(s):**

Brent McKercher  
**Project #896743**

---

**Issuer Name:**

Grande Cache Coal Corporation  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated March 29, 2006  
Mutual Reliance Review System Receipt dated March 29, 2006

**Offering Price and Description:**

\$20,250,000.00 - 7,500,000 Units (Each Unit consisting of one common share and one-half of one common share purchase warrant) Price: \$2.70 per Unit

**Underwriter(s) or Distributor(s):**

Salman Partners Inc.  
BMO Nesbitt Burns Inc.

**Promoter(s):**

-  
**Project #905032**

---

**Issuer Name:**

Mackenzie Cundill Recovery Fund  
Principal Regulator - Ontario

**Type and Date:**

Amendment #3 dated March 23, 2006 to the Simplified Prospectus and Annual Information Form dated November 30, 2005

Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Series C, F, G, I and O Units

**Underwriter(s) or Distributor(s):**

Quadrus Investment Services Ltd.

**Promoter(s):**

Mackenzie Financial Corporation  
**Project #842703**

---

**Issuer Name:**

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

**Type and Date:**

Final Prospectus dated March 29, 2006  
Mutual Reliance Review System Receipt dated March 30, 2006

**Offering Price and Description:**

\$140,000,000.00 - 14,000,000 Units Price: \$10.00 per Unit  
Minimum Purchase: 200 Units

**Underwriter(s) or Distributor(s):**

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

**Promoter(s):**

Sentry Select Capital Corp.  
**Project #893680**

---

**Issuer Name:**

Paramount Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 30, 2006

**Offering Price and Description:**

\$100,000,000.00 - 6.25% Convertible Unsecured  
Subordinated Debentures Price: \$1,000 per Debenture

**Underwriter(s) or Distributor(s):**

BMO Nesbitt Burns Inc.  
CIBC World Markets Inc.  
Scotia Capital Inc.  
TD Securities Inc.  
National Bank Financial Inc.  
Blackmont Capital Inc.  
Firstenergy Capital Corp.  
GMP Securities L.P.  
Raymond James Ltd.  
Peters & Co. Limited

**Promoter(s):**

-  
**Project #904557**

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**Issuer Name:**

Production Enhancement Group, Inc.  
Principal Regulator - Alberta

**Type and Date:**

Final Prospectus dated March 27, 2006  
Mutual Reliance Review System Receipt dated March 29, 2006

**Offering Price and Description:**

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

**Underwriter(s) or Distributor(s):**

Research Capital Corporation

**Promoter(s):**

Philip C. Crawford  
Chester J. Jachimiec  
**Project #893595**

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**Issuer Name:**

Putnam Canadian Balanced Fund  
Putnam Canadian Bond Fund  
Putnam Canadian Equity Fund  
Putnam Canadian Money Market Fund  
Putnam Canadian Equity Growth Fund  
Putnam Global Equity Fund  
Putnam International Equity Fund  
Putnam U.S. Value Fund  
Putnam U.S. Voyager Fund  
Principal Regulator - Ontario

**Type and Date:**

Final Simplified Prospectuses dated March 31, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

Class A Units and Class D Units

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

Putnam Investments Inc.  
**Project #891926**

---

**Issuer Name:**

Real Estate Asset Liquidity Trust  
Principal Regulator - Ontario

**Type and Date:**

Final Short Form Prospectus dated April 3, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

\$372,954,000.00 (Approximate) Commercial Mortgage  
Pass-Through Certificates, Series 2006-1

**Underwriter(s) or Distributor(s):**

RBC Dominion Securities Inc.

**Promoter(s):**

Royal Bank of Canada  
**Project #905513**

---

**Issuer Name:**

Saskatchewan Wheat Pool Inc.  
Principal Regulator - Saskatchewan

**Type and Date:**

Final Short Form Prospectus dated March 29, 2006  
Mutual Reliance Review System Receipt dated March 29, 2006

**Offering Price and Description:**

\$50,250,000.00 - 6,700,000 COMMON SHARES Price  
\$7.50 per Common Share

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Genuity Capital Markets  
National Bank Financial Inc.

**Promoter(s):**

-

**Project #904990**

**Issuer Name:**

Vital Resources Corp.  
Principal Regulator - British Columbia

**Type and Date:**

Final Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 31, 2006

**Offering Price and Description:**

2,250,000 COMMON SHARES PRICE: \$0.20 PER  
COMMON SHARE AND 6,670,000 COMMON SHARES  
ISSUABLE UPON THE EXERCISE OF 6,670,000  
PREVIOUSLY ISSUED SPECIAL WARRANTS

**Underwriter(s) or Distributor(s):**

-

**Promoter(s):**

-

**Project #856898**

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**Issuer Name:**

Saskatchewan Wheat Pool Inc.  
Principal Regulator - Saskatchewan

**Type and Date:**

Final Short Form Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 30, 2006

**Offering Price and Description:**

\$100,000,000.00 - 8.0% Senior Unsecured Notes, due April  
8, 2013

**Underwriter(s) or Distributor(s):**

TD Securities Inc.  
Genuity Capital Markets  
RBC Dominion Securities Inc.

**Promoter(s):**

-

**Project #902123**

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**Issuer Name:**

Yonge Street Capital Corp.  
Principal Regulator - Ontario

**Type and Date:**

Final Prospectus dated March 27, 2006  
Mutual Reliance Review System Receipt dated March 29, 2006

**Offering Price and Description:**

MINIMUM OFFERING: \$200,000.00 - 1,000,000 COMMON  
SHARES; MAXIMUM OFFERING: \$1,000,000.00 -  
5,000,000 COMMON SHARES Price: \$0.20 per Common  
Share

**Underwriter(s) or Distributor(s):**

Haywood Securities Inc.

**Promoter(s):**

Gerald B. Ruth

**Project #878783**

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**Issuer Name:**

Thunder Energy Trust  
Principal Regulator - Alberta

**Type and Date:**

Final Short Form Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated March 30, 2006

**Offering Price and Description:**

\$75,000,000.00 - 7.25% Convertible Unsecured  
Subordinated Debentures Price: \$1,000 per Debenture

**Underwriter(s) or Distributor(s):**

GMP Securities LP  
Canaccord Capital Corporation  
BMO Nesbitt Burns Inc.  
FirstEnergy Capital Corp.  
CIBC World Markets Inc.  
Scotia Capital Inc.

**Promoter(s):**

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**Project #905273**

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**Issuer Name:**

Growthgen Equity Inc.  
Principal Regulator - Ontario

**Type and Date:**

Amended and Restated Prospectus dated March 30, 2006  
Mutual Reliance Review System Receipt dated April 4, 2006

**Offering Price and Description:**

Minimum of \$1,000,000 and Maximum of \$1,900,000  
Minimum of 3,333,333 Common Shares and Maximum of  
6,333,333 Common Shares  
Price: \$0.30 per Common Share

**Underwriter(s) or Distributor(s):**

Blackmont Capital Inc.

**Promoter(s):**

Craig Leon

**Project #807217**



**Issuer Name:**

Exile Resources Inc.  
Principal Jurisdiction - Ontario

**Type and Date:**

Preliminary Short Form Prospectus dated March 10th,  
2006

Withdrawn on March 29th, 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**

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## Chapter 12

# Registrations

### 12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Suspended based on the firm's consent to suspension under Rule 33-501 – <i>Surrender of Registration</i>	Morrison Williams Investment Management Ltd.	Limited Market Dealer & (Investment Counsel & Portfolio Manager)	March 24, 2006
Suspended based on the firm's consent to suspension under Rule 33-501 – <i>Surrender of Registration</i>	Probyn & Company Inc.	Limited Market Dealer,	April 4, 2006
Change of Category	Brandes Investment Partners & Co.	From: Limited Market Dealer and (Investment Counsel & Portfolio Manager) To: Mutual Fund Dealer, Limited Market Dealer & Investment Counsel & Portfolio Manager	April 4, 2006
Registration reinstated	Norfolk Markets LLC	International Dealer	March 30, 2006
Suspended based on the firm's consent to suspension under Rule 33-501 – <i>Surrender of Registration</i>	Arden Asset Management Inc.	International Adviser and Investment Counsel and Portfolio Manager	March 29, 2006

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## Chapter 13

# SRO Notices and Disciplinary Proceedings

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### 13.1.1 Amendments to IDA By-law 2 - Eliminating the Reference to District Association Auditors and Other Housekeeping Amendments

#### INVESTMENT DEALERS ASSOCIATION OF CANADA AMENDMENTS TO BY-LAW 2 – ELIMINATING THE REFERENCE TO DISTRICT ASSOCIATION AUDITORS AND OTHER HOUSEKEEPING AMENDMENTS

#### I OVERVIEW

##### A Current Rules

Effective July 12, 2004, all references to District Association Auditors and Alternate District Association Auditors (collectively, “DAAs”) in the rules were to be eliminated, thereby removing from the DAAs those functions mandated by the rules. As such, many amendments were made to the rules to reflect this change. However, these amendments were not entirely applied to By-law 2, which sets out the membership application process. By-law 2 still contains two references to DAAs and continues to impose duties upon them. In addition, By-law 2 contains incorrect rule cross references associated with the pre-July 12, 2004 amendments, which should have also been changed but were overlooked during the amendment process.

Furthermore, effective January 1, 2005, the Bourse de Montréal Inc. (the “Bourse”) and the IDA entered into an agreement to transfer the member regulation functions of the Bourse to the IDA. As such, the Bourse no longer regulates its approved participants. However, By-law 2.13 provides that where an applicant is an approved participant of the Bourse, the applicant may, in lieu of financial statements, submit to the Association a copy of its last monthly report filed with the Bourse along with a comfort letter from the Bourse.

##### B The Issue

While the Association removed most of the references to DAAs in the rules, two references to DAAs were overlooked and were not removed during the process. By-law 2 still refers to DAAs and imposes functions upon them. As DAAs are no longer to be referenced in the rules and are no longer to have any functions mandated by the rules, the references to DAAs should be removed and any associated cross reference errors in By-law 2 should be corrected.

Moreover, since the Bourse is no longer responsible for the regulation of members, By-law 2.13, which envisages reliance on member regulation work performed by the Bourse, is obsolete and should be repealed.

##### C Objective

The objective of the proposed amendments is to ensure that all references to DAAs are eliminated from the rules and that there remains consistency throughout the rules. The proposed amendments also serve to remove the option of relying on member regulation work performed by the Bourse that is set out in current By-law 2.13.

##### D Effect of Proposed Rules

The proposed amendments will remove the remaining references to DAAs that currently exist in By-law 2 and thereby remove the functions that the By-law erroneously imposes upon DAAs. In addition, the amendments will remove the option of relying on member regulation work performed by the Bourse that is set out in current By-law 2.13.

#### II DETAILED ANALYSIS

##### A Present Rules, Relevant History and Proposed Regulation

###### Present Rules

By-law 2 sets out the process for application for membership into the Association. By-law 2.11 sets out the conditions relating to an application for membership for those applicants that qualify for an exemption from payment of the Association’s entrance fee; By-law 2.12 discusses the financial information required from an applicant that is a related company of a Member; and By-law 2.14 describes the circumstances under which the Membership approval process as set out in By-law 20 applies.

On May 10, 2004, the IDA announced that all references to DAAs were to be removed from the rules and that the amendments to the rules would become effective on July 12, 2004. DAAs were removed from the rules because while DAAs used to be mandated by the securities commissions at a time when the Association had few, if any, Financial Compliance staff, DAAs are no longer required by the Association. Rather, the Association's Financial Compliance staff now complete the DAAs' responsibilities. However, not all of the references to DAAs in By-law 2 were removed and a number of associated rule number changes were not made.

Furthermore, effective January 1, 2005, the member regulation responsibilities of the Bourse were transferred to the IDA. However, By-law 2.13 provides that, where an applicant is an approved participant of the Bourse, the applicant may, in lieu of financial statements, submit to the Association a copy of the last financial report it filed with the Bourse along with a "comfort" letter from the Bourse. Since the Bourse no longer regulates members, By-law 2.13 is redundant and should be repealed.

**Proposed Rule Amendment**

The proposed amendment will eliminate all remaining references to DAAs, correct the rule number errors in By-law 2, and eliminate the option of relying on member regulation work performed by the Bourse in By-law 2.13.

**B Issues and Alternatives Considered**

No other alternatives were considered.

**C Comparison With Similar Provisions**

No similar provisions were considered as this matter is particular to the Association.

**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**

The proposal will not impact the public.

**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**

Due to the housekeeping nature of these amendments, effectiveness is not a concern.

**C Process**

The proposed changes have been reviewed and approved by senior management.

**IV Sources**

IDA By-law Nos. 2.11, 2.12, 2.13 and 2.14.

IDA Bulletin Nos. 3282 and 3381.

**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:

Nancy N. Mehrad  
Legal and Policy Counsel, Regulatory Policy  
Investment Dealers Association of Canada  
(416) 943-4656  
nmehrad@ida.ca

**INVESTMENT DEALERS ASSOCIATION OF CANADA**

**AMENDMENTS TO BY-LAW 2 – ELIMINATING THE REFERENCE TO  
DISTRICT ASSOCIATION AUDITORS AND OTHER HOUSEKEEPING AMENDMENTS**

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

1. By-law 2.11 is amended by deleted the following:

“(a)”

2. By-law 2.12 is repealed and replaced as follows:

“Notwithstanding the provisions of By-law 2.10, if an applicant for Membership is a related company of a Member which confirms its intention to continue its Membership in the Association, the Vice-President, Financial Compliance may determine, in his or her discretion, what financial information is required.”

3. By-law 2.13 is repealed.

4. By-law 2.14 is repealed and replaced as follows:

“The Membership approval process as set out in By-law 20 shall apply once:

- (a) the Secretary has notified Members pursuant to By-law 2.9 and the fifteen day period referred to therein has expired;
- (b) the applicable District Council receives the Membership application from the Secretary; and
- (c) a period of six months or such lesser period as the District Council may in any particular case determine has expired.

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.

**APPENDIX "A" – BLACKLINED CHANGES TO BY-LAW 2**

- 2.11 Notwithstanding the provisions of By-law 2.10~~(a)~~, if an applicant qualifies for exemption from payment of the Entrance Fee pursuant to By-law 3, the applicable District Council may waive any of the conditions relating to an application for Membership that it considers appropriate in the circumstances of the particular case.
- 2.12 Notwithstanding the provisions of By-law 2.7~~10~~, if an applicant for Membership is a related company of a Member which confirms its intention to continue its Membership in the Association, the Vice-President, Financial Compliance ~~and the District Association Auditors~~ may determine, in their his or her discretion, what financial information is required.
- ~~2.13. Notwithstanding the provisions of clause (a) of By-law 2.7, if an applicant is an approved participant of the Bourse de Montréal Inc. such applicant may, in lieu of the financial statements referred to in said clause (a), submit to the Association its latest audited Form 1 together with~~
- ~~(i) A copy of the last monthly financial report filed by such applicant with the Bourse de Montréal Inc.; and~~
- ~~(ii) A "comfort" letter from the Bourse de Montréal Inc. relating to the applicant's standing with the Bourse de Montréal Inc. in compliance, disciplinary and regulatory matters and in a form which is satisfactory to the Association. If such applicant wishes to transfer to the Association's audit jurisdiction, the applicant shall submit to the Association audited financial statements as of a date not more than 90 days prior to the date of application for transfer.~~
- 2.44~~13~~. The Membership approval process as set out in By-law 20 shall apply once:
- (a) the Secretary has notified Members pursuant to By-law 2.6~~9~~ and the fifteen day period referred to therein has expired;
- (b) the applicable District Council receives the Membership application from the Secretary; and
- ~~(c) the applicable District Council receives the notification from the District Association Auditors pursuant to By-Law 2.8; and~~
- ~~(d)~~ a period of six months or such ~~letter~~ lesser period as the District Council may in any particular case determine has expired.
- 2.45~~14~~. The Secretary shall compute the Annual Fee payable by the application pursuant to By-law 3.2 and provide such computation to the Board of Directors.
- 2.46~~15~~. The applicant shall become a Member if and when:
- (a) The application has been approved by the Board of Directors;
- (b) the applicant has been duly licensed or registered to carry on business as a securities dealer under the applicable law of the province or provinces or territories in which the applicant carries on or proposes to carry on business; and
- (c) the Entrance Fee and Annual Fee have been paid in full.
- 2.47~~16~~. The Secretary shall keep a register of the names and business addresses of all Members and of their respective Annual Fees. The Annual Fees of Members shall not be made public by the Association.
- 2.48~~17~~. The Secretary shall furnish to the securities commissions of all the provinces of Canada a list of Members and from time to time as changes occur in the Membership shall communicate such changes to such commissions.



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## Chapter 25

# Other Information

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### 25.1 Exemptions

#### 25.1.1 Mavrix Explore 2006 – I FT Limited Partnership

##### Headnote

Exemption from the provisions of Item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both the preliminary and final prospectus, subject to certain conditions.

##### Rules Cited

Ontario Securities Commission Rule 41-501 - General Prospectus Requirements, s. 15.1.  
Form 41-501F1 - Information Required in a Prospectus, item 27.2.

March 17, 2006

Brans, Lehun, Baldwin LLP

##### Attention: Mati E. Pajo

Dear Sirs/Mesdames:

**Re: Mavrix Explore 2006 – I FT Limited Partnership (the “Partnership”) Exemptive Relief Application under Part 15 of OSC Rule 41-501 General Prospectus Requirements (“Rule 41-501”) Application No. 190/06, SEDAR Project No. 893967**

By letter dated March 14, 2006 (the “Application”), the Partnership applied to the Director of the Ontario Securities Commission (the “Director”) pursuant to section 15.1 of Rule 41-501 for relief from the operation of item 27.2 of Form 41-501F1 which requires that an issuer attach a copy of the limited partnership agreement to both its preliminary and final prospectus.

This letter confirms that, based on the information and representations made in the Application, and for the purposes described in the Application, the Director intends to grant the requested exemption to be evidenced by the issuance of a receipt for the Partnerships prospectus, subject to the following conditions:

1. the final prospectus will include a summary of all material provisions of the limited partnership agreement; and
2. the final prospectus will advise investors and potential investors of the various means by which they can obtain copies

of the limited partnership agreement, which will include:

- a. inspection during normal business hours at the Partnership’s principal place of business;
- b. from SEDAR;
- c. upon written request to the General Partner; and
- d. from the website of Partnership’s manager.

Yours very truly,

"Rhonda Goldberg"  
Assistant Manager, Investment Funds Branch

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