The Ontario Securities Commission

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May 12, 2006

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

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 12, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

Unless otherwise indicated in the date column, all hearings will take place at the following location:

The Harry S. Bray Hearing Room
Ontario Securities Commission
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Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

May 16, 2006	**Khaldoun Kader**
2:30 p.m.	s. 127 and 127.1
	M. MacKewn in attendance for Staff
	Panel: PMM/ST
May 23, 2006	**Momentas Corporation *et al***
10:00 a.m.	s.127 and 127.1
	P. Foy in attendance for Staff
	Panel: WSW/RWD/CSP
May 24, 2006	**Momentas Corporation *et al***
9:00 a.m.	s.127 and 127.1
	P. Foy in attendance for Staff
	Panel: WSW/RWD/CSP
May 25, 2006	**Momentas Corporation *et al***
10:00 a.m.	s.127 and 127.1
	P. Foy in attendance for Staff
	Panel: WSW/RWD/CSP
May 25, 2006	**Terrence William Marlow, Marlow Group Private Portfolio Management Inc. and Marlow Group Securities Inc.**
11:00 a.m.	s. 127 and 127.1
	G. MacKenzie in attendance for Staff
	Panel: PMM/ST
May 26, 2006	**Momentas Corporation *et al***
10:00 a.m.	s.127 and 127.1
	P. Foy in attendance for Staff
	Panel: WSW/RWD/CSP

May 29, 2006 2:00 p.m.	**Maitland Capital Ltd *et al*** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM
May 30, 2006 2:30 p.m.	**Jose Castaneda** s. 127 and 127.1 T. Hodgson in attendance for Staff Panel: WSW
May 31, 2006 10:00 a.m.	**Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited** S. 127 T. Hodgson in attendance for Staff Panel: TBA
June 9, 2006 10:00 a.m.	**Olympus United Group Inc.** s.127 M. MacKewn in attendance for Staff Panel: TBA
June 9, 2006 10:00 a.m.	**Norshield Asset Management (Canada) Ltd.** s.127 M. MacKewn in attendance for Staff Panel: TBA
June 26, 2006 10:00 a.m. June 27, 2006 2:30 p.m. June 28-30, 2006 10:00 a.m.	**Universal Settlement International Inc.** s. 127 & 127.1 Y. Chisholm in attendance for Staff Panel: TBA
July 31, 2006 10:00 a.m.	**Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton** s. 127 J. Cotte in attendance for Staff Panel: TBA
October 16, 2006 to November 10, 2006 10:00 a.m.	**James Patrick Boyle, Lawrence Melnick and John Michael Malone*** s. 127 and 127.1 Y. Chisholm in attendance for Staff Panel: TBA * Malone settled December 22, 2005
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Cornwall *et al*** s. 127 K. Manarin in attendance for Staff Panel: TBA
TBA	**Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 K. Manarin in attendance for Staff Panel: TBA

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

s.127

J. Superina in attendance for Staff

Panel: SWJ/RWD/MTM

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

s. 127

K. Manarin & J. Cotte in attendance for Staff

Panel: TBA

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

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

1.2 Notices of Hearing

1.2.1 Euston Capital Corp. and George Schwartz

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

and

**IN THE MATTER OF
EUSTON CAPITAL CORP. AND
GEORGE SCHWARTZ**

**NOTICE OF HEARING
(Section 127)**

TAKE NOTICE THAT the Ontario Securities Commission will hold a hearing pursuant to section 127 of the *Securities Act,* R.S.O. 1990, c.S.5, as amended, in the Small Hearing Room on the 17th Floor, 20 Queen Street West, Toronto, Ontario on May 11, 2006 commencing at 2:00 p.m., or as soon thereafter as the hearing can be held;

AND TAKE NOTICE that the purpose of the hearing is to consider whether it is in the public interest:

(a) pursuant to section 127(7) of the Act to extend the temporary order made May 1, 2006;

(b) at the conclusion of the hearing, to make an order pursuant to clause 2 of section 127(1) that trading in any securities by the respondents cease permanently or for such period as is specified by the Commission;

(c) at the conclusion of the hearing, to make an order pursuant to clause 3 of section 127(1) that any exemptions contained in Ontario securities law do not apply to the respondents permanently or for such period as is specified by the Commission; and

(d) to make such other order as the Commission considers appropriate.

BY REASON OF the allegations set out in the Statement of Allegations of Staff dated May 2, 2006 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 the 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 2nd day of May, 2006.

"John Stevenson"
Scretary to the Commission

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

AND

**IN THE MATTER OF
EUSTON CAPITAL CORP. AND
GEORGE SCHWARTZ**

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

Staff of the Ontario Securities Commission make the following allegations:

The Respondents

1. Euston Capital Corp. is a company which was incorporated in Ontario on August 21, 2001. Euston is a reporting issuer in Nova Scotia. Euston is neither a reporting issuer nor a registrant in Ontario. The registered office of Euston is in Toronto.

2. George Schwartz is an Ontario resident and the President, Secretary and sole director of Euston. Schwartz is not registered with the Commission.

Sales of Common Shares of Euston

3. On August 26, 2002, Euston issued a private offering memorandum for the sale to accredited investors of one million common shares from treasury at a price of $3.00 per share. The offering memorandum was delivered to the Commission in November 2002.

4. Between about January 2003 and about November 2004, the respondents engaged in a telemarketing campaign from offices in Toronto and traded Euston common shares to investors in Canada and abroad. Most of the investors solicited by the respondents are resident outside of Ontario.

5. The respondents' conduct has resulted in cease trade orders and other sanctions in Saskatchewan (appeal pending) and interim cease trade orders pending hearings on the merits in Alberta and Manitoba.

6. The respondents engaged in trading without being registered to do so and thereby breached section 25 of the Act.

7. Euston and Schwartz purported to rely upon an exemption for trading securities to accredited investors contained in the Commission's Rule 45-501 and in other Canadian jurisdictions, Multilateral Instrument 45-103.

8. The respondents traded in Euston shares to investors who were not accredited investors.

9. In any event, in trading in Euston shares, Euston and Schwartz held themselves out as engaging in Ontario in the business of trading in securities, and thus acted as market intermediaries as defined in section 204 of the Regulation to the Act, R.R.O. 1990, Regulation 1015. As such, by virtue of section 3.4 of Rule 45-501, the accredited investor exemption from the registration requirements in Ontario securities law was not available to the respondents.

10. The trades of Euston shares by the respondents constituted trades in securities of an issuer that had not been previously issued. Neither a preliminary prospectus nor a prospectus was filed. By engaging in a distribution of securities to investors who did not qualify as accredited investors and for which no other exemption was available, the respondents breached section 53 of the Act.

11. The respondents' conduct was contrary to the public interest and harmful to the integrity of the Ontario capital markets.

12. Staff reserve the right to make such further allegations as Staff may advise and the Commission permit.

DATED AT TORONTO this 2nd day of May, 2006.

1.2.2 Khaldoun Kader - 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
KHALDOUN KADER

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*, at the offices of the Commission, 20 Queen Street West, 17th Floor Hearing Room on May 16, 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 proceeding entered into between Staff of the Commission and the Respondent.

BY REASON OF the allegations set out in the Statement of Allegations dated May 9, 2006 and such additional allegations as counsel may advise and the Commission may permit;

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

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

DATED at Toronto this 9th day of May, 2006

"Christos Grivas" for

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
KHALDOUN KADER

STATEMENT OF ALLEGATIONS
OF STAFF OF
THE ONTARIO SECURITIES COMMISSION

Further to a Notice of Hearing dated May 9, 2006, Staff of the Ontario Securities Commission make the following allegations:

The Undisclosed Material Information

1. On October 28, 2004, IMAX Corporation ("IMAX") reported its third quarter 2004 financial results. IMAX reported net earnings from continued operations of USD $0.04 per diluted share. This was substantially ahead of management guidance for a breakeven quarter and analysts' expectations and the First Call mean of USD $0.01. IMAX also reported significant gains in revenue as compared with the third quarter of 2003.

2. Prior to the release of the third quarter results, shares in IMAX closed on the NASDAQ Exchange on October 27, 2004 at USD $5.52. Following the announcement on October 28, 2005, shares in IMAX opened at USD $6.01 and rose to a high of USD $6.56 before closing at USD $6.43.

The Insider Trading

3. During October and November of 2004 (the "Material Time") the Respondent, Khaldoun Kader ("Kader"), was employed at IMAX as a Director of Finance and Treasury. Accordingly, he was a "person in a special relationship" with IMAX as that term is defined in subsection 76(5) of the *Securities Act,* R.S.O. 1990, C. S.5, as amended (the "Act").

4. Prior to October 18, 2004, Kader became aware, in his capacity as Director of Finance and Treasury, that the net earnings per share for the third quarter of 2004 were going to be materially higher than management guidance and analysts' expectations (the "Material Fact").

5. Between October 18 and 27, 2004, through an on-line internet access brokerage account in his mother's name (the "Account"), Kader directed and financed the purchase of 110,000 shares of IMAX at a cost of USD $607,527.96, exclusive of commissions.

6. Between October 28 and November 1, 2004, Kader directed the sale of all of the IMAX shares for proceeds of USD $698,246.01, exclusive of commissions.

7. No other shares were traded in the Account during the Material Time.

False Statements to Staff

8. In April and May of 2005, Kader told Staff that he was unaware of the Account and the trading in it. He also told Staff that, at the time of the trading, he was not aware of any undisclosed material facts.

Conduct Contrary to Ontario Securities Law and the Public Interest

9. Staff allege that by purchasing shares in IMAX with knowledge of the undisclosed Material Fact, Kader contravened subsection 76(1) of the Act and acted contrary to the public interest.

10. Staff further allege that Kader made untrue statements to Staff contrary to subsection 122(1) of the Act and the public interest.

11. Staff reserve the right to make such further allegations as Staff may advise and the Commission may permit.

DATED AT TORONTO this 9th day of May, 2006.

1.4 Notices from the Office of the Secretary

1.4.1 Richard Ochnik and 1464210 Ontario Inc.

FOR IMMEDIATE RELEASE
May 8, 2006

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

AND

IN THE MATTER OF
RICHARD OCHNIK AND
1464210 ONTARIO INC.

TORONTO – The Commission issued reasons for its decision on the merits rendered orally on March 9, 2006, and for its order dated April 12, 2006 regarding sanctions against the respondents Richard Ochnik and 1464210 Ontario Inc.

Following a hearing held on March 1, 2, 8, 9, and April 10, 2006, the Commission, having found that the respondents have not complied with Ontario securities law and have not acted in the public interest, issued an order against each of the respondents.

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

OFFICE OF THE SECRETARY
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SECRETARY

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and Public Affairs
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416-593-8314
1-877-785-1555 (Toll Free)

1.4.2 Euston Capital Corp. and George Schwartz

FOR IMMEDIATE RELEASE
May 8, 2006

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

AND

IN THE MATTER OF
EUSTON CAPITAL CORP. AND
GEORGE SCHWARTZ

TORONTO – On May 2, 2006, the Commission issued a Notice of Hearing in the above noted matter scheduling a hearing on May 11, 2006 at 2:00 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**.

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1.4.3 Euston Capital Corp. and George Schwartz

FOR IMMEDIATE RELEASE
May 8, 2006

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

AND

IN THE MATTER OF
EUSTON CAPITAL CORP. AND
GEORGE SCHWARTZ

TORONTO – The Commission issued a Temporary Order pursuant to sections 127(1) & 127(5) of the *Securities Act*, in the above noted matter on May 1, 2006.

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

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1.4.4 Philip Services Corp. et al.

FOR IMMEDIATE RELEASE
May 10, 2006

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

AND

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

TORONTO – The Commission issued Reasons for its Order approving the Settlement Agreement reached between Staff of the Commission and Allen Fracassi, Philip Fracassi, Marvin Boughton, Graham Hoey and John Woodcroft.

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

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1.4.5 Khaldoun Kader

FOR IMMEDIATE RELEASE
May 10, 2006

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

AND

IN THE MATTER OF
KHALDOUN KADER

TORONTO – The Commission issued a Notice of Hearing scheduling a hearing on Tuesday, May 16, 2006 at 2:30 p.m. in the above noted matter to consider a Settlement Agreement entered into by Staff of the Commission and Khaldoun Kader.

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

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1.4.6 Joseph Edward Allen et al.

FOR IMMEDIATE RELEASE
May 11, 2006

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

AND

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

TORONTO – Following a hearing held on January 9, March 9 and 22, 2006, the Commission issued its decision regarding sanctions against the respondents Joseph Edward Allen, Abel da Silva, Chateram Ramdhani and Syed Kabir.

On October 12, 2005, the Commission issued a decision where it found that the respondents violated sections 25(1) and 53 and, in the case of Joseph Edward Allen, section 36 of the *Securities Act*. The Commission also found that the respondents acted contrary to the public interest.

A copy of the decision on sanctions and reasons is available at **www.osc.gov.on.ca**.

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Stratos Global Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - s. 13.1 of National Instrument 51-102 Continuous Disclosure Obligations – exemption from the requirement in s. 8.2 of NI 51-102 to file a business acquisition report within 75 days after the date of the acquisition – Issuer required to include financial statements for each of the two most recently completed financial years of the acquired business ended more than 45 days before the date of acquisition - Issuer wishes to include more recent financial disclosure which would not be available until 90 days after the date of acquisition – Issuer permitted to file a business acquisition report no later than 90 days after the date of acquisition.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure, ss. 8.2, 13.1.

May 1, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN,
MANITOBA, ONTARIO, QUÉBEC, 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
STRATOS GLOBAL CORPORATION
(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 National Instrument 51-102 (**NI 51-102** or the **Legislation**) for relief from section 8.2 of NI 51-102 which requires the Filer to file a business acquisition report within 75 days after the date of acquisition (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 have the same meaning in this decision unless otherwise defined in this decision.

Representations

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

1. The Filer's corporate head office is located at 6901 Rockledge Drive, Suite 900, Bethesda, Maryland, United States, 20817.

2. The Filer is a corporation amalgamated under the *Corporations Act* (Newfoundland) by certificate of amalgamation dated October 31, 1989 and continued under the *Canada Business Corporations Act* by certificate of continuance dated May 28, 1996.

3. The Filer is a reporting issuer or the equivalent in each of the Jurisdictions.

4. The Filer's common shares are listed and posted for trading on the Toronto Stock Exchange.

5. On February 14, 2006, the Filer acquired all of the issued and outstanding equity interests in Xantic B.V. (**Xantic**), a corporation in The Netherlands, for an aggregate purchase price of $191.3 million, subject to purchase price adjustments as defined in a share purchase agreement dated December 28, 2005 among the Filer, KPN Satcom B.V. and Telestra Corporation (the **Share Purchase Agreement**).

6. The Filer filed a press release on February 14, 2006 detailing the acquisition and also filed a material change report on February 24, 2006 with further details.

7. The acquisition of Xantic is a "significant acquisition" that meets the significance tests set out in section 8.3 of NI 51-102 of the greater than 40 per cent threshold.

8. Section 8.2 of NI 51-102 requires the Filer to file a business acquisition report within 75 days after the date of acquisition. As the acquisition occurred on February 14, 2006, the filing deadline for the Filer is April 30, 2006.

9. Section 8.5(1)(2)(A) of NI 51-102 requires that financial statements for each of the two most recently completed financial years of the business ended more than 45 days before the date of acquisition be filed as part of the Filer's business acquisition report. However, section 8.7(1)(a) of NI 51-102 allows the Filer to omit the financial statements for the oldest financial year if audited financial statements of the acquired business are included for a financial year ended 45 days or less before the date of acquisition.

10. The Filer wishes to include audited financial statements for the acquired business for a financial year ended 45 days or less before the date of the acquisition; however, due to a variety of factors outside of the Filer's control it is not reasonably possible to complete the Acquisition Financial Statements (defined below) to be included in and filed with the business acquisition report, prior to May 15, 2006.

Decision

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

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

(a) the Filer files a business acquisition report that includes

  (i) the following comparative audited annual financial statements of Xantic:

    (A) an income statement, statement of retained earnings, and cashflow statement for the years ended December 31, 2005 and 2004; and

    (B) a balance sheet as at December 31, 2005 and 2004;

  (ii) the notes to the financial statements;

  (iii) the Auditor's report on the financial statements; and

  (iv) the following *pro forma* financial statements of the Filer:

    (A) a *pro forma* balance sheet as at December 31, 2005;

    (B) a *pro forma* income statement for the year ended December 31, 2005;

  (v) *pro forma* earnings per share based on the financial statements filed in (iv); and

  (vi) a compilation report accompanying the financial statements filed in (iv); and

  (collectively, the **Acquisition Financial Statements**)

(b) the Filer files the business acquisition report, including the Acquisition Financial Statements, not later than May 15, 2006, being a date within 90 days of the date of the acquisition of Xantic.

"John Hughes"
Manager, Corporate Finance
Ontario Securities Commission

2.1.2 CI Investments Inc. and United Financial Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - section 17.1 of National Instrument 81-106 – exemption from the requirement that an investment fund may disclose its management expense ratio only if the management expense ratio is calculated for the financial year or interim period of the investment fund as set out in subsection 15.1(1) of NI 81-106 to permit funds to calculate and disclose the MER on the last business day of each month – Applicants want relief in order to be able to calculate and disclose MER monthly due to a change in the expense structure of the funds – the funds' MERs will be relatively fixed and predictable due to the new cost structure implemented whereby fixed percentage fees are incurred.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 15.1(1), 17.1.

April 24, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, SASKATCHEWAN, MANITOBA, ONTARIO,QUÉBEC, NEW BRUNSWICK, 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
CI INVESTMENTS INC.

AND

UNITED FINANCIAL CORPORATION
(the Filers)

AND

THE FUNDS LISTED IN SCHEDULE "A"

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**) granting relief under section 17.1 of National Instrument 81-106 (**NI 81-106**) from the requirement that an investment fund may disclose its management expense ratio only if the management expense ratio is calculated for the financial year or interim period of the investment fund as set out in subsection 15.1(1) of NI 81-106 in order to permit each Fund (as defined below) to calculate and disclose its management expense ratio (**MER**) as of the last business day of each month based on the cumulative period beginning on the first day of the Funds' fiscal year to the last business day of each month, as well as for its financial years and interim periods (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 Filers:

1. A Filer is the manager of each Existing Fund listed in Schedule "A" and may become the manager of other existing or future-created mutual funds (collectively, the **Future Funds** and, together with the Existing Funds, the **Funds**) that, at the time of reliance on the Requested Relief, have the attributes described in paragraphs 2 through 4 below.

2. Effective September 1, 2005 and with the approval of the securityholders of the Existing Funds where required, each Existing Fund changed its expense structure to replace the operating expenses charged to the Existing Funds with administration fees (the **Administration Fees**) that are calculated as fixed annual percentages of the net asset values of each class of securities of the Existing Funds. As a result, the Filers now bear all of the operating expenses of the Funds (other than certain taxes, borrowing costs and certain new governmental fees) (the **Variable Operating Expenses**) in return for the fixed Administration Fees.

3. Not included in the Variable Operating Expenses are (a) taxes of any kind charged directly to the Existing Funds (principally income tax and the Goods and Services Tax (**GST**) on their management fees and Administration Fees), (b) borrowing costs incurred by the Existing Funds

from time to time, and (c) any new fees that may be introduced by a securities regulator or other governmental authority in the future that is calculated based on the assets or other criteria of the Existing Funds. For greater certainty, the purchase price of securities and other property acquired on behalf of the Existing Funds (including brokerage fees, commissions and service charges paid to purchase and sell such securities and property) are considered capital costs, not operating expenses, and therefore are not included in Variable Operating Expenses nor the MERs. Likewise, fees charged directly to investors are not included in the Variable Operating Expenses nor the MERs.

4. The Filers bear all taxes (such as GST and provincial sales taxes) charged to them for providing the goods, services and facilities included in the Variable Operating Expenses.

5. The change to the expense structure of the Existing Funds described above was implemented in order to provide investors in the Existing Funds with the certainty of relatively fixed and predictable MERs for all future years.

6. The expense structures of the Funds make their MERs relatively fixed and predictable, thereby ensuring the accuracy of the MERs regardless of the time periods over which they are calculated and the Filers are capable of accurately calculating each Fund's MER on the last business day of each month, as well as for the financial year and interim period of each Fund. Given this, the Filers believe that there would be no prejudice to investors to grant the Requested Relief.

7. The Filers will continue to calculate the MERs for the Funds in accordance with section 15.1 of NI 81-106 but for the purposes of paragraphs 15.1(1)(a) and (b) and subsection 15.1(2) of NI 81-106, the Filers will use a period beginning the first day of the Funds' fiscal year to the last business day of each month as the basis for the calculation, in addition to the financial year period and interim period.

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"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

Schedule "A"

CI Canadian Bond Fund
CI Canadian Bond Corporate Class
CI Long-Term Bond Fund
CI Money Market Fund
CI Short-Term Bond Fund
CI Short-Term Corporate Class
CI Short-Term US$ Corporate Class
CI US Money Market Fund
CI Global Bond Fund
CI Global Bond Corporate Class
CI Mortgage Fund
Signature Corporate Bond Fund
Signature Corporate Bond Corporate Class
Signature High Income Fund
Signature High Income Corporate Class
CI Canadian Asset Allocation Fund
CI Global Boomernomics® Corporate Class
CI International Balanced Fund
CI International Balanced Corporate Class

Harbour Growth & Income Fund
Harbour Foreign Growth & Income Corporate Class
Signature Canadian Balanced Fund
Signature Income & Growth Fund
Signature Income & Growth Corporate Class
Synergy Tactical Asset Allocation Fund
CI Alpine Growth Equity Fund
CI Canadian Investment Fund
CI Canadian Investment Corporate Class
CI Canadian Small/Mid Cap Fund
CI Explorer Fund
CI Explorer Corporate Class
Harbour Fund
Harbour Corporate Class
Signature Canadian Resource Fund
Signature Canadian Resource Corporate Class
CI Can-Am Small Cap Corporate Class
Signature Dividend Fund
Signature Dividend Corporate Class
Signature Select Canadian Fund
Signature Select Canadian Corporate Class
Synergy Canadian Corporate Class
Synergy Canadian Style Management Corporate Class
Synergy Extreme Canadian Equity Fund
CI American Equity Fund
CI American Equity Corporate Class
CI American Managers® Corporate Class
CI American Small Companies Fund
CI American Small Companies Corporate Class
CI American Value Fund
CI American Value Corporate Class
CI Value Trust Corporate Class
Synergy American Fund
Synergy American Corporate Class
CI Emerging Markets Fund
CI Emerging Markets Corporate Class
CI European Fund
CI European Corporate Class
CI Global Biotechnology Corporate Class
CI Global Consumer Products Corporate Class
CI Global Energy Corporate Class

CI Global Financial Services Corporate Class
CI Global Fund
CI Global Corporate Class
CI Global Small Companies Fund
CI Global Small Companies Corporate Class
CI Global Health Sciences Corporate Class
CI Global Managers® Corporate Class
CI Global Science & Technology Corporate Class
CI Global Value Fund
CI Global Value Corporate Class
CI International Fund
CI International Corporate Class
CI International Value Fund
CI International Value Corporate Class
CI Japanese Corporate Class
CI Pacific Fund
CI Pacific Corporate Class
Harbour Foreign Equity Corporate Class
Synergy Extreme Global Equity Fund
Synergy Global Style Management Corporate Class
Synergy Global Corporate Class
CI Canadian Income Portfolio
CI Canadian Conservative Portfolio
CI Canadian Balanced Portfolio
CI Canadian Growth Portfolio
CI Canadian Maximum Growth Portfolio
CI Global Conservative Portfolio
CI Global Balanced Portfolio
CI Global Growth Portfolio
CI Global Maximum Growth Portfolio
CI Global High Dividend Advantage Fund

Select Income Managed Corporate Class
Select Canadian Equity Managed Corporate Class
Select U.S. Equity Managed Corporate Class
Select International Equity Managed Corporate Class
Select Staging Fund
Cash Management Pool
Short Term Income Pool
Canadian Fixed Income Pool
Global Fixed Income Pool
Canadian Equity Value Pool
Canadian Equity Diversified Pool
Canadian Equity Growth Pool
Canadian Equity Small Cap Pool
US Equity Value Pool
US Equity Diversified Pool
US Equity Growth Pool
International Equity Value Pool
International Equity Diversified Pool
International Equity Growth Pool
Real Estate Investment Pool
Emerging Markets Equity Pool
Enhanced Income Pool
US Equity Small Cap Pool
Artisan Canadian T-Bill Portfolio
Artisan Most Conservative Portfolio
Artisan Conservative Portfolio
Artisan Moderate Portfolio
Artisan Growth Portfolio
Artisan High Growth Portfolio
Artisan Maximum Growth Portfolio
Artisan New Economy Portfolio
Institutional Managed Income Pool
Institutional Managed Canadian Equity Pool
Institutional Managed US Equity Pool
Institutional Managed International Equity Pool
(the Existing Funds)

2.1.3 Highstreet Asset Management Inc. and Years U.S. Trust

Headnote

Exemptive relief granted to an inactive fund from the requirements in National Instrument 81-106 Investment Fund Continuous Disclosure ("NI 81-106") to prepare, file and deliver annual and interim financial statements to securityholders, for so long as the fund remains inactive i.e. manager as sole unitholder, holds no portfolio assets, is not a reporting issuer, and has its units delisted from the TSX. Relief granted only in Ontario as the fund was organized under Ontario law, and is a mutual fund in Ontario under NI 81-106.

Applicable Legislative Provisions

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 1.2, 2.1, 2.3, 5.1(2), 17.1.

April 21, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
HIGHSTREET ASSET MANAGEMENT INC.
AND
YEARS U.S. TRUST (the "Filer")

DECISION

Background

The securities regulatory authority or regulator (the "**Decision Maker**") in Ontario has received an application from Highstreet Asset Management Inc. ("**Highstreet**"), on behalf of the Filer, for a decision under the securities legislation of Ontario granting exemptive relief from the requirements of sections 2.1, 2.3, and 5.1(2) of National Instrument 81-106 *Investment Fund Continuous Disclosure* ("**NI 81-106**") (the "**Requested Relief**") which require the Filer to prepare, file, and deliver annual and interim financial statements to securityholders of the Filer.

Interpretation

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

Representations

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

1. The Filer is an investment trust governed by the laws of Ontario. The Filer is a mutual fund within the meaning of the Legislation.

2. Highstreet is a corporation established under the laws of Ontario. It is the manager of the Filer.

3. On December 16, 2005, the Filer merged with YEARS Financial Trust (formerly YEARS Trust) (**"YEARS Financial"**), with the result that unitholders of the Filer became unitholders of YEARS Financial, and the Filer became an inactive trust. The merger is more particularly described in a notice and joint management information circular of YEARS Trust and the Filer dated November 7, 2005, which is available on SEDAR.

4. As a result of the merger, the sole unitholder of the Filer is Highstreet.

5. The Filer was de-listed from the Toronto Stock Exchange on December 16, 2005.

6. The Filer ceased to be a reporting issuer in British Columbia as of December 29, 2005, and in the other applicable provinces of Canada as of January 19, 2006.

7. The Filer has no portfolio assets and currently holds capital and non-capital losses and a nominal dollar amount equivalent to the subscription price for the one unit held by Highstreet as sole unitholder of the Filer. Highstreet has no current plans to reactivate the Filer as an investment fund, although it may do so in the future.

8. Section 2.11 of NI 81-106 provides an exemption from the filing requirements of sections 2.1 and 2.3 of NI 81-106 for a mutual fund that is not a reporting issuer. However, in order to comply with the conditions of the exemption, Highstreet would be required to prepare and deliver interim financial statements to itself after each interim period and would be required to prepare, audit and deliver annual financial statements to itself after each financial year.

9. The cost of preparing, auditing and formally delivering financial statements to Highstreet as the sole unitholder of the Filer would be an unnecessary burden on Highstreet for as long as the Filer continues to hold no portfolio assets and therefore continues to be inactive.

Decision

The Decision Maker 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 Maker under the Legislation is that the Requested Relief is granted for so long as the Filer retains its current status, including that:

(a) Highstreet remains the sole unitholder of the Filer;

(b) the Filer remains a non-reporting issuer; and

(c) the Filer holds no portfolio of investments and therefore continues to be inactive.

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

2.1.4 State Street Global Advisors, Ltd. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from certain mutual fund conflict of interest investment restrictions to permit a mutual fund to invest in securities of a related party. – Proportion of assets to be invested in shares of the related party to be determined based on the proportion that such shares are weighted in the specified target index that the mutual fund seeks to track.

Applicable Legislative Provisions

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

March 31, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
STATE STREET GLOBAL ADVISORS, LTD.
(the Filer)

AND

IN THE MATTER OF
STATE STREET GLOBAL ADVISORS WORLD FUNDS
AND
STATE STREET GLOBAL ADVISORS
MULTI-ACCESS FUNDS
(each an Existing Fund)

MRRS DECISION DOCUMENT

Background

The securities regulatory authority or regulator (the Decision Maker) in each of the provinces of Alberta and Ontario (each a Jurisdiction) has received an application from the Filer, in respect of the Existing Funds, together with such other mutual funds that may be created by the Filer in the future, which will be managed by the Filer, (collectively, with the Existing Funds, the Funds, and individually, a Fund) under the securities legislation of the Jurisdictions (the Legislation) that the provisions prohibiting a mutual fund from knowingly making or holding an investment in any person or company which is a substantial security holder of the mutual fund, its management company or distribution company (the Investment

Restrictions) shall not apply to investments made by the Funds in shares of State Street Corporation (State Street).

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 (the Decision) 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 otherwise defined in this Decision.

Representations

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

1. The Filer is a corporation established under the laws of Canada and is registered as an adviser or in an equivalent capacity in each Jurisdiction. The Filer is or will be the manager, adviser and distribution company for each Fund.

2. Each Fund is or will be a mutual fund in Ontario.

3. No Fund is or expects to become a reporting issuer.

4. Each Fund is an index mutual fund (i.e., a fund that has adopted fundamental investment objectives that require it to hold the securities that are included in the index the fund is tracking in substantially the same proportion as those securities are reflected in that index) and is offered on an exempt basis to qualified investors in each province and territory of Canada. State Street may be one of the stocks included in an index certain Funds are trying to track.

5. The Filer is indirectly, a wholly-owned subsidiary of State Street. Accordingly, State Street is a substantial holder of the Filer.

6. The Filer is prohibited by the Investment Restrictions from causing the investment portfolios of certain Funds from investing in shares of State Street because State Street is a substantial security holder of the Filer, the manager and the distribution company of the Funds.

7. State Street is a large international corporation and the ability to invest in shares of State Street is important to certain Funds.

8. The Filer considers that it would be in the best interest of investors in the Funds if the Filer was permitted to invest the investment portfolio of a Fund(s) in shares of State Street, provided such investment is substantially in the same proportion as the shares of State Street are of the index the Fund(s) is tracking.

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 this Decision has been met.

The decision of the Decision Makers under the Legislation is that the Filer and the Funds are exempt from the Investment Restrictions so as to enable a Fund(s) to invest in, or to continue to hold an investment in, shares of State Street, provided such investment is substantially in the same proportion as the shares of State Street are of the index the Fund(s) is tracking.

"Susan Wolburgh Jenah"
Vice-Chair
Ontario Securities Commission

"Robert W. Davis"
Commissioner
Ontario Securities Commission

2.1.5 BMO Investments Inc. and BMO U.S. Dollar Bond Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – NI 81-102 Mutual Funds, s.5.7 – approval for the merger of the Terminating Fund into the Continuing Fund – Merger does not meet the criteria for pre-approval outlined in s. 5.6 of NI 81-102 – Securityholders have received timely and adequate disclosure regarding the merger and the merger is not detrimental to securityholders or the public interest.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.7.

May 4, 2006

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

AND

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

AND

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

AND

IN THE MATTER OF
BMO INVESTMENTS INC. (BMO)

AND

BMO U.S. DOLLAR BOND FUND
(the Terminating 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 BMO and the Terminating Fund (the Filers) for a decision under the securities legislation of the Jurisdictions (the Legislation) for approval of the merger of the Terminating Fund into the Continuing Fund (as defined below) as set out in paragraph 8 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. The following additional terms shall have the following meanings:

Continuing Fund means BMO U.S. Dollar Monthly Income Fund;

Fund and **Funds** means, individually or collectively, the Terminating Fund and the Continuing Fund;

Tax Act means the *Income Tax Act* (Canada).

Representations

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

1. BMO is a corporation existing under the laws of Canada and is registered as a mutual fund dealer in all of the provinces and territories of Canada.

2. BMO is the manager of each of the Funds. The registered office of BMO is located in Toronto and, accordingly, Ontario has been selected as the principal jurisdiction for the application.

3. Each of the Funds is an open end mutual fund trust established under the laws of the Province of Ontario by declaration of trust.

4. Units of the Funds are offered for sale under a simplified prospectus and annual information form dated April 21, 2005, as amended. Units of the Funds are offered in all of the provinces and territories of Canada.

5. Each of the Funds is a reporting issuer under the Legislation of each Jurisdiction and is not on the list of defaulting reporting issuers maintained under the Legislation.

6. Other than circumstances in which the securities regulatory authority of a Jurisdiction has expressly exempted a Fund therefrom, each of the Funds follows the standard investment restrictions and practices established by the Decision Makers.

7. The net asset value for each Fund is calculated on each day that the Toronto Stock Exchange is open for business.

8. BMO proposes that the Terminating Fund be merged into the Continuing Fund.

9. No sales charges will be payable in connection with the acquisition by the Continuing Fund of the investment portfolio of the Terminating Fund.

10. Unitholders of the Terminating Fund will continue to have the right to redeem securities of the Terminating Fund for cash at any time up to the close of business on the effective date of the merger.

11. A material change report, press release and amendments to the simplified prospectus and annual information form of the Terminating Fund were filed via SEDAR on March 17, 2006 with respect to the proposed merger.

12. The anticipated benefits of the merger are as follows:

    (a) unitholders of the Terminating Fund may have the potential to enjoy increased economies of scale with respect to administrative expenses, as well as profile in the marketplace as part of a larger continuing fund;

    (b) the potential for portfolio diversification is expected to improve through the management of a larger fund with broader investment objectives; and

    (c) by merging the Terminating Fund instead of terminating it, there may be a savings for the Terminating Fund in brokerage charges associated with the liquidation of the Terminating Fund's portfolio on a wind-up because, in the case of the merger these charges will be borne by BMO.

13. A notice of meeting, a management information circular and a proxy in connection with a meeting of unitholders were mailed to unitholders of the Terminating Fund and have been filed via SEDAR on March 30, 2006.

14. Unitholders of the Terminating Fund will be asked to approve the merger at a meeting to be held on or about May 3, 2006.

15. The Terminating Fund will merge into the Continuing Fund on or about the close of business on May 5, 2006 and the Continuing Fund will continue as a publicly offered open-end mutual fund.

16. The Terminating Fund will be wound up as soon as reasonably possible following the merger.

17. BMO will pay for the costs of the merger. These costs consist mainly of legal, proxy solicitation, printing, mailing, brokerage costs and regulatory fees.

18. Approval of the merger is required because the merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in the following ways:

    (a) the investment objectives and portfolio assets of the Terminating Fund are not consistent with the fundamental investment objectives of the Continuing Fund;

    (b) the fee structure of the Terminating Fund is not substantially similar to the structure of the Continuing Fund; and

    (c) the merger will not be a "qualifying exchange" within the meaning of section 132.2 of the *Income Tax Act* (Canada).

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 this decision has been met.

The decision of the Decision Makers under the Legislation is that the mergers are approved.

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

2.1.6 Independent Financial Brokers of Canada and TD Asset Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – NI 81-105 Mutual Fund Sales Practices, s.9.1 – exemption from subsection 5.4(1) of NI 81-105 to permit a member of mutual fund organization to pay a portion of the costs incurred by Independent Financial Brokers of Canada in organizing its conferences and seminars, provided conditions set out in subsection 5.4(2) of NI 81-105 are met.

Applicable Legislative Provisions

National Instrument 81-105 Mutual Funds Sales Practices, ss. 5.4, 9.1.

May 1, 2006

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

AND

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

AND

IN THE MATTER OF
INDEPENDENT FINANCIAL BROKERS OF CANADA
AND
TD ASSET MANAGEMENT INC.
(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 section 9.1 of National Instrument 81-105 *Mutual Fund Sales Practices* (NI 81-105) exempting TD Asset Management Inc. (TD Mutual Funds) from the prohibition in subsection 5.4(1) of NI 81-105 to permit TD Mutual Funds to pay a portion of the cost incurred by Independent Financial Brokers of Canada (IFB) in organizing its regional summits to be held in April, May and November of 2006, and other conferences and seminars organized and presented by IFB in the future (collectively, the Summits) (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 Filers:

1. IFB is a not-for-profit association for financial intermediaries and advisors who sell life insurance, mutual funds and other related financial products and services. The head office of the association is located in Mississauga, Ontario. IFB has approximately 4,000 members. IFB serves its members primarily by providing specialized and comprehensive programs of professional development in financial services. In addition, IFB advocates policy and legislation before government, legislators and regulators at all levels, collaborates with other trade and industry associations in Canada and abroad, and administers a code of ethics that its members agree to abide by.

2. Members of IFB are required to hold a license to sell life insurance or certain other financial products that are ordinarily provided by life insurance companies, or must be appropriately registered to sell mutual funds or other securities or provide advice with respect to mutual funds or other securities. Approximately 70% of IFB members are registered to sell mutual funds and other securities. The common activity of IFB members may be described as providing financial advice to Canadians, using life and health insurance, mutual funds and other financial products to achieve financial objectives.

3. IFB proposes to hold six regional educational Summits in April, May, and November 2006 that will be open to registered members and non-members.

4. The British Columbia Summits will be held in Vancouver on April 13, 2006 and mid-November, 2006. Approximately 150 members and non-members are expected to attend each British Columbia Summit, 90 percent of whom will be residents of British Columbia. Attendees will be able to earn 7 credit hours at each Summit toward the annual continuing education credits required for holders of certain designations administered by various provincial regulators.

5. The Alberta Summits will be held in Calgary on April 18, 2006 and November 21, 2006. Approximately 300 members and non-members are expected to attend each Alberta Summit, 80 percent of whom will be residents of Alberta. Attendees will be able to earn 7.5 continuing education credit hours at each Summit.

6. The Ontario Summits will be held in Toronto on May 30 and 31, 2006, and November 1 and 2, 2006. Approximately 1000 members and non-members are expected to attend each Ontario Summit, 90 percent of whom will be residents of Ontario. Attendees will be able to earn 15 continuing education credit hours at each Summit.

7. TD Mutual Funds is a member of the organization of a mutual fund family within the meaning of NI 81-105 and is registered in or may otherwise distribute mutual funds in each of the Jurisdictions. TD Mutual Funds has agreed to pay a portion of the costs of the afore-mentioned IFB Summits and wishes to sponsor certain future educational conferences.

8. Subsection 5.4(1) of NI 81-105 prohibits a member of the organization of a mutual fund from sponsoring the costs or expenses relating to a conference, seminar or course that is organized and presented by The Investment Funds Institute of Canada (IFIC), the Investment Dealers Association of Canada (the IDA) or another trade or industry association. Subsection 5.4(2) however provides an exemption to permit members of the organization of a mutual fund to sponsor conferences, seminars or courses organized and presented by IFIC, the IDA or their respective affiliates in accordance with the conditions set out therein.

9. TD Mutual Funds proposes to sponsor a portion of the costs of IFB Summits in accordance with the conditions set out in subsection 5.4(2) that are applicable to a conference organized and presented by IFIC or the IDA. In particular:

   (a) the primary purpose of the IFB Summits will be the provision of educational information about financial planning, investing in securities, mutual fund industry matters and matters relating to mutual funds generally;

   (b) TD Mutual Funds will not pay in the aggregate more than ten percent of the total direct costs incurred by IFB for the organization and presentation of its Summits:

   (c) the selection of a representative of a participating dealer to attend any IFB Summit will be made exclusively by the participating dealer, uninfluenced by TD Mutual Funds; and

   (d) IFB Summits will be held in Canada,

   (collectively, the Conditions).

Decision

Each of the Decision Makers is satisfied that the test contained in NI 81-105 provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under NI 81-105 is that the Requested Relief is granted provided that the Filers comply with the Conditions.

"Carol S. Perry"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.7 GSW 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.

April 28, 2006

McMillan Binch Mendelsohn LLP
BCE Place, Suite 4400
Bay Wellington Tower
181 Bay Street
Toronto, Ontario
M5J 2T3

Attention: Sean M. Farrell

Dear Mr. Farrell:

Re: GSW Inc. (the "Applicant") – Application to Cease to be a Reporting Issuer under the securities legislation of Ontario and Québec (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:

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 issue 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.

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

2.1.8 CI Master Limited Partnership - 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), 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 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. - 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, 5.1(2)(c), 5.1(2)(d), 6.2, 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, 5.1(2)(c), 5.1(2)(d), 6.2, 10.2,10.3, 10.4, 17.1.

April 28, 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
CI MASTER 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) and pursuant to section 17.1 of National Instrument 81-106 (NI 81-106):

1. exempting the Filer from the requirements contained in sections 2.1(1)(c), 2.1(1)(e), 2.3(c) and 2.3(e) of NI 81-106 to include in the annual and interim financial statements prepared for the Filer a statement of changes in its net assets and a statement of its investment portfolio (the Financial Statements Requirements);

2. exempting the Filer from the requirements contained in sections 4.2, 5.1(2)(c) and 5.1(2)(d) of NI 81-106 to file and send to the limited partners of the Filer (the Limited Partners) 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 Requirements);

3. exempting the Filer from the requirements contained in section 6.2 of NI 81-106 to prepare, post to a website (if it has one), and send to any Limited Partner that requests it, quarterly portfolio disclosure (the Quarterly Disclosure Requirements); and

4. exempting the Filer from the requirements contained in sections 10.2, 10.3 and 10.4 of NI 81-106 (the Proxy Requirements) to:

   (a) establish policies and procedures that it will follow to determine whether, and how, to vote on any matter for which the Filer receives proxy materials for a meeting of securityholders of an issuer;

   (b) maintain a proxy voting record; and

   (c) prepare, post to a website (if it has one) and send to any Limited Partner that requests it, a copy of the Filer'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 Filer:

1. The Filer was formed under the *Limited Partnerships Act* (Ontario) and is a reporting issuer in each Jurisdiction.

2. The Filer is a "non-redeemable investment fund" as that term is defined in NI 81-106.

3. The Filer is a passive, single purpose vehicle, formed for the purpose of arranging for, and paying the selling commissions related to the

distribution to investors of units or shares (collectively, Distributed Securities) of mutual funds (the Funds) managed by a manager (the Manager) which are acquired by investors on a deferred sales charge basis.

4. In return for its services, the Filer receives from the Manager a monthly distribution fee and any deferred sales charges payable by an investor on the redemption of Distributed Securities, being:

   (a) securities for which the Filer paid the selling commission,

   (b) securities issued on subsequent switches, and

   (c) deferred sales charge securities issued on the reinvestment of distributions or dividends on 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.

5. The Filer has ceased to finance additional selling commissions related to the distribution of mutual fund securities.

6. The entitlement of the Filer to distribution fees continues until the earlier of:

   (a) such time as there are no longer any Distributed Securities outstanding; and

   (b) the Filer is dissolved pursuant to the terms of its amended and restated Partnership Agreement (the "Partnership Agreement").

7. During each year, the Filer distributes to its Limited Partners an amount equal to the amount by which distribution fees, deferred sales charges and investment income earned by the Filer during the year and the amount of any reserves retained at the end of the previous year, exceeds the Filer's expenses.

8. As noted above, the Filer only receives the monthly distribution fees in respect of Distributed Securities which have not been redeemed. As a number of years have elapsed since the Filer was first created, the Distributed Securities which still remain outstanding have declined, and will continue to decline, with a corresponding reduction to the Filer's distribution fee revenue. As the income of the Filer declines, any expenses of the Filer will increase as a percentage of that income.

9. The performance of the Filer is largely beyond the control of its general partner. The performance of the Filer is determined by decisions of investors in the Funds to retain or redeem their Distributed Securities, by market conditions, and by the investment performance of the Funds. As a result, commentary on the historical performance of the Filer 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 the Filer.

10. The Limited Partners 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 Filer.

11. Units of the Filer are currently listed on the Toronto Stock Exchange (TSX). The Filer is scheduled to terminate on March 31, 2016 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 Filer from:

(i) the Financial Statements Requirements;

(ii) the MRFP Requirements, provided that the following information is either included in, or accompanies, the Filer's financial statements:

   (a) 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

   (b) 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 a per unit basis and for the Filer as a whole),

C. total assets, and

D. market value of Distributed Securities outstanding;

(iii) the Quarterly Disclosure Requirements; and

(iv) the Proxy Requirements.

This Decision terminates 30 days after the occurrence of a material change in the affairs of the Filer unless it satisfies the Decision Makers that the exemption should continue.

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

2.1.9 Bloomberg Tradebook LLC - s. 6.1 of OSC Rule 91-502

Headnote

Application to the Commission for an order, pursuant to section 6.1 of Rule 91-502, exempting the Applicant from the requirement in section 3.1 of Rule 91-502 which requires that no person shall trade in, or give advice on options unless he or she has successfully completed the Canadian Options Course, subject to the Applicant and its Representatives maintaining their registrations and proficiency which permit them to trade options in the United States.

Applicable Statutes

Ontario Securities Commission Rule 91-502 - Trades in Recognized Options.

May 5, 2006

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

AND

**IN THE MATTER OF
BLOOMBERG TRADEBOOK LLC**

**DECISION
(Section 6.1 of OSC Rule 91-502)**

UPON the application of Bloomberg Tradebook LLC (the **Applicant**) to the Ontario Securities Commission (**OSC**) for an order pursuant to section 6.1 of OSC Rule 91-502 – *Trades in Recognized Options* (**Rule 91-502**) exempting the Applicant and its directors, officers and employees that have passed the options proficiency examination administered by the U.S. National Association of Securities Dealers (**NASD**) and are involved in options trading in the United States (the **Representatives**), from the proficiency requirement in section 3.1 of Rule 91-502, in connection with the Applicant's proposed registration as a dealer in the category of limited market dealer;

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

AND UPON the Applicant having represented to the Director that:

(1) The Applicant is a limited liability company formed under the laws of the State of Delaware of the United States and is a wholly-owned subsidiary of Bloomberg L.P. The head office of the Applicant is located in New York, New York.

(2) The Applicant is registered under the Act as an international dealer and intends to maintain such registration. The Applicant will be applying to the

Commission for registration under the Act as a dealer in the category of limited market dealer. The Applicant is also registered as a broker-dealer with the U.S. Securities and Exchange Commission (**SEC**), as an introducing broker with the U.S. Commodity Futures Trading Commission (**CFTC**), and is a member of the U.S. National Association of Securities Dealers (**NASD**) and the U.S. National Futures Association.

(3) The Applicant's registrations with the SEC and NASD include authorization to trade in equity options in the United States

(4) The Applicant provides order routing and client-side trade execution services to its clients in respect of securities traded on exchanges and other marketplaces.

(5) The Applicant proposes to expand its business by providing order routing and client-side trade execution services, including routing and execution of orders for trades in equity options, to institutional investors in Ontario.

(6) The Applicant will not have custody of securities, funds, and other assets of clients resident in Ontario. The Applicant's clients will have their own clearing arrangements in place in respect of trades routed and/or executed by the Applicant.

AND UPON the Director being **s**atisfied that it would not be prejudicial to the public interest to grant the exemption requested,

IT IS ORDERED that the Applicant, and its Representatives, be exempt from the requirements in section 3.1 of Rule 91-502, provided that the Applicant and its Representatives maintain their respective registrations with the SEC and NASD which permit the Applicant and its Representatives to trade options in the United States.

"David M. Gilkes"

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

Headnote

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

Applicable Legislative Provisions

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

May 8, 2006

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

AND

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

AND
IN THE MATTER OF
GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.
(the "Applicant")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of the Jurisdictions has received an application from the Applicant (or "**Dealer Manager**") for a decision pursuant to the securities legislation of the Jurisdictions (the "**Legislation**") to vary the decision issued to the Dealer Manager on April 25, 2006 (the "**Prior Decision**"), which is attached as Schedule "A". The variation requested is for the inclusion of DMP Resource Class (the "**Additional Fund**") in Appendix "A" of the Prior Decision (the "**Requested Relief**").

Under the Mutual Reliance Review System ("**MRRS**") 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 Applicant:

1. The Dealer Manager is the manager or portfolio adviser or both of the Additional Fund and, accordingly, is a "dealer manager" as defined in section 1.1 of NI 81-102. The head office of the Dealer Manager is in Toronto, Ontario.

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

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

4. The Additional Fund was established on or prior to the date of the Prior Decision and through inadvertence, the Additional Fund was not included in the application that resulted in the issuance of the Prior Decision.

5. An investment in the Common Shares by the Additional Fund is consistent with its investment objectives and strategies.

6. The facts and representations in the Prior Decision equally apply to the Fund.

7. The Dealer Manager and the Additional Fund agree to be bound by the terms and conditions of the Prior Decision.

Decision

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

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

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

SCHEDULE A

April 25, 2006

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

AND

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

AND

IN THE MATTER OF
GOODMAN & COMPANY, INVESTMENT COUNSEL LTD.
(the "Applicant")

MRRS DECISION DOCUMENT

Background

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

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Funds to invest in common shares (the "**Common Shares**") of Hudbay Minerals Inc. (the "Issuer") during the 60-day period following the completion of the distribution (the "*Prohibition Period*") notwithstanding that the Dealer Manager or its associates or affiliates act or have acted as an underwriter in connection with the private placement (the "**Offering**") of Common Shares of the Issuer under a term sheet (the "**Term Sheet**") for the Offering pursuant to the prospectus exemptions in the provinces of British Columbia, Alberta and Ontario, excluding the remaining provinces unless necessary due to the location of purchasers of the Common Shares (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

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

Interpretation

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

Representations

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

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

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

3. The head office of the Dealer Manager is in Toronto, Ontario.

4. Based upon the information provided in the Term Sheet, the underwriting syndicate is comprised of the Dundee Securities Corporation (the "**Related Underwriter**"), Desjardins Securities Inc., TD Securities Inc., Wellington West Capital Markets Inc., Canaccord Capital Corporation, Orion Securities Inc. and Paradigm Capital Inc.

5. The Issuer is an integrated base metals mining and smelting company based in Winnipeg, Manitoba.

6. The Offering is expected to be for approximately 1,460,000 Common Shares at a price of $13.75 per Common Share with the gross proceeds of the Offering expected to be approximately $20,075,000. According to the Issuer's Press Release dated April 10, 2006, the gross proceeds of the Offering will be used for exploration and development of the Issuer's Canadian properties, including the continued expansion of the Issuer's ongoing exploration program in the Flin Flon greenstone belt, as well as its other exploration property holdings.

7. According to the Term Sheet, the gross proceeds of the Offering will also be used to incur eligible Canadian Exploration Expenses ("**CEE**") for purposes of the *Taxation Act* (Canada) which will be renounced in favour of the purchasers of the Common Shares for the 2006 taxation year. The Issuer will incur and renounce to purchasers of the Common Shares an amount of CEE equal to the issue price for each Common Share issued so that purchasers will receive a 100% deduction for their subscription amount for the purchased Common Shares in the taxation year ending December 31, 2006. In the event that the Issuer fails to renounce CEE corresponding to 100% of the gross proceeds from the Offering effective in 2006, or there is a reduction in the amount renounced, the Issuer will indemnify the purchasers of the Common Shares for all taxes payable by such subscribers as a consequence.

8. According to the Term Sheet, the Common Shares will not be subject to any hold or restricted period after four (4) months following the Closing Date.

9. According to the Term Sheet, the Issuer will take all steps required to ensure that the Common Shares are listed on the Toronto Stock Exchange ("**TSX**").

10. The Term Sheet does not provide any disclosure with respect to the "connected issuer"/ "related issuer" provisions in National Instrument 33-105 – "*Underwriting Conflicts*" ("*NI 33-105*").

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

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

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

12. The Dealer Managed Funds are not required or obligated to purchase any Common Shares during the Prohibition Period.

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

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

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

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

15. There will be an independent committee (the "**Independent Committee**") appointed in respect of the Dealer Managed Funds to review the investments in Common Shares made by the Dealer Managed Funds during the Prohibition Period.

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

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

18. The Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission in writing of the filing of the SEDAR Report (as defined below) on SEDAR, as soon as practicable after the filing of such report, and the notice shall include the SEDAR project number of the SEDAR Report and the date on which it was filed.

19. The Dealer Manager has not been involved in the work of the Related Underwriter and the Related Underwriter has not been and will not be involved in the decisions of the Dealer Manager as to whether the Dealer Managed Funds will purchase Common Shares during the Prohibition Period.

Decision

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

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

The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted, notwithstanding that the Related Underwriter acts or has acted as underwriter in the Offering provided that, in respect of the Dealer Manager and its Dealer Managed Funds, the following conditions are satisfied:

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

    (a) the Purchase

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

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

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

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

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

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

(b) in connection with any Purchase,

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

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

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

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

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

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

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

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

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

(a) the following particulars of each Purchase:

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

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

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

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

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

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

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

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

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

(c) confirmation of the existence of the Independent Committee to review the Purchase of the Common Shares by the Dealer Managed Funds, the names of the members of the Independent Committee, the fact that they meet the

independence requirements set forth in this Decision, and whether and how they were compensated for their review;

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX A

THE MUTUAL FUNDS

DYNAMIC FUNDS

Dynamic Canadian Value Class
Dynamic Value Fund of Canada

2.1.11 Nova Scotia Power Incorporated - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Relief from the prospectus and registration requirements granted for trades in negotiable promissory notes and commercial paper (short-term debt instruments). The short-term debt instruments may not meet the "approved credit rating" requirement contained in the short-term debt exemption in section 2.35 of National Instrument 45-106 Prospectus and Registration Exemptions (NI 45-106). The definition of an "approved credit rating" requires, among other things, that every rating of the short-term debt instrument be at or above a prescribed standard. The relief is granted provided the short-term debt instrument:

(i) matures not more than one year from the date of issue;

(ii) is not convertible or exchangeable into or accompanied by a right to purchase another security other than a short-term debt instrument; and

(iii) has a rating issued by one of the following rating organizations at or above one of the following rating categories: DBRS: "R-1"(low); Fitch: "F2"; Moody's: "P-2" or S&P: "A-2".

The relief will terminate on the earlier of 90 days upon an amendment to section 2.35 of NI 45-106 or three years from the date of the decision.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 53, 74.

April 27, 2006

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

AND

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

AND

IN THE MATTER OF
NOVA SCOTIA POWER INCORPORATED
(the Filer)

MRRS DECISION DOCUMENT

Background

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

1. an exemption from the dealer registration requirement in respect of a trade in a negotiable promissory note or commercial paper maturing not more than one year from the date of issue (the **Commercial Paper**); and

2. an exemption from the prospectus requirement in respect of the distribution of the Commercial Paper,

(collectively, the **Requested Relief**).

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

(a) the Nova Scotia 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 was incorporated in 1984 under the laws of Nova Scotia, and is a regulated utility with its head office in Halifax, Nova Scotia. The Filer generates, transmits and distributes electricity in Nova Scotia. The Filer is a reporting issuer or its equivalent in each of the Jurisdictions and is not on the list of defaulting reporting issuers maintained under applicable Legislation.

2. The Filer has established a Cdn.$400 million Commercial Paper program. The Commercial Paper is not qualified by a prospectus filed in any Jurisdiction and is sold exclusively on a private placement basis in accordance with available exemptions from the prospectus and registration requirements of the Legislation.

3. Subsection 2.35(1)(b) of National Instrument 45-106 *Prospectus and Registration Exemption*s (**NI 45-106**) provides that exemptions from the dealer registration and prospectus requirements of the

Legislation for short-term debt (the Commercial Paper Exemption) are available only where such short-term debt "has an approved credit rating from an approved credit rating organization" both terms as defined in National Instrument 81-102 *Mutual Funds* (**NI 81-10**2).

4. The definition of an "approved credit rating" in NI 81-102 requires, among other things, that (a) the rating assigned to such debt must be "at or above" certain prescribed short-term ratings, and (b) such debt must not have been assigned a rating by any "approved credit rating organization" that is not an "approved credit rating."

5. The rating of the Filer's Commercial Paper by Dominion Bond Rating Service Limited, "R-1(low)", meets the prescribed threshold stated in the definition of "approved credit rating" in NI 81-102.

6. The Filer's Commercial Paper does not meet the definition of "approved credit rating" in NI 81-102 because Moody's Investors Service and Standard & Poor's have attributed a rating of "Prime -2" and "A-2", respectively, to the Filer's Commercial Paper, which are ratings lower than that required by the Commercial Paper Exemption.

Decision

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

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

(a) matures not more than one year from the date of issue;

(b) is not convertible or exchangeable into or accompanied by a right to purchase another security other than Commercial Paper;

(c) has a rating issued by one of the following rating organizations, or any of their successors, at or above one of the following rating categories or a rating category that replaces a category listed below:

Rating Organization	Rating
Dominion Bond Rating Service Limited	R-1 (low)
Fitch Ratings Ltd.	F2
Moody's Investors Service	P-2
Standard & Poor's	A-2

For each Jurisdiction, this decision will terminate on the earlier of:

(a) 90 days after the coming into force of any rule, other regulation or blanket order or ruling under the Legislation of the Jurisdiction that amends section 2.35 of NI 45-106 or provides an alternate exemption; and

(b) three years from the date of this decision.

"H. Leslie O'Brien"
Chair
Nova Scotia Securities Commission

"R. Daren Baxter"
Vice-Chair

Nova Scotia Securities Commission

2.1.12 Golden Dawn Mineral 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.

May 1, 2006

Devlin Jensen
P.O. Box 12077
Suite 2550
555 West Hastings Street
Vancouver, BC V6B 4N5

Attention: Hourak Rahmani

Dear Madam:

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

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 1st day of May, 2006.

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

2.1.13 Hudson's Bay Company - 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.

May 4, 2006

Torys LLP
Suite 3000
79 Wellington Street West
Box 270, TD Centre
Toronto, Ontario
M5K 1N2

Attention: Cornell Wright

Dear Sirs/Mesdames:

Re: Hudson's Bay Company (the "Applicant") — Application to Cease to be a Reporting Issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia 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:

(i) 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;

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

(iii) 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

(iv) 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.

"John Hughes"
Manager, Corporate Finance
Ontario Securities Commission

2.1.14 Burlington Resources 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.

May 8, 2006

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

Attention: Harinder S. Basra

Re: Burlington Resources Inc. – Application to Cease to be a Reporting Issuer under the securities legislation of Ontario and Québec (collectively the "Jurisdictions")

Burlington Resources Inc. (the "Applicant"), the resulting entity from the merger of Cello Acquisition Corp. and Burlington Resources Inc., has applied to the local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions for a decision under the securities legislation (the "Legislation") of the Jurisdictions that the Applicant be deemed to have ceased to be a reporting issuer in the Jurisdictions.

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.

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

2.1.15 Clarington Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – s. 83 of Securities Act (Ontario) – Issuer has only one security holder – Issuer deemed to cease to be a reporting issuer under applicable securities laws.

Applicable Legislative Provisions

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

May 3, 2006

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

AND

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

AND

IN THE MATTER OF
CLARINGTON CORPORATION

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Provinces of Alberta, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador (collectively, the "Jurisdictions") has received an application from Clarington Corporation (the "Applicant") for a decision pursuant to the securities legislation of the Jurisdictions (the "Legislation") that the Applicant be deemed to have ceased to be a reporting issued under the Legislation.

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.

Representations

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

1. The Applicant was incorporated pursuant to the *Business Corporations Act* (Ontario) ("OBCA") on October 15, 2003.

2. The Applicant was the subject of a take-over bid offer (the "Offer") by Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance") that expired on January 10, 2006.

3. The head office of the Applicant is in Toronto, Ontario.

4. The financial year-end of the Applicant is September 30.

5. The authorized capital of the Applicant consists of an unlimited number of common shares. As at the date hereof, there are 14,795,240 Common Shares issued and outstanding (the "Common Shares").

6. In connection with the Offer, Industrial Alliance has become the beneficial holder of all of the Common Shares.

7. As of the date of this decision, all of the outstanding securities of the Applicant, including debt securities, which are beneficially owned, directly or indirectly, are held by a sole security holder, Industrial Alliance.

8. The Common Shares have been de-listed from the Toronto Stock Exchange, effective as of February 2, 2006.

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

10. The Applicant is a reporting issuer, or the equivalent, in each of the Jurisdictions, and to its knowledge is currently not in default of any applicable requirements under the legislation except:

    a. the requirement to file interim financial statements and related management discussion and analysis within 45 days of the end of the financial quarter ended December 31, 2005 (the "Interim Filings"); and

    b. the requirement that the Applicant file an interim certificate in Form 52-109F2 signed by the CFO and CEO in relation to the Interim Filings.

11. The Applicant has no current intention to seek public financing by way of an offering of securities.

12. The Applicant will not be a reporting issuer or the equivalent in any province or territory of Canada immediately following the Commission granting the relief requested.

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 Applicant be deemed to have ceased to be a reporting issuer.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

2.1.16 Franconia Minerals Corporation - MRRS Decision

Headnote

An issuer that is listed on OFEX is ordered not to be excluded from the definition of "venture issuer" under applicable securities legislation solely due to this listing.

Applicable Legislative Provisions

National Instrument 51-102 - Continuous Disclosure Obligations.
National Instrument 58-101 - Disclosure of Corporate Governance Practices.
Multilateral Instrument 52-110 - Audit Committees.

Citation: Franconia Minerals Corporation, 2006 ABASC 1297

April 28, 2006

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

AND

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

AND

IN THE MATTER OF
FRANCONIA MINERALS CORPORATION (the Filer)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the listing of the Filer on OFEX shall not cause the Filer to be excluded from the definition of "venture issuer" under applicable securities legislation (the Requested Relief);

2. Under Multilateral Instrument 11-101 *Principal Regulator System* (MI 11-101) and the Mutual Reliance Review System for Exemptive Relief Applications, a) Alberta is the principal regulator for the Filer, b) the Filer is relying on Part 3 of MI 11-101 in British Columbia and; c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

4.1 The Filer was incorporated under the provisions of the *Business Corporations Act* (Alberta), on August 7, 1998. The Filer's head office is located in Spokane, Washington in the United States of America.

4.2 The Filer is a reporting issuer in each of the Jurisdictions by virtue of a receipt issued by the Alberta Securities Commission for a final prospectus on October 19, 2004.

4.3 The common shares of the Filer are traded on the TSX Venture Exchange and are traded on OFEX.

4.4 The common shares of the Filer were listed on the TSX Venture Exchange on January 12, 2005.

4.5 The authorized capital of the Filer consists of an unlimited number of common shares and an unlimited number of preferred shares. As of March 17, 2006 29,155,635 common shares are issued and outstanding and there are no preferred shares issued and outstanding.

4.6 To the best of the knowledge of the Filer, it is not in default of any requirements of securities legislation in any of the Jurisdictions.

4.7 On February 18, 2002 the Filer's common shares began trading on OFEX following an offer for subscription by prospectus in the United Kingdom.

4.8 OFEX was created in October 1995 in the United Kingdom as a trading facility for unquoted and unlisted securities.

4.9 OFEX would be considered the third tier in the London market with the Alternative Investment Market ("AIM") being the second tier and the London Stock Exchange being the first tier. Many companies use OFEX as a stepping stone to AIM.

4.10 Under the OFEX rules, issuers are required to make timely disclose of material information, an issuer must announce interim results in respect of the first six months of each financial year not later than 3 months after the end of the period, and year end results must be announced not later than 5 months after year end. This is similar to AIM other than AIM requires year end results to be published no later than 6 months after the year end.

4.11 OFEX is structured for venture type issuers and the Filer believes investors would not expect the more rigorous continuous disclosure requirements for non-venture issuers to be required just because its common shares are traded on OFEX.

4.12 A "venture issuer" is defined by the applicable securities legislation as a reporting issuer that, as at the applicable time, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a U.S. marketplace or a marketplace outside of Canada and the United States of America.

4.13 The Filer does not fall within the definition of a venture issuer as provided by the applicable securities legislation solely due to the fact that its common shares are traded on OFEX.

4.14 In all other respects, the Filer falls within the definition of venture issuer as provided by applicable securities legislation, including: National Instrument 51-102 - Continuous Disclosure Obligations, National Instrument 58-101 - Disclosure of Corporate Governance Practises, Multilaterial Instrument 52-110 - Audit Committees.

4.15 No securities of the Filer are currently listed or quoted on any marketplace, as that term is defined in applicable securities legislation, other than OFEX and the TSX Venture Exchange.

Decision

5. The Decision Makers being satisfied that they each have jurisdiction to make this decision and that the relevant test under the Legislation has been met, the Requested Relief is granted for so long as the securities of the Filer are only listed on the TSX Venture Exchange and traded on OFEX.

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

2.2 Orders

2.2.1 EGI Canada Corporation - s. 1(6) of the OBCA

Headnote

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

Statute Cited

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

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

AND

IN THE MATTER OF
EGI CANADA CORPORATION

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of EGI Canada Corporation (the "Applicant") for an order pursuant to section 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering securities to the public;

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

AND UPON the Applicant having represented to the Commission that:

1. the Applicant has its head office in Toronto, Ontario;

2. the authorized capital of the Applicant consists of an unlimited number of shares of a class designated as common shares, and of an unlimited number of shares of a class designated as exchangeable shares;

3. all of the issued and outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by 3045175 Nova Scotia Company;

4. the Applicant is an "offering corporation" as defined in the OBCA;

5. no securities of EGI Canada are traded on a marketplace as defined in National Instrument 21-101 - *Marketplace Operation*;

6. the Applicant is not in default of any of its obligations under the *Securities Act* (Ontario) as a reporting issuer;

7. the Applicant ceased to be a reporting issuer in each Jurisdiction on January 26, 2006;

8. the Applicant does not intend to seek public financing by way of an offering of its securities;

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

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

DATED May 5, 2006.

"Paul M. Moore, Q.C."

"Robert W. Davis, FCA"

2.2.2 Euston Capital Corp. and George Schwartz - ss. 127(1), 127(5)

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

AND

IN THE MATTER OF
EUSTON CAPITAL CORP. AND
GEORGE SCHWARTZ

TEMPORARY ORDER
(Sections 127(1) and (5))

WHEREAS it appears to the Ontario Securities Commission that:

1. Euston Capital Corp. is an Ontario corporation with offices in Toronto;

2. Euston is a reporting issuer in Nova Scotia. Euston is not a reporting issuer in Ontario;

3. George Schwartz is an Ontario resident and the President, Secretary and director of Euston;

4. Neither Euston nor Schwartz are registered with the Ontario Securities Commission to trade securities;

5. Euston securities were sold to members of the Canadian public by Schwartz and employees or agents of Euston in purported reliance upon OSC Rule 45-501 and Multilateral Instrument 45-103;

6. Euston and Schwartz are respondents in proceedings in other Canadian jurisdictions and are subject to cease trade orders in other Canadian jurisdictions;

7. Based on filings made with the Ontario Securities Commission, the findings of the Saskatchewan Financial Services Commission and the evidence before it, as well as the allegations in proceedings pending before the Alberta Securities Commission and the Manitoba Securities Commission, it appears that the respondents breached sections 25 and 53 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended;

8. It appears that Euston and Schwartz held themselves out as engaging in the business of trading securities in Ontario and acted as market intermediaries without being registered pursuant to the Act; and

9. The Commission is of the opinion that it is in the public interest to make this order and that the time required to conclude a hearing could be prejudicial to the public interest.

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

IT IS ORDERED pursuant to section 127(5) of the Act that:

(a) pursuant to clause 2 of section 127(1), all trading in securities of Euston shall cease;

(b) pursuant to clause 2 of section 127(1), trading in any securities by Euston and Schwartz shall cease; and

(c) pursuant to clause 3 of section 127(1), any exemptions contained in Ontario securities law do not apply to the respondents.

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

DATED at Toronto this 1st day of May, 2006.

"David Wilson"

2.2.3 Bloomberg Tradebook LLC - s. 218 of the Regulation

Headnote

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

Applicable Statutes

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

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

AND

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

AND

IN THE MATTER OF
BLOOMBERG TRADEBOOK LLC

ORDER
(Section 218 of the Regulation)

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

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware in the United States and is a wholly owned subsidiary of Bloomberg L.P. The head office of the Applicant is located in New York, New York.

2. The Applicant is registered under the Act as an international dealer. The Applicant will be applying

to the Commission for registration under the Act as a non-resident limited market dealer.

3. The Applicant is registered as a broker-dealer with the U.S. Securities and Exchange Commission (**SEC**), as an introducing broker with the U.S. Commodity Futures Trading Commission, and is a member of the U.S. National Futures Association and the U.S. National Association of Securities Dealers (**NASD**).

4. The Applicant's registrations with the SEC and NASD include authorization to trade in equity options in the United States.

5. The Applicant provides order routing and client-side trade execution services to its clients in respect of securities traded on exchanges and other marketplaces. The Applicant is proposing to expand its business by providing order routing and client-side trade execution services, including routing and execution of orders for trades in equity options, to institutional investors in Ontario. The Applicant will not take custody of any client assets. The Applicant's clients will have their own clearing arrangements in place in respect of trades routed and/or executed by the Applicant.

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

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

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

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

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

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

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

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

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

5. The Applicant will not have custody of securities, funds, and other assets of clients resident in Ontario.

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

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

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

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

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

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

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

8. The Applicant will make its books and records outside Ontario, including electronic records,

readily accessible in Ontario, and will produce physical records for the Commission within a reasonable time if requested.

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

   (a) so advise the Commission; and

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

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

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

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

   (a) so advise the Commission; and

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

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

April 25, 2006

"Robert W. Davis"

"Susan Wolberg-Jenah"

2.2.4 Saguenay Capital, LLC - s. 218 of the Regulation

Headnote

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

Applicable Statutes

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

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

AND

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

AND

IN THE MATTER OF
SAGUENAY CAPITAL, LLC

ORDER
(Section 218 of the Regulation)

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

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability company formed under the laws of the State of Delaware in the United States of America. The Applicant is not a reporting issuer in Ontario. The head office of the Applicant is located in Purchase, New York, U.S.A.

2. The Applicant is registered in Ontario as a non-Canadian adviser in the categories of Investment Counsel and Portfolio Manager. The Applicant has applied to the Commission for registration under the Act as a non-resident limited market dealer.

3. The Applicant is registered with the United States Securities and Exchange Commission as an investment adviser.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   (a) that it has ceased to be registered in the United States as an investment adviser; or

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

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

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

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

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

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

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

   (a) so advise the Commission; and

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

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

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

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

   (a) so advise the Commission; and

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

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

May 5, 2006

“Paul Moore”

“Robert W.Davis”

2.2.5 Library Information Software Corp. - s. 144

Headnote

Section 144 - application for revocation of cease trade order - issuer subject to cease trade order as a result of its failure to file with the Commission annual and interim financial statements - issuer has brought filings up to date - full revocation granted.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O., 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
LIBRARY INFORMATION SOFTWARE CORP.

ORDER
(Section 144)

WHEREAS the securities of Library Information Software Corp. (the "Company") are subject to a cease trade order made by the Director dated May 6, 2003 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 April 24, 2003 pursuant to subsections 127(1) and 127(5) of the Act (collectively, the "Cease Trade Order") directing that trading in the securities of the Company cease unless revoked by a further order of revocation;

AND WHEREAS the Company has applied to the Ontario Securities Commission (the "Commission") pursuant to Section 144 of the Act (the "Application") for a revocation of the Cease Trade Order;

AND WHEREAS the Company has represented to the Commission that:

1. The Company was formed under the *Business Corporations Act* (Ontario) on February 5, 1999 as a result of the amalgamation of Library Information Software Corp. and 1337387 Ontario Inc.

2. The Company is a "reporting issuer" under the securities legislation of the Province of Ontario. The Company is not a reporting issuer in any other jurisdiction in Canada.

3. The Company currently has no securities of any class listed for trading on any stock exchange recognized by the Commission. The Class A Shares were added to the Canadian Dealer Network for trade reporting on November 27, 1997 but its application for quotation was denied on December 14, 1999.

4. The authorized share capital of the Company consists of an unlimited number of common shares, an unlimited number of Class A shares and an unlimited number of Class B preferred shares. As at the date hereof, 754,936 common shares (the "Common Shares") and 10,357,716 Class A shares are issued and outstanding on a diluted basis and no Class B preferred shares are issued and outstanding.

5. The Company is currently inactive. On March 16, 2006, the Company, Starwood Manufacturing Inc. ("Starwood") and the Starwood shareholders (the "Vendors") came to an agreement in principle pursuant to which the Company would acquire from the Vendors all the issued and outstanding shares of Starwood in exchange for Common Shares of the Company (the "Acquisition"). The transaction is subject to: (i) the receipt of all required regulatory approvals pursuant to all applicable laws, regulations and policies; (ii) all required approvals by the shareholders of the Company; (iii) the completion of satisfactory due diligence by each of the Company, Starwood and the Vendors; (iii) compliance with all applicable laws, rules, regulations and policies of all applicable jurisdictions; (iv) completion of legal documentation to the satisfaction of each party; and (v) revocation by the Commission of the Cease Trade Order.

6. The Acquisition will be realized by way of a share exchange agreement to be entered into between the Company, Starwood and the Vendors on the basis of a share exchange ratio which shall be agreed to by the parties. In connection with the Acquisition, it is anticipated that an aggregate of approximately 25 million Common Shares of the Company will be issued in favour of the Vendors.

7. Starwood is a company incorporated under the *Canada Business Corporations Act* whose head office is located at 2370 South Sheridan Way Mississauga, Ontario, L5T 2M4. Starwood is a manufacturer of hardwood flooring products.

8. In connection with the proposed Acquisition, the Company called an annual general and special shareholders meeting (the "Meeting") which was held on April 28, 2006, and filed all documentation in connection therewith on SEDAR (the "Meeting Materials"). At the Meeting, the Company obtained shareholder approval of the Acquisition, which included the approval of a majority of the minority shareholders, as required by Commission Rule 61-501 *Insider Bids, Issuer Bids, Business Combination and Related Party Transactions*.

9. The management information circular (the "Circular") distributed in respect of the Meeting

was prepared in accordance with the requirements of Form 51-102F5 *Information Circular* of National Instrument 51-102 – *Continuous Disclosure* ("NI 51-102"). The Circular sets out the details of the Acquisition and contains prospectus-level disclosure in respect of both the Company and Starwood in accordance with section 14.2 of Form 51-102F5.

10 The Cease Trade Order was issued due to the failure of the Company to file with the Commission its audited annual financial statements for the fiscal year ended November 30, 2002. Subsequently, the Company failed to file and deliver annual audited and interim unaudited financial statements, related MD&A and required CEO and CFO certifications for the annual and interim financial periods for the years ended November 30, 2003 and 2004, respectively.

11. Except for the Cease Trade Order, the Company is not, to its knowledge, in default of any of the requirements of the Act, or the rules and regulations made pursuant thereto, other than the Company having failed to file and deliver its annual audited financial statements and its interim financial statements and corresponding management's discussion and analysis in respect of the fiscal years ended November 30, 2002, 2003 and 2004. This documentation was not filed in a timely manner with the Commission or sent to the shareholders of the Company because the Company was inactive and did not have the funds necessary to prepare and mail such statements.

12. On April 3, 2006, the Company filed with the Commission its audited annual financial statements ("Financial Statements") for the three fiscal years ended November 30, 2003, 2004, and 2005, Management's Discussion and Analysis ("MD&A") prepared by the Company in respect of such fiscal periods and annual financial statements CEO and CFO certifications pursuant to Multilateral Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*. All of the aforementioned continuous disclosure documents have been filed and are available on SEDAR.

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

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

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

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

DATED May 2, 2006.

"John Hughes"
Manager, Corporate Finance
Ontario Securities Commission

2.2.6 Clarington Corporation - s. 1(6) of the OBCA)

Headnote

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

Statute Cited

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

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

AND

IN THE MATTER OF
CLARINGTON CORPORATION

ORDER
(Subsection 1(6) of the OBCA)

UPON the application of Clarington Corporation (the "Applicant") to the Ontario Securities Commission (the "Commission") for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Applicant representing to the Commission as follows:

1. The Applicant was incorporated pursuant to the *Business Corporations Act* (Ontario) ("OBCA") on October 15, 2003, and was the subject of a take-over bid offer (the "Offer") by Industrial Alliance Insurance and Financial Services Inc. ("Industrial Alliance") that expired on January 10, 2006;

2. The head and registered office of the Applicant is located in Toronto, Ontario;

3. The authorized capital of the Applicant consists of an unlimited number of common shares. As at the date hereof, there were 14,795,240 issued and outstanding common shares (the "Common Shares");

4. In connection with the Offer, Industrial Alliance has become the beneficial holder of all of the Common Shares;

5. As of the date of this decision, all of the outstanding securities of the Applicant, including debt securities, which are beneficially owned, directly or indirectly, are held by a sole security holder, Industrial Alliance;

6. The Common Shares have been de-listed from the Toronto Stock Exchange, effective as of February 2, 2006;

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

8. The Applicant is a reporting issuer, or the equivalent, in each of the Jurisdictions, and to its knowledge is currently not in default of any applicable requirements under the legislation except:

   a. the requirement to file interim financial statements and related management discussion and analysis within 45 days of the end of the financial quarter ended December 31, 2005 (the "Interim Filings"); and

   b. the requirement that the Applicant file an interim certificate in Form 52-109F2 signed by the CFO and CEO in relation to the Interim Filings.

9. The Applicant has no current intention to seek public financing by way of an offering of securities.

10. Upon the grant of relief requested, the Applicant will not be a reporting issuer or equivalent in any jurisdiction of Canada.

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

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

DATED May 3, 2006.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Richard Ochnik and 1464210 Ontario Inc.

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

AND

IN THE MATTER OF
RICHARD OCHNIK AND
1464210 ONTARIO INC.

REASONS FOR DECISION RENDERED ORALLY ON MARCH 9, 2006
AND FOR ORDER DATED APRIL 12, 2006

Hearing:	March 1, 2, 8, 9 and April 10, 2006.		
Panel:	Paul M. Moore, Q.C.	-	Commissioner (Chair of the Panel)
	Robert W. Davis, FCA	-	Commissioner
	Davis L. Knight, FCA	-	Commissioner
Counsel:	Matthew Britton	-	On behalf of Staff of the Ontario Securities Commission
	Richard Ochnik	-	Respondent
	1464210 Ontario Inc.	-	Respondent

OVERVIEW

A. The Hearing

[1] This was a hearing before the Ontario Securities Commission pursuant to sections 127 and 127.1 of the *Securities Act,* R.S.O. 1990, c. S. 5 as amended (the "Act") to consider whether it was in the public interest to make an order against Richard Ochnik and 1464210 Ontario Inc. (1464210).

[2] This matter arose out of a notice of hearing issued by the commission on September 19, 2005 in relation to a statement of allegations issued by staff of the commission on that same day.

[3] On March 9, 2006, at the end of the hearing on the merits, we found that the respondents had not complied with Ontario securities law and had not acted in the public interest. We also decided to provide the parties with an opportunity to make further submissions relevant to sanctions at a later date. Hence, we adjourned the hearing until April 10, 2006.

[4] On April 10, 2006, we resumed the hearing to consider submissions as to appropriate sanctions against the respondents. Ochnik was notified of the hearing by both staff and the Secretary's Office. Nevertheless, he chose not to appear at the sanctions hearing.

[5] On April 12, 2006, we issued an order regarding sanctions against each of the respondents.

[6] These are the reasons for our decision on the merits rendered orally on March 9, 2006, and for our order dated April 12, 2006 regarding sanctions against the respondents.

[7] At the hearing held on April 10, 2006, we also decided to hold a further hearing on the issue of costs in order to provide the respondents with the opportunity to test the validity of the costs claimed by staff. We directed staff to provide to the respondents the necessary documentation to allow them to review and assess these costs prior to that hearing.

B. Preliminary Motion

[8] The notice of hearing of September 19, 2005 scheduled the commencement of the hearing on the merits in this matter for Monday, October 24, 2005. Ochnik sought an adjournment to enable him to retain and instruct counsel. Staff did not oppose Ochnik's request. The commission granted Ochnik's request and adjourned the hearing to December 5, 2005. On December 5, 2005, Ochnik did not appear at the hearing. Staff advised the commission that they believed Ochnik had not retained counsel. We decided to adjourn the hearing on our own initiative to March 1, 2006 at 10:00 a.m. In doing so, we stated on the record that we would not look favourably on any last minute request by Ochnik seeking a further adjournment on the grounds that he was still seeking to retain counsel. We asked staff to provide to Ochnik a transcript of the hearing with our warning to Ochnik. Staff confirmed to us that they did provide Ochnik with a copy of that transcript.

[9] On March 1, 2006, Ochnik was not in attendance at 10:00 a.m. Staff had no idea if Ochnik would appear. After waiting 10 minutes, we determined to proceed with the hearing. Ochnik arrived within the next 20 minutes. Ochnik asked us to adjourn the commencement of the hearing on the grounds that he was not represented by counsel. Ochnik also submitted that he had not been provided with timely disclosure of the case against him.

[10] Staff advised that disclosure had been provided to the respondents well beyond the minimum 10 days requirement stated at Rule 3.3 of the *Ontario Securities Commission Rules of Practice*. Indeed, Ochnik was advised that the disclosure material was available to him as early as January 10, 2006.

[11] Upon considering Ochnik's request for a further adjournment, the reasons provided by him for not having retained counsel, and having no assurance that he would be represented by counsel within a reasonable period of time, we denied Ochnik's request for a further adjournment.

[12] We determined that it was in the public interest for the commission to hear this matter as soon as possible. The need to deal expeditiously with allegations of misconduct is of particular concern in a case such as this where the allegations against the respondents, if proved, are serious. Furthermore, in order to be able to regulate the capital markets effectively, it must be clear to market participants that the commission can and will deal with matters such as these in a reasonably expeditious way.

[13] A party may be represented by counsel or agent in any proceeding before this commission pursuant to Rule 1.4(1) of our rules of practice. But an individual cannot insist that proceedings be suspended or adjourned indefinitely because he has not retained counsel. We have given Ochnik a reasonable opportunity to obtain counsel. He has not provided us with a reasonable and acceptable reason why he has not retained counsel.

[14] Throughout the hearing, Ochnik was not represented by counsel. We adapted the hearing process to provide enhanced flexibility to Ochnik. We explained procedure to him at length in order to ensure a fair hearing. We emphasised that he could cross-examine witnesses called by staff and raise any issue that might help his case. We explained to him that he would be able to call his own witnesses and examine them. We also explained that it was open to him to give his side of the story by giving his own testimony as a witness. We explained the difference between giving evidence as a witness under oath, and argument in support of his case.

[15] We explained the considerations that he should take into account when deciding to testify or not. He indicated, at first, that he would take the opportunity to testify. However, when provided with this opportunity, he advised us that he would not testify. Hence, we did not have the benefit of his direct evidence.

C. The Allegations

[16] Staff made the following allegations against the respondents:

(a) Ochnik and 1464210 traded securities without being registered with the Commission to trade securities and without an exemption from the requirement for registration, contrary to section 25 of the Act;

(b) Ochnik and 1464210 distributed securities of 1464210 without the filing of a preliminary prospectus and prospectus and the obtaining of a receipt therefor from the Director, contrary to section 53 of the Act; and

(c) Ochnik and 1464210 engaged in a RRSP/loan scheme, contrary to the public interest.

THE RESPONDENTS

[17] Ochnik is a contractor and resides in the Province of Ontario. Ochnik incorporated 1464210 to develop a property as a retirement complex in Listowel, Ontario. Ochnik was the president of 1464210.

[18] 1464210 is a private company incorporated under the laws of Ontario. Its constating documents prohibit it from distributing securities to the public and limit the number of its shareholders.

[19] Neither Ochnik nor 1464210 was registered to trade securities in Ontario.

THE EVIDENCE

A. Overview

[20] Counsel for staff adduced both oral and documentary evidence, some of which was hearsay.

[21] Evidence in commission proceedings is governed by section 15 of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S. 22 (the SPPA) which provides that the commission may admit evidence at a hearing "whether or not…[that evidence is] admissible as evidence in a court." Corroboration is an important factor in assessing the weight to be given to hearsay evidence (see: *Re E.A. Manning Ltd.* (1995), 18 O.S.C.B. 5317 at para. 28). In light of the potentially serious consequences for the respondents, we only relied on hearsay evidence which was corroborated by other evidence.

[22] Staff adduced in evidence the account documentation of 43 investors who opened accounts with T-D Waterhouse Canada Inc. (TD-W). Staff also filed in evidence questionnaires that were sent to investors in 1464210 and the responses that were received from these investors. Staff also filed a number of statements from investors. Some of these were sworn statements. Some statements arose from unsworn interviews that were tape-recorded by the lead investigator on the file. Staff also filed a series of documents that describe the loan program from the Evangelical Missionary Church of the Americas (the EMCA) and investments involving both 1464210 and Ronin Resources Inc., another company with which Ochnik was allegedly involved.

[23] Staff adduced evidence that showed Ochnik to be president of 1271229. The address of 1271229 is 3044 Bloor Street West, Suite 268A. This is the same address that appears on documents that describe the loan program from the EMCA.

[24] At the hearing, Ochnik sought to file two volumes of documents which had not been previously disclosed to staff. Ochnik had not disclosed these documents to staff within the minimum time limit of 10 days before the commencement of the hearing pursuant to Rule 3.3(1) of our rules of practice. Staff undertook to review the documents after the hearing on that day. Staff identified several documents among Ochnik's two volumes which it agreed could be filed as evidence. Staff also agreed that the remaining documents could be introduced in evidence by Ochnik through other witnesses or through Ochnik himself when he testified under oath.

[25] Staff called five witnesses: John Humphreys, the primary investigator in the case; Robert Brown, a mortgage broker who referred individuals who were interested in the loan program to Ochnik; Larry Smith, a self-employed financial advisor who invested in 1464210; Dino Pantaleo, a retired General Motor's employee who invested in 1464210; and Hatice Pakdil-Notidis (Pakdil), a representative with TD-W.

[26] Ochnik only called one witness, Judith Ann Gama. Although, Ochnik had not provided staff with a witness list and a witness statement pursuant to Rule 3.5 of the Rules of Practice, staff did not object to this witness.

B. Staff

[27] Staff's witnesses and documentation revealed the following.

[28] In February 2002, Ochnik met with Pakdil at TD-W and told her that various individuals wanted to invest in 1464210. At the request of Ochnik, TD-W agreed to establish accounts for them and to arrange for the transfer of the shares in 1464210 to the individuals.

[29] Following the meeting, Ochnik provided Pakdil with the documentation necessary to transfer the shares in 1464210 to the various individuals.

[30] Ochnik agreed with TD-W that 1464210 would pay a commission to TD-W equal to 7% of the funds paid into the clients' accounts.

[31] Between May 7, 2002 and November 18, 2002, the respondents were providing RRSP/loans to the public.

[32] Ochnik arranged for various individuals facing financial difficulty to invest in 1464210. These individuals were advised that if they used funds in their locked-in RRSPs or pensions and purchased shares in 1464210, they would receive a "non-repayable loan" for between 40 and 60% of their locked-in funds.

[33] There was a five-year loan program and a ten-year loan program. The ten-year loan program was used for the most part. The loans were stated to be forgivable i.e. not repayable.

[34] If the individuals were interested, they were referred to TD-W.

[35] After the investors opened accounts with TD-W, they accessed locked-in funds with other institutions and transferred them to their TD-W accounts.

[36] TD-W issued cheques to 1464210 from the accounts of investors.

[37] Ochnik picked up the cheques from TD-W. Ochnik provided share certificates for the investors.

[38] Humphreys testified that, through the investigation, he was able to obtain from TD-W the account documentation of 43 investors who opened accounts with TD-W. Based on the "new client application form" for each of the 43 investors, none of the investors were accredited investors. (The definition of "accredited investors" in effect at the time included people who had net assets excluding their home or their RRSPs of $1,000,000 or more or individuals who had an income of $200,000 or more and expected to have the same income the following year, or couples who had an income of $300,000 or more.)

[39] Humphreys testified that some of the individuals went to a TD-W branch to secure financial hardship application forms. There were certain circumstances in which a client or a person could claim hardship and thereby, without penalty, unlock their retirement funds. He explained that TD-W would arrange with the entity that held the locked-in funds for a transfer of those funds to TD-W. Usually, most of the funds were invested through the TD-W accounts in exchange for shares in 1464210. He testified that TD-W was getting a 7 percent commission for each transaction. We accepted his evidence.

[40] Brown testified that after having received a fax advertising "money to lend" he called the number and spoke to Ochnik. Brown explained that he placed advertisements inviting individuals who needed loans with locked-in funds. Where the clients had locked-in funds, Brown processed the investment loan application and gave the individuals' names to Ochnik. Clients were then referred to the institution chosen by Ochnik for the facilitation of trade in securities. Once the trade had been facilitated, the money came back in the normal course.

[41] In the case of 1464210, Brown explained that it was the same process; however, a number of clients did not receive their non-repayable loans. Brown testified that Ochnik would avoid talking to the individuals who had not received their loans.

[42] In the cross-examination of Brown, Ochnik implied that Brown was acting on his own and not in conjunction with Ochnik, although no evidence was adduced to indicate this.

[43] Smith testified that he saw a newspaper article that discussed the possibility of freeing up locked-in RRSPs and ended up investing his pension funds in Ronin and later in 1464210. He was in serious need of money at the time and wanted a loan. His son was seriously ill. Neither he nor his wife could work. Hence, he resorted to accessing his locked-in pension funds.

[44] Smith testified that, initially, he could not understand how he could get some money upfront and still be guaranteed 10 percent on his investment, with the loan being forgivable. When inquiring into how the investment in Ronin worked, Ochnik provided him with a lengthy explanation to satisfy him of the legitimacy of the loan. According to Smith, Ochnik explained that if they could make more money with his money then he still had his money. Smith said that he thought about this explanation and believed that Ronin, by being given 10 years to invest with his money, could be able to provide the expected return on his investment. In 2000-2001, Smith invested $60,000 of his pension funds though Ochnik. This netted him a forgivable loan of $36,000. He invested a further $40,000 in a second transaction. This provided him with a forgivable loan of $24,000.

[45] In 2002, Smith sought to obtain a third loan by investing $40,000 in Ronin. However, he was told by Brown that Ronin had not filed the proper financial statements with TD-W and so TD-W was no longer involved with Ronin. Brown suggested that he invest in the same manner, but this time, in a numbered company. Smith confirmed that he invested in 1464210 and got a loan.

[46] Pantaleo testified that he was desperate for money in 2001. He had just separated from his wife. He was falling behind in rent and had lawyer expenses and medical expenses. When looking in the Yellow Pages, he saw an advertisement: "Bad credit" whatever, "we offer loans." As a result of this advertisement, he called Brown who told him that if he invested $150,000 in 150,000 shares of 1464210, he would be able to get a loan for 4 percent for 10 years, calculated to the amount of $86,000 in cash and $64,000 (interest and costs). Further, he was told by Brown that following the transfer of funds to 1464210, it would take about 72 hours for the funds to get released to him. Pantaleo testified that he never obtained the loan. He called Pakdil at TD-W to inquire into the situation. She referred him to Ochnik. When Pantaleo called Ochnik, Ochnik, at first, denied that he knew Brown. Pantaleo testified that Ochnik told him that he would repay him his investment but that it never happened.

[47] Pakdil testified that, during the first meeting with Ochnik and another officer of 1464210, Ochnik told her that he had a list of investors who had decided to invest in a private placement for a company that Ochnik owned and that it was a real estate development project. Ochnik told her that he was raising money through mortgages as well as investors that had decided to purchase shares in the private company. He told her that 30 to 40 investors were acquaintances, friends and family members, who had decided to invest and that he needed to set up accounts for them to facilitate a swap so that shares would go into the accounts and the cash would be sent to1464210. Ochnik told Pakdil that there were no loans associated with investments in 1464210.

[48] Following the transactions, Pakdil received several phone calls from individuals who had invested in 1464210. These individuals told her that they needed assistance from her because they had not received the loans that they were supposed to receive as a result of the transactions. She also testified that these individuals had been explicitly instructed not to notify or mention to TD-W that there existed a loan arrangement, and that if they did, they would not receive their loans.

[49] We also had before us the decision of this commission and reasons dated October 7, 2005, approving the settlement agreement between the commission and TD-W concerning allegations of conduct contrary to the public interest made by staff against TD-W relating to TD-W's role in this affair. In that settlement agreement, TD-W acknowledged that it failed to comply with (i) its "suitability" obligation to its clients, contrary to section 1.5 of Ontario Securities Commission Rule 31 - 505 (Conditions of Registration) and (ii) its obligations to deal with its clients fairly, by failing to disclose to its clients a commission paid to TD-W, contrary to section 2.1(2) of Rule 31 - 505.

[50] In the Settlement Agreement TD-W agreed:

(i) To make restitution to its clients in the amount of monies that were deposited into the client accounts at TD-W and used to purchase shares of the private company, plus interest calculated by a formula to be agreed upon by staff and TD-W.

(ii) To provide proof in writing to staff that restitution to its clients has been made.

(iii) To make a settlement payment of $250,000 to the Commission for allocation to, and for the benefit of, third parties, under section 3.4 (2) of the Act.

(iv) To provide a letter of comfort from its auditors to staff to confirm that TD-W has instituted new practices and procedures relating to preventing the facilitation of potential RRSP loan schemes.

(v) Pursuant to clause 6 of subsection 127.1 of the Act, TD-W to be reprimanded.

(vi) Pursuant to section 127.1 of the Act, to pay the sum of $125,000 in respect of the costs of the investigation and hearing in the matter.

C. Ochnik

[51] Ochnik called one witness, Judith Ann Gama. Gama testified that she co-brokered a couple of deals with Brown.

[52] Gama testified that Brown left threatening messages about Ochnik on her voice mail box in 2005. She testified that during a conversation with Brown, Brown told her that he was going to bring down Ochnik's company.

[53] Through Gama, Ochnik adduced in evidence an e-mail message from Gama dated February 16, 2006 where she reminds Ochnik of the alleged threats made by Brown in 2005. When asked during cross-examination whether this e-mail had been sent at the request of Ochnik, she denied that Ochnik had made such a request. However, she was unable to provide any logical reason or plausible context to explain why she sent this e-mail to Ochnik three weeks before this hearing.

[54] Much of Gama's evidence was not germane to the issues before us. Her testimony was aimed at discrediting the credibility of Brown. However, based on her cross-examination and answers to the panel, we found her testimony, although not germane, to be incredible. For example, in spite of her denials, the e-mail sent to Ochnik in February 2006 likely was prompted by Ochnik to be used as evidence in this hearing.

[55] There was also a troubling exchange during the re-examination of Gama by Ochnik where Ochnik asked her the odd question as to "whether she would lie for money". She provided an odd answer: "No, because I have other deals". Even when provided with an opportunity by Commissioner Knight to clarify this answer, she really didn't. Her answer was troubling because it implied that she would lie under oath to protect a business relationship.

[56] Although her evidence was not germane to the issues before us, her remarks were troubling and confirmed that, as a witness, she suffered from a serious lack of credibility.

[57] Following the cross-examination of Gama by staff, and the questioning of her by the panel, Ochnik inquired as to the nature of the questions that staff and the panel could ask him if he were to testify. In particular, he inquired as to whether questions of him could be limited to the issues narrowly defined, or if questions could be asked about other companies. Here is an except of our exchange with Ochnik:

> CHAIR: Thank you. You can step down. Mr. Ochnik. You're going to, in effect, be your own witness. Is that correct?
>
> MR. OCHNIK: I'm not on any witness list, and I think there was sufficient information here to cast sufficient doubt on the allegations by the Securities Commission as to whether or not any of the events have taken place. I have not spoken directly with counsel regarding the matter in question, and I feel kind of somewhat not at ease in testifying because I have not spoken with counsel. That's what I have --
>
> CHAIR: What we might do is take a ten-minute break and come back. You should consider this.
>
> MR. OCHNIK: Yes.
>
> CHAIR: We have to weigh the evidence. We have to decide who we're going to believe and who we're not going to believe. There are many questions that you might be able to answer. If you don't take the stand, then, we could draw the wrong inference. We could come to the wrong conclusion. If you do take the stand, you will be under oath and you will have to answer truthfully.
>
> MR. OCHNIK: That's no problem.
>
> CHAIR: And you will be subject to cross-examination by counsel and subject to questions from the panel. So you should decide what you're going to do. I'll give you ten minutes to consider that, and if you don't wish to testify, then, we'll conclude for today and begin argument -- unless, which I presume you're not, unless you're ready to go into argument now. But I presume we're not going to speed things up. We'll do things tomorrow at two o'clock. So why don't we take a
>
> ten-minute break.
>
> MR. OCHNIK: Can I have one question then, please?
>
> CHAIR: Sure.
>
> MR. OCHNIK: Now, with my testimony today, the allegations are all regarding 146, that corporation.
>
> CHAIR: Yes.
>
> MR. OCHNIK: Are the questions that I'm going to be asked going to be in accordance to the allegations that have been brought up in accordance to 146 or will it be more of a fishing expedition to see –
>
> CHAIR: Because you don't have a counsel to object, I will be more vigilant to make sure that the questions are relevant to the allegations. I must admit that I would have been a little stricter in your questioning of your witness because I think some of the objections that were being raised by counsel were valid as they weren't directly on point. They weren't relevant. But anything that goes to the credibility of the witnesses, or questions that relate directly to the evidence that we've heard, that you could throw some light on, certainly we would permit. But if it strayed outside of that, we would not permit it as being relevant. So the test would be, it's got to be relevant.
>
> MR. OCHNIK: That was mainly part of my, because if we're going to go into other areas or into things that we haven't even spoken about, because I haven't spoken with counsel, I'm prepared to talk about 146, what happened in 146, what my role was in 146.
>
> CHAIR: You should be aware though that the questions won't be limited, in the sense of questions that relate to companies like EMCA which relate this matter.
>
> MR. OCHNIK: Yes, it does.
>
> CHAIR: Things that Mr. Brown mentioned. The other thing, just in case, for instance, if there's something in your past that sheds light on your credibility, counsel would be free to raise that. So that if you had a prior conviction for fraud, things like that, although that might appear to be unrelated to this, it might go to credibility.
>
> MR. OCHNIK: Yes.

CHAIR: So that I don't want to give you an assurance that the questions will be narrow, but they will have to be relevant and they will have to be relevant to these allegations. Mr. Britton might want to –

MR. BRITTON: Yes. Just so there's no confusion, I did intend to cross-examine on the predecessor companies too because I do think they're directly linked to this and are part of the story. That's the concern. Like Ronin, for example, I think is clearly relevant.

CHAIR: Yes. And that was mentioned, Ronin, as one of the things. But it has to be related to this matter and not other matters that aren't related to this matter.

MR. OCHNIK: See, the thing is, that we're dealing with allegations for 146, and we're dealing with the future of a company, future of shareholders. And when you're dealing with issues, I have no problem answering regarding Ronin or with other companies, but what I'm concerned from a legal standpoint is how does that affect146 and the allegations pertaining to 146. If I was speeding on Wednesday --

CHAIR: That would not be relevant.

MR. OCHNIK: You see, that was mainly my concern.

CHAIR: No, and we will make sure the questions are relevant, and I will pay particular attention to that, that it has to be relevant. But don't assume that counsel is restricted. It's restricted to the allegations and it has to have relevance and it can't be a fishing expedition. We'll come back here in ten minutes. We'll take a recess and come back at approximately 25 to three.

MR. OCHNIK: Thank you.

– Afternoon recess at 2:28 p.m. –

Upon resuming at 2:44 p.m.

CHAIR: Please be seated. Mr. Ochnik.

MR. OCHNIK: Yes. In the ten minutes, I just would like to say that I do not have counsel here, although I did prefer to have counsel, that in reflecting over the evidence that was brought forth from the Commission, I believe that the evidence that was brought forth is – I believe all the evidence is in, and I believe that my testimony would only be repeating or rehashing what's already in front of the panel, and for that reason I'd like to not add my testimony to the...

[58] As a result, Ochnik did not take the opportunity to give evidence.

PARTIES' ARGUMENTS

A. Staff

[59] Staff submitted that Ochnik engaged in a RRSP/loan scheme between May 7, 2002 and November 18, 2002. Staff submitted that Ochnik incorporated 1464210 to develop a property as a retirement complex and arranged for various individuals with financial difficulty to invest in 1464210. Interested individuals were then referred to a registered representative at TD-W who established accounts for them and arranged for the transfer of the shares in 1464210 to the individuals.

[60] Further, Staff submitted that the conditions surrounding the loan program (e.g. non-repayable loans) did not make any sense. Staff invited us to disregard completely the argument advanced by Ochnik that Brown was responsible for the loan scheme and impersonated himself as Ochnik. Staff raised the following questions: How could Ochnik not be involved in these loans? Why and how would Brown independently make or arrange non-repayable loans for lenders? What was Brown's motivation? What was any lender's motivation? Staff submitted that obviously, Brown was getting the money from Ochnik as part of the scheme.

[61] Staff submitted that the evidence establishes that Ochnik and 1464210 traded securities in Ontario without exemptions being available to them and distributed securities of 1464210 without the filing of a preliminary prospectus and prospectus and the obtaining of a receipt contrary to the Act.

B. Ochnik

[62] Ochnik submitted that there was no documentation before us to establish that he or 1464210 were involved in a RRSPs or locked-funds/loan scheme, nor was there any documentation to establish where the loans came from and if the

individuals who were supposed to get a loan ultimately obtained the loan. Ochnik argued that the only evidence presented was that of individuals who said that they obtained loans from Brown. Out of the 43 individuals, he submitted that only 12 of them said that they had been promised a loan from Brown but none of them mentioned that they had been promised a loan from 1464210 or from Ochnik. Ochnik submitted that Brown, by faxing letters to investors and making them look like they were coming from him, was responsible for the loan scheme and impersonated himself as Ochnik, which was a fraudulent act.

[63] With respect to the allegations that Ochnik traded securities without being registered with the commission and without an exemption available to him, Ochnik submitted that TD-W's responsibility was to the account holders, the purchasers of the shares, that only TD-W had access to the clients' personal information and hence, only TD-W would have known whether or not the clients were accredited investors. He also submitted that TD-W was provided with full disclosure with respect to 1464210 and was invited to the property and was provided with photographs of the company.

[64] Further, Ochnik argued that Pakdil admitted that she had no experience with this kind of placement but nevertheless, signed a "know your client form". Ochnik argued that TD-W was the only company involved with the transactions, and that TD-W knew the terms of the prospectus exemptions requirements. TD-W had a responsibility to stop at the maximum number of investors if no other additional exemptions for accredited investors were available.

ONUS

[65] The applicable burden of proof in this case is the balance of probabilities. Staff has met this burden by providing clear and cogent evidence that satisfies us in a convincing manner that the allegations have been proved.

[66] In this case, staff had to establish that Ochnik engaged in trading in securities, distributed securities without a preliminary prospectus or a prospectus, and engaged in conduct contrary to the public interest.

[67] When staff discharged its burden of proof that the respondents traded without registration and distributed securities without a prospectus, the onus shifted to the respondents to establish that one or more exemptions from the registration and prospectus requirements were available to them. This they failed to do.

FINDINGS

[68] Virtually all of staff's evidence in this matter was uncontroverted, and, for the most part credible.

[69] We accepted the evidence of staff's witnesses: Humphreys, Smith, Pantaleo and Pakdil. We also relied, for the most part, on the evidence of Brown. With respect to the credibility of Brown, we concluded that the witness could be relied upon. Much of the evidence to which he referred us was not inconsistent with other evidence. Although Ochnik referred us to evidence that, he argued, went to the credibility and motivation of Brown in testifying, we concluded that generally, Brown's evidence on key points was credible. In the end, we believed that Brown was acting in conjunction with Ochnik in enticing investors to invest in 1464210 in return for forgivable loans.

[70] The following facts were established by the evidence.

[71] Prior and during 2002, loans were advertised to the public by way of small word advertisements in newspapers distributed in each province (except Saskatchewan). These ads stated "4% interest only loan. Don't cash out your RSPs, locked investments. Call" and had a toll free number which was 1-877-509-LOAN.

[72] Some investors were led to believe that the lender was the EMCA, although information about the loan program was sketchy. Other investors had no clear idea of who would be making the loan. They, however, were told that an investment in 1464210 was a prerequisite to receiving the loan.

[73] Documentation described Ochnik as president of 1271229. Documentation referring to EMCA shows the address of EMCA to be the same as the address of 1271229. Based on this and other evidence, we accepted as fact that EMCA or people behind EMCA were involved in the RRSP/locked-in funds loan scheme connected with investments in 1464210.

[74] In February 2002, Ochnik met with Pakdil and told her that various individuals wanted to invest in 1464210. At the request of Ochnik, TD-W agreed to establish accounts for them and to arrange for the transfer of the shares in 1464210 to the individuals.

[75] Between May 7, 2002 and November 18, 2002, the respondents engaged in a RRSP/locked-in funds loan scheme. Ochnik was the directing mind of the scheme.

[76] Individuals with serious financial difficulties called the phone number in the advertisement to obtain a loan.

[77] When inquiring about the loan, the individuals were then advised that if they collapsed their locked-in RRSPs or pensions and purchased shares in 1464210, they would receive a "non-repayable loan" for between 40 and 60% of their locked-in funds. The loans were conditional on the making of investments.

[78] Between June 7, 2002 and December 31, 2002, 43 clients of TD-W deposited approximately $1.5 million in their accounts. After commissions were paid to TD-W, the remainder of the monies were paid out to 1464210.

[79] The 43 individuals who invested in 1464210 were not accredited investors.

[80] Of the 43 clients, many did not receive their "non-repayable loans" that were promised to them.

[81] Ochnik would not answer inquiries from individuals about the loans or would provide misleading information. Ochnik offered to pay back one individual but never did.

[82] Neither TD-W, nor Pakdil, were aware that there were to be loans associated with the investments in the company's shares or that the investment was designed as a method to enable investors to withdraw assets from their locked in RRSPs.

[83] Pakdil specifically asked Ochnik whether there were loans associated with the investment and was advised by him that no loans were involved.

[84] Ochnik's acts of solicitation of investors, and facilitating the issue of shares and share certificates of 1464210 and other acts were in furtherance of trades, and constituted trading. By issuing its shares 1464210 was trading. Neither respondent was registered to trade. The issues of shares of 1464210 to investors were distributions of shares. The requirements of the Act for distributions of the shares were not complied with.

[85] At the time of the trading and distribution of shares of 1464210, there was an exemption from the registration and prospectus requirements of the Act available to issuers seeking to raise capital: the closely held issuer exemption, which allows an issuer to raise up to $3,000,000 from 35 persons or less, excluding directors, officers, employees or former employees, who did not have to be accredited investors. Because, there were 43 investors in 1464210, the 35 investor limit was exceeded.

[86] The respondents failed to prove proper reliance by them on an applicable exemption.

[87] It is incumbent upon an issuer to bring itself within the parameters of an exemption in order to rely on it. The fact an issuer had done some due diligence inquiry will not help the issuer if all the parameters are not, in fact, met. However, bona fide and reasonable due diligence can be a mitigating factor in determining sanctions.

[88] There was no mitigating due diligence inquiry by the respondents.

[89] We rejected Ochnik's argument that the respondents relied on TD-W. TD-W was not acting on behalf of the respondents, but on behalf of its clients, the investors, although in a limited capacity. There was no evidence that TD-W assumed any duty to assist the respondents in their endeavour. Furthermore, TD-W was misled by Ochnik.

[90] TD-W's role was limited and was with respect to the account holders, the purchasers of the shares in 1464210. TD-W accepted instructions from the investors regarding the transactions because they were alleged to be made in connection with a private placement.

[91] TD-W was not purporting to give advice to investors nor was it purporting to engage in due diligence for the investors.

[92] In conclusion, the respondents breached the Act as alleged. They traded securities without being registered with the commission to trade securities and without an exemption from the requirement for registration contrary to section 25 of the Act, and they distributed securities of 1464210 without the filing of a prospectus and obtaining a receipt therefore from the Director, contrary to section 53 of the Act.

[93] The conduct of the respondents was contrary to the public interest in that the breaches of the Act by the respondents were done, not only without required disclosure, but also with misinformation and prevarication by Ochnik and others acting in conjunction with him, particularly in connection with an RRSP/loan scheme that was deliberately hidden from TD-W who were induced with deception to participate in facilitating investments in 1464210 and involving investors in financial difficulty who were induced to invest in 1464210.

[94] The RRSP/loan scheme took advantage of individuals who were financially vulnerable. The conduct of the respondents was not inadvertent. Rather, it was egregious and predatory.

SANCTIONS

A. The Hearing

[95] On April 10, 2006, we held a hearing to determine appropriate sanctions against the respondents and to determine whether an application should be made to the Superior Court of Justice for a declaration pursuant to subsection 128(1) of the Act that the respondents have not complied with Ontario securities law and that, if such declaration be made, the Superior Court of Justice make such further orders pursuant to subsection 128(3) of the Act as it considers appropriate including orders pursuant to subsection 128(3) clause 10 directing that the respondents repay to security holders monies paid for securities and orders pursuant to subsection 128(3) clause 13 requiring the respondents to compensate or make restitution to aggrieved parties, such as investors in 1464210, and perhaps TD-W.

[96] On March 30, 2006, staff provided the respondents with written submissions regarding the sanctions sought against them. The respondents did not file any responding submissions with respect to sanctions.

[97] Ochnik received a notice of the sanctions hearing from both staff and the Office of the Secretary but chose not to appear at the hearing. He did not communicate in any manner with staff or with the Office of the Secretary to seek an adjournment of the sanctions hearing. Pursuant to section 7 of the SPPA, where a party who has been given proper notice of a hearing fails to respond or to attend, the tribunal may proceed in the party's absence and the party is not entitled to any further notice in the proceeding.

[98] Hence, on April 12, 2006, following the hearing, we made an order as to appropriate sanctions against the respondents.

B. Staff's Submissions

[99] Staff submitted that the respondents engaged in deliberate dishonesty and that the duration and length of the sanctions should be designed to insure that investors are protected from the future misconduct of the respondents and to provide a message of general deterrence.

[100] Staff sought an order of the commission that:

(a) pursuant to subsection 127(1) clause 3 of the Act, the exemptions contained in Ontario securities law not apply to the respondents, Ochnik and 1464210 Ontario Inc. (1464210) permanently or for such term as specified in the order;

(b) pursuant to subsection 127(1) clause 6 of the Act, the respondents be reprimanded;

(c) pursuant to subsection 127(1) clause 2 of the Act, trading in securities by the respondents cease permanently or for such period as specified in an order;

(d) pursuant to subsection 127(1) clause 7 of the Act, Ochnik resign any positions that he may hold as an officer or director of any issuer;

(e) pursuant to subsection 127(1) clause 8 of the Act, Ochnik be prohibited from becoming or acting as a director or officer of any issuer;

(f) pursuant to section 127.1 of the Act, the respondents pay the costs of staff's investigation and the costs of related to this proceeding;

(g) such other orders as the commission deems appropriate.

[101] Staff also requested that the respondents be required to pay to the commission $30,720.75 as the costs of the commission related to the hearing of this matter.

[102] We decided to hold a further hearing on the issue of costs to provide the respondents with an opportunity to test the validity of the costs claimed by staff. We also directed staff to provide the necessary documentation to the respondents to allow them to review and assess these costs. This hearing will be held in the future.

C. Relevant Considerations for Imposing Sanctions

[103] The commission's mandate in upholding the purposes of the Act is set out at section 1.1:

a. to provide protection to investors from unfair, improper or fraudulent practices; and

b. to foster fair and efficient capital markets and confidence in capital markets.

[104] In accordance with paragraphs 2.1(2)(i) and (iii) of the Act, the commission is guided by certain fundamental principles in pursuing the purposes of the Act, including the requirement for "responsible conduct by market participants" and "timely, accurate and efficient disclosure of information." Further, the commission has regard to the principle set out in subsection 2.1(3) of the Act, that "[e]ffective and responsible securities regulation requires timely, open and efficient administration and enforcement of this Act by the Commission."

[105] The role of the commission in exercising its public interest jurisdiction is set out in *Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at pp. 1610-1611:

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.

[106] Appropriate sanctions should be determined by considering the specific circumstances of the case at issue and be proportionate. As set out in *Re M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B. 1133 at 1134 (Carswell):

> We have a duty to consider what is in the public interest. To do that, we have to take into account what sanctions are appropriate to protect the integrity in the marketplace…
>
> In doing this, we have to take into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that proposed sanctions are proportionately appropriate with respect to the circumstances facing the particular respondents.

[107] The commission also indicated in *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743, and *Re Cowpland*, (2002), 25 O.S.C.B. 1133 at p. 1136, that it may consider the following factors when imposing sanctions on a respondent:

(a) the seriousness of the allegation proved;

(b) the respondent's experience in the marketplace;

(c) the level of a respondent's activity in the marketplace;

(d) whether or not there has been a recognition of the seriousness of the improprieties;

(e) the restraint of future conduct that is likely to be prejudicial to the public interest (with reference to past conduct)

(f) any mitigating factors;

(g) the size of any profits (or loss avoided) from the illegal conduct;

(h) the reputation and prestige of the respondent; and

(i) the remorse of the respondent.

D. Appropriate Sanctions

[108] Having found that Ochnik and 1464210 engaged in a RRSP/loan scheme contrary to the public interest; traded securities without being registered with the commission to trade securities and without an exemption from the requirement for registration contrary to section 25 of the Act; and distributed securities of 1464210 without the filing of a preliminary prospectus and prospectus and the obtaining of a receipt contrary to section 53 of the Act, we concluded that the sanctions sought by Staff were appropriate.

[109] In particular, we found that a permanent cease trade order was necessary to provide protection to investors from unfair, improper or fraudulent practices of the respondents. We also found that any exemptions contained in Ontario securities law

should not apply to the respondents permanently**.** In coming to this conclusion, we considered that the RRSP/loan scheme took advantage of individuals who were financially vulnerable. We also considered the fact that Ochnik was the directing mind in the RRSP/loan scheme and misled the public.

[110] In carrying out this scheme, Ochnik also engaged in deceptive behaviour with the representative of TD-W.

[111] There was no evidence in mitigation of the respondents' conduct in this case.

[112] In light of the egregiousness of Ochnik's conduct, we also found that it was appropriate to require him to resign any positions that he may hold as an officer or director of any issuer and to prohibit him from becoming or acting as a director or officer of any issuer permanently.

[113] We received no submissions that suggest a carve-out should be available to allow Ochnik to trade securities in limited circumstances. If the respondents wish to seek any carve-outs from the cease trade order, an application for an order pursuant to section 144 of the Act is available to them.

E. Subsection 128(3) of the Act

[114] The commission concludes that it is appropriate under the circumstances to make an application to the Superior Court of Justice for a declaration pursuant to subsection 128(1) of the Act that the respondents have not complied with Ontario securities law and that the Superior Court of Justice make such further orders pursuant to subsection 128(3) of the Act as it considers appropriate including orders pursuant to subsection 128(3) clause 10 directing that the respondents repay to security holders monies paid for securities and orders pursuant to subsection 128(3) clause 13 requiring the respondents to compensate or make restitution to aggrieved parties, such as investors in 1464210, and perhaps TD-W.

Dated at Toronto this 4th day of May, 2006.

"Paul M. Moore"

"Robert W. Davis"

"David L. Knight"

3.1.2 Philip Services Corp. et al.

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

AND

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

HEARING:	March 3, 2006		
PANEL:	Paul Bates	-	Commissioner (Chair of the Panel)
	Suresh Thakrar	-	Commissioner
COUNSEL:	Karen Manarin Judy Cotte	-	For Staff of the Commission
	Joseph Groia Robert Brush Kellie Seaman	-	For the Respondents

REASONS FOR ORDER

I. The Proceeding

[1] This was a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") to consider whether it was in the public interest to approve a settlement agreement (the "Settlement Agreement") entered into between Staff of the Commission ("Staff") and Allen Fracassi ("A. Fracassi"), Philip Fracassi ("P. Fracassi"), Marvin Boughton ("Boughton"), Graham Hoey ("Hoey") and John Woodcroft ("Woodcroft") (collectively, the "Respondents").

[2] At the hearing, we heard submissions from counsel for the Respondents and from Staff. Upon being satisfied that it was in the public interest to approve the Settlement Agreement, we made an order on March 3, 2006. Our Order provided that:

a. pursuant to clause 6 of subsection 127(1) of the Act, the Respondents be reprimanded by the Commission;

b. pursuant to clause 7 of subsection 127(1) of the Act, the Respondents immediately resign any positions that they each hold or may hold as a director or officer of any reporting issuer;

c. pursuant to clause 8 of subsection 127(1), Allen Fracassi be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of twelve years commencing on the date that the Settlement Agreement is approved;

d. pursuant to clause 8 of subsection 127(1), Philip Fracassi be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of ten years commencing on the date that the Settlement Agreement is approved;

e. pursuant to clause 8 of subsection 127(1), Marvin Boughton be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of ten years commencing on the date that the Settlement Agreement is approved;

f. pursuant to clause 8 of subsection 127(1), John Woodcroft be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of ten years commencing on the date that the Settlement Agreement is approved;

g. pursuant to clause 8 of subsection 127(1), Graham Hoey be prohibited from becoming or acting as a director or officer of any reporting issuer for a period of five years commencing on the date that the Settlement Agreement is approved; and

h. pursuant to section 127.1 of the Act, each of the Respondents pay costs to the Commission in the amount of $100,000 (for total costs to be paid of $500,000).

[3] These are the reasons for our decision to approve the Settlement Agreement.

II. Agreed Facts and Admissions

[4] In making our decision to approve the Settlement Agreement, we relied on the facts and conclusions agreed upon by Staff and the Respondents which were set out in Part III of the Settlement Agreement.

III. The Commission's Public Interest Mandate

[5] The Commission's mandate in upholding the purposes of the Act is set out at section 1.1:

a. to provide protection to investors from unfair, improper or fraudulent practices; and

b. to foster fair and efficient capital markets and confidence in capital markets.

[6] This case involved the failure by the Respondents to ensure that Philip Services Corp. filed financial statements in the Prospectus that contained full, true and plain disclosure. In accordance with paragraphs 2.1(2)(i) and (iii) of the Act, the Commission is guided by certain fundamental principles in pursuing the purposes of the Act, including the "requirements for timely accurate and efficient disclosure of information" and the "requirements for the maintenance of high standards of fitness and business conduct to ensure honest and responsible conduct by market participants".

[7] Disclosure is the cornerstone principle of securities regulation. All persons investing in securities should have equal access to information that may affect their investment decisions. The Act's focus on public disclosure of material facts in order to achieve market integrity would be meaningless without a requirement that such disclosure be accurate and complete and accessible to investors (see *Pacific Coast Coin Exchange of Canada v. Ontario (Securities Commission*, [1978] 2 S.C.R. 112).

[8] The role of the Commission in exercising its public interest jurisdiction is set out in *Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at pp.1610-1611:

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.

IV. Appropriate Sanctions

[9] As stated in *Re Sohan Singh Koonar et al.* (2002), 25 O.S.C.B 2691, the role of a Commission panel reviewing a settlement agreement is not to substitute the sanctions it would impose in a contested hearing for what is proposed in the settlement agreement, but rather to make sure the agreed sanctions are within acceptable parameters.

[10] Appropriate sanctions should be determined by considering the specific circumstances of the case at issue and be proportionate. As set out in *Re M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B. 1133 at 1134 (Carswell):

> We have a duty to consider what is in the public interest. To do that, we have to take into account what sanctions are appropriate to protect the integrity in the marketplace…
>
> In doing this, we have to take into account circumstances that are appropriate to the particular respondents. This requires us to be satisfied that proposed sanctions are proportionately appropriate with respect to the circumstances facing the particular respondents.

[11] We have considered the proposed sanctions as a whole, and in applying the principles set out above, we found that the Settlement Agreement entered into by A. Fracassi, P. Fracassi, Boughton, Hoey and Woodcroft and Staff of the Commission was in the public interest.

[12] The Respondents' admissions eliminated the need for a full hearing and their agreement to pay collectively $500,000 towards costs of the investigation defrayed the Commission of these costs.

[13] In approving these sanctions, we were mindful that they had to be in the public interest and commensurate with each respondent's degree of responsibility. We were of the view that the sanctions were so proportionate.

[14] We have also taken into consideration the fact that the Respondents have suffered damage to their reputation in the community throughout this hearing process.

[15] Each of the Respondents attended the settlement hearing and was publicly reprimanded when the decision to approve the Settlement Agreement was made.

[16] As mitigating factors, we noted the fact that all of the Respondents remained employed with Philip after the matters that form the subject-matter of the Notice of Hearing came to light and continued in their respective roles for substantial periods of time, during which they each fully cooperated with and assisted in investigations conducted by an independent committee of the Board and by Philip's lenders; and worked diligently to effect a restructuring of Philip pursuant to the *Companies' Creditors Arrangements Act* and Chapter 11 of the U.S. Bankruptcy Code in order to maximize recovery value for all stakeholders of Philip. The Respondents' continued involvement with Philip's business and affairs was all with the full support of the restructured Board and stakeholders of Philip.

[17] By entering into this Settlement Agreement, the Respondents have recognized the seriousness of their misconduct.

[18] Finally, we noted that a cease-trade order was not included as part of the Settlement Agreement. Staff explained that there was no conduct in this matter involving illegal or inappropriate trading, and as such a cease-trade order was not considered appropriate. Secondly, Staff's review of analogous case law did not indicate that the imposition of cease-trade orders would be appropriate in these circumstances. We accepted Staff's position.

V. Conclusion

[19] For these reasons, we were satisfied that the sanctions were in the public interest and approved the Settlement Agreement.

Dated at Toronto this 8th day of May, 2006.

"Paul K. Bates"

"Suresh Thakrar"

3.1.3 Joseph Edward Allen et al.

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

AND

JOSEPH EDWARD ALLEN, ABEL DA SILVA,
CHATERAM RAMDHANI, AND SYED KABIR

Hearing:	January 9, March 9 and 22, 2006		
Panel:	Robert L. Shirriff, Q.C.	-	Commissioner (Chair of the Panel)
	Suresh Thakrar	-	Commissioner
	David L. Knight, FCA	-	Commissioner
Counsel:	Jane Waechter	-	On behalf of Staff of the Ontario Securities Commission
Respondents:	Joseph E. Allen	-	On behalf of himself
	Chateram Ramdhani	-	On behalf of himself
	Abel da Silva	-	On behalf of himself

DECISION ON SANCTIONS AND REASONS

I. Background

[1] This was a bifurcated hearing in which it was first determined that the Respondents Joseph Edward Allen ("Allen"), Abel da Silva ("Da Silva"), Chateram Ramdhani ("Ramdhani") and Syed Kabir ("Kabir") violated Ontario securities law, specifically sections 25(1) and 53 and, in the case of Allen, section 36 of the *Securities Act*, R.S.O. 1990, c. S.5 as amended (the "Act"). It was also determined that all of the Respondents acted in a manner contrary to the public interest (see our Decision and Reasons dated October 12, 2005) and that sanctions under sections 127(1) and 127.1 of the Act should be ordered.

[2] Following the release of that decision we held a separate hearing to consider additional evidence and submissions by Staff and the Respondents relevant to sanctions.

[3] The hearing as to sanctions was held on January 9, 2006 and was attended by Allen, Ramdhani and Da Silva, each in person but without the attendance of Kabir either in person or through counsel. The hearing was first continued on March 9, 2006 and was attended by Ramdhani in person but without the attendance of Allen, da Silva and Kabir either in person or through counsel and finally continued on March 22, 2006 and was attended by Allen and Ramdhani, each in person but without the attendance of Da Silva and Kabir either in person or through counsel.

[4] These are our reasons and decision as to the appropriate sanctions against the Respondents.

II. Decision and Reasons dated October 12, 2005

[5] In our Decision and Reasons dated October 12, 2005 we found that the Respondents did not comply with Ontario securities law and acted contrary to the public interest. In particular we found that the Respondents:

(i) engaged in trading in securities of Andromeda Media Capital Corporation ("Andromeda") without appropriate registration, in violation of section 25(1) of the Act, and acted contrary to the public interest; and

(ii) engaged in a distribution of securities of Andromeda to investors who did not qualify as accredited investors and in respect of which no other exemption was available under the Act, in violation of section 53 of the Act, and acted contrary to the public interest.

[6] With respect to Allen we found that he failed to disclose commissions received in connection with his trades in securities of Andromeda, in violation of section 36 of the Act, and acted contrary to the public interest.

III. The Law

[7] As set out in section 1.1 of the Act the Commission's mandate in upholding the purposes of the Act is:

(a) to provide protection to investors from unfair, improper or fraudulent practices; and

(b) to foster fair and efficient capital markets and confidence in capital markets.

[8] The Commission's public interest jurisdiction is neither remedial nor punitive; it is protective and preventive, intended to be exercised to prevent likely future harm to Ontario's capital markets (see *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario (Securities Commission)*, [2001] S.C.C. 37 at paras. 41-43).

[9] The principles that guide the Commission in exercising its public interest jurisdiction are reflected in *Mithras Management Ltd.* (1990), 13 O.S.C.B. 1600 at pp. 1610-1611:

> … the role of this Commission is to protect the public interest by removing from the capital markets – wholly or partially, permanently or temporarily, as the circumstances may warrant – those whose conduct in the past leads us to conclude that their conduct in the future may well be detrimental to the integrity of those capital markets. We are not here to punish past conduct; that is the role of the courts, particularly under section 118 of the Act. We are here to restrain, as best we can, future conduct that is likely to be prejudicial to the public interest in having capital markets that are both fair and efficient. In so doing we must, of necessity, look to past conduct as a guide to what we believe a person's future conduct might reasonably be expected to be; we are not prescient, after all.

[10] When we determine appropriate sanctions the following fundamental factors should be considered:

(i) investor protection as set out in section 1.1(a) of the Act;

(ii) fostering fair and efficient capital markets as set out in section 1.1(b) of the Act;

(iii) maintaining high standards of business conduct as set out in s. 2.1 clause 2(iii) of the Act;

(iv) the protective and preventative mandate of the Commission under the Act; and

(v) the objectives of specific and general deterrence.

[11] Further, sanctions should be determined by taking into account the specific circumstances of each case. As set out in *Re Belteco Holdings Inc.* (1998), 21 O.S.C.B. 7743 at paras. 25-26, the Commission may consider a number of factors in determining the nature and duration of sanctions including:

a. the seriousness of the allegations proved;

b. the respondents' experience in the marketplace;

c. the level of a respondent's activity in the marketplace;

d. whether there has been a recognition by the respondents of the seriousness of the improprieties;

e. whether the sanctions imposed may serve to deter not only those involved in the case being considered, but any like-minded people, from engaging in similar abuses of the capital markets; and

f. any mitigating factors.

[12] Other factors the Commission may consider were established in *Re M.C.J.C. Holdings and Michael Cowpland* (2002), 25 O.S.C.B. 1133 at p. 1136, and include:

a. the size of any profit (or loss avoided) from the illegal conduct;

b. the size of any financial sanction or voluntary payment when considered with other factors;

c. the effect any sanction might have on the livelihood of the respondent;

d. the restraint any sanction may have on the ability of the respondent to participate without check in the capital markets;

e. the reputation and prestige of the respondent; and

f. the shame or financial pain that any sanction would reasonably cause to the respondent, and the remorse of the respondent.

[13] The Supreme Court of Canada in *Re Cartaway Resources Corp.,* [2004] 1 S.C.R. 672 at paras. 60-70 affirmed that the Commission may properly impose sanctions to deter a respondent in a particular case, and also other like-minded market participants, from engaging in similar abuses of capital markets.

[14] Staff also referred us to some authorities that we should consider when determining the appropriate sanctions against the Respondents in respect of activities involving trading without a prospectus and registration and failure to disclose commissions.

[15] In *Re Prydz* (2000), 23 O.S.C.B. 910, a decision approving a settlement agreement involving allegations of trading without a prospectus and registration, the respondent, who had previously been registered as a mutual fund dealer, failed to disclose commissions obtained in connection with the sale of highly speculative securities. The sanctions against the respondent included the termination of his registration, an undertaking never to reapply for registration, a cease trade order ("CTO") for five years and a reprimand.

[16] In *Re Delellis et al.* (1998), 21 O.S.C.B. 305*,* the respondent sold limited partnerships without being properly registered and disclosed some but not all commissions and other perquisites received. The Respondent's registration was terminated and exemptions under securities law ("Exemptions") were permanently removed.

[17] In *Re Marchment & MacKay Limited et al.* (1999), 22 O.S.C.B. 4359, the respondents sold speculative penny stocks by telephone without regard to suitability and with intent to induce a hasty decision by the client. The sanctions ordered against them ranged from termination of registration and permanent removal of Exemptions to suspension of the same for five, seven and ten years.

[18] In *Re Dodsley* (2003), 26 O.S.C.B. 1799*,* the respondent traded in commodities futures without registration. The Commission ordered that the respondent be subjected to a ten year CTO.

[19] In *Re Lett* (2004), 27 O.S.C.B. 3215, the respondents were found to be selling "high yield" securities acting as market intermediaries and trading contrary to subsection 25(1)(a) of the Act. The Commission ordered that Lett be subject to a ten-year CTO (with carve-outs), a prohibition from becoming an officer or a director of a reporting issuer for 15 years, a reprimand, and payment of costs.

IV. Sanctions against the Respondents

(1) Joseph Edward Allen

[20] Staff requested that the following sanctions be ordered against Allen:

a. a permanent CTO;

b. a permanent removal of Exemptions;

c. a disgorgement in the amount of $600,624; and

d. a reprimand.

[21] Staff did not seek an order as to costs. Staff did not provide substantive reasons why they did not seek costs, other than a concern whether the amount to be disgorged from Allen was collectible.

[22] Allen disagreed with Staff's position regarding appropriate sanctions. Allen submitted that the sanctions proposed by Staff would effectively take away his ability to make a living in the securities industry. Allen also submitted that the consequences of the proceedings have damaged his reputation. Rather, he suggested that the Commission impose the following sanctions against him:

a. a CTO for ten years, with the exception that he be permitted to trade in securities listed on the TSX and in a retirement savings plan;

b. removal of Exemptions for ten years;

c. costs in the amount of $15,000; and

d. a reprimand.

[23] In determining the appropriate sanctions we considered the fact that Allen was experienced in selling securities, had previously been registered for six years and had been denied a transfer of registration by the Commission in 2001 on the grounds that he was not suitable for registration. He nevertheless went back into the business of selling securities without seeking registration. By virtue of his registration history Allen was clearly aware of the concept of, and requirement for, registration under the Act.

[24] We also noted that Allen's conduct was referred to in the *Re Marchment & MacKay* decision cited above. Although Allen was not a respondent in the matter, this decision further establishes Allen's level of experience in the industry (since 1995) and the fact that he should have known he was required to be registered for the activities he conducted.

[25] Staff also brought to our attention a decision of the Alberta Securities Commission (the "ASC") dated December 7, 2005 in the matter of *Re InstaDial Technologies Corp. et al.*, which involved Allen and Kabir. In that decision the ASC found that in 2004 and 2005, Allen and Kabir were involved in the illegal distribution of the common shares of InstaDial Technologies Corp. via telephone sales to investors in Alberta from the Toronto office of J. Allen Capital. The ASC found that no serious efforts were made by Allen and Kabir to determine whether these investors were qualified as accredited investors and that their efforts made to document the trades as sales to accredited investors were essentially a sham. Allen was sanctioned by way of a CTO and removal of Exemptions for ten years. Allen was also required to pay an administrative penalty of $30,000 and costs.

[26] The level of activity of Allen and his sales force in the marketplace in the matter before us was significant. Allen was the primary person involved in the organization and execution of the sales of Andromeda securities being considered. He put together the sales force which included himself and the other respondents, Ramdhani, Da Silva and Kabir. Through the offering of securities of Andromeda, Allen and his salesmen raised $1,080,000 from 240 investors.

[27] We find as an aggravating factor that Allen intentionally attempted to structure his relationship with Andromeda as an employment contract in order to get around the registration requirements. Although Allen argued that the employment agreement was signed in conjunction with Andromeda's lawyers and not designed to get around the Act, we did not accept his argument. We made a finding at paragraph 80 of our Decision and Reasons dated October 12, 2005 that Allen structured the relationship in an attempt to get around the registration requirements.

[28] Further, we considered the fact that Allen hired others as salespersons and by doing so contributed to their breach of the Act. Allen argued that he hired these persons on the advice of the counsel of Andromeda and that Allen did not think it was improper to do so. There was no evidence that this was the case.

[29] We also considered that Allen did not disclose the amounts of his commissions which were substantial. Allen responded that although he now wished he had disclosed these commissions, doing so would not have altered the investment decision made by the investors.

[30] Rather than showing remorse at the sanctions hearing Allen attempted to further justify his conduct.

[31] Staff also sought an order requiring Allen to disgorge $600,624 to the Commission being the amount obtained as a result of his non-compliance with Ontario securities law.

[32] Subsection 127(1) clause 10 of the Act gives the Commission the following power to order disgorgement to the Commission:

> The Commission may make one or more of the following orders if in its opinion it is in the public interest to make the order or orders:
>
> …
>
> 10. If a person or company has not complied with Ontario securities law, an order requiring the person or company to disgorge to the Commission *any amounts obtained* as a result of the non-compliance. (Emphasis added)

[33] Allen's role and responsibility in the sales program for the securities of Andromeda was significant. He was the leading mind behind the program and hired salesmen to assist him in selling the securities. Allen was experienced in the industry and knew about the registration requirements. A respondent who has not complied with securities law should not benefit from such non-compliance.

[34] With respect to the size of the "amount" obtained from illegal conduct, we made a finding in our Decision and Reasons dated October 12, 2005, that Allen was paid $600,624 in total fees or commissions by Andromeda pursuant to the Agreement. This approximated 60 percent of the subscription proceeds received.

[35] Allen submitted that he did not make $600,624 in profits because of the very substantial costs of the offering and the 20 percent commissions paid to the salespersons. It seems to be Allen's submission that any order to disgorge amounts obtained should have regard only to "net" amounts obtained as opposed to "gross" amounts.

[36] It is Staff's submission that the wording of the legislation permits the panel to order disgorgement of the gross amount obtained. Further, Staff submitted that the legislation should not be read so as to restrict any disgorgement order to the net amount obtained as to do so would reduce the deterrent effect of the disgorgement sanction.

[37] We agree with Staff's submission on the interpretation of subsection 127(1) clause 10 of the Act. After considering the specific circumstances in this case we conclude that a disgorgement order is appropriate in this case.

[38] Staff made submissions as to the third parties to whom the disgorged amount should be allocated pursuant to subsection 3.4(2)(b) of the Act once paid to the Commission. After considering these submissions we have decided that it is appropriate to make the order in the form stated below.

(2) Chateram Ramdhani

[39] Staff requested that the following sanctions be ordered against Ramdhani:

a. a CTO and removal of Exemptions for seven years, and

b. payment of costs in respect of the investigation in the amount of $7,500.

[40] Ramdhani submitted that he relied on Allen's assurances that Allen had investigated Commission Rule 45-501 "through lawyers" and that Ramdhani was assured that their activities were proper. Ramdhani's submissions were not supported by any evidence.

[41] Ramdhani also submitted that he has student loans for which he presented a financial statement dated December 31, 2005, and that the costs of $7,500 would be burdensome.

[42] With respect to Ramdhani we find that he benefited from a commission of 20 percent of his sales which is significant.

[43] As stated above at paragraph 26 of these reasons we also find that the whole sales force, including Ramdhani, had a substantial level of activity in the marketplace.

[44] As aggravating factors we note that Ramdhani had been previously registered for one and a half years as a service broker and that he was denied a transfer of registration on suitability grounds, in large part due to his lack of understanding of the "Know your Client and Suitability" provision of Commission Rule 31-505. He nevertheless went back into the business of selling securities. By virtue of his registration history Ramdhani was clearly aware of the concept of, and requirement for, registration under the Act.

(3) Abel Da Silva

[45] Staff requested that the following sanctions be ordered against Da Silva:

a. a CTO and removal of Exemptions for seven years, and

b. payment of costs in respect of the investigation in the amount of $7,500.

[46] Da Silva submitted that he is in poor health and has no future intention of working in the securities industry. He also submitted that he is impecunious and would be unable to afford the $7,500 costs.

[47] We considered the evidence that the salesmen, including Da Silva, were paid a commission of 20 percent on their sales which constitutes a substantial rate of compensation.

[48] As stated above at paragraph 26 of these reasons we find that the whole sales force had a substantial level of activity in the marketplace.

[49] As a mitigating factor we note that Da Silva had never previously been registered and had no previous involvement in the marketplace. He may have had no understanding that he should have been registered.

[50] As an aggravating factor we note that Da Silva had a fairly lengthy criminal record, none related to securities crimes, but which would have made Da Silva unsuitable for registration had he applied for it.

(4) Syed Kabir

[51] Staff requested that the following sanctions be ordered against Kabir:

a. a CTO and removal of Exemptions for seven years, and

b. payment of costs in respect of the investigation in the amount of $7,500.

[52] With respect to Kabir we find that he benefited from a commission of 20 percent of his sales which is substantial.

[53] As stated above at paragraph 26 of these reasons we also find that the whole sales force, including Kabir, had a substantial level of activity in the marketplace.

[54] As an aggravating factor we note that Kabir was previously registered for eight years and hence was familiar with the concept of, and requirement for, registration. We also note that Kabir continued selling securities in Alberta with Allen (see the InstaDial decision referred to at paragraph 25 above). As a result of this decision, Kabir was sanctioned by the Alberta Securities Commission by way of a CTO and removal of Exemptions for three years. He was also required to pay an administrative penalty of $15,000 and costs.

V. Decision on Sanctions

[55] We consider that it is important in this case to impose sanctions that not only deter the Respondents but also like-minded people from engaging in future conduct that violates securities law.

[56] For these reasons, we are of the opinion that it is in the public interest to make the following order with respect to sanctions against the Respondents.

[57] With respect to the respondent Joseph Edward Allen ("Allen"), it is ordered:

a. that pursuant to s. 127(1), clause 2 of the Act, trading, directly or indirectly, in any securities by Allen, for his own account or for the account of others, cease permanently, with the exception that Allen be permitted to trade in securities for his own account or for the account of a registered retirement savings plan or registered retirement income fund (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership and interest, provided that:

   (i) the securities are listed and posted for trading on the Toronto Stock Exchange or the New York Stock Exchange (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

   (ii) Allen does not own legally or beneficially more than one per cent of the outstanding securities of the class or series of the class in question; and

   (iii) Allen must carry out permitted trading through a registered dealer and through accounts opened in his name only and must close any accounts in which he has any legal or beneficial ownership or interest that were not opened in his name only;

b. that pursuant to s. 127(1), clause 3 of the Act, any exemptions contained in Ontario securities law do not apply to Allen permanently, except for those exemptions necessary to enable Allen to trade in securities as permitted by paragraph 57a of this Order;

c. that pursuant to s. 127(1), clause 6 of the Act, Allen be and is hereby reprimanded;

d. that pursuant to s. 127(1), clause 10 of the Act, Allen disgorge to the Commission the amount of $600,624 being the amount obtained as a result of his non-compliance with Ontario securities law, to be allocated by the Commission to or for the benefit of third parties under section 3.4(2)(b) of the Act; and

e. that there will be no order as to costs.

[58] With respect to the Respondent Chateram Ramdhani ("Ramdhani"), it is ordered:

a. that pursuant to s. 127(1), clause 2 of the Act, trading, directly or indirectly, in any securities by Ramdhani, for his own account or for the account of others, cease for a period of seven years, with the exception that Ramdhani be permitted to trade in securities for his own account or for the account of a registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership and interest, provided that:

   (i) the securities are listed and posted for trading on the Toronto Stock Exchange or the New York Stock Exchange (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

   (ii) Ramdhani does not own legally or beneficially more than one per cent of the outstanding securities of the class or series of the class in question; and

   (iii) Ramdhani must carry out permitted trading through a registered dealer and through accounts opened in his name only and must close any accounts in which he has any legal or beneficial ownership or interest that were not opened in his name only;

b. that pursuant to s. 127(1), clause 3 of the Act, any exemptions contained in Ontario securities law do not apply to Ramdhani for a period of seven years, except for those exemptions necessary to enable Ramdhani to trade in securities as permitted by paragraph 58a of this Order; and

c. that pursuant to s. 127.1(1) of the Act, Ramdhani pay the costs of the Commission investigation in the amount of $7,500.

[59] With respect to the Respondent Abel Da Silva ("Da Silva"), it is ordered:

a. that pursuant to s. 127(1), clause 2 of the Act, trading, directly or indirectly, in any securities by Da Silva, for his own account or for the account of others, cease for a period of seven years, with the exception that Da Silva be permitted to trade in securities for his own account or for the account of a registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership and interest, provided that:

   (i) the securities are listed and posted for trading on the Toronto Stock Exchange or the New York Stock Exchange (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

   (ii) Da Silva does not own legally or beneficially more than one per cent of the outstanding securities of the class or series of the class in question; and

   (iii) Da Silva must carry out permitted trading through a registered dealer and through accounts opened in his name only and must close any accounts in which he has any legal or beneficial ownership or interest that were not opened in his name only;

b. that pursuant to s. 127(1), clause 3 of the Act, any exemptions contained in Ontario securities law do not apply to Da Silva for a period of seven years, except for those exemptions necessary to enable Da Silva to trade in securities as permitted by paragraph 59a of this Order; and

c. that pursuant to s. 127.1(1) of the Act, Da Silva pay the costs of the Commission investigation in the amount of $7,500.

[60] With respect to the Respondent Syed Kabir ("Kabir"), it is ordered:

a. that pursuant to s. 127(1), clause 2 of the Act, trading, directly or indirectly, in any securities by Kabir, for his own account or for the account of others, cease for a period of seven years, with the exception that Kabir be permitted to trade in securities for his own account or for the account of a registered retirement savings plan (as defined in the *Income Tax Act* (Canada)) in which he has sole legal and beneficial ownership and interest, provided that:

   (i) the securities are listed and posted for trading on the Toronto Stock Exchange or the New York Stock Exchange (or their successor exchanges) or are issued by a mutual fund which is a reporting issuer;

   (ii) Kabir does not own legally or beneficially more than one per cent of the outstanding securities of the class or series of the class in question; and

(iii) Kabir must carry out permitted trading through a registered dealer and through accounts opened in his name only and must close any accounts in which he has any legal or beneficial ownership or interest that were not opened in his name only;

b. that pursuant to s. 127(1), clause 3 of the Act, any exemptions contained in Ontario securities law do not apply to Kabir for a period of seven years, except for those exemptions necessary to enable Kabir to trade in securities as permitted by paragraph 60a of this Order; and

c. that pursuant to s. 127.1(1) of the Act, Kabir pay the costs of the Commission investigation in the amount of $7,500.

DATED AT Toronto this 10th day of May, 2006.

“Robert L. Shirriff”

“Suresh Thakrar”

“David L. Knight”

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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
Arbour Energy Inc.	10 May 06	19 May 06		
BF Minerals Ltd.	10 May 06	19 May 06		
Brazilian Resources, Inc.	10 May 06	19 May 06		
Broadband Learning Corporation	09 May 06	19 May 06		10 May 06
Crystal Graphite Corporation	09 May 06	19 May 06		
Golden Briar Mines Limited	10 May 06	19 May 06		
Huntington Rhodes Inc.	05 May 06	17 May 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
Lakefield Marketing Corporation	08 May 06	23 May 06			
Royal Group Technologies Limited	03 Apr 06	18 Apr 06	18 Apr 06	04 May 06	
Sterlite Gold Ltd.	04 Apr 06	17 Apr 06	17 Apr 06	05 May 06	
WGI Heavy Minerals, Incorporated	04 Apr 06	17 Apr 06	17 Apr 06	10 May 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
Airesurf Networks Holdings Inc.	02 May 06	15 May 06			
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
Bennett Environmental Inc.	10 Apr 06	24 Apr 06	24 Apr 06		
Big Red Diamond Corporation	03 Mar 06	16 Mar 06	16 Mar 06		
DataMirror Corporation	02 May 06	15 May 06			
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Foccini International Inc.	02 May 06	15 May 06			

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Genesis Land Development Corp.	11 Apr 06	24 Apr 06	24 Apr 06		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 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		
Interquest Incorporated	03 May 06	16 May 06			
Lakefield Marketing Corporation	08 May 06	23 May 06			
MedX Health Corp.	02 May 06	15 May 06			
Mindready Solutions Inc.	06 Apr 06	19 Apr 06	19 Apr 06		
Nortel Networks Corporation	27 Mar 06	10 Apr 06	10 Apr 06		
Nortel Networks Limited	27 Mar 06	10 Apr 06	10 Apr 06		
Novelis Inc.	18 Nov 05	01 Dec 05	01 Dec 05		
ONE Signature Financial Corporation	03 May 06	16 May 06			
Precision Assessment Technology Corporation	07 Apr 06	20 Apr 06	20 Apr 06		
Radiant Energy Corporation	01 Mar 06	14 Mar 06	14 Mar 06		
Royal Group Technologies Limited	03 Apr 06	18 Apr 06	18 Apr 06	04 May 06	
Simplex Solutions Inc.	02 May 06	15 May 06			
Specialty Foods Group Income Fund	04 Apr 06	17 Apr 06	17 Apr 06		
Sterlite Gold Ltd.	04 Apr 06	17 Apr 06	17 Apr 06	05 May 06	
WGI Heavy Minerals, Incorporated	04 Apr 06	17 Apr 06	17 Apr 06	10 May 06	

Chapter 5

Rules and Policies

5.1.1 CSA Notice - Amendments to NI 31-101 National Registration System and NP 31-201 National Registration System

NOTICE

AMENDMENTS TO
NATIONAL INSTRUMENT 31-101 *NATIONAL REGISTRATION SYSTEM*
AND TO
NATIONAL POLICY 31-201 *NATIONAL REGISTRATION SYSTEM*

Introduction

We, the Canadian Securities Administrators (CSA) have amended National Instrument 31-101 *National Registration System* (NI 31-101) and National Policy 31-201 *National Registration System* (NP 31-201). NI 31-101 and NP 31-201 are currently in force in all Canadian jurisdictions.

The amendments to NI 31-101 have been made or are expected to be made by each member of the CSA, and will be implemented as

- a regulation in Québec
- a rule in each of Alberta, Manitoba, Ontario and Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador;
- a blanket order in British Columbia;
- a commission regulation in Saskatchewan; and
- a policy in all other jurisdictions represented by the CSA.

We also expect that the amendments to NP 31-201 will be adopted in all jurisdictions.

In Ontario, the amendments to the Instrument and other required materials were delivered to the Minister of Government Services (the Minister) on April 20, 2006. The Minister may approve or reject the amendments or return them for further consideration. If the Minister approves the amendments or does not take any further action, they will come into force on the date indicated below.

In Québec, the amending regulation is a regulation made under section 331.1 of the *Securities Act* (Québec) and must be approved, with or without amendment, by the minister of Finance. The amending regulation will come into force on the date of its publication in the *Gazette officielle du Québec* or on any later date specified in the regulation.

Provided all necessary approvals are obtained, the amendments will come into force on August 1, 2006.

Substance and Purpose

The substance and purpose of the amendments to NI 31-101 and NP 31-201 are to require that a firm filer select as its principal regulator the local securities regulatory authority or regulator in the jurisdiction where the filer's head office is located. In exceptional circumstances, factors other than the firm's head office may be considered when the firm filer applies for a change of principal regulator, as provided in the amendment to section 3.3 of NP 31-201.

Written Comments Received

During the comment period, we received one submission, from The Investment Funds Institute of Canada. This submission states that a firm's principal jurisdiction under the National Registration System should be the one chosen by the firm. However, we note that the amendments are consistent with the selection of an issuer's principal regulator under National Policy 43-201

Mutual Reliance Review System for Prospectuses and Annual Information Forms, and Multilateral Instrument 11-101 *Principal Regulator System*. Further, we do not believe that the amendments will give rise to an increase in time or costs for registrants.

We have therefore made no change to the amendments.

Questions

Please refer your questions to any of:

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The text of the proposed amendments follows or can be found elsewhere on a CSA member website.

May 12, 2006

AMENDMENTS TO NATIONAL INSTRUMENT 31-101
NATIONAL REGISTRATION SYSTEM

PART 1 AMENDMENTS TO NATIONAL INSTRUMENT 31-101

1.1 National Instrument 31-101 *National Registration System* is amended by this Instrument.

1.2 Paragraph (a) of the definition of "principal regulator" is repealed and the following is substituted:

> "for a firm filer, the securities regulatory authority or regulator of the jurisdiction in which the firm filer's head office is located;"

1.3 Section 2.3 is repealed and the following is substituted: "If a firm filer changes its head office to another jurisdiction, the firm filer must immediately notify its principal regulator of such change by submitting a completed Form 31-101F2."

1.4 Item 3 of Form 31-101F1 is repealed and the following is substituted:

> "3. Reasons for Designation of Principal Regulator
>
> State here the location of firm filer's head office."

1.5 Form 31-101F2 is amended

(a) Item 1 of the General Instructions is repealed and replaced by the following:

> "1. The Form must be submitted by a firm filer to notify its principal regulator if a firm filer changes its head office to another jurisdiction."

(b) Item 2 by striking out "the factors considered by the firm filer to determine the jurisdiction with which the firm filer has the most significant connection" and substituting "the head office".

PART 2 EFFECTIVE DATE

2.1 This Instrument is effective August 1, 2006.

AMENDMENTS TO NATIONAL POLICY 31-201
NATIONAL REGISTRATION SYSTEM

PART 1 AMENDMENTS

1.1 National Policy 31-201 is amended by deleting sections 3.2, 3.3 and 3.4 and substituting the following:

3.2. Designation of Principal Regulator

(1) The firm filer must select as its principal regulator the securities regulatory authority or regulator of the jurisdiction in which the firm filer's head office is located.

(2) The principal regulator for an individual filer is the securities regulatory authority or the regulator of the jurisdiction in which the individual filer's working office is located.

3.3. Change of Principal Regulator Applied for by Filer

(1) A filer may apply for a change of principal regulator if it believes that its principal regulator is not the appropriate principal regulator. However, a change of a firm filer's principal regulator based on factors other than the head office criterion set out in section 3.2 (1) will generally not be permitted unless exceptional circumstances justify the change. The factors that may be considered in assessing an application for a change of a filer's principal regulator are:

(a) location of management,

(b) operational headquarters,

(c) business office,

(d) workforce, and

(e) clientele.

(2) If a filer applies for a change of its principal regulator, the application should be submitted in paper form to the principal regulator and the requested regulator at least thirty days in advance of any filing of materials under NRS to permit adequate time for staff of the relevant securities regulatory authorities to consider and resolve the application. If the application is not resolved before the date of any filing of materials, the principal regulator will continue to act as principal regulator for that filing, and the change requested, if granted, will relate to materials filed after the issuance of the final MRRS decision document.

3.4. Change of Principal Regulator - by the Regulators

(1) The securities regulatory authorities and regulators may change the principal regulator designated by the filer where the securities regulatory authorities and regulators determine that changing the principal regulator of a filer would result in greater administrative and regulatory efficiencies in connection with the filer's registration or approval.

(2) If the securities regulatory authorities and regulators propose to change a filer's principal regulator, the principal regulator will notify the filer in writing of the proposed change and will identify the reasons for the proposed change.

3.5. Effect of Change of Principal Regulator

Unless otherwise consented to by the principal regulator and the redesignated principal regulator, a change of principal regulator pursuant to sections 3.3 and 3.4 will take effect immediately. Requirements applicable to the filer will change accordingly, subject to the temporary exemption contained in section 3.2 of NI 31-101 for the benefit of registered filers.

PART 2 EFFECTIVE DATE

2.1. These amendments come into force on August 1, 2006.

Chapter 6

Request for Comments

6.1.1 Notice of Proposed Amendments to MI 33-109 Registration Information, Companion Policy 33-109CP, MI 31-102 National Registration Database, and Companion Policy 31-102CP

REQUEST FOR COMMENT

NOTICE OF PROPOSED AMENDMENTS TO
MULTILATERAL INSTRUMENT 33-109 *REGISTRATION INFORMATION*,
COMPANION POLICY 33-109CP,
MULTILATERAL INSTRUMENT 31-102 *NATIONAL REGISTRATION DATABASE*,
AND COMPANION POLICY 31-102CP

Introduction

The Canadian Securities Administrators (the **CSA** or **we**) are publishing for comment proposed amendments to Multilateral Instrument 33-109 - *Registration Information* (**MI 33-109**), Companion Policy 33-109CP (**33-109CP**), Multilateral Instrument 31-102 - *National Registration Database* (**MI 31-102**), and Companion Policy 31-102CP (**31-102CP**).

MI 33-109, 33-109CP, MI 31-102, and 31-102CP are currently in force in all Canadian jurisdictions except for Québec. In Québec, the system has been implemented by the adoption of *Regulation 33-109Q respecting Registration Information* and *Regulation 31-102Q respecting National Registration Database* (collectively, the **Québec Regulations**), which came into force in Québec on January 1, 2005. The Québec Regulations are substantially identical to MI 33-109 and MI 33-102, except as to transition periods. Québec did not adopt 33-109CP and 31-102CP as policy statements.

Québec will adopt the amended MI 33-109 and the amended MI 31-102 as well as the amended 33-109CP. These instruments will be implemented in Québec as regulations and will replace the Québec Regulations.

Substance and purpose of proposed amendments

Proposed changes to MI 33-109

Four changes are proposed to be made to MI 33-109. First, references to Québec will be included in the instrument, making it into a national instrument. Second, the term “non-registered individual” will be changed to “permitted individual”. Third, three deadlines for reporting changes to information filed on NRD will be changed. Fourth, firms will now be required to advise the regulator of a change in financial year end and of a change in auditor.

1. Addition of Québec

Québec joined the National Registration Database on January 1, 2005, and so MI 33-109, 33-109CP, MI 31-102, and 31-102CP must be updated by way of certain technical modifications to reflect that fact. These changes are not substantive, and all operational changes to the NRD to ensure this change takes effect have already occurred. With Québec’s inclusion, MI 33-109 and MI 31-102 will become national instruments.

2. Permitted individual

A non-registered individual is defined in MI 33-109 as a director, partner, officer, or branch manager of a registered firm if the individual does not trade or advise on behalf of the firm. In Alberta, British Columbia, and Ontario, the definition also includes shareholders controlling 10 per cent or more of the voting securities of the firm.

Securities regulators require information on non-registered individuals because those individuals are the directing minds of registrant firms. The firms are required to provide securities regulators with that information.

Since MI-33-109 and MI 31-102 came into force, staff have fielded questions about why a non-registered individual must submit a Form 33-109F4, leading to confusion. Furthermore, the term has led some applicants to assume incorrectly that information filed by non-registered individuals is not reviewed by the regulator.

As a result, we propose to change the term to "permitted individual". This term is not similar to any other in use in the financial services industry, and the term carries with it the implication that the application is not automatically granted. This change does not require any operational or functional changes to the NRD system; it requires only that the term be replaced on NRD.

3. Deadlines

MI 33-109 currently sets out a number of deadlines for registrants to notify the regulator in accordance with MI 31-102 of a change to any information submitted in Form 33-109F4. The deadlines vary with the importance of the information. For example, the deadline to notify the regulator about a termination of an individual is five business days; other less critical information can be submitted later.

The current deadlines are based on the pre-NRD system in which registrants submitted information to the regulator, and the regulator input the changes into its computers. With NRD, registrants bear the responsibility of inputting their own information, and for maintaining records of proof for that information. With this increased load on registrants, they have found that some of the deadlines are too short.

One deadline proposed to be changed, for a change in previous employment, has been lengthened from five business days to 10 business days in consideration of requests from industry for more time. Since this information is not as critical as, say, a termination notice, a longer deadline seems appropriate. Another deadline proposed to be changed would lengthen the amount of time in which a new non-registered individual is required to apply to the regulator from five business days to 20. Industry has requested this change because five business days is an unreasonably short amount of time to prepare all the required information.

Two deadlines, for changes in personal information and in proficiency information, have been changed from the previous maximum deadline of one year to 20 business days. The year-long deadline was so long that it was easy for a firm NRD filer to forget to submit the information.

4. Changes in financial year end and changes of auditor

Applicants for registration are required to submit information to the regulator about their financial year end and auditor, but they are not currently required to inform the regulator of any changes to that information. Proposed revisions to MI 33-109 will close this gap immediately, requiring registrants to inform the regulator of changes to their financial year end or to their auditor within five business days of the change.

Proposed changes to 33-109CP

33-109CP will be revised to reflect that MI 33-109 is now a national instrument. In addition, to clarify the responsibilities each firm bears for the information submitted to the regulator, the relevant section of the companion policy will be revised to specify that firms should regularly remind the individuals it sponsors to ensure the truth and correctness of that information.

Proposed changes to MI 31-102

MI 31-102 will be updated to reflect Québec participation in the NRD.

Proposed changes to 31-102CP

31-102CP will be revised to reflect that MI 31-102 is now a national instrument.

Summary of proposed amendments

The proposed amendments are minor housekeeping changes that will:

1. reflect Québec's participation in the National Registration Database;

2. end the confusion over the term "non-registered individual";

3. provide some relief to registrants hamstrung by two deadlines that are too short;

4. ensure the regulator is kept abreast of changes in a registrant's financial year end and its auditor; and

5. clarify the responsibilities each firm bears for the information submitted to the regulator.

Authority for proposed amendments - Ontario

Paragraph 143(1) 1 of the *Securities Act* (the **Act**) authorizes the Commission to make rules prescribing requirements in respect of applications for registration and the renewal, amendment, expiration or surrender of registration and in respect of suspension, cancellation or reinstatement of registration.

Paragraph 143(1)7 of the Act authorizes the Commission to make rules prescribing requirements in respect of the disclosure or furnishing of information to the Commission by registrants.

Paragraph 143(1)10 of the Act authorizes the Commission to make rules prescribing requirements in respect of the books, records and other documents required by subsection 19(1) to be kept by market participants, including the form in which and the period for which the books, records and other documents are to be kept.

Paragraph 143(1) 39 of the Act authorizes the Commission to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Act, the regulations or the rules made thereunder and all documents determined by such regulations or rules to be ancillary to the documents, including applications for registration.

Paragraph 143(1) 44 of the Act authorizes the Commission to make rules varying the application of the Act to require the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information to be filed under the Act, the regulations or rules made thereunder.

Paragraph 143(1) 45 of the Act authorizes the Commission to make rules establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information.

Paragraph 143(1) 46 of the Act authorizes the Commission to make rules prescribing the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose of the Act.

Paragraph 143(1) 49 of the Act authorizes the Commission to make rules varying the Act to permit or require methods of filing or delivery, to or by the Commission, registrants, and others, of documents, information, notices or other communications required under or governed by Ontario securities law.

Unpublished materials

In proposing the amendments to MI 33-109, 33-109CP, MI 31-102, and 31-102CP, the Ontario Commission has not relied on any significant unpublished study, report, or other written materials.

Alternatives considered

The Ontario Commission did not consider any alternatives to the proposed amendments to MI 33-109, 33-109CP, MI 31-102, and 31-102CP.

Anticipated costs and benefits

We anticipate that the proposed amendments will reduce the time, costs, and inconvenience of a firm filer associated with confusion over why a non-registered individual has to register, and with deadlines that were too short in certain instances.

Comments

Interested parties are invited to make written submissions about these proposed amendments. Submissions received by August 10, 2006 will be considered. If you are not sending your submissions by e-mail, please include a diskette or CD containing your submission (in Windows format, Word).

Submissions should be addressed to all of the CSA members listed below:

Ontario Securities Commission
Autorité des marchés financiers
New Brunswick Securities Commission
Saskatchewan Financial Services Commission

It is not necessary to send comments separately to all CSA member authorities. Please send them to the following person, who will ensure they are sent to the other CSA members:

c/o John Stevenson
Secretary to the Commission
Ontario Securities Commission
20 Queen Street West, Suite 1903, Box 55
Toronto, Ontario
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e-mail: jstevenson@osc.gov.on.ca

Alberta will publish these materials at a later date.

We cannot keep submissions confidential because securities legislation in certain jurisdictions requires that a summary of the written submissions received during the comment period be published.

Questions

Please refer your questions to any of:

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The text of the proposed amendments follow or can be found elsewhere on a CSA member website.

May 12, 2006

NATIONAL INSTRUMENT 33-109
REGISTRATION INFORMATION

TABLE OF CONTENTS

NATIONAL INSTRUMENT 33-109
REGISTRATION INFORMATION

PART 1 DEFINITIONS

1.1 Definitions - In this Instrument

"Form 3" means the required form for an application for registration as dealer, adviser, or underwriter in the local jurisdiction;

"Form 4" means the form that was required for an application for registration for an individual in the local jurisdiction before February 21, 2003, or in Québec, after January 1, 2005;

"permitted individual" means, for a registered firm or for a person or company that is applying for registration, an individual who is not registered to trade or advise on behalf of the firm and who

(a) is a director, partner, officer, or branch manager of the firm, or

(b) in Alberta, British Columbia, and Ontario

(i) is a director, partner, officer, or branch manager of the firm, or

(ii) beneficially owns, directly or indirectly, or exercises control or direction over, 10 percent or more of the voting securities of the firm;

"NI 31-102" means National Instrument 31-102 National Registration Database;

"NRD submission number" means the unique number generated by NRD to identify each NRD submission; "registered firm" means a person or company that is registered as a dealer, adviser, or underwriter;

“registered individual” means, for a registered firm, an individual who,

(a) is registered to trade or advise on behalf of the registered firm, or

(b) in Québec, is registered to act as a securities dealer or adviser on behalf of the registered firm;

“sponsoring firm” means,

(a) for a registered individual,

(i) the registered firm on whose behalf the individual trades or advises, or

(ii) in Québec, the registered firm on whose behalf the individual acts as a securities dealer or adviser,

(b) for an individual applying for registration,

(i) the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to trade or advise, or

(ii) in Québec, the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to act as a securities dealer or adviser,

(c) for a permitted individual of a registered firm, the registered firm on whose behalf the individual acts, or

(d) for a permitted individual of a person or company that is applying for registration, the person or company that is applying for registration.

1.2 Interpretation - Terms defined in NI 31-102 and used in this Instrument have the respective meanings ascribed to those terms in NI 31-102.

PART 2 APPLICATION FOR REGISTRATION

2.1 Dealer, Adviser and Underwriter Registration - Except as provided in subsection 2.3(1), an applicant for registration as a dealer, adviser, or underwriter must submit to the regulator,

(a) in paper format, a completed Form 3;

(b) in accordance with NI 31-102, a completed Form 33-109F3 for each business location of the applicant, other than the applicant's head office; and

(c) in accordance with NI 31-102, a completed Form 33-109F4 for each permitted individual of the applicant who has not applied to become a registered individual with the applicant under subsection 2.2(1).

2.2 Individual Applicants

(1) Except as provided in subsection (2) and subsection 2.3(2), an individual who applies for registration under securities legislation must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F4.

(2) Despite subsection (1), a permitted individual of a registered firm who applies to become a registered individual with the firm must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F2.

2.3 *Commodity Futures* Act Registrants

(1) In Manitoba and Ontario, if an applicant for registration under section 2.1 is registered under the *Commodity Futures Act,* the applicant

(a) is not required to submit a completed Form 33-109F3 under subsection 2.1(b) for any business location of the applicant that is recorded on NRD; and

(b) is not required to submit a completed Form 33-109F4 under subsection 2.1(c) for a permitted individual if the applicant submits to the regulator, in accordance with NI 31-102, a completed Form 33-109F2 for the individual.

.

(2) In Manitoba and Ontario, despite subsection 2.2(1), if an individual applies for registration under securities legislation and is recorded on NRD with his or her sponsoring firm as registered under the *Commodity Futures* Act, the individual must make the application by submitting to the regulator, in accordance with NI 31-102, a completed Form 33-109F2.

PART 3 CHANGES TO REGISTERED FIRM INFORMATION

3.1 Changes to Form 3 Information

(1) A registered firm must notify the regulator of a change to any information previously submitted in Form 3, or under this subsection, within 5 business days of the change.

(2) Except as provided in subsection (3), for the purposes of subsection (1), a notice of change must be made by submitting a completed Form 33-109F5 in paper format.

(3) Despite subsection (2), a notice of change under this section is not required to be in Form 33-109F5 if the change relates to

(a) the addition of an officer, partner, or director to the registered firm, and if a completed Form 33-109F4 in respect of the officer, partner, or director is submitted under section 2.2 or 3.3;

(b) the resignation or termination of an officer, partner or director of the registered firm, and if a completed Form 33-109F1 is submitted under section 4.3 or 5.2; or

(c) a business location other than head office, and if a completed Form 33-109F3 is submitted under section 3.2.

3.2 Changes to Business Locations

(1) A registered firm must notify the regulator of the opening of a business location, other than a new head office, by submitting in accordance with NI 31-102 a completed Form 33-109F3 within 5 business days of the opening.

(2) A registered firm must notify the regulator of a change to any information previously submitted in Form 33-109F3 by submitting in accordance with NI 31-102 a completed Form 33-109F3 within 5 business days of the change.

3.3 Addition of Permitted individuals - A registered firm must submit to the regulator in accordance with NI 31-102 a completed Form 33-109F4 for a permitted individual within 20 business days of the individual becoming a permitted individual of the registered firm.

3.4 Changes to other registration information - A registered firm must notify the regulator of a change in its auditor or financial year-end within 5 business days of the change.

PART 4 CHANGES TO REGISTERED INDIVIDUAL INFORMATION

4.1 Changes to Form 33-109F4 Information

(1) Except as provided in subsections (2) and (3), a registered individual must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, within 5 business days of the change.

(2) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, within 10 business days of the change.

(3) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, within 20 business days of the change.

4.2 Application to Change or Surrender Individual Registration Categories - A registered individual of a registered firm who applies to change or surrender his or her registration category with the firm must make the application by submitting to the regulator in accordance with NI 31-102 a completed Form 33-109F2.

4.3 Termination of Relationship - A registered firm must, within 5 business days of a termination of an employment, partner, or agency relationship with a registered individual, notify the regulator of the termination of the relationship by submitting in accordance with NI 31-102 a completed Form 33-109F1.

PART 5 CHANGES TO PERMITTED INDIVIDUAL INFORMATION

5.1 Changes to Form 33-109F4 Information

(1) Except as provided in subsections (2), (3), (4), and (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, for a permitted individual within 5 business days of the change.

(2) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, for a permitted individual within 10 business days of the change.

(3) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, for a permitted individual within 20 business days of the change.

(4) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator of a change to any information regarding a category of permitted individual listed in Item 6 of Form 33-109F4 for a permitted individual by submitting in accordance with NI 31-102 a completed Form 33-109F2 within 5 business days of the change.

(5) Despite subsections (1), (2), (3), and (4), a registered firm is not required to notify the regulator of a change to information if another firm has notified the regulator of the change in accordance with NI 31-102 and within the required time.

5.2 Termination of Relationship - A registered firm must, within 5 business days of an individual ceasing to be a permitted individual of the registered firm, notify the regulator in accordance with NI 31-102 of the termination of the relationship by submitting a completed Form 33-109F1.

PART 6 DUE DILIGENCE AND RECORD-KEEPING

6.1 Sponsoring Firm Obligations

(1) A sponsoring firm must make reasonable efforts to ensure that information submitted by

(a) the firm for a permitted individual; or

(b) a registered individual, or an individual applying for registration, for whom the firm is the sponsoring firm,

is true and complete.

(2) A sponsoring firm must retain all documents used by the firm to satisfy its obligation under subsection (1),

(a) in the case of a permitted individual, for a period of seven years after the individual ceases to be a permitted individual; or

(b) in the case of a registered individual, or an individual applying for registration, for a period of seven years after the individual ceases to be a registered individual with the firm.

(3) Without limiting the generality of subsection (2), if a registered individual, or an individual applying for registration, appoints an agent for service, the sponsoring firm must keep the original Appointment of Agent for Service executed by the individual for the period of time set out in paragraph (2)(b).

(4) A sponsoring firm that retains a document under subsection (2) or (3) in respect of an NRD submission must record the NRD submission number on the document.

PART 7 EXEMPTION

7.1 Exemption

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) In Québec, this exemption is granted pursuant to section 263 of the *Securities Act* (R.S.Q., c. V-1.1).

PART 8 INCONSISTENT PROVISIONS

8.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the *Securities Regulation*.

COMPANION POLICY 33-109CP
TO NATIONAL INSTRUMENT 33-109 REGISTRATION INFORMATION

PART 1 APPLICATION AND PURPOSE

1.1 Application - National Instrument 33-109 ("NI 33-109") has been implemented in all jurisdictions.

1.2 Purpose - The purpose of NI 33-109 is to consolidate and harmonize requirements regarding the initial submission of registration information and the updating of that information.

PART 2 BUSINESS LOCATIONS

2.1 Business Locations - The securities regulatory authority or regulator is of the view that a business location for a registered firm, or a person or company that is applying for registration, is a location within the jurisdiction, including a residence, where a firm's registered individuals are based for the purpose of carrying out registerable activity.

PART 3 NOTICE OF CHANGES

3.1 Bulk Transfer of Locations and Individuals

(1) If a registered firm is acquiring a large number of business locations (for example, as a result of an amalgamation or asset purchase) from one or more other registered firms that are located in the same jurisdictions and registered in the same categories as the acquiring firm, and if a significant number of individuals are associated on NRD with the locations, the securities regulatory authority or regulator will consider exempting the firms and individuals involved in the transaction from the following requirements:

1. the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of NI 33-109;

2. the requirement to submit a notice regarding each individual who ceases to be a permitted individual under section 5.2 of NI 33-109;

3. the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of NI 33-109;

4. the requirement to submit a Form 33-109F4 for each permitted individual under section 3.3 of NI 33-109;

5. the requirement under section 3.1 of NI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3.

(2) To exempt the firms and individuals involved in the transaction from the requirements set out above, the application should include the following information:

(a) the name and NRD number of the registered firm that will acquire control of the business locations;

(b) for each registered firm that is transferring control of the business locations,

(i) the name and NRD number of the registered firm;

(ii) the address and NRD number of each business location that is being transferred from the registered firm named in (b)(i) to the registered firm named in (a); and

(c) the date that the business locations will be transferred to the registered firm named in (a).

(3) To facilitate the processing of the exemption application, the applicant may put the information referred to in subsection (2) in the form set out in Appendix A to this Companion Policy.

(4) This exemption application should be submitted by the registered firm that will acquire control of the business locations at the closing of the transaction and should be submitted sufficiently in advance of the date on which the business locations are to be transferred (the "transfer date"). At this time, the securities regulatory authority is of the view that submitting the application at least 30 days prior to the transfer date should be sufficient.

(5) In addition to any application fee, it is likely that the payment of a fee will be a condition of this type of exemption order and that the fee will be related to the number of registered firms, business locations, registered individuals, and permitted individuals involved in the transaction.

(6) If the exemption is granted, as soon as practicable after the transfer date, the regulator will instruct the NRD administrator to indicate the transfer of the business locations, the registered individuals, and the permitted individuals on NRD.

Bulk transfers involving firms that are registered in different categories or different jurisdictions may need to take additional steps. Firms involved in such a transaction should contact the applicable regulators to discuss what steps are required to allow the firms to use the bulk transfer process described above.

PART 4 DUE DILIGENCE

4.1 Sponsoring Firm Obligations - The securities regulatory authority or regulator is of the view that the reasonable efforts firms are required to undertake in Part 6 of NI 33-109 include

(a) establishing written policies and procedures relating to the investigation of an individual prior to submitting a Form 33-109F4 on behalf of the individual;

(b) ensuring that the review of an individual pursuant to these policies and procedures is documented; and

(c) regularly reminding

(i) registered individuals about their disclosure obligations under NI 33-109, such as notifying the regulator about changes to information, and

(ii) permitted individuals to notify their sponsoring firm about changes to information, so that the sponsoring firm can fulfill its disclosure obligations under NI 33-109.

PART 5 *COMMODITY FUTURES ACT* SUBMISSIONS

5.1 In Ontario, if a person or company is required to make a submission under both NI 33-109 and OSC Rule 33-506 *(Commodity Futures Act)* with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.

Appendix A

Request for NRD Bulk Transfer of Business Locations

This is an application for exemption under National Instrument 33-109.

A) Registered firm that will acquire the business locations
Name:
Firm NRD number:

B) Registered firm transferring the business locations
Name:
Firm NRD number:

Business locations that will be transferred
Address of business location:
NRD number of business location:

Address of business location:
NRD number of business location:
(Repeat for each business location as necessary.)

C) Date that business locations will be transferred:

NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE

TABLE OF CONTENTS

NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE

PART 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions - In this Instrument

"authorized firm representative" or "AFR" means, for a firm filer, an individual with his or her own NRD user ID and who is authorized by the firm filer to submit information in NRD format for that firm filer and individual filers with respect to whom the firm filer is the sponsoring firm;

"chief AFR" means, for a firm filer, an individual who is an AFR and has accepted an appointment as a chief AFR by the firm filer;

"firm filer" means a person or company that is required under securities legislation to make an NRD submission in accordance with this Instrument and that is registered as, or has applied for registration as, a dealer, adviser, or underwriter;

"individual filer" means an individual that is required under securities legislation to make an NRD submission in accordance with this Instrument;

"NI 33-109" means National Instrument 33-109 Registration Information;

"National Registration Database" or "NRD" means the online electronic database of registration information regarding NRD filers and includes the computer system providing for the transmission, receipt, review, and dissemination of that registration information by electronic means;

"NRD account" means an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit;

"NRD administrator" means CDS INC. or a successor appointed by the securities regulatory authority to operate NRD;

"NRD filer" means an individual filer or a firm filer;

"NRD format" means the electronic format for submitting information through the NRD website;

"NRD number" means the unique number first generated by NRD to identify an NRD filer, a permitted individual, or a business location;

"NRD submission" means information that is submitted under securities legislation or securities directions in NRD format, or the act of submitting information under securities legislation or securities directions in NRD format, as the context requires;

"NRD website" means the website operated by the NRD administrator for the NRD submissions.

1.2 Interpretation - Terms defined in NI 33-109 and used in this Instrument have the respective meanings ascribed to those terms in NI 33-109.

PART 2 INFORMATION TO BE SUBMITTED IN NRD FORMAT

2.1 Registration Information - A person or company that is required to submit any of the following to the securities regulatory authority or regulator must make the submission in NRD format:

1. Form 33-109F1;
2. Form 33-109F2;
3. Form 33-109F3;
4. Form 33-109F4 or a change to any information previously submitted in respect of Form 33-109F4.

PART 3 MAKING NRD SUBMISSIONS

3.1 NRD Submissions

(1) An NRD filer that is required under securities legislation to submit information in NRD format must make that NRD submission

(a) through the NRD website,

(b) using the NRD number of the NRD filer, permitted individual, or business location, and

(c) in accordance with this Instrument.

(2) A requirement in securities legislation relating to the format in which a document or other information to be submitted must be printed, or specifying the number of copies of a document that must be submitted, does not apply to an NRD submission required to be made in accordance with this Instrument.

(3) An NRD filer making an NRD submission must make the NRD submission through an AFR.

3.2 Ongoing Firm Filer Requirements - A firm filer must

(a) be enrolled with the NRD administrator to use NRD;

(b) have one and no more than one chief AFR enrolled with the NRD administrator;

(c) maintain one and no more than one NRD account;

(d) notify the NRD administrator of the appointment of a chief AFR within 5 business days of the appointment;

(e) notify the NRD administrator of any change in the name of the firm's chief AFR within 5 business days of the change; and

(f) submit any change in the name of an AFR, other than the firm's chief AFR, in NRD format within 5 business days of the change.

PART 4 PAYMENT OF FEES THROUGH NRD

4.1 Payment of Submission Fees

(1) If a fee is required with respect to an NRD submission, a firm filer must pay the required fee by electronic preauthorized debit through NRD.

(2) A payment under subsection (1) must be made from the firm filer's NRD account.

4.2 Payment of Annual Registration Fees

(1) If a firm filer is required to pay an annual registration fee, the firm filer must pay the required fee by electronic pre-authorized debit through NRD.

(2) A payment under subsection (1) must be made from the firm filer's NRD account.

4.3 Payment of NRD User Fees – Annual

(1) If a firm filer is required to pay an annual NRD user fee, the firm filer must pay the required fee by electronic pre-authorized debit through NRD.

(2) A payment under subsection (1) must be made from the firm filer's NRD account.

PART 5 TEMPORARY HARDSHIP EXEMPTION

5.1 Temporary Hardship Exemption

(1) If unanticipated technical difficulties prevent an NRD filer from making a submission in NRD format within the time required under securities legislation, the NRD filer is exempt from the requirement to make the submission within the required time period, if the NRD filer makes the submission in paper format or NRD format no later than 5 business days after the day on which the information was required to be submitted.

(2) Form 33-109F5 is the paper format for submitting a notice of a change to Form 33-109F4 information.

(3) If unanticipated technical difficulties prevent an individual filer from submitting an application in NRD format, the individual filer may submit the application in paper format.

(4) If an NRD filer makes a paper format submission under this section, the NRD filer must include the following legend in capital letters at the top of the first page of the submission:

IN ACCORDANCE WITH SECTION 5.1 OF NATIONAL INSTRUMENT 31-102 NATIONAL REGISTRATION DATABASE (NRD), THIS [SPECIFY DOCUMENT] IS BEING SUBMITTED IN PAPER FORMAT UNDER A TEMPORARY HARDSHIP EXEMPTION.

(5) If an NRD filer makes a paper format submission under this section, the NRD filer must resubmit the information in NRD format as soon as practicable and in any event within 10 business days after the unanticipated technical difficulties have been resolved.

PART 6 EXEMPTION

6.1 Exemption

(1) The regulator or the securities regulatory authority may grant an exemption from this Instrument, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

(2) Despite subsection (1), in Ontario, only the regulator may grant such an exemption.

(3) In Québec, this exemption is granted pursuant to section 263 of the Securities Act (R.S.Q., c. V-1.1).

PART 7 INCONSISTENT PROVISIONS

7.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the Securities Regulation.

COMPANION POLICY 31-102CP
TO NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE

PART 1 APPLICATION AND PURPOSE

1.1 **Application** - National Instrument 31-102 ("NI 31-102") has been implemented in all jurisdictions.

1.2 **Purpose** - The purpose of NI 31-102 is to establish requirements for the electronic submission of registration information through NRD.

PART 2 PRODUCTION OF NRD FILINGS

2.1 The securities legislation of several jurisdictions contains a requirement to produce or make available an original or certified copy of information filed under the securities legislation. Each relevant securities regulatory authority or regulator, as applicable, considers that it may satisfy such a requirement in the case of information filed in NRD format by providing a printed copy or other output of the information in readable form that contains or is accompanied by a certification by the securities regulatory authority or regulator that the printed copy or output is a copy of the information filed in NRD format.

PART 3 DATE OF FILING

3.1 The securities regulatory authority or regulator takes the view that information filed in NRD format is, for purposes of securities legislation, filed on the day that the transmission of the information to NRD is completed.

PART 4 OFFICIAL COPY OF NRD FILINGS

4.1 For purposes of securities legislation, securities directions or any other related purpose, the securities regulatory authority or regulator takes the view that the official record of any information filed in NRD format by an NRD filer is the electronic information stored in NRD.

PART 5 AUTHORIZED FIRM REPRESENTATIVE AS AGENT

5.1 The securities regulatory authority or regulator is of the view that when making an NRD submission an AFR is an agent of the firm or individual to whom the filing relates.

PART 6 ONGOING FIRM FILER REQUIREMENTS

6.1 The securities regulatory authority or regulator expects that firm filers will follow the processes set out in the NRD Filer Manual to

(a) enroll with the NRD administrator,

(b) keep their enrolment information current, and

(c) keep their NRD account information current.

PART 7 COMMODITY FUTURES ACT SUBMISSIONS

7.1 In Ontario, if a person or company is required to make a submission under both NI 31-102 and OSC Rule 31-509 *(Commodity Futures Act*) with respect to the same information, the securities regulatory authority is of the view that a single filing on a form required under either rule satisfies both requirements.

NATIONAL INSTRUMENT 33-109
REGISTRATION INFORMATION
AMENDMENT INSTRUMENT

2. The title of Multilateral Instrument 33-109 Registration Information is amended by striking out "Multilateral***" and substituting "***National***".***

3. The table of contents of the Instrument is amended by

(a) striking out "2.2 Individual Registration***" and substituting "***2.2 Individual Applicants***",***

(b) striking out "3.3 Addition of Non-registered Individuals***" and substituting "*** 3.3 Addition of Permitted individuals***",***

(c) adding "3.4 Changes to Other Registration Information***" after "***3.3 Addition of Permitted individuals***",***

(d) striking out "PART 5 CHANGES TO NON-REGISTERED INDIVIDUAL INFORMATION***" and substituting "***PART 5 CHANGES TO PERMITTED INDIVIDUAL INFORMATION***",***

(e) striking out the following:

PART 8 TRANSITION TO NRD
8.1 Definitions
8.2 Changes to Form 3 Information
8.3 Changes to Business Location
8.4 Addition of Non-registered Individuals
8.5 Changes to Form 4 Information – Registered Individuals
8.6 Termination of Relationship – Registered Individuals
8.7 Changes to Form 4 Information – Non-Registered Individuals
8.8 Termination of Relationship – Non-Registered Individuals

PART 9 EFFECTIVE DATE
9.1 Effective Date***, and***

(f) adding the following after "7.1 Exemption***":***

PART 8 INCONSISTENT PROVISIONS
8.1 Inconsistent Provisions

4. Section 1.1 of the Instrument is amended,

(a) in the definition of "Form 4***", by adding "***, or in Québec, after January 1, 2005***" after "***February 21, 2003***",***

(b) by striking out the definition of "MI 31-102***" and substituting the following:***

"NI 31-102" means National Instrument 31-102 *National Registration Database***,**

(c) by striking out the definition of "registered individual***" and substituting the following:***

"registered individual" means, for a registered firm, an individual who,

(a) is registered to trade or advise on behalf of the registered firm, or

(b) in Québec, is registered to act as a securities dealer or adviser on behalf of the registered firm***, and***

(d) by striking out the definition of "sponsoring firm***" and substituting the following:***

"sponsoring firm" means,

(a) for a registered individual,

(i) the registered firm on whose behalf the individual trades or advises, or

(ii) in Québec, the registered firm on whose behalf the individual acts as a securities dealer or adviser,

(b) for an individual applying for registration,

(i) the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to trade or advise, or

(ii) in Québec, the registered firm, or the person or company applying to become a registered firm, on whose behalf the individual proposes to act as a securities dealer or adviser,

(c) for a permitted individual of a registered firm on whose behalf the individual acts, or

(d) for a permitted individual of a person or company that is applying for registration, the person or company that is applying for registration.

5. In the following provisions of the Instrument, "non-registered individual***" is struck out wherever it occurs and "***permitted individual***" is substituted:***

(a) section 1.1;

(b) paragraph 2.1(c);

(c) subsection 2.2(2);

(d) paragraph 2.3(1)(b);

(e) section 3.3;

(f) section 5.1

(g) section 5.2;

(h) section 6.1.

3. In the following provisions of the Instrument, "MI 31-102***" is struck out wherever it occurs and "***NI 31-102***" is substituted:***

(a) section 1.1;

(b) section 1.2;

(c) section 2.1;

(d) section 2.2;

(e) section 2.3;

(f) section 3.2;

(g) section 3.3;

(h) section 4.1;

(i) section 4.2;

(j) section 4.3;

(k) section 5.1;

(l) section 5.2.

4. The Instrument is amended by adding the following as a new section after section 3.3:

3.4 Changes to other registration information – A registered firm must notify the regulator of a change in its auditor or financial year-end within 5 business days of the change.

5. The Instrument is amended by repealing section 4.1 and substituting the following:

4.1 Changes to Form 33-109F4 Information

(1) Except as provided in subsections (2) and (3), a registered individual must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, within 5 business days of the change.

(2) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, within 10 business days of the change.

(3) Despite subsection (1), a registered individual must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 3 [*personal information*], Item 4 [*citizenship*], or paragraph 1 of Item 8 [*course or examination information*] of Form 33-109F4, or under this subsection, within 20 business days of the change.

6. The Instrument is amended by striking out the heading of Part 5 "Changes to Non-Registered Individual Information***" and substituting "***Changes to Permitted Individual Information***".***

7. The Instrument is amended by repealing section 5.1 and substituting the following:

5.1 Changes to Form 33-109F4 Information

(1) Except as provided in subsections (2), (3), (4), and (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to any information previously submitted in Form 33-109F4, or under this subsection, for a permitted individual within 5 business days of the change.

(2) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Item 11 of Form 33-109F4, or under this subsection, for a permitted individual within 10 business days of the change.

(3) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator in accordance with NI 31-102 of a change to information previously submitted in Items 3, 4, or paragraph 1 of Item 8 of Form 33-109F4, or under this subsection, for a permitted individual within 20 business days of the change.

(4) Despite subsection (1) and except as provided in subsection (5), a registered firm must notify the regulator of a change to any information regarding a category of permitted individual listed in Item 6 of Form 33-109F4 for a permitted individual by submitting in accordance with NI 31-102 a completed Form 33-109F2 within 5 business days of the change.

(5) Despite subsections (1), (2), (3), and (4), a registered firm is not required to notify the regulator of a change to information if another firm has notified the regulator of the change in accordance with NI 31-102 and within the required time.

8. Section 7.1 of the Instrument is amended by adding the following subsection after subsection 7.1(2):

(3) In Québec, this exemption is granted pursuant to section 263 of the *Securities Act* (R.S.Q., c. V-1.1).

9. Part 8 of the Instrument is repealed and the following is substituted:

PART 8 INCONSISTENT PROVISIONS

8.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the *Securities Regulation*.

10. Part 9 of this Instrument is repealed.

11. This Instrument comes into force on [insert date].

NATIONAL INSTRUMENT 31-102
NATIONAL REGISTRATION DATABASE
AMENDMENT INSTRUMENT

1. The title of Multilateral Instrument 31-102 National Registration Database is amended by striking out "Multilateral***" and substituting "***National***".***

2. The table of contents of the Instrument is amended by

(a) striking out the following:

PART 7 TRANSITION
7.1 Definitions
7.2 NRD Enrolment for Transition Firms
7.3 NRD Submissions before NRD Access Date
7.4 Accuracy of Business Location Information
7.5 Individuals Included in the Data Transfer
7.6 Individuals not Included in the Data Transfer
7.7 Changes to Form 4 Information – Registered Individuals
7.8 Changes to Form 4 Information – Non-registered Individuals
7.9 Pending Application to Change Individual's Registration Category
7.10 Currency of Form 33-109F4
7.11 Termination or Cessation of Relationship

PART 8 EFFECTIVE DATE
8.1 Effective Date***, and***

(b) adding the following after "6.1 Exemption***":***

PART 7 INCONSISTENT PROVISIONS
7.1 Inconsistent Provisions

3. Section 1.1 of the Instrument is amended by striking out the definition of "MI 33-109***" and substituting the following:***

"NI 33-109" means National Instrument 33-109 *Registration Information,*

4. The definition of "NRD number" in section 1.1 of the Instrument is amended by striking out "non-registered individual***" and substituting "***permitted individual***".***

5. Paragraph 3.1(1)(b) of the Instrument is amended by striking out "non-registered individual***" and substituting "***permitted individual***".***

6. Subsection 5.1(4) of the Instrument is amended by striking out "MULTILATERAL***" and substituting "***NATIONAL***".***

7. Section 6.1 of the Instrument is amended by adding the following subsection after subsection 6.1(2):

(3) In Québec, this exemption is granted pursuant to section 263 of the *Securities Act* (R.S.Q., c. V-1.1).

8. Part 7 of this Instrument is repealed and the following is substituted:

PART 7 INCONSISTENT PROVISIONS

7.1 Inconsistent Provisions

In Québec, the provisions of this Instrument take precedence over any inconsistent provisions of Title V of the Securities Regulation.

9. Part 8 of this Instrument is repealed.

10. This Instrument comes into force on [insert date].

Chapter 7

Insider Reporting

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

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/25/2006	1	2012710 Ontario Inc. - Common Shares	7,000,000.00	7,000,000.00
04/04/2006	1	Abitex Resources Inc. - Units	150,000.00	500,000.00
04/26/2006	43	Acadian Gold Corporation - Flow-Through Shares	2,700,000.55	4,153,847.00
04/26/2006	192	Acadian Gold Corporation - Units	10,000,000.00	20,000,000.00
04/27/2006	2	Advanced Explorations Inc. - Debt	101,392.48	202,785.00
05/04/2006	51	Altima Resources Ltd. - Common Shares	1,269,000.00	8,460,000.00
04/24/2006	57	Apogee Minerals Ltd. - Units	8,810,000.00	8,810,000.00
03/31/2006	19	ARISE Technologies Corporation - Units	1,493,991.10	4,979,967.00
04/03/2006 to 04/04/2006	14	ARISE Technologies Corporation - Units	205,999.80	686,666.00
04/19/2006	10	ARISE Technologies Corporation - Units	135,550.10	451,667.00
05/01/2006	27	AuEx Ventures, Inc. - Units	3,971,881.00	40,000,000.00
03/01/2006 to 05/01/2006	6	Avenue Global Asset Management Inc. - Debentures	330,282.16	N/A
04/21/2006	34	Barker Minerals Ltd. - Flow-Through Shares	814,000.00	2,035,000.00
04/25/2006	24	Battle Mountain Gold Exploration Corporation - Units	11,561,970.73	13,935,000.00
04/25/2006	17	Choice Resources Corp. - Common Shares	9,000,000.40	3,636,364.00
04/21/2006	84	Consolidated Global Minerals Ltd. - Units	3,950,000.00	15,800,000.00
04/26/2006	56	Contact Diamond Corporation - Common Shares	3,937,500.00	8,750,000.00
04/13/2006	5	Corporate Properties Limited - Notes	3,000,000.00	N/A
04/20/2006	1	DAG Ventures II QP, L.P. - L.P. Interest	22,157,859.06	22,157,859.06
04/27/2006	27	DiaMedica Inc. - Common Shares	627,788.25	837,051.00
04/24/2006	111	Endeavour Silver Corp. - Warrants	22,995,000.00	5,110,000.00
12/01/2004 to 12/04/2004	4	ExxonMobil Canada Ltd. Master Trust- EMCFCL 2000 - Units	187,302,394.29	979,058.91
01/24/2001	2	ExxonMobil Canada Ltd. Master Trust- EMCFCL 2001 - Units	1,190,830.81	218.15
01/02/2002 to 11/05/2002	2	ExxonMobil Canada Ltd. Master Trust- EMCFCL 2002 - Units	1,219,983.72	7,829.50
01/23/2003 to 12/29/2003	2	ExxonMobil Canada Ltd. Master Trust- EMCFCL 2003 - Units	4,795,749.61	90,984.93

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
01/21/2004 to 12/17/2004	2	ExxonMobil Canada Ltd. Master Trust - EMCFCL 2004 - Units	38,837,042.79	83,507.88
01/18/2004 to 12/16/2004	3	ExxonMobil Canada Ltd. Master Trust - EMCFCL 2005 - Units	28,545,276.03	83,552.23
04/25/2006	83	Firestone Ventures Inc. - Units	4,147,331.80	6,912,220.00
04/20/2006	20	First Nickel Inc. - Units	168,750.00	1,125,000.00
04/24/2006	65	First Star Resources Inc. - Units	1,300,000.00	6,500,000.00
04/21/2006 to 04/30/2006		Fisgard Capital Corporation - Common Shares		599,263.00
03/31/2006	16	Flatiron Trust - Trust Units	3,643,712.85	2,355.02
04/25/2006	1	Fortuna Silver Mines Inc. - Common Shares	912,250.00	445,000.00
05/02/2006	1	Fortuna Silver Mines Inc. - Common Shares	685,146.00	326,260.00
04/25/2006	51	Galway Resources Ltd - Units	1,759,999.95	11,333,333.00
04/21/2006	90	Gateway Gold Corp. - Special Warrants	5,000,000.00	4,000,000.00
04/21/2006	90	Gateway Gold Corp. - Special Warrants	5,000,000.00	4,000,000.00
10/04/2006	55	Gateway Gold Corp. - Special Warrants	6,839,340.00	1,816,800.00
04/24/2006 to 04/28/2006	18	General Motors Acceptance Corporation of Canada, Limited - Notes	6,050,872.08	605,086,208.00
04/19/2006	1	GMO Developed World Equity Investment Fund - Units	90,529.07	2,875.92
04/26/2006	42	Golden Cariboo Resources Ltd. - Units	801,500.00	4,605,000.00
04/28/2006	17	Golden Patriot Mining Inc. - Units	380,237.50	2,001,250.00
04/27/2006	96	Graham Business Trust - Units	4,661,593.75	2,101.00
04/27/2006	96	Graham Income Trust - Units	105,050.00	2,101.00
09/01/2005	76	Gran Tierra Energy Inc. - Units	7,299,091.00	N/A
04/24/2006	1	Hedgeforum Single Manager Platform - Units	5,695,000.00	5,000.00
04/28/2006	4	High River Gold Mines Ltd. - Warrants	0.00	11,885,000.00
04/25/2006	18	Houston Lake Mining Inc. - Units	416,440.34	443,020.00
04/26/2006	47	HSE Integrated Ltd. - Common Shares	11,715,000.00	3,300,000.00
01/19/2006	9	Ironbridge Equity Partners I, L.P. - L.P. Interest	9,205,000.00	9.00
01/19/2006	7	Ironbridge Equity Partners (International) I, L.P. - L.P. Interest	29,000,000.00	7.00
04/26/2006	1	KBSH Private - Money Market Fund - Units	1,105,850.93	110,585.09
04/30/2006	8	Kingwest Avenue Portfolio - Units	727,900.00	24,061.93
04/15/2006	6	Kingwest Avenue Portfolio - Units	1,681,444.12	55,289.93
04/15/2006	1	Kingwest Canadian Equity Portfolio - Units	250,000.00	22,343.37
04/15/2006	1	Kingwest U.S. Equity Portfolio - Units	230,500.00	14,400.32

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/24/2006	43	Kinwest Corporation - Common Shares	2,670,999.00	890,333.00
04/24/2006	24	Kinwest Corporation - Flow-Through Shares	1,789,798.50	511,371.00
04/05/2006	52	Klondike Gold Corp. - Non-Flow Through Units	1,199,520.00	9,996,000.00
04/25/2006	150	Lakota Resources Inc. - Units	1,201,200.17	1,201,200.17
04/03/2006	1	Level 3 Financing, Inc. - Notes	1,020,000.00	3,000,000.00
03/10/2006	1	Lexicon Value Management Inc. - Common Shares	1.00	24.00
04/21/2006	16	Mansfield Minerals Inc. - Units	3,514,440.60	1,597,473.00
04/03/2006	2	MCAN Performance Strategies - L.P. Units	315,670.00	2,740.67
05/02/2006	2	MCK Mining Corp. - Common Shares	649,999.50	3,823,526.00
04/28/2006	2	METCONNEX INC. - Stock Option	3.94	3,523,580.00
04/28/2006	6	Metconnex Canada Inc. - Stock Option	1,690,637.55	3,523,580.00
05/01/2006	20	New World Lenders Corp. - Bonds	1,033,605.00	790.00
04/20/2006	6	New York Life Global Funding - Notes	116,974,260.00	500,000,000.00
04/20/2006	131	NioGold Mining Corp. - Units	3,000,000.00	12,000,000.00
04/15/2006	4	Noble House Entertainment Inc. - Common Shares	1,394,360.00	2,387,200.00
04/25/2006	1	NPC International Inc. - Notes	565,800.00	9.50
05/01/2006	1	Nuvo Network Management Inc. - Common Shares	680,000.00	1,127,319.00
04/27/2006	15	Orleans Energy Ltd. - Common Shares	5,025,000.00	670,000.00
04/27/2006	165	Orleans Energy Ltd. - Receipts	33,040,000.00	5,600,000.00
05/01/2006	44	Paradym Ventures Inc. - Units	450,000.00	4,500,000.00
04/20/2006	75	Partners in Planning Financial Group Ltd. - Common Shares	238,248.00	9,927.00
04/21/2006 to 04/25/2006	11	Pele Mountain Resources Inc. - Units	1,890,000.00	4,725,000.00
04/26/2006 to 04/28/2006	2	Priveq III Limited Partnership - L.P. Units	1,650,000.00	1,650.00
06/26/2006 to 04/28/2006	2	Priveq III Limited Partnership - L.P. Units	1,650,000.00	1,650.00
04/27/2006	59	Q-Gold Resources Ltd. - Units	881,000.00	4,405,000.00
05/02/2006	50	Qualia Real Estate Investment Fund VI L.P. - L.P. Units	6,200,000.00	124.00
04/28/2006	3	Radisson Mining Resources Inc. - Flow-Through Shares	400,000.00	1,379,308.00
04/18/2006	37	Rainy River Resources Ltd. - Flow-Through Shares	4,401,540.00	1,630,200.00
04/18/2006	47	Rainy River Resources Ltd. - Non-Flow Through Units	6,622,000.00	3,080,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
04/28/2006	17	Rhone Offshore Partners III L.P - L.P. Interest	287,037,939.00	1.00
04/27/2006	61	Rolling Rock Resource Corporation - Flow-Through Shares	6,808,000.00	2,500,000.00
04/25/2006	24	Sage Gold Inc. - Units	1,102,799.00	11,027,990.00
04/24/2006	37	Salvo Energy Corporation - Common Shares	1,890,000.00	1,890,000.00
04/28/2006	8	Sampling Technologies Incorporated - Debentures	2,090,000.00	2,090,000.00
04/21/2006	20	Sea Dragon Energy Inc. - Units	889,000.00	4,445,000.00
04/18/2006	109	Skygold Ventures Ltd. - Units	13,461,144.30	9,520,000.00
04/27/2006	1	SMART Trust - Notes	1,507,438.23	1.00
04/28/2006	1	SMART Trust - Notes	1,321,642.49	1.00
04/24/2006	62	Soltoro Ltd. - Common Shares	500,000.00	2,000,000.00
04/24/2006	62	Soltoro Ltd. - Common Shares	2,000,000.00	4,000,000.00
04/27/2006	14	Spotwave Wireless Canada Inc. - Preferred Shares	572,236.32	2,422,191.00
04/27/2006	8	Spotwave Wireless Inc. - Stock Option	559,626.91	9,558,054.00
05/01/2006	2	Stacey RSP Fund - Trust Units	49,608.00	5,167.77
04/24/2006	1	Stinson Hospitality Inc. - Notes	30,000.00	30,000.00
12/30/2005	15	Tandem Resources Ltd. - Units	3,028,161.25	104,150,000.00
04/28/2006	1	Tiomin Resources Inc. - Units	7,434,000.00	16,520,000.00
04/27/2006	1	True North Corporation - Debentures	250,000.00	250,000.00
03/29/2006 to 04/05/2006	64	Umedik Inc. - Debentures	4,146,600.00	4,146,600.00
04/26/2006	4	VIQ Solutions Inc. - Common Shares	587,100.00	3,090,000.00
04/21/2006	30	VivaCorp Properties 2006 Limited Partnership - Units	7,222,000.00	65,000.00
04/27/2006	24	Walton International Group Inc. - Notes	1,405,000.00	1,045,000.00
04/28/2006	492	Walton International Group Inc. - Units	12,641,040.00	1,123,648.00
04/24/2006	3	Warrior Energy Services Corporation - Common Shares	4,142,615.25	155,000.00
04/19/2006	6	Wildrose Resources Ltd. - Units	2,002,000.00	1,820,000.00
06/21/2006	23	Yale Resources Ltd. - Units	315,000.00	1,575,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Bankers Petroleum Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
25,971,715 Common Share
Underwriter(s) or Distributor(s):
-
Promoter(s):
Robert Cross
Ford Nicholson
Project #932937

Issuer Name:
Caprion Pharmaceuticals Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
$ * - * Common Share Price: $ * per Common Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Orion Securities Inc.
Canaccord Capital Corporation
TD Securities Inc.
Versant Partners Inc.
Promoter(s):
-
Project #934231

Issuer Name:
Chrysalis Capital III Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary CPC Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
MINIMUM OFFERING: $750,000.00 or 3,750,000 Common Shares; MAXIMUM OFFERING: $1,250,000.00 or 6,250,000 Common Shares PRICE: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Research Capital Corporation
Promoter(s):
-
Project #933570

Issuer Name:
ConjuChem Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2006
Mutual Reliance Review System Receipt dated May 3, 2006
Offering Price and Description:
$15,750,000.00 - 7,500,000 Common Shares Price: $2.10 per Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Orion Securities Inc.
Canaccord Capital Corporation
Loewen, Ondaatje McCutcheon Limited
Versant Partners Inc.
Promoter(s):
-
Project #932688

Issuer Name:
Corriente Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 8, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Desjardins Securities Inc.
Sprott Securities Inc.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #934607

Issuer Name:
Endeavour Mining Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
$ * - * Units Price: $ * per Unit
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Canaccord Capital Corporation
Promoter(s):
-
Project #934060

Issuer Name:
Endeavour Silver Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
$22,995,000.00 - 5,110,000 Units to be issued upon the exercise of 5,110,000 previously issued Special Warrants Price: $4.50 per Special Warrant
Underwriter(s) or Distributor(s):
Salman Partners Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Dundee Securities Corporation
Promoter(s):
-
Project #934207

Issuer Name:
First National Financial Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
Promoter(s):
First National Financial Corporation
Project #933860

Issuer Name:
Gluskin Sheff + Associates Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated May 3, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
$ * - Subordinate Voting Shares Price: $ * per Subordinate Voting Shares
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
Genuity Capital Markets G.P.
GMP Securities L.P.
Sprott Securities Inc.
Promoter(s):
-
Project #920212

Issuer Name:
Gold Reserve Inc.
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated May 3, 2006
Mutual Reliance Review System Receipt dated May 3, 2006
Offering Price and Description:
Cdn. $30,015,000.00 - 3,333,000 Class A Common Shares Price: Cdn. $9.00 per Class A Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #931749

Issuer Name:
Kaboose Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 2, 2006
Mutual Reliance Review System Receipt dated May 3, 2006
Offering Price and Description:
$ * - * Subscription Receipts each representing the right to receive one common share Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Dundee Securities Corporation
CIBC World Markets Inc.
Merriman Curhan Ford & Co.
Promoter(s):
-
Project #932288

Issuer Name:
Linear Metals Corporation
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Prospectus dated May 2, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
Distribution by Linear Gold Corp. as a Dividend-in-Kind of Units of the Issuer
Underwriter(s) or Distributor(s):
-
Promoter(s):
Linear Gold Corp.
Project #933980

Issuer Name:
Medicago Inc.
Principal Regulator - Quebec
Type and Date:
Amended and Restated Preliminary Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
Minimum Offering: $8,000,000.00 or • common shares ; Maximum Offering: $12,000,000.00 or • common shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Desjardins Securities Inc.
Canaccord Capital Corporation
National Bank Financial Inc.
Promoter(s):
-
Project #931945

Issuer Name:
MINT Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
Offering of * Rights to Subscribe for an Aggregate of * Units Subscription Price: Three Rights and $ * per Unit The Subscription Price equals * % of the closing market price per Unit on *, 2006
Underwriter(s) or Distributor(s):
Middlefiled Capital Corporation
Promoter(s):
Mint Management Limited
Project #934063

Issuer Name:
Mitel Networks Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary PREP Prospectus dated May 9, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Morgan Stanley Canada Limited
RBC Securities Inc.
Merrill Lynch Canada Inc.
Genuity Capital Markets G.P.
National Bank Financial Inc.
Promoter(s):
-
Project #935502

Issuer Name:
Petrominerales Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
TD Securities Inc.
Fraser Mackenzie Limited
Promoter(s):
PetroBank Energy and Resources Ltd.
Project #934176

Issuer Name:
PrimeWest Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Shelf Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
$750,000,000 - Trust Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #933296

Issuer Name:
QuestAir Technologies Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 3, 2006
Mutual Reliance Review System Receipt dated May 3, 2006
Offering Price and Description:
$ * - * Common Shares
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #932644

Issuer Name:
SNP Split Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
US $ * - * Class B Preferred Shres, Series 1 Price: US$ * per Series 1 Preferred Share
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Promoter(s):
-
Project #933833

Issuer Name:
TAC Capital Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary CPC Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
$200,000.00 - 1,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Reseach Capital Corporation
Promoter(s):
Robert W. Anderson
Project #934371

Issuer Name:
TechCana Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 2, 2006
Mutual Reliance Review System Receipt dated May 3, 2006
Offering Price and Description:
$ * - * Units
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
-
Project #932059

Issuer Name:
Teranet Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 8, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Promoter(s):
Teramira Holdings Inc.
Project #935021

Issuer Name:
Threegold Resources Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
Dianor Resources Inc.
Project #934851

Issuer Name:
Tiomin Resources Inc.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 8, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
$ * - * Subscription Receipts Price: $ * per Subscription Receipt
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
Paradigm Capital Inc.
Jennings Capital Inc.
Promoter(s):
-
Project #935133

Issuer Name:
Uranium Participation Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 8, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Dundee Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Promoter(s):
E. Peter Farmer
James A. Anderson
Project #934559

Issuer Name:
WebTech Wireless Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
$10,000,000.00 - 6,896,552 Common Shares to be issued upon exercise of 6,896,552 previously issued Special Warrants
Underwriter(s) or Distributor(s):
Wellington West Capital Markets Inc.
GMP Securities L.P.
Clarus Securities Inc.
Paradigm Capital Inc.
Promoter(s):
-
Project #933183

Issuer Name:
Wilkinson Good Neighbor Communities Real Estate Investment Trust
Principal Regulator - British Columbia
Type and Date:
Amended and Restated Preliminary Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Raymond James Ltd.
Blackmont Capital Inc.
Promoter(s):
Wilkinson Corporation
Project #924346

Issuer Name:
African Copper PLC
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 9, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
£58,125,000.00 (equal to C$120,000,000.00) - 34,375,000 Ordinary Shares and 40,625,000 Subscription Receipts, each Subscription Receipt conditionally representing one Ordinary Share Price: 77.5p per Offered Security (equal to C$1.60 per Offered Security)
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Raymond James Ltd.
Paradigm Capital Inc.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #919534

Issuer Name:
AirIQ Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
$5,309,091.00.00 - 26,545,455 Common Shares issuable upon exercise of 26,545,455 previously issued Special Warrants
Underwriter(s) or Distributor(s):
Paradigm Capital Inc.
Promoter(s):
-
Project #925565

Issuer Name:
AltaLink, L.P.
Principal Regulator - Alberta
Type and Date:
Final Short Form Base Shelf Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
$500,000,000.00 - Medium-Term Notes (secured) Rates on Application
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Casgrain & Company Limited
Promoter(s):
-
Project #927872

Issuer Name:
Altus Group Income Fund
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 8, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
$36,137,500.00 - 2,450,000 Subscription Receipts, each representing the right to receive one trust unit Price: $14.75 per Subscription Receipt
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Sprott Securities Inc.
Promoter(s):
-
Project #929572

Issuer Name:
AutoCanada Income Fund
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated May 3, 2006
Mutual Reliance Review System Receipt dated May 3, 2006
Offering Price and Description:
$102,095,000.00 - 10,209,500 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Raymond James Ltd.
Promoter(s):
Canada One Auto Group Ltd.
953878 Alberta Ltd.
Project #910213

Issuer Name:
BCGold Corp.
Principal Regulator - British Columbia
Type and Date:
Final CPC Prospectus dated May 4, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
$280,000.00 - 2,800,000 COMMON SHARES Price: $0.10 per Common Share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Freeman Smith
Project #917919

Issuer Name:
Chesswood Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 2, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
-
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

Issuer Name:

Clarington U.S. Dividend Fund
(Series A and F Units)
Clarington Navellier U .S. All Cap Fund
(Series A, F and O Units)
Clarington Global Small Cap Fund
(Series A, F and O Units)
Clarington Core Portfolio
(Series A and F Units)

Principal Regulator - Ontario
Type and Date:
Amendment #4 dated April 28, 2006 to the Simplified Prospectuses and Annual Information Forms dated June 28, 2005
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
Series A, F and O Units
Underwriter(s) or Distributor(s):
ClaringtonFunds Inc.
ClaringtonFunds Inc.
Promoter(s):
ClaringtonFunds Inc.
Project #787914

Issuer Name:
Series A, Series B and Series F Shares of :
Fidelity Canadian Disciplined Equity Class of Fidelity Capital Structure Corp .
Fidelity Canadian Growth Company Class of Fidelity Capital Structure Corp .
Fidelity Canadian Opportunities Class of Fidelity Capital Structure Corp .
Fidelity True North Class of Fidelity Capital Structure Corp .
Fidelity American Disciplined Equity Class of Fidelity Capital Structure Corp .
Fidelity American Opportunities Class of Fidelity Capital Structure Corp .
Fidelity Growth America Class of Fidelity Capital Structure Corp .
Fidelity Small Cap America Class of Fidelity Capital Structure Corp .
Fidelity Europe Class of Fidelity Capital Structure Corp .
Fidelity Far East Class of Fidelity Capital Structure Corp .
Fidelity Global Disciplined Equity Class of Fidelity Capital Structure Corp .
Fidelity Global Class of Fidelity Capital Structure Corp .
Fidelity Japan Class of Fidelity Capital Structure Corp .
Fidelity NorthStar Class of Fidelity Capital Structure Corp .
Fidelity Focus Consumer Industries Class of Fidelity Capital Structure Corp .
Fidelity Focus Financial Services Class of Fidelity Capital Structure Corp .
Fidelity Focus Health Care Class of Fidelity Capital Structure Corp .
Fidelity Focus Natural Resources Class of Fidelity Capital Structure Corp .
Fidelity Focus Technology Class of Fidelity Capital Structure Corp .
Fidelity Focus Telecommunications Class of Fidelity Capital Structure Corp .
Fidelity Canadian Balanced Class of Fidelity Capital Structure Corp .
Fidelity Canadian Short Term Income Class of Fidelity Capital Structure Corp .
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated April 28, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
Series A, Series B and Series F Shares @ Net Asset Value
Underwriter(s) or Distributor(s):
Fidelity Investments Canada Limited
Fidelity Investments Canada Limited
Promoter(s):
Fidelity Investments Canada Limited
Project #902165

Issuer Name:
Gold Reserve Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 8, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
Cdn.$30,015,000.00 - 3,335,000 Class A Common Shares
Price: Cdn.$9.00 per Class A Common Share
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
RBC Dominion Securities Inc.
Promoter(s):
-
Project #931749

Issuer Name:
Goldcorp Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Base Shelf Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
Issue of up to 8,681,631 New Warrants upon Early Exercise of Common Share Purchase Warrants
Underwriter(s) or Distributor(s):
GMP Securities L.P.
BMO Nesbitt Burns Inc.
Promoter(s):
-
Project #904399

Issuer Name:
Wrap Series and Embedded Series Units of :
Harmony Canadian Fixed Income Pool
Harmony Money Market Pool
Harmony Balanced and Income Portfolio
Harmony Balanced Portfolio
Harmony Conservative Portfolio
Harmony Growth Plus Portfolio
Harmony Growth Portfolio
Harmony RSP Balanced Portfolio
Harmony RSP Growth Plus Portfolio
Harmony RSP Growth Portfolio
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated April 25, 2006 to the Annual Information Forms dated January 18, 2006
Mutual Reliance Review System Receipt dated May 4, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
AGF Fund Inc.
Promoter(s):
AGF Funds Inc.
Project #869789

Issuer Name:
InnVest Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 9, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
$75,000,000.00 - 6.00% Convertible Unsecured Subordinated Debentures PRICE: $1,000 PER DEBENTURE
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
Scotia Capital Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Promoter(s):
-
Project #931815

Issuer Name:
Liquor Barn Income Fund
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated May 5, 2006
Mutual Reliance Review System Receipt dated May 9, 2006
Offering Price and Description:
$56,645,740.00 - 5,664,574 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Raymond James Ltd.
Promoter(s):
Mather Holdings Ltd.
Project #915221

Issuer Name:
PRIMERICA CANADIAN AGGRESSIVE GROWTH PORTFOLIO FUND
PRIMERICA INTERNATIONAL AGGRESSIVE GROWTH PORTFOLIO FUND
PRIMERICA GLOBAL AGGRESSIVE GROWTH PORTFOLIO FUND
(FORMERLY PRIMERICA INTERNATIONAL RSP AGGRESSIVE GROWTH PORTFOLIO FUND)
PRIMERICA CANADIAN HIGH GROWTH PORTFOLIO FUND
PRIMERICA INTERNATIONAL HIGH GROWTH PORTFOLIO FUND
PRIMERICA CANADIAN GROWTH PORTFOLIO FUND
PRIMERICA INTERNATIONAL GROWTH PORTFOLIO FUND
PRIMERICA CANADIAN BALANCED PORTFOLIO FUND
PRIMERICA CANADIAN CONSERVATIVE PORTFOLIO FUND
PRIMERICA CANADIAN INCOME PORTFOLIO FUND
PRIMERICA CANADIAN MONEY MARKET PORTFOLIO FUND
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated May 3, 2006 to the Simplified Prospectuses and Annual Information Forms dated November 22, 2005
Mutual Reliance Review System Receipt dated May 5, 2006
Offering Price and Description:
Mutual Fund Securities Net Asset Value
Underwriter(s) or Distributor(s):
PFSL Investments Canada Ltd.
Promoter(s):
PFSL Investments Canada Ltd.
Project #843504

Issuer Name:
PROEX ENERGY LTD.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated May 8, 2006
Mutual Reliance Review System Receipt dated May 8, 2006
Offering Price and Description:
$48,450,000.00 - 3,000,000 Common Shares Price: $16.15 per Common Share
Underwriter(s) or Distributor(s):
FirstEnergy Capital Corp.
Raymond James Ltd
GMP Securities L.P.
Peters & Co. Limited
Tristone Capital Inc.
BMO Nesbitt Burns Inc.
Canaccord Capital Corporation
Sprott Securities Inc.
Promoter(s):
-
Project #930111

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	Systematic Financial Management, L.P.	International Adviser (Investment Counsel & Portfolio Manager)	May 3, 2006-
New Registration	Roche Securities Ltd.	Limited Market Dealer	May 1, 2006
New Registration	Altrinsic Global Advisors, LLC	International Adviser	May 8, 2006
New Registration	Neosho Capital LLC	International Adviser	May 5, 2006
Change in Name	From: Brandywine Asset Management, LLC To: Brandywine Global Investment Management, LLC	International Adviser (Investment Counsel & Portfolio Manager)	May 1, 2006
Change in Name	From: Stonebrooke Asset Management Inc. To: Crestridge Asset Management Inc.	Investment Counsel & Portfolio Manager	May 3, 2006
Change in Name	From: Frank Russell Canada Limited To: Russell Investments Canada Limited	Commodity Trading Manager, Mutual Fund Dealer & Limited Market Dealer & Investment Counsel & Portfolio Manager	May 1, 2006
Change in Registration Category	Canfin Magellan Investments Inc.	From: Mutual Fund Dealer and Scholarship Plan Dealer. To: Mutual Fund Dealer and Limited Market Dealer	May 4, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 TSX Inc. - Request for Comments - Amendments to the Direct Access Rules

TSX INC.

REQUEST FOR COMMENTS

AMENDMENTS TO THE DIRECT ACCESS RULES

The Board of Directors of TSX Inc. (TSX) has approved amendments (Amendments) to the Rules of the Toronto Stock Exchange (TSX Rules). The Amendments clarify the connectivity requirements for direct access trading on Toronto Stock Exchange.

The text of the Amendments, shown as blacklined text, is attached at Schedule A. Discussion of the Amendments is provided in Part II below. The Amendments will be effective upon approval by the Ontario Securities Commission (Commission) following public notice and comment. Comments on the proposed amendments should be in writing and delivered by June 12, 2006 to:

Katherine Brown
Legal Counsel, Market Policy & Structure
TSX Group Inc.
The Exchange Tower
130 King Street West, 3rd Floor
Toronto, Ontario M5X 1J2
Fax: (416) 947-4461
e-mail: katherine.brown@tsx.com

A copy should also be provided to:

Cindy Petlock
Manager, Market Regulation
Capital Markets Branch
Ontario Securities Commission
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario M5H 3S8
Fax: (416) 595-8940
e-mail: cpetlock@osc.gov.on.ca

Terms not defined in this Request for Comments are defined in the TSX Rules.

I. Overview

During the summer of 2005, TSX undertook a review of direct access trading. The review was focussed on ensuring that direct access providers were complying with the trading rules. The review also enabled us to survey the various connectivity options that are used by industry participants who participate in direct access trading. Based on the results of this review, we believe that the connectivity portion of the direct access rules should be amended to clarify the connectivity requirements for direct access trading on Toronto Stock Exchange.

II. Discussion of the Amendments

TSX Rule 2-502 is being amended to confirm that orders of eligible clients can be transmitted either through the infrastructure of a Participating Organization (PO) or through a third-party system contracted by the PO and approved by TSX. TSX Policy 2-502(1)(c) is being amended to confirm that the system of the PO must include a facility to either receive an immediate report of, or view on a real time basis, the entry or execution of orders. TSX Policy 2-502(1)(d) is being revised to confirm that the system of the PO can employ order parameters or filters that will reject orders over a certain size or value. TSX Policy 2-502(1)(e) is being revised to delete the requirement that information about anonymous orders must be transmitted to the PO's compliance

staff. Instead, the PO must know, on a real time basis, the identity of an eligible client who has entered an anonymous order. TSX Policy 2-502(3)(3) is being revised to conform to the changes that are being made to TSX Policy 2-502(1)(c).

III. Amendment Process

TSX received comments from POs that offer direct access services during the 2005 direct access trading review. Proposed changes based on those comments and our review were raised for discussion at the October 2005 meeting of the Trading Advisory Committee (TAC). In December 2005, the Amendments were reviewed and approved by TAC. On February 1, 2006, the TSX Board of Directors approved the Amendments.

IV. Other Jurisdictions

Competitors to Toronto Stock Exchange such as the New York Stock Exchange, NASDAQ, London Stock Exchange and Euronext offer direct access connectivity to their exchanges. These exchanges do not have rules that specify connectivity requirements.

V. Public Interest Assessment

The Amendments are designed to clarify the connectivity requirements for direct access trading on Toronto Stock Exchange. This clarification will benefit POs that provide direct access services as well as their eligible clients. For these reasons, we believe that the Amendments are not contrary to the public interest.

We submit that in accordance with the Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals, the Amendments will be considered “public interest” in nature. The Amendments would, therefore, only become effective following public notice, a comment period and the approval of the Commission.

VI. Questions

Questions concerning this notice should be directed to Katherine Brown, Legal Counsel, Market Policy & Structure, TSX Group Inc. at (416) 947-4366.

Schedule A

RULES (as at August 26, 2005)	POLICIES
DIVISION 5 – CONNECTION OF ELIGIBLE CLIENTS OF PARTICIPATING ORGANIZATIONS *** **2-502 Conditions for Connections** A Participating Organization may transmit orders received electronically from an eligible client directly to the trading system provided that the Participating Organization has: (a) obtained prior written approval of the Exchange that the system of the Participating Organization meets the prescribed conditions; (b) obtained prior written approval of the Exchange for a standard form of agreement containing the prescribed conditions to be entered into between the Participating Organization and an eligible client and the Participating Organization has entered into an agreement in such form with the eligible client; and (c) met such other conditions as prescribed. These orders can be transmitted through the infrastructure of a Participating Organization or through a third-party system contracted by the Participating Organization and approved by the Exchange.	**2-502 Conditions for Connections** (1) System Requirements For the purposes of Rule 2-502(a), the system of the Participating Organization is required to: (a) support compliance with Exchange Requirements dealing with the entry and trading of orders by all eligible clients who will have direct access (for example, it must support all valid order information that may be required, including designation of short sales); (b) ensure security of access to the system (for example, through a password that will only enable persons at the eligible client authorized by the Participating Organization to have access to the system); (c) comply with specific requirements prescribed pursuant to Rule 2-502, including a facility to receive an immediate report of, or to view on a real time basis, the entry or execution of orders; (d) enable the Participating Organization to employ order parameters or filters (which parameters can be customized for each eligible client on the system) that will ~~route~~reject orders over a certain size or value, or route these orders to the Participating Organization's trading desk ~~(which parameters can be customized for each eligible client on the system)~~; and (e) enable the Participating Organization ~~to transmit information concerning unattributed orders entered by eligible clients to the Participating Organization's compliance staff on a real time basis.~~, on a real time basis, to know the identity of an eligible client who has entered an unattributed order. (2) Standard Form of Agreement For the purposes of Rule 2-502(b), the agreement between the Participating Organization and the client shall provide that: (a) the eligible client is authorized to connect to the Participating Organization's order routing system, eVWAP Facility, or the POSIT Call Market; (b) the eligible client shall enter orders in compliance

RULES (as at August 26, 2005)	POLICIES
	with Exchange Requirements respecting the entry and trading of orders and other applicable regulatory requirements; (c) specific parameters defining the orders that may be entered by the eligible client are stated, including restriction to specific securities or size of orders; (d) the Participating Organization has the right to reject an order for any reason; (e) the Participating Organization has the right to change or remove an order in the Book and has the right to cancel any trade made by the eligible client for any reason; (f) the Participating Organization has the right to discontinue accepting orders from the eligible client at any time without notice; (g) the Participating Organization agrees to train the eligible client in the Exchange Requirements dealing with the entry and trading of orders and other applicable Exchange Requirements; and (h) the Participating Organization accepts the responsibility to ensure that revisions and updates to Exchange Requirements relating to the entry and trading of orders are promptly communicated to the eligible client. (3) Additional Requirements For the purposes of Rule 2-502(c), the following additional conditions shall apply: 1. Any changes to the standard system interconnect agreement shall be approved by the Exchange in writing before becoming effective. 2. If required by the terms of the agreement between the eligible client and the Participating Organization, the Participating Organization shall ensure that its eligible clients are trained in the appropriate Exchange trading rules, as well as the use of the terminal and system. Training materials regarding Exchange trading rules that the Participating Organization proposes to use must be reviewed by the Exchange prior to use. 3. The Participating Organization shall have the ability to receive an immediate report of, or to view on a real time basis, the entry ~~and~~or execution of orders. The Participating Organization shall have the capability of rejecting orders that do not fall within the designated parameters of authorized orders for a particular client. 4. The Participating Organization shall designate a specific person as being responsible for the System Interconnect. Orders executed through System Interconnects shall be reviewed for compliance and

RULES (as at August 26, 2005)	POLICIES
	credit purposes daily by such designated person of the Participating Organization. 5. The Participating Organization shall have procedures in place to ensure that only eligible clients use System Interconnects and that such eligible clients can comply with Exchange Requirements and other applicable regulatory requirements. The eligibility of eligible clients using System Interconnects shall be reviewed at least annually by the Participating Organization. 6. The Participating Organization shall make available for review by the Exchange, as required from time to time, copies of the system interconnect agreements between the Participating Organization and its eligible clients. (4) Order-Execution Account Requirements If the agreement required by Rule 2-502(b) is between a Participating Organization and a client in respect of an Order-Execution Account, the agreement: (a) may be in written form or be in the form of a written or electronic notice acknowledged by the client prior to the entry of the initial order in respect of such Order-Execution Account; and (b) may omit provisions that would otherwise be required by Policy 2-502(2)(c), (g) and (h) if the order routing system of the Participating Organization: (i) enforces the Exchange Requirements relating to the entry of orders, or (ii) routes orders that do not comply with Exchange Requirements relating to the entry of orders to an Approved Trader for review prior to entry to the trading system. (5) eVWAP Facility Requirements (a) Notwithstanding Policy 2-501(1)(i), for the purposes of Rule 2-501, clients eligible to transmit orders to the Exchange's eVWAP Facility exclude: (i) a client that is the resident in the U.S., and (ii) a client entering orders through and Order-Execution Account. (b) If the agreement required by Rule 2-502(b) is between a designated Participating Organization and a client with respect to the eVWAP Facility, the agreement may omit provisions which may otherwise be required by Policy 2-502(1)(d), 2-502(2)(d) and (e), and 2-502(2)(3)3 if the system through which the order is transmitted: (i) enforces Exchange Requirements relating

RULES (as at August 26, 2005)	POLICIES
	to the entry of orders, (ii) enforces the credit limits imposed by the designated Participating Organization, and (iii) has the ability to transmit a trade report to both the client and the designated Participating Organization. (6) POSIT Call Market Requirements The agreement required by Rule 2-502(b) between a Participating Organization and a client with respect to the POSIT Call Market may omit provisions otherwise required by Policy 2-502(1)(d), 2-502(2)(d) and (e), and 2-502(3)3 if: (a) the agreement provides that any person, other than the Exchange, who provides software, hardware or services to the Exchange ("Third Party Provider") to support the operations of, or the services or information accessible through, the trading system which shall include without limitation, the POSIT Call Market, shall not be liable to the Participating Organization or the eligible client or any other person for any loss, damage, cost, expense or other liability or claim (including loss of business, profits, trading losses, loss of anticipated profits, business interruption, loss of business information or for indirect, special, punitive, consequential or incidental loss or damage or other pecuniary loss) of any nature arising from any use or inability to use the trading system, howsoever caused, including by the Third Party Provider's negligence or reckless or wilful act or omissions, even if the Third Party Providers are advised of such possibilities; and (b) a system through which the order is transmitted: (i) enforces Exchange Requirements relating to the entry of POSIT Orders; and (ii) has the ability to generate a trade report to the client and, for the purposes of disseminating the trade report to eligible clients outside of Canada, to the designated Participating Organization; and (c) the Participating Organization has the ability to access an eligible client's trade report through the STAMP query.

13.1.2 IDA Amendments to Form No. 2, Regulation 1300.2, and Policy Nos. 2, 4, and 9

INVESTMENT DEALERS ASSOCIATION OF CANADA -
AMENDMENTS TO FORM NO. 2, REGULATION 1300.2, AND POLICY NOS. 2, 4 AND 9

I OVERVIEW

A CURRENT RULES

Form No. 2 was introduced in January 1996. The impetus for introducing the form was to provide Members with a template that contained the minimum information required to be collected when opening up a new account for a client. The form was considered a template that Members could use but the form was not considered mandatory so long as whatever format was used contained the required information. Such requirements include among others: obtaining the identity of the client including particulars such as marital status, personal financial information, investment objectives, investment knowledge and relationship with any publicly traded companies.

B THE ISSUE

Form No. 2 was introduced over ten years ago and since that time no amendments have been made to it. The current state of the form is out of date and a standard form is no longer necessary. The form was originally designed to be completed by a registered representative during a client meeting. Today, many of the forms are completed by clients themselves, or completed online so it is important to enable firms to use plain language descriptions of information that is essential. Today, most large firms already design their own new client application forms and most small firms have introducing / carrying agreements with other dealers who provide back office functions including, new client application forms so a standard form is not warranted.

Regulation 1300 currently states that an account shall be opened subject to the minimum requirements set out in Form No. 2, but the Regulation does not make a distinction between retail and institutional accounts. When Form No. 2 was designed it was specially designed for retail advisory accounts and as such is inappropriate for institutional accounts and suitability exempt accounts that do not require information related to suitability. With the recent introduction of Policy No. 4 - Minimum Standards for Institutional Account Opening, Operation and Supervision and the introduction of Policy No. 9 - Minimum Requirements for Members Seeking Approval Under Regulation 1300.1(s) for Suitability Relief for Trades not Recommended by the Member, the Association is of the opinion that separate guidelines for the opening of these different types of accounts is warranted.

C OBJECTIVE

The objective of the proposed amendment is to move away from an outdated Form No. 2 which is not representative of current forms in practice, and instead, provide Members with guidelines of what must and could be contained in their new client application forms. Furthermore, because different types of accounts require different types of information, the Association has determined that separate guidelines should be provided for retail accounts, institutional accounts and for accounts that are exempt from the suitability requirements under Policy No. 9.

D EFFECT OF PROPOSED RULES

The proposed amendment will provide Members with an up to date check list of what information should be included in their account opening documentation and this determination will depend on whether the client is a retail client, an institutional client or a client that is exempt from a suitability determination. The guidelines as drafted continue to meet the requirements of the current Form No. 2 and provide enhancement of requirements contained elsewhere in the IDA Rulebook, Bulletins and Notices.

II DETAILED ANALYSIS

A PRESENT RULES, RELEVANT HISTORY AND PROPOSED POLICY

Current Form No. 2

Form No. 2 was developed over ten years ago as a tool for Members who were requesting guidance from the IDA as to what information should be obtained when opening a new account for a retail client. While the structure of the form is not mandatory, Member used the template to guide them in creating documentation for retail accounts to help ensure compliance with the IDA requirements as the information contained in Form No. 2 is mandatory. Over time, Form No. 2 became outdated and rarely used as Members had already created forms that met the IDA standards but that also kept current of other requirements such as anti-money laundering legislation, securities legislation and US withholding tax legislation. Furthermore as rules with respect to different types of accounts were introduced into the IDA Rulebook, Form No. 2 became more outdated and as such a Subcommittee was formed to look at the issue.

Replacement of Form No. 2

In the fall of 2003, the Association was in the midst of seeking approval of Policy No. 4 which sets out the minimum standards for dealing with institutional accounts. It was in light of this new Policy, Members felt that changes might be needed to Regulation 1300 dealing with minimum requirements under Form No. 2. Specifically, changes were needed since Form No. 2 was designed for retail accounts and no distinction existed between retail and institutional accounts. It was determined that a Subcommittee should be formed to look at Form No. 2 and examine whether amendments needed to be made or if the form should be replaced with guidelines.

During this same period of time, the Ontario Securities Commission published for comment the Fair Dealing Model Concept Paper which raised issues with the current state of the account opening documentation requirements. The release of this issues paper increased the eagerness of the Subcommittee to determine what changes were needed.

The Subcommittee decided that the best solution was to eliminate Form No. 2 as it was determined that a standardized form was no longer warranted. The Subcommittee agreed that Form No. 2 should be replaced with guidelines that Members could use to guide them in developing their own account opening documentation which contain the requirements as required by the IDA.

The proposed guidelines do not delete any of the requirements that existed in Form No. 2 but instead provide guidance to Members as to what information is required depending on the type of account opened. The proposed guidelines also suggest additional information that Members may wish to consider obtaining should they feel that the information is relevant. The most extensive of the guidelines exists for retail clients and the least extensive for discount accounts since certain information pertaining to investment objects and investment knowledge is optional information under Policy No. 9.

The guidelines as drafted were approved by the Compliance and Legal Section but were put on hold pending the outcome of the Fair Dealing Model. In 2005 the Fair Dealing Model was enveloped into the Registration Reform Project being conducted by the Canadian Securities Administrators. It was determined that three working groups of the Registration Reform Steering Committee would complete high level direction documents on Account Opening, Costs and Conflict and Performance Reporting. Following the completion of the Direction Documents an SRO Rule Making Committee was formed to consider rules and implement the key concepts of the Fair Dealing Model as described in the Direction Documents.

The proposed guidelines for new client accounts will become part of the “Requirements and Guidelines for Relationship Disclosure and New Client Account Opening” being developed by the SRO Rule Making Committee. However, the Committee recently determined that since the proposed guidelines were developed and self sustaining, they should be brought forward to the CSA at this time for implementation rather then wait for the SRO Rule Making Committee to finalize all of its rule amendments.

Changes to Regulation 1300.2

In light of the elimination of Form No. 2, some ancillary changes need to be made to Regulation 1300.2 to delete references to Form No. 2 and include a reference to the guidelines. Furthermore, 1300.2(b) has been deleted in its entirety as the provision provided an exemption from certain minimum requirements under Form No. 2 for client accounts that are exempt from the suitability requirements. Under the proposed amendments, new guidelines exist that pertain specifically to those types of accounts and now form part of Policy No. 9.

B ISSUES AND ALTERNATIVES CONSIDERED

The Form 2 Subcommittee considered leaving Form No. 2 as it currently exists in the IDA Rulebook since Members already have enhanced versions of the Form. However, after consideration the Subcommittee determined that it would be best to eliminate the out of date form and provide standards by which Members could develop their own forms based on the guidelines provided and which would accommodate all the different types of accounts.

C SYSTEMS IMPACT OF RULE

There are no systems issues associated with the amendment.

D BEST INTERESTS OF THE CAPITAL MARKETS

The Board has determined that the proposed amendment is not detrimental to the best interests of the capital markets.

E PUBLIC INTEREST OBJECTIVE

According to the IDA's Order of Recognition as a self-regulatory organization, the IDA shall, where requested, provide in respect of a proposed rule change "a concise statement of its nature, purposes and effects, including possible effects on market structure and competition". Statements have been made elsewhere as to the nature and effects of the proposals with respect to the proposed amendments.

The general purpose of the proposed amendment is to:

- standardize industry practices where necessary or desirable for investor protection; and
- for such other purposes as may be approved by the Commission.

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

III COMMENTARY

A FILING IN OTHER JURISDICTIONS

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

B EFFECTIVENESS

The proposed amendment is simple and effective and will eliminate a form that is out of date.

C PROCESS

The guidelines being included at the end of Policy No.2 Minimum Standards for Retail Account Supervision, Policy No. 4 Minimum Standards for Institutional Account Opening, Operation and Supervision and Policy No. 9 Minimum Requirements for Members Seeking Approval Under Regulation 1300.1(s) for Suitability Relief for Trades not Recommended by the Member were drafted and reviewed by the Compliance and Legal Section Form 2 Subcommittee, the Compliance and Legal Section Institutional Subcommittee and were recommended for approval by the Compliance and Legal Section and endorsed by the SRO Rule Making Committee.

IV SOURCES

References:

- Form No. 2 New Client Application Form
- Regulation 1300.2 Supervision of Accounts
- Policy No.2 Minimum Standards for Retail Account Supervision
- Policy No. 4 Minimum Standards for Institutional Account Opening, Operation and Supervision
- Policy No. 9 Minimum Requirements for Members Seeking Approval Under Regulation 1300.1(s) for Suitability Relief for Trades not Recommended by the Member
- IDA Bulletin No. 2219

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The IDA is required to publish for comment the accompanying amendments.
The Association has determined that the entry into force of the proposed amendments would be in the public interest. Comments are sought on the proposed amendments. Comments should be made in writing. One copy of each comment letter should be delivered within 30 days of the publication of this notice, addressed to the attention of Deborah Wise, Senior Legal and Policy Counsel, Regulatory Policy, Investment Dealers Association of Canada, Suite 1600, 121 King Street West, Toronto, Ontario, M5H 3T9 and one copy addressed to the attention of the Manager of Market Regulation, Ontario Securities Commission, 20 Queen Street West, 19th Floor, Box 55, Toronto, Ontario, M5H 3S8.

Questions may be referred to:

Richard Corner
Vice President
Investment Dealers Association of Canada
416-943-6908
rcorner@ida.ca

INVESTMENT DEALERS ASSOCIATION OF CANADA
AMENDMENTS TO FORM NO. 2, REGULATION 1300.2, AND
POLICY NOS. 2, 4 AND 9

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. Form 2 is repealed.

2. Regulation 1300.2(a) is amended by removing the words "includes, at a minimum, the information required by Form No. 2" and replacing it with the words "uses the guidelines provided for in Policy No. 2 for retail accounts, in Policy No. 4 for institutional accounts and in Policy No. 9 for accounts exempt form suitability reviews."

3. Regulation 1300.2(b) is repealed.

4. Policy No. 2 is amended by adding the following:

"Account Information Requirements

Each Member must obtain and maintain the following information with respect to all retail clients pursuant to Policy No. 2.

1. **General Requirements**

The Member's forms or information systems with respect to client account information must meet the following general requirements

(a) The records must clearly indicate the person(s) and account(s) to which the details refer. This standard can be achieved by various means, including providing limiting instructions or giving options that indicate to what or whom the information refers. The information can cover only the accounts of the same accountholder or group and can include, if so specified, their registered account(s) such as RRSPs. Separate information must be obtained for, for example, an individual's personal accounts, accounts of a legal entity even where wholly owned by the individual and those held jointly with another party. For example:

(i) The financial details should note, where applicable, whether the information is that of an individual client or family information (including spousal income and net worth). For legal entity accounts, it should note whether the information refers to the entity or the owner(s) of the entity;

(ii) Investment knowledge or experience for multi-party or legal entity accounts should note whose investment knowledge or experience is being described;

(iii) Where a client is opening more than one account, whether the investment objectives and risk tolerance refer to a particular account or the client's whole portfolio across accounts;

(b) All information relevant to suitability must take a form that makes it usable in the Member's supervision systems. In this regard, investment objectives and risk tolerance should refer only to investments conducted within the Member and should not include assets held or investments conducted elsewhere.

(c) Where the Member permits clients to complete new account forms themselves, the forms should use language that is clear in terms of the information being sought and that avoids terminology that may be unfamiliar to unsophisticated clients. Where appropriate, this can be done by providing clear explanations of such terminology.

(d) All forms and related policies and procedures and any material changes thereto are subject to pre-approval by the Association to ensure their acceptability for supervision purposes.

2. **Accounts for Natural Persons**

In the case of accounts owned jointly by two or more persons, the relevant information should be collected with respect to each owner.

(a) Identification information:

(i) Legal name

(ii) Date of birth

(b) Citizenship

(c) Contact information, including residence address, which must be a physical location even if the mailing address is a post office box

(d) Employment information (where applicable):

(i) Name of employer or if self-employed

(ii) Type of business

(iii) Occupation or title

(iv) Whether or not the client is an employee of any Member firm

or

Employment status if the client is not employed:

(i) Retired

(ii) Student, name of institution

(iii) Unemployed

(iv) Homemaker

(e) Financial information:

(i) Annual income from all sources

(ii) Net worth, calculated as estimated net liquid assets plus estimated net fixed assets minus estimated liabilities

(iii) Number of dependents

(f) Investment knowledge and experience

(g) Investment objectives and risk tolerance

(h) Details of status as a control person or insider of an issuer (not restricted to Canadian issuers)

(i) Details of any third party having a financial interest in or trading authority over the account:

(i) Name

(ii) Employment information

(iii) Details of status as a control person or insider of an issuer (not restricted to Canadian issuers)

(iv) Relationship to accountholder

(j) Details of any financial interest in the account of the approved person responsible for the account, other than an interest in commissions charged

(k) Name and employment information of the client's spouse or common law partner, if that person is an insider or control person of an issuer, or employee of a Member firm.

(l) Type of account (e.g. cash, margin, RRSP, etc.)

(m) Account number(s)

3. **Accounts for Legal Entities**

(a) Full legal name

(b) Contact information

(c) Address of head or principal office, which must be a physical location even if the mailing address is a post office box

(d) Type of entity (e.g. Corporation, Trust, etc.)

(e) Nature of business

(f) Form and details of constitution, for example jurisdiction of incorporation

(g) Beneficial ownership information as required by Regulation 1300.1

(h) Parties authorized to give instructions on the account and details of any restrictions on such authorization

(i) Financial information:

(i) Annual income from all sources

(ii) Net worth, calculated as estimated net liquid assets plus estimated net fixed assets minus estimated liabilities

(j) Investment knowledge and experience

(k) Investment objectives and risk tolerance

(l) Details of status as a control person or insider of an issuer (not restricted to Canadian issuers) of any beneficial owner identified under paragraph (g) and any authorized party identified under subsection (h)

(m) Details of any financial interest in the account of the approved person responsible for the account, other than an interest in commissions charged

(n) Type of account (e.g. cash, margin, etc.)

(o) Account number(s)

4. **Mandatory Information Required by Other Laws and Regulations**

Each Member's new account forms and records must, separately or in combination with other documents, meet the requirements of all other laws and regulations applicable to the Member's business. These requirements may change from time to time. Members may wish to consult legal counsel with respect to some of these requirements. The following are included for guidance only and may not be exhaustive:

(a) Information required for compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, as amended from time to time.

(b) Residency and verification for IRS Qualified Intermediary status, if applicable

(c) Shareholder Communication Instructions under National Instrument 54-101

(d) Authorization to provide information to third parties under applicable privacy legislation and/or National Instrument 33-102, Part 3

(e) Social Insurance Numbers, as required by the *Income Tax Act*.

5. **Verification and Approvals**

(a) The Member must verify the client's agreement with the information recorded. Such verification may be by way of a client signature, which may be an electronic signature, agreeing that the information on an account information form is accurate, or by other means acceptable to the Association.

(b) Client options must be designed in a manner that makes it clear what options are being selected and acknowledgements or agreements are being covered. This can be done by requiring separate signatures or initials for specific options, agreements or acknowledgements, by having check boxes or acknowledgement/agreement buttons on Web-based forms access to which is restricted to the client, or by providing different signature locations depending on options taken by the client.

(c) Each Member must have policies and procedures for verifying material changes to client information, including address changes and material changes in financial information, investment objectives or risk tolerance. Such policies and procedures may include the receipt of a signed client acknowledgement of the changed information, some other form of client acknowledgement such as through a password protected Web access system or failure by the client to respond to a notification of the change sent in a manner such that the Member can reasonably assume that the notification was received by the client.

(d) Each Member must have a system in place to record the review and approval, including the date thereof, of the approved person opening the account, the branch manager or other supervisor approving the opening of the account and any other supervisors whose approval is required, such as the designated registered options principal or designated registered futures options principal.

6. **Agreements and Disclosures**

Each Member must have policies, procedures and systems in place to ensure that all required agreements are entered into by the client and that all required disclosures are provided to the client on a timely basis.

For guidance, these include, where applicable:

(a) Agreements

(i) Joint Account Agreement

(ii) Margin Agreement, to be obtained before a margin account is opened

(iii) Discretionary Account Agreement in compliance with Regulations 1300.4 and 1300.5

(iv) Managed Account Agreement in compliance with Regulations 1300.7 and 1300.8

(v) Futures Contracts and/or Futures Contracts Options Trading Agreement in compliance with Regulation 1800.9

(vi) Options Trading Agreement in compliance with Regulation 1900.6

(viii) Consent to electronic delivery of documents

(b) Disclosures

(i) Leveraged Risk Disclosure Statement in compliance with By-law 29.26

(ii) Introducing / carrying broker disclosure in compliance with By-law 35

(iii) Alternate dispute resolution brochure in compliance with By-law 37.3

(iv) Principal / Agent disclosure in compliance with By-law 39, Appendix B

(v) Futures risk disclosure statement in compliance with Regulation 1800.2(e)(ii)

(vi) Options risk disclosure statement in compliance with Regulation 1900.2e)(i)

(vii) Shared premises disclosure in compliance with Policy No. 1

(viii) Strip bond information statement

(ix) Statement of policies

(x) Service fee schedule

(xi) Referral fees

7. **Optional Information**

Members may require clients to provide such additional information from clients as the Member concludes is required for the proper administration of client accounts and the fulfillment of their legal responsibilities. The following kinds of optional information are provided for guidance only and are neither mandatory nor exhaustive.

(a) Contact Information

(i) Mobile telephone number

(ii) E-mail address

(iii) Home fax number

(iv) Business fax number

(v) Web site

(b) Marital status

(c) Information on spouse or common law partner

(i) Employer

(ii) Type of business

(iii) Occupation / job title

(iv) Social Insurance Number, where permitted by law

(v) Residence

(vi) Citizenship

(vii) Annual income

(d) Banking information

(i) Name of financial institution

(ii) Branch address

(iii) Transit number

(iv) Account number

(e) Relationships

(i) Guarantee of or by another account at the Member

(ii) Authority of client over other accounts at the Member

(iii) Accounts held at other dealers

(f) Operational details

(i) Language preference

(ii) Currency

(iii) Addresses for duplicate statements or confirmations

(iv) Internet access to account

(v) Delivery against payment settlement agent

(vi) Delivery instructions

(g) Registered Representative

(i) Is the Registered Representative registered in the Province or Country in which the client resides?

(ii) How long has the registered representative known the client?

(iii) Has the registered representative met the client personally?

(h) Other

(i) How did the client come to learn about the Member?

(ii) Name and/or account number of existing client who referred the client to the Member

(iii) Proposed initial transaction(s)

(iv) Details re transfer of account from another firm

(v) Comments of client, registered representative, branch manager and/or Compliance Department."

5. Policy No. 4 is amended by adding the following:

"Account Information Requirements

Each Member must obtain and maintain the following information with respect to all institutional clients dealt with pursuant to Policy No. 4.

1. **General Requirements**

The Member's forms or information systems with respect to client account information must meet the following general requirements

(a) The records must clearly indicate the person(s) and account(s) to which the details refer. This standard can be achieved by various means, including providing limiting instructions or giving options that indicate to what or whom the information refers. The information can cover only the accounts of the same accountholder or group. For example:

(i) The financial details should note, where applicable, whether the information is that of the entity or the owner(s) of the entity;

(ii) Suitability determinations for legal entity accounts should note whose sophistication is being described;

(b) All information relevant to suitability must take a form that makes it usable in the Member's supervision systems.

(c) Where the Member permits clients to complete new account forms themselves, the forms should use language that is clear in terms of the information being sought and that avoids terminology that may be unfamiliar to unsophisticated clients. Where appropriate, this can be done by providing clear explanations of such terminology.

(d) All forms and related policies and procedures and any material changes thereto are subject to pre-approval by the Association to ensure their acceptability for supervision purposes.

2. **Accounts for Legal Entities**

(a) Full legal name

(b) Contact information

(c) Address of head or principal office, which must be a physical location even if the mailing address is a post office box

(d) Type of entity (e.g. Corporation, Trust, etc.)

(e) Type of institutional client (e.g. Acceptable Counterparty, regulated entity)

(f) Nature of business

(g) Form and details of constitution, for example jurisdiction of incorporation

(h) Beneficial ownership information as required by Regulation 1300.1

(i) Parties authorized to give instructions on the account and details of any restrictions on such authorization

(j) If the entity is qualifying under Part II, 1(d) of this Policy, annual audited financial statements

(k) Details of status as a control person or insider of an issuer (not restricted to Canadian issuers) of any beneficial owner identified under paragraph (h) and any authorized party identified under paragraph (i)

(l) Details of any financial interest in the account of the approved person responsible for the account, other than an interest in commissions charged

(m) Type of account (e.g. cash, margin, etc.)

(n) Account number(s).

3. **Mandatory Information Required by Other Laws and Regulations**

Each Member's new account forms and records must, separately or in combination with other documents, meet the requirements of all other laws and regulations applicable to the Member's business. These requirements may change from time to time. Members may wish to consult legal counsel with respect to some of these requirements. The following are included for guidance only and may not be exhaustive:

(a) Information required for compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, as amended from time to time

(b) Residency and verification for IRS Qualified Intermediary status, if applicable

(c) Shareholder Communication Instructions under National Instrument 54-101

(d) Authorization to provide information to third parties under applicable privacy legislation and/or National Instrument 33-102, Part 3

4. **Verification and Approvals**

(a) The Member must verify the client's agreement with the information recorded. Such verification may be by way of a client signature, which may be an electronic signature, agreeing that the information on an account information form is accurate, or by other means acceptable to the Association.

(b) Client options must be designed in a manner that makes it clear what options are being selected and acknowledgements or agreements are being covered. This can be done by requiring separate signatures or initials for specific options, agreements or acknowledgements, or by having check boxes or acknowledgement/agreement buttons on Web-based forms access to which is restricted to the client.

(c) Each Member must have policies and procedures for verifying material changes to client information, including address changes and material changes in financial information. Such policies and procedures may include the receipt of a signed client acknowledgement of the changed information, some other form of client acknowledgement such as through a password protected Web access system or failure by the client to respond to a notification of the change sent in a manner such that the Member can reasonably assume that the notification was received by the client.

(d) Each Member must have a system in place to record the review and approval, including the date thereof, of the approved person opening the account, the branch manager or other supervisor approving the opening of the account and any other supervisors whose approval is required, such as the designated registered options principal or designated registered futures options principal.

5. **Agreements and Disclosures**

Each Member must have policies, procedures and systems in place to ensure that all required agreements are entered into by the client and that all required disclosures are provided to the client on a timely basis.

For guidance, these include, where applicable:

(a) Agreements

(i) Partnership Account Agreement

(ii) Margin Agreement, to be obtained before a margin account is opened

(iii) Trading Authority Agreements

(iv) Options Trading Agreement in compliance with Regulation 1900.6

(v) Futures Contracts and/or Futures Contracts Options Trading Agreement in compliance with Regulation 1800.9

(vi) Consent to electronic delivery of documents

(b) Disclosures

(i) Leveraged Risk Disclosure Statement in compliance with By-law 29.26

(ii) Introducing / carrying broker disclosure in compliance with By-law 35

(iii) Alternate dispute resolution brochure in compliance with By-law 37.3

(iv) Principal / Agent disclosure in compliance with By-law 39, Appendix B

(v) Futures risk disclosure statement in compliance with Regulation 1800.2(e)(ii)

(vi) Options risk disclosure statement in compliance with Regulation 1900.2e)(i)

(vii) Shared premises disclosure in compliance with Policy No. 1

(viii) Strip bond information statement

(ix) Statement of policies

(x) Service fee schedule

(xi) Referral fees

6. **Optional Information**

Members may require clients to provide such additional information from clients as the Member concludes is required for the proper administration of client accounts and the fulfillment of their legal responsibilities. The following kinds of optional information are provided for guidance only and are neither mandatory nor exhaustive.

(a) Contact Information

(i) Mobile telephone number

(ii) E-mail address

(iii) Business fax number

(iv) Web site

(b) Banking information

(i) Name of financial institution

(ii) Branch address

(iii) Transit number

(iv) Account number

(c) Relationships

(i) Guarantee of or by another account at the Member

(ii) Authority of client over other accounts at the Member

(iii) Accounts held at other dealers

(d) Operational details

(i) Language preference

(ii) Currency

(iii) Addresses for duplicate statements or confirmations

(iv) Internet access to account

(v) Delivery against payment settlement agent

(vi) Delivery instructions

(e) Registered Representative

(i) Is the Registered Representative registered in the Province or Country in which the client resides?

(ii) How long has the registered representative known the client?

(iii) Has the registered representative met the client personally?

(f) Other

(i) How did the client come to learn about the Member?

(ii) Name and/or account number of existing client who referred the client to the Member.

(iii) Proposed initial transaction(s)

(iv) Details re transfer of account from another firm

(v) Comments of client, registered representative, branch manager and/or Compliance Department."

6. Policy No. 9 is amended by adding the following:

"Account Information Requirements

Each Member must obtain and maintain the following information with respect to all retail clients dealt with on a suitability exempt basis pursuant to Policy No. 9A.

1. **General Requirements**

The Member's forms or information systems with respect to client account information must meet the following general requirements

(a) The records must clearly indicate the person(s) and account(s) to which the details refer. This standard can be achieved by various means, including providing limiting instructions or giving options that indicate to what or whom the information refers. The information can cover only the accounts of the same accountholder or group and can include, if so specified, their registered account(s) such as RRSPs. Separate information must be obtained for, for example, an individual's personal accounts, accounts of a legal entity even where wholly owned by the individual and those held jointly with another party. For example:

(i) The financial details should note, where applicable, whether the information is that of an individual client or family information (including spousal income and net worth). For legal entity accounts, it should note whether the information refers to the entity or the owner(s) of the entity;

(ii) If asked for, investment knowledge or experience for multi-party or legal entity accounts should note whose investment knowledge or experience is being described.

(b) Where the Member permits clients to complete new account forms themselves, the forms should use language that is clear in terms of the information being sought and that avoids terminology that may be unfamiliar to unsophisticated clients. Where appropriate, this can be done by providing clear explanations of such terminology.

(c) (i) When an account is opened, the Member must make a written disclosure to the client advising that the Member will not be responsible for making a suitability determination for client orders which are not recommended by the Member or a representative of the Member. Such disclosure shall clearly explain to the client that the client alone is responsible for his or her own investment decisions and that the Member will not consider the customer's financial situation, investment knowledge, investment objectives and risk tolerance when accepting the client's orders. If a Member offers both an advisory and an order-execution only service within the same business unit, such disclosure shall also

include a brief description of what does or does not constitute a recommendation[1] and instructions on how the customer can report trades which have not been accurately designated as recommended or non-recommended.

(ii) When an account is opened, the Member must obtain an acknowledgement from the client that the client has received and understood the disclosure described in Paragraph 1(c)(i). For accounts such as joint and investment club accounts having more than one beneficial owner, the Member must obtain an acknowledgement from all beneficial owners.

(iii) Prior to operating any existing accounts under the approval, the Member must provide the disclosure described in Paragraph 1(c)(i) to the client and obtain the acknowledgement described in Paragraph 1(c)(ii).

(iv) The acknowledgement contained under Paragraphs 1(c)(ii) and (iii) must take the form of a positive act by the client, a record of which must be maintained by the Member in accessible form. The forms of acknowledgement must be in compliance with this Policy, specifically Section 5(b).

(d) All forms and related policies and procedures and any material changes thereto are subject to pre-approval by the Association to ensure their acceptability for supervision purposes.

2. **Accounts for Natural Persons**

In the case of accounts owned jointly by two or more persons, the relevant information should be collected with respect to each owner.

(a) Identification information:

(i) Legal name

(ii) Date of birth

(b) Citizenship

(c) Contact information, including residence address, which must be a physical location even if the mailing address is a post office box

(d) Employment status and employment information, including (where applicable):

(i) Name of employer or if self-employed

(ii) Type of business

(iii) Occupation or title

(iv) Whether or not the client is an employee of any Member firm

(e) Details of status as a control person or insider of an issuer (not restricted to Canadian issuers)

(f) Details of any third party having a financial interest in or trading authority over the account:

(i) Name

(ii) Employment information

(iii) Details of status as a control person or insider of an issuer (not restricted to Canadian issuers)

[1] The language of the disclosure shall be the following: in general terms, a dealer is providing a recommendation to you, the client, when the dealer provides you with investment information or advice specifically and individually tailored to your financial situation, investment knowledge, investment objectives, past investments or risk tolerance. However, whether a particular transaction is in fact recommended depends on an analysis of all the relevant facts and circumstances.

(iv) Relationship to accountholder

(g) Name and employment information of the client's spouse or common law partner, if that person is an insider or control person of an issuer, or employee of a Member firm.

(h) Type of account (e.g. cash, margin, RRSP, etc.)

(i) Account number(s)

3. **Accounts for Legal Entities**

(a) Full legal name

(b) Contact information

(c) Address of head or principal office, which must be a physical location even if the mailing address is a post office box

(d) Type of entity (e.g. Corporation, Trust, etc.)

(e) Nature of business

(f) Form and details of constitution, for example jurisdiction of incorporation

(g) Beneficial ownership information as required by Regulation 1300.1

(h) Parties authorized to give instructions on the account and details of any restrictions on such authorization

(i) Details of status as a control person or insider of an issuer (not restricted to Canadian issuers) of any beneficial owner identified under Section 3(g) and any authorized party identified under Section 3(h)

(j) Type of account (e.g. cash, margin, etc.)

(k) Account number(s)

4. **Mandatory Information Required by Other Laws and Regulations**

Each Member's new account forms and records must, separately or in combination with other documents, meet the requirements of all other laws and regulations applicable to the Member's business. These requirements may change from time to time. Members may wish to consult legal counsel with respect to some of these requirements. The following are included for guidance only and may not be exhaustive:

(a) Information required for compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations*, as amended from time to time.

(b) Residency and verification for IRS Qualified Intermediary status, if applicable

(c) Shareholder Communication Instructions under National Instrument 54-101

(d) Authorization to provide information to third parties under applicable privacy legislation and/or National Instrument 33-102, Part 3

(e) Social insurance numbers, as required by the *Income Tax Act*.

5. **Verification and Approvals**

(a) The Member must verify the client's agreement with the information recorded. Such verification may be by way of a client signature, which may be an electronic signature, agreeing that the information on an account information form is accurate, or by other means acceptable to the Association.

(b) Client options must be designed in a manner that makes it clear what options are being selected and acknowledgements or agreements are being covered. This can be done by requiring separate

signatures or initials for specific options, agreements or acknowledgements, or by having check boxes or acknowledgement/agreement buttons on Web-based forms access to which is restricted to the client.

(c) Each Member must have policies and procedures for verifying material changes to client information, including address changes. Such policies and procedures may include the receipt of a signed client acknowledgement of the changed information, some other form of client acknowledgement such as through a password protected Web access system or failure by the client to respond to a notification of the change sent in a manner such that the Member can reasonably assume that the notification was received by the client.

(d) Each Member must have a system in place to record the review and approval, including the date thereof, of the approved person opening the account, the branch manager or other supervisor approving the opening of the account and any other supervisors whose approval is required, such as the designated registered options principal or designated registered futures options principal.

6. **Agreements and Disclosures**

Each Member must have policies, procedures and systems in place to ensure that all required agreements are entered into by the client and that all required disclosures are provided to the client on a timely basis.

For guidance, these include, where applicable:

(a) Agreements

(i) Joint Account Agreement

(ii) Margin Agreement, to be obtained before a margin account is opened

(iii) Futures Contracts and/or Futures Contracts Options Trading Agreement in compliance with Regulation 1800.9

(iv) Options Trading Agreement in compliance with Regulation 1900.6

(v) Trading Authority Agreements

(vi) Power of Attorney Agreements

(vii) Consent to electronic delivery of documents

(b) Disclosures

(i) Leverage Risk Disclosure Statement in compliance with By-law 29.26

(ii) Introducing / carrying broker disclosure in compliance with By-law 35

(iii) Alternate dispute resolution brochure in compliance with By-law 37.3

(iv) Principal / Agent disclosure in compliance with By-law 39, Appendix B

(v) Futures risk disclosure statement in compliance with Regulation 1800.2(e)(ii)

(vi) Options risk disclosure statement in compliance with Regulation 1900.2e)(i)

(vii) Shared premises disclosure in compliance with Policy No. 1

(viii) Strip bond information statement

(ix) Statement of policies

(x) Service fee schedule

(xi) Referral fees

7. **Optional Information**

Members may require clients to provide such additional information as the Member concludes is required for the proper administration of client accounts and the fulfillment of their legal responsibilities. The following kinds of optional information are provided for guidance only and are neither mandatory nor exhaustive.

(a) Contact Information

- (i) Mobile telephone number
- (ii) E-mail address
- (iii) Home fax number
- (iv) Business fax number
- (v) Web site

(b) Marital status

(c) Information on spouse or common law partner, if not required by Section 2(g)

- (i) Employer
- (ii) Type of business
- (iii) Occupation / job title
- (iv) Social Insurance Number, where permitted by law
- (v) Residence
- (vi) Citizenship
- (vii) Annual income

(d) Financial information:

- (i) Annual income from all sources
- (ii) Net Worth, calculated as estimated net liquid assets plus estimated net fixed assets minus estimated liabilities
- (iii) Number of dependents

(e) Investment knowledge and experience

(f) Banking information

- (i) Name of financial institution
- (ii) Branch address
- (iii) Transit number
- (iv) Account number

(g) Relationships

- (i) Guarantee of or by another account at the Member
- (ii) Authority of client over other accounts at the Member

(iii) Accounts held at other dealers

(h) Operational details

(i) Language preference

(ii) Currency

(iii) Addresses for duplicate statements or confirmations

(iv) Internet access to account

(v) Delivery against payment settlement agent

(vi) Delivery instructions

(i) Other

(i) How did the client come to learn about the Member?

(ii) Name and/or account number of existing client who referred the client to the Member.

(iii) Proposed initial transaction(s)

(iv) Details re transfer of account from another firm

(v) Comments of client, registered representative, branch manager and/or Compliance Department."

PASSED AND ENACTED BY THE Board of Directors this 12th day of April 2006, to be effective on a date to be determined by Association staff.

13.1.3 CDS - Material Amendments to CDS Rules - ACT Participant

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS")

MATERIAL AMENDMENTS TO CDS RULES

ACT PARTICIPANT

REQUEST FOR COMMENTS

A. DESCRIPTION OF THE PROPOSED AMENDMENTS

The Automated Confirmation Transaction service (ACT) is an on-line system operated by the National Association of Securities Dealers of the United States (NASD) for the real-time reporting and matching of trades in NASDAQ securities. The use of ACT increases the competitiveness of Canadian dealers in this market as some American dealers are reluctant to trade with counterparties who do not have direct use of ACT. Participants using CDS's Cross-Border Services are able to use ACT without becoming members of NASD; CDS acts as a gateway to this system by permitting participants to use the ACT system in conjunction with their use of sponsored accounts at the National Securities Clearing Corporation (NSCC). Certain financial institutions (primarily investment dealers) wish to use ACT directly without incurring the expense and shared risk of full participation. The proposed amendments establish a new category of limited purpose participants, to be called ACT Participants, that will use ACT and an associated sponsored account at NSCC to report and reconcile trades. These limited purpose participants will not settle their trades directly, but will designate a clearing broker to settle such trades on their behalf.

B. NATURE AND PURPOSE OF THE PROPOSED AMENDMENTS

The amendments create a new category of limited purpose participants in the Cross-Border Services. ACT Participants participate in the Cross-Border Services on a restricted basis, to use ACT and to use a sponsored NSCC account only for the purposes of reporting, confirming and reconciling trades through ACT. Full service participants continue to use ACT as part of their use of the Cross-Border Services, without the restrictions that will apply to ACT Participants.

Any person, other than a TA Participant, who is eligible to become a CDS participant may apply to participate in the Cross-Border Services as an ACT Participant. In addition, a person who has chosen to participate in CDSX as an ATON Participant may also participate in the Cross-Border Services as an ACT Participant. Thus a limited purpose participant, other than a TA Participant, will have the option to use only ACT, or to use only ATON, or to use both ATON and ACT.

ACT is an information transmission system, and not a system for the settlement of trades, or the transfer of assets or payments. Particulars of the trades reported through ACT are forwarded to NSCC for settlement. CDS participants using the New York Link Service settle their trades through that service.

The functionality available to an ACT Participant will be limited to the use of ACT to enter and confirm trades. For this purpose, each ACT Participant will use a CDS sponsored account at NSCC (a New York Link Account). An ACT Participant will not settle its own trades; its NSCC account may not be used to hold securities, to accept delivery of securities, or to make or receive payment. Each ACT Participant will appoint another participant, who must be a full service Cross-Border Participant, to act as its designated clearing broker. The designated clearing broker is responsible for the settlement of all of the trades executed by the ACT Participant. Prior to settlement date, all of the trades of the ACT Participant will be transferred to the NSCC sponsored account of its clearing broker. The amendments impose an express obligation on the clearing broker to settle trades for their customers who are ACT Participants; this ensures that the obligations arising from the NSCC trades will be met, and that CDS will not be exposed to any liabilities with respect to those trades.

As ACT Participants cannot incur obligations for settlements or for holding securities, there is no need for ACT Participants to belong to a credit ring, to contribute to the fund for a credit ring, or to provide collateral to CDS to secure their obligations.

Existing Rules 10.1.4, 10.1.5 and 10.2.4 describe the ACT service, and the documentation associated with it. New Rule 10.12 describes the new category for limited purpose participation by an ACT Participant. Conforming amendments are made to other provisions of the Participant Rules.

C. IMPACT OF THE PROPOSED AMENDMENTS

CDS participants may use CDS's customized gateway to ACT to directly report and confirm trades of NASDAQ securities without themselves becoming NASD members.

Direct access to ACT provides dealers with a number of benefits:

(i) the ability to report and confirm trades real-time on the ACT system;

(ii) same day trade matching;

(iii) automatic transmission of locked-in trades to NSCC for settlement;

(iv) increased efficiency of trade reconciliation for eligible securities;

(v) ability to provide instructions in relation to the settlement of trades reported through the system;

(vi) online access to details of the status of every trade reported through ACT.

In addition, certain United States dealers may refuse to enter into trades with other dealers who do not have direct access to the ACT system, as such dealers cannot report or confirm such trades quickly. This puts dealers without direct ACT access at a competitive disadvantage.

A number of Canadian investment dealers want to have access to ACT to secure these benefits and to avoid the possible competitive disadvantage. However, these investment dealers do not settle their own trades and instead use a clearing broker. Such investment dealers could become full service CDS participants, with access to all CDS functionality including ACT. However, the expense and shared risks of full participation are a barrier for those investment dealers who do not settle trades directly and therefore do not need the full range of CDS services. Historically, CDS has accommodated the investment dealers in this group by admitting them as participants subject to certain restrictions and conditions. The proposed Rule amendments will create a clearly defined category of ACT Participants, with functionality that meets their business objectives. The investment dealers in this group (both current participants and new applicants) will be invited to become ACT Participants with restricted functionality.

D. DESCRIPTION OF THE RULE DRAFTING PROCESS

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

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

E. IMPACT OF PROPOSED AMENDMENTS ON TECHNOLOGICAL SYSTEMS

There is no anticipated impact on the technological systems of CDS or its Participants.

F. COMPARISON TO OTHER CLEARING AGENCIES

Generally, to access the NASD's ACT service, a customer must be a NASD member. However, there is an arrangement for CDS Participants to access the ACT service by completion of the Non-Member Trade Processing Facility Addendum to the NASDAQ Services Agreement (in addition to other requirements under the CDS Participant Rules). As such, comparison to other clearing agencies is not applicable for the proposed amendments.

G. PUBLIC INTEREST ASSESSMENT

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

Expanding access to ACT is expected to benefit dealers and the Canadian capital markets. Dealers will no longer be subject to the competitive disadvantage arising from their inability to use ACT for their American trades. The efficiency of Canada's capital markets will benefit from the dealer's enhanced access to fast and accurate trade reporting and confirmation, ability to provide quick and accurate of instructions to its clearing broker, and ability to monitor reports of trades on-line.

H. COMMENTS

Comments on the proposed amendments should be in writing and delivered by June 12, 2006 and delivered to:

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

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

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

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

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

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

I. PROPOSED RULE AMENDMENTS

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

J. QUESTIONS

Questions regarding this notice may be directed to:

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

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

TOOMAS MARLEY
Chief Legal Officer

Appendix "A"
Proposed Rule Amendments

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
1.2.1 Definitions	**1.2.1 Definitions**
"ACT" means the Automated Confirmation Transaction service of NASD.	"ACT" means the Automated Confirmation Transaction service of NASD.
"ACT Participant" means a Participant who is classified as such by CDS pursuant to Rule 2.3.2.	"ACT Participant" means a Participant who is classified as such by CDS pursuant to Rule 2.3.2.
"Cross-Border Documents" means (i) the agreements that CDS enters into with NSCC and DTC from time to time in order to offer the Cross-Border Services; (ii) the rules, by-laws, procedures and other requirements of NSCC and of DTC from time to time in force; and (iii) with respect to a Cross-Border Participant who uses ACT, the agreements that CDS enters into with NASD from time to time in order to offer ACT and the rules, by-laws, procedures and other requirements of NASD with respect to ACT from time to time in force.	"Cross-Border Documents" means (i) the agreements that CDS enters into with NSCC and DTC from time to time in order to offer the Cross-Border Services; (ii) the rules, by-laws, procedures and other requirements of NSCC and of DTC from time to time in force; and (iii) with respect to a Cross-Border Participant who uses ACT, the agreements that CDS enters into with NASD from time to time in order to offer ACT and the rules, by-laws, procedures and other requirements of NASD with respect to ACT from time to time in force.
"NASD" means the National Association of Securities Dealers, Inc. of the United States of America.	"NASD" means the National Association of Securities Dealers, Inc. of the United States of America.
"NASDAQ" means The NASDAQ Stock Market, an electronic screen-based stock market regulated by the NASD.	"NASDAQ" means The NASDAQ Stock Market, an electronic screen-based stock market regulated by the NASD.
1.6.1 General Description	**1.6.1 General Description**
CDSX comprises the Depository Service and the Settlement Service. The Depository Service is a Service made available by CDS by which CDS holds eligible Securities on behalf of Participants. The Settlement Service is a Service established by CDS to provide for the Settlement of Trades in eligible Securities, through the delivery of Securities and the making of payment on the records of CDS. Only Participants may use CDSX. Participants are either full service Participants or limited purpose Participants. A full service Participant may use all of the Services offered by CDS. A limited purpose Participant is subject to restrictions on its use of CDSX and its obligations are correspondingly restricted. Limited purpose Participants using CDSX include ATON Participants and TA Participants. Certain Participants use the Cross-Border Services, which do not form part of CDSX.	CDSX comprises the Depository Service and the Settlement Service. The Depository Service is a Service made available by CDS by which CDS holds eligible Securities on behalf of Participants. The Settlement Service is a Service established by CDS to provide for the Settlement of Trades in eligible Securities, through the delivery of Securities and the making of payment on the records of CDS. Only Participants may use CDSX. Participants are either full service Participants or limited purpose Participants. A full service Participant may use all of the Services offered by CDS. A limited purpose Participant is subject to restrictions on its use of CDSX and its obligations are correspondingly restricted. Limited purpose Participants using CDSX include ATON Participants and TA Participants. Certain Participants use the Cross-Border Services, which do not form part of CDSX.
1.7.1 Overview Of Cross-Border Services	**1.7.1 Overview Of Cross-Border Services**
As described in Rule 10, CDS offers the Cross-Border Services to facilitate the clearing and settlement of Transactions by Participants with American brokers and institutions: the American and Canadian Connection for Efficient Securities Settlement Service (ACCESS), DTC Direct Link (DDL) and New York Link (NYL). Only Participants may use the Cross-Border Services. Participants are either full service Participants or limited purpose Participants. A full service Participant may use	As described in Rule 10, CDS offers the Cross-Border Services to facilitate the clearing and settlement of Transactions by Participants with American brokers and institutions: the American and Canadian Connection for Efficient Securities Settlement Service (ACCESS), DTC Direct Link (DDL) and New York Link (NYL). Only Participants may use the Cross-Border Services. Participants are either full service Participants or limited purpose Participants. A full service Participant may use

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
all of the Services offered by CDS. A limited purpose Participant is subject to restrictions on its use of the Cross-Border Services and its obligations are correspondingly restricted. Limited purpose Participants using the Cross-Border Services are ACT Participants. In addition to the Cross-Border Services, CDS offers facilities for Participants to effect Transactions that are governed by Rule 10, such as a Cross-Border Movement or an ACCESS Deposit.	all of the Services offered by CDS. A limited purpose Participant is subject to restrictions on its use of the Cross-Border Services and its obligations are correspondingly restricted. Limited purpose Participants using the Cross-Border Services are ACT Participants. In addition to the Cross-Border Services, CDS offers facilities for Participants to effect Transactions that are governed by Rule 10, such as a Cross-Border Movement or an ACCESS Deposit.
2.1.2 Classification	**2.1.2 Classification**
Each Participant is classified in a category. ~~as being Bank of Canada, an Extender of Credit, a Federated Participant, a Settlement Agent, a Receiver of Credit, a TA Participant, or an ATON Participant.~~ Each Participant may perform the roles in the Services appropriate to its classification. A Participant who meets the qualifications specified may also act as the ISIN Activator, Security Validator or Entitlements Processor for a particular Security. CDS appoints certain Participants to act as Domestic Custodians of Securities, and appoints Persons to act as Foreign Custodians of Securities.	Each Participant is classified in a category. Each Participant may perform the roles in the Services appropriate to its classification. A Participant who meets the qualifications specified may also act as the ISIN Activator, Security Validator or Entitlements Processor for a particular Security. CDS appoints certain Participants to act as Domestic Custodians of Securities, and appoints Persons to act as Foreign Custodians of Securities.
2.3.2 Categories	**2.3.2 Categories**
(a) Full Service and Limited Purpose Participation	(a) Full Service and Limited Purpose Participation
Each Participant is either a full service Participant or a limited purpose Participant. A full service Participant may use all of the Services offered by CDS. A limited purpose Participant is subject to restrictions on its use of the Services offered by CDS, as specified in the Rules applicable to that category of limited purpose Participant.	Each Participant is either a full service Participant or a limited purpose Participant. A full service Participant may use all of the Services offered by CDS. A limited purpose Participant is subject to restrictions on its use of the Services offered by CDS, as specified in the Rules applicable to that category of limited purpose Participant.
(b) Categories of Full Service Participants	(b) Categories of Full Service Participants
CDS shall classify each full service Participant ~~shall be classified~~ into one of the following categories:	CDS shall classify each full service Participant into one of the following categories:
(~~a~~i) Bank of Canada	(i) Bank of Canada
(~~b~~ii) Extender of Credit	(ii) Extender of Credit
if the Participant satisfies all of the following requirements:	if the Participant satisfies all of the following requirements:
(~~i~~1) it is a Financial Institution;	(1) it is a Financial Institution;
(~~ii~~2) it is a direct clearer or group clearer member of the Canadian Payments Association and accordingly has a settlement account for clearing purposes with Bank of Canada;	(2) it is a direct clearer or group clearer member of the Canadian Payments Association and accordingly has a settlement account for clearing purposes with Bank of Canada;
(~~iii~~3) it has Capital of not less than $1 billion; and	(3) it has Capital of not less than $1 billion; and
(~~iv~~4) it is an LVTS User;	(4) it is an LVTS User;
(~~c~~iii) Federated Participant	(iii) Federated Participant
if the Participant satisfies all of the following	if the Participant satisfies all of the following requirements:

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
requirements: (~~i~~1) it is a Financial Institution; (~~ii~~2) it is a group clearer member of the Canadian Payments Association and accordingly has a settlement account for clearing purposes with Bank of Canada (the "Active Federated Participant"), or it is a member of the Canadian Payments Association and is either a member of the group for which the Active Federated Participant acts as the group clearer in the Canadian Payments Association or an indirect clearer who has appointed the Active Federated Participant as its clearing agent in the Canadian Payments Association; (~~iii~~3) its Capital, when aggregated with the Capital of the Active Federated Participant and the Capital of all of its other Federated Participants, is not less than $1 billion (excluding in the calculation of the Capital of a Federated Participant its investment in any other Federated Participant that forms part of the Capital of that other Federated Participant, if its Capital and the Capital of that other Federated Participant are aggregated); and (~~iv~~4) if it is the Active Federated Participant, it is an LVTS User; (~~d~~iv) Settlement Agent if the Participant satisfies all of the following requirements: (~~i~~1) it is a Financial Institution; (~~ii~~2) it is a direct clearer or group clearer member of the Canadian Payments Association and accordingly has a settlement account for clearing purposes with Bank of Canada, or it is an indirect clearer member of the Canadian Payments Association and accordingly has a clearing account with a direct clearer or a group clearer; and (~~iii~~3) it has Capital of not less than $100 million; ~~(e) TA Participant~~ ~~If the Participant satisfies the requirements set out in Rule 11.2.2;~~ ~~or~~ ~~(f) ATON Participant~~ ~~If the Participant satisfies the requirements set out in Rule 12.2.3;~~ or (~~h~~v) Receiver of Credit if the Participant does not satisfy the requirements for one of the foregoing categories or if the Participant does	(1) it is a Financial Institution; (2) it is a group clearer member of the Canadian Payments Association and accordingly has a settlement account for clearing purposes with Bank of Canada (the "Active Federated Participant"), or it is a member of the Canadian Payments Association and is either a member of the group for which the Active Federated Participant acts as the group clearer in the Canadian Payments Association or an indirect clearer who has appointed the Active Federated Participant as its clearing agent in the Canadian Payments Association; (3) its Capital, when aggregated with the Capital of the Active Federated Participant and the Capital of all of its other Federated Participants, is not less than $1 billion (excluding in the calculation of the Capital of a Federated Participant its investment in any other Federated Participant that forms part of the Capital of that other Federated Participant, if its Capital and the Capital of that other Federated Participant are aggregated); and (4) if it is the Active Federated Participant, it is an LVTS User; (iv) Settlement Agent if the Participant satisfies all of the following requirements: (1) it is a Financial Institution; (2) it is a direct clearer or group clearer member of the Canadian Payments Association and accordingly has a settlement account for clearing purposes with Bank of Canada, or it is an indirect clearer member of the Canadian Payments Association and accordingly has a clearing account with a direct clearer or a group clearer; and (3) it has Capital of not less than $100 million; or (v) Receiver of Credit if the Participant does not satisfy the requirements for one of the foregoing categories or if the Participant does not choose to be classified into one of the foregoing categories. A full service Participant may not be classified as a TA Participant, an ACT Participant or an ATON Participant. (c) Categories of Limited Purpose Participants CDS shall classify each limited purpose Participant that satisfies the requirements set out in Rule 11.2.2 as a TA Participant. CDS shall classify each other limited purpose

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
not choose to be classified into one of the foregoing categories. A full service Participant may not be classified as a TA Participant, an ACT Participant or an ATON Participant. (c) Categories of Limited Purpose Participants CDS shall classify each limited purpose Participant that satisfies the requirements set out in Rule 11.2.2 as a TA Participant. CDS shall classify each other limited purpose Participant into one or both of the following categories: (i) ATON Participant if the Participant satisfies the requirements set out in Rule 12.2.3. (ii) ACT Participant if the Participant satisfies the requirements set out in Rule 10.12. **2.4.7 ~~TA Participant and ATON Participant~~ Limited Purpose Participants** (a) TA Participant A TA Participant: (i) may not effect Settlements (including a transfer or Pledge of Securities) or hold Securities credited to its Ledger, except in its capacity as a CDSX Depositary Agent or Entitlements Processor; (ii) may not make Lines of Credit available to other Participants; (iii) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant; (iv) may not use any CCP Function; (v) may not act as the ISIN Activator or Securities Validator for a Security; and (vi) may not act as a Custodian. (b) ATON Participant An ATON Participant: (i) may effect Settlements or hold Securities credited to its Ledger only in connection with the transfer of client accounts; (ii) may not effect Settlements that result in a negative balance in its Funds Account; (iii) may not deposit or withdraw Securities;	Participant into one or both of the following categories: (i) ATON Participant if the Participant satisfies the requirements set out in Rule 12.2.3. (ii) ACT Participant if the Participant satisfies the requirements set out in Rule 10.12. **2.4.7 Limited Purpose Participants** (a) TA Participant A TA Participant: (i) may not effect Settlements (including a transfer or Pledge of Securities) or hold Securities credited to its Ledger, except in its capacity as a CDSX Depositary Agent or Entitlements Processor; (ii) may not make Lines of Credit available to other Participants; (iii) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant; (iv) may not use any CCP Function; (v) may not act as the ISIN Activator or Securities Validator for a Security; and (vi) may not act as a Custodian. (b) ATON Participant An ATON Participant: (i) may effect Settlements or hold Securities credited to its Ledger only in connection with the transfer of client accounts; (ii) may not effect Settlements that result in a negative balance in its Funds Account; (iii) may not deposit or withdraw Securities; (iv) may not make Lines of Credit available to other Participants; (v) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant; (vi) may not use any CCP Function; (vii) may not act as the ISIN Activator, Securities Validator, Entitlements Processor or CDSX

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
(iv) may not make Lines of Credit available to other Participants; (v) may not use Lines of Credit made available by an Extender of Credit or by the Active Federated Participant; (vi) may not use any CCP Function; (vii) may not act as the ISIN Activator, Securities Validator, Entitlements Processor or CDSX Depositary Agent for a Security; and (viii) may not act as a Custodian. (c) ACT Participant An ACT Participant that is not also an ATON Participant may not use CDSX. **5.1.9 Role of ACT Participant** Notwithstanding the provisions of this Rule 5, an ACT Participant that is not also an ATON Participant may not use CDSX and accordingly: (a) does not grant nor use a Line of Credit; (b) is not a Member of a Fund Credit Ring; (c) is not a Member of a Category Credit Ring; (d) does not make any Contribution to any Fund or Collateral Pool; (e) does not grant any security interest to CDS; (f) does not have a System-Operating Cap that limits its Transactions; and (g) is not required to satisfy the ACV edit.	Depositary Agent for a Security; and (viii) may not act as a Custodian. (c) ACT Participant An ACT Participant that is not also an ATON Participant may not use CDSX. **5.1.9 Role of ACT Participant** Notwithstanding the provisions of this Rule 5, an ACT Participant that is not also an ATON Participant may not use CDSX and accordingly: (a) does not grant nor use a Line of Credit; (b) is not a Member of a Fund Credit Ring; (c) is not a Member of a Category Credit Ring; (d) does not make any Contribution to any Fund or Collateral Pool; (e) does not grant any security interest to CDS; (f) does not have a System-Operating Cap that limits its Transactions; and (g) is not required to satisfy the ACV edit.
10.1.3 Cross-Border Participants A Participant may apply in accordance with Rule 2.2.2 to use one or more Cross-Border Services. Upon acceptance of its application, the Participant becomes a Cross-Border Participant. A Cross-Border Participant who uses a Link Service is a Link Participant. ~~, and a~~ A Cross-Border Participant who uses the ACCESS Service is an ACCESS Participant. An ACT Participant is a limited purpose Cross-Border Participant that uses the New York Link and is therefore also a limited purpose Link Participant. A qualified Participant (who need not be a Cross-Border Participant) may be designated by a Link Participant to act as its Designated Payment Agent with respect to a Link Service.	**10.1.3 Cross-Border Participants** A Participant may apply in accordance with Rule 2.2.2 to use one or more Cross-Border Services. Upon acceptance of its application, the Participant becomes a Cross-Border Participant. A Cross-Border Participant who uses a Link Service is a Link Participant. A Cross-Border Participant who uses the ACCESS Service is an ACCESS Participant. An ACT Participant is a limited purpose Cross-Border Participant that uses the New York Link and is therefore also a limited purpose Link Participant. A qualified Participant (who need not be a Cross-Border Participant) may be designated by a Link Participant to act as its Designated Payment Agent with respect to a Link Service.

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
10.1.4 DTC, NSCC and Cross-Border Documents In order to offer the Cross-Border Services and the related facilities governed by this Rule 10, CDS has become a member of NSCC and of DTC, has entered into various agreements with NSCC and DTC and, as a member of DTC and of NSCC, has agreed to abide by such agreements and by the rules, by-laws, procedures and other requirements of NSCC and of DTC from time to time in force. Such agreements, rules, by-laws, procedures and other requirements (and the ACT documents referred to in Rule 10.1.5) are referred to as the Cross-Border Documents. Notwithstanding anything in this Rule 10, and subject to Rule 3.3.10, CDS will provide the Cross-Border Services and the related facilities described in this Rule 10 only for so long as (i) CDS continues to be a member of NSCC and DTC, (ii) its membership permits CDS to provide the Cross-Border Services and the facilities, and (iii) there has been no change in the Cross-Border Documents and no action by DTC or NSCC that would prevent its doing so or would, in CDS's opinion, make it impractical or unduly onerous to do so.	**10.1.4 DTC, NSCC and Cross-Border Documents** In order to offer the Cross-Border Services and the related facilities governed by this Rule 10, CDS has become a member of NSCC and of DTC, has entered into various agreements with NSCC and DTC and, as a member of DTC and of NSCC, has agreed to abide by such agreements and by the rules, by-laws, procedures and other requirements of NSCC and of DTC from time to time in force. Such agreements, rules, by-laws, procedures and other requirements (and the ACT documents referred to in Rule 10.1.5) are referred to as the Cross-Border Documents. Notwithstanding anything in this Rule 10, and subject to Rule 3.3.10, CDS will provide the Cross-Border Services and the related facilities described in this Rule 10 only for so long as (i) CDS continues to be a member of NSCC and DTC, (ii) its membership permits CDS to provide the Cross-Border Services and the facilities, and (iii) there has been no change in the Cross-Border Documents and no action by DTC or NSCC that would prevent its doing so or would, in CDS's opinion, make it impractical or unduly onerous to do so.
10.1.5 Automated Confirmation Transaction The National Association of Securities Dealers (NASD) offers the Automated Confirmation Transaction service (ACT) to report and confirm certain Transactions and to give instructions to settle such Transactions. Pursuant to an agreement between CDS and NASD, CDS sponsors Cross-Border Participants to use ACT. A Cross-Border Participant may apply to use ACT. With respect to a Cross-Border Participant who uses ACT, the agreements that CDS enters into with NASD from time to time in order to offer ACT and the rules, by-laws, procedures and other requirements of NASD with respect to ACT from time to time in force, form part of the Cross-Border Documents.	**10.1.5 Automated Confirmation Transaction** The National Association of Securities Dealers (NASD) offers the Automated Confirmation Transaction service (ACT) to report and confirm certain Transactions and to give instructions to settle such Transactions. Pursuant to an agreement between CDS and NASD, CDS sponsors Cross-Border Participants to use ACT. A Cross-Border Participant may apply to use ACT. With respect to a Cross-Border Participant who uses ACT, the agreements that CDS enters into with NASD from time to time in order to offer ACT and the rules, by-laws, procedures and other requirements of NASD with respect to ACT from time to time in force, form part of the Cross-Border Documents.
10.2.4 Conflict Each Participant acknowledges that CDS, as a member of NSCC and DTC and a user of ACT, must observe and comply with the Cross-Border Documents. In the event that such obligations of CDS conflict with its obligations under the Rules, each Participant acknowledges that CDS must comply with its obligations under the Cross-Border Documents, and such compliance shall not be considered to be a default by CDS under the Rules.	**10.2.4 Conflict** Each Participant acknowledges that CDS, as a member of NSCC and DTC and a user of ACT, must observe and comply with the Cross-Border Documents. In the event that such obligations of CDS conflict with its obligations under the Rules, each Participant acknowledges that CDS must comply with its obligations under the Cross-Border Documents, and such compliance shall not be considered to be a default by CDS under the Rules.
10.6.1 CDS's Security Interests A limited purpose ACT Participant does not grant a security interest to CDS. To secure the due payment of all amounts due under the Rules from time to time to CDS from the Cross-Border Participant and the performance of all obligations of the Cross-Border Participant to CDS arising from time to time under the Rules (whether arising from a Cross-Border Service or otherwise), each full service Cross-Border Participant	**10.6.1 CDS's Security Interests** A limited purpose ACT Participant does not grant a security interest to CDS. To secure the due payment of all amounts due under the Rules from time to time to CDS from the Cross-Border Participant and the performance of all obligations of the Cross-Border Participant to CDS arising from time to time under the Rules (whether arising from a Cross-Border Service or otherwise), each full service Cross-Border Participant

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
grants to CDS a security interest in, and pledges, charges and assigns to CDS:	grants to CDS a security interest in, and pledges, charges and assigns to CDS:
(a) all Securities credited to an NYL Account or DDL Account of the Cross-Border Participant or involved in a Cross-Border Movement and all funds owing in respect of such accounts or in respect of any Cross-Border Transaction or Cross-Border Movement;	(a) all Securities credited to an NYL Account or DDL Account of the Cross-Border Participant or involved in a Cross-Border Movement and all funds owing in respect of such accounts or in respect of any Cross-Border Transaction or Cross-Border Movement;
(b) all Link Fund Contributions made to a Link Fund by the Cross-Border Participant (if the Cross-Border Participant uses a Link Service);	(b) all Link Fund Contributions made to a Link Fund by the Cross-Border Participant (if the Cross-Border Participant uses a Link Service);
(c) all Cross-Border Specific Collateral of the Cross-Border Participant; and	(c) all Cross-Border Specific Collateral of the Cross-Border Participant; and
(d) all dividends, interest, amounts due on maturity, principal repayments and all other entitlements and proceeds arising with respect to such Securities, funds Link Fund Contributions and Cross-Border Specific Collateral.	(d) all dividends, interest, amounts due on maturity, principal repayments and all other entitlements and proceeds arising with respect to such Securities, funds Link Fund Contributions and Cross-Border Specific Collateral.
(collectively, the "Cross-Border Collateral").	(collectively, the "Cross-Border Collateral").
The security interests created by this Rule 10.6.1 shall survive the suspension, termination or withdrawal of the Cross-Border Participant. In addition to the security interests created in this Rule 10.6, and to the extent that any security granted in this Rule 10.6 may be governed by the laws of the Province of Québec, each Participant grants a hypothec in favour of CDS on the terms set out in Rule 5.2.	The security interests created by this Rule 10.6.1 shall survive the suspension, termination or withdrawal of the Cross-Border Participant. In addition to the security interests created in this Rule 10.6, and to the extent that any security granted in this Rule 10.6 may be governed by the laws of the Province of Québec, each Participant grants a hypothec in favour of CDS on the terms set out in Rule 5.2.
10.7.1 Link Funds and ACCESS Fund	**10.7.1 Link Funds and ACCESS Fund**
A limited purpose ACT Participant is not a Member of a Link Fund Credit Ring. Each full service Link Participant shall be a Member of a Link Fund Credit Ring. Each Member of a Link Fund Credit Ring agrees to pay to CDS its proportionate share pursuant to Rule 10.8 of certain obligations of each other Member who is suspended. Each Member of a Link Fund Credit Ring shall make Link Fund Contributions to the Link Fund established in respect of that Link Fund Credit Ring. The Link Funds are referred to as the NYL Link Fund and the DDL Link Fund, respectively. Each ACCESS Participant uses the ACCESS Function of CDSX, is a Member of the Fund Credit Ring established for the ACCESS Function, and makes contributions to the ACCESS Fund of CDSX (which Fund is not a Link Fund).	A limited purpose ACT Participant is not a Member of a Link Fund Credit Ring. Each full service Link Participant shall be a Member of a Link Fund Credit Ring. Each Member of a Link Fund Credit Ring agrees to pay to CDS its proportionate share pursuant to Rule 10.8 of certain obligations of each other Member who is suspended. Each Member of a Link Fund Credit Ring shall make Link Fund Contributions to the Link Fund established in respect of that Link Fund Credit Ring. The Link Funds are referred to as the NYL Link Fund and the DDL Link Fund, respectively. Each ACCESS Participant uses the ACCESS Function of CDSX, is a Member of the Fund Credit Ring established for the ACCESS Function, and makes contributions to the ACCESS Fund of CDSX (which Fund is not a Link Fund).
10.8.1 Payment by Link Fund Credit Ring	**10.8.1 Payment by Link Fund Credit Ring**
A limited purpose ACT Participant is not a Member of a Link Fund Credit Ring. Each full service Link Participant shall be a Member of the Link Fund Credit Ring for each Link Service that it uses. If CDS has been unable to collect from a Link Defaulter who is a Member or a former Member of a Link Fund Credit Ring an obligation to CDS arising from the Link Defaulter's use of a Link Service, then each other Member of that Link Fund	A limited purpose ACT Participant is not a Member of a Link Fund Credit Ring. Each full service Link Participant shall be a Member of the Link Fund Credit Ring for each Link Service that it uses. If CDS has been unable to collect from a Link Defaulter who is a Member or a former Member of a Link Fund Credit Ring an obligation to CDS arising from the Link Defaulter's use of a Link Service, then each other Member of that Link Fund

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
Credit Ring shall pay to CDS its proportionate share of that obligation upon request by CDS. If any Link Fund Credit Ring Member fails or refuses to pay its proportionate share of an obligation pursuant to this Rule, it shall be considered to be a "subsequent Link Defaulter". Each other Link Fund Credit Ring Member who makes payment to CDS of its proportionate share of the obligation of a Link Defaulter and of each subsequent Link Defaulter shall be considered to be a "Link Survivor". Each other Link Fund Credit Ring Member, upon request by CDS, shall pay to CDS its proportionate share of the obligation of such subsequent Link Defaulter, and so on with respect to all failures or refusals of other Members to pay their respective proportionate shares, until the full amount of the obligation owing by the Link Defaulter to CDS has been paid. References to a Link Defaulter or a Link Survivor shall be deemed to refer to a subsequent Link Defaulter or to a Link Fund Credit Ring Member who makes payment to CDS of its proportionate share of the obligation of a subsequent Link Defaulter, respectively, *mutatis mutandis*. The Members of a Link Fund Credit Ring have no obligation to CDS with respect to any obligation of a Participant arising from that Participant's use of another Function or Service.	Credit Ring shall pay to CDS its proportionate share of that obligation upon request by CDS. If any Link Fund Credit Ring Member fails or refuses to pay its proportionate share of an obligation pursuant to this Rule, it shall be considered to be a "subsequent Link Defaulter". Each other Link Fund Credit Ring Member who makes payment to CDS of its proportionate share of the obligation of a Link Defaulter and of each subsequent Link Defaulter shall be considered to be a "Link Survivor". Each other Link Fund Credit Ring Member, upon request by CDS, shall pay to CDS its proportionate share of the obligation of such subsequent Link Defaulter, and so on with respect to all failures or refusals of other Members to pay their respective proportionate shares, until the full amount of the obligation owing by the Link Defaulter to CDS has been paid. References to a Link Defaulter or a Link Survivor shall be deemed to refer to a subsequent Link Defaulter or to a Link Fund Credit Ring Member who makes payment to CDS of its proportionate share of the obligation of a subsequent Link Defaulter, respectively, *mutatis mutandis*. The Members of a Link Fund Credit Ring have no obligation to CDS with respect to any obligation of a Participant arising from that Participant's use of another Function or Service.
10.12 ACT PARTICIPANTS	**10.12 ACT PARTICIPANTS**
10.12.1 Limited Purpose Participants	**10.12.1 Limited Purpose Participants**
As set out in this Rule 10.12, an ACT Participant is a limited purpose Cross-Border Participant that uses the New York Link and is therefore also a limited purpose Link Participant. An ACT Participant is a Participant and accordingly is subject to the Participant Rules. In using the Cross-Border Services, an ACT Participant is subject to all of the provisions of Rule 10, as modified by this Rule 10.12.	As set out in this Rule 10.12, an ACT Participant is a limited purpose Cross-Border Participant that uses the New York Link and is therefore also a limited purpose Link Participant. An ACT Participant is a Participant and accordingly is subject to the Participant Rules. In using the Cross-Border Services, an ACT Participant is subject to all of the provisions of Rule 10, as modified by this Rule 10.12.
10.12.2 Eligibility for Participation	**10.12.2 Eligibility for Participation**
Any Person who is a Regulated Financial Institution, Foreign Institution or Government Body, or who is an ATON Participant, is eligible to apply to become a limited purpose ACT Participant. A full service Participant or a limited purpose TA Participant is not eligible to apply to become a limited purpose ACT Participant.	Any Person who is a Regulated Financial Institution, Foreign Institution or Government Body, or who is an ATON Participant, is eligible to apply to become a limited purpose ACT Participant. A full service Participant or a limited purpose TA Participant is not eligible to apply to become a limited purpose ACT Participant.
10.12.3 Participation Qualifications and Standards	**10.12.3 Participation Qualifications and Standards**
When requested by CDS, an ACT Participant shall demonstrate to the satisfaction of CDS that it meets the qualifications and standards set out in Rule 2.2 applicable to the category to which it belongs (Regulated Financial Institution, Foreign Institution, Government Body or ATON Participant, as the case may be).	When requested by CDS, an ACT Participant shall demonstrate to the satisfaction of CDS that it meets the qualifications and standards set out in Rule 2.2 applicable to the category to which it belongs (Regulated Financial Institution, Foreign Institution, Government Body or ATON Participant, as the case may be).
10.12.4 Functionality	**10.12.4 Functionality**
An ACT Participant is a limited purpose Cross-Border Participant and its activities shall be limited to the matters	An ACT Participant is a limited purpose Cross-Border Participant and its activities shall be limited to the matters

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
set out below.	set out below.
(a) ACT	(a) ACT
An ACT Participant may use ACT in accordance with Rule 10.1.5.	An ACT Participant may use ACT in accordance with Rule 10.1.5.
(b) Link Account	(b) Link Account
CDS shall make available to each ACT Participant the use of one or more NYL Accounts, to be used exclusively for the reporting, confirmation and reconciliation of the NYL Transactions of that ACT Participant. Prior to settlement date, all NYL Transactions of an ACT Participant shall be moved to the NYL Account of its designated clearing broker and shall be processed and settled through that account. No Transactions shall be settled through the NYL Account of an ACT Participant, no securities shall be held in or delivered to the NYL Account of an ACT Participant, and no payments shall be made in respect of the NYL Account of an ACT Participant. The NYL Accounts of an ACT Participant are subject to all of the provisions of Rule 10.3, as modified by this Rule.	CDS shall make available to each ACT Participant the use of one or more NYL Accounts, to be used exclusively for the reporting, confirmation and reconciliation of the NYL Transactions of that ACT Participant. Prior to settlement date, all NYL Transactions of an ACT Participant shall be moved to the NYL Account of its designated clearing broker and shall be processed and settled through that account. No Transactions shall be settled through the NYL Account of an ACT Participant, no securities shall be held in or delivered to the NYL Account of an ACT Participant, and no payments shall be made in respect of the NYL Account of an ACT Participant. The NYL Accounts of an ACT Participant are subject to all of the provisions of Rule 10.3, as modified by this Rule.
10.12.5 Designated Clearing Broker	**10.12.5 Designated Clearing Broker**
(a) Appointment and Termination	(a) Appointment and Termination
An ACT Participant may not use ACT to report or confirm transactions unless it has a designated clearing broker to settle such trades through NSCC. A designated clearing broker shall be a full service CDS Cross-Border Participant using the New York Link. An ACT Participant appoints a designated clearing broker by informing CDS of the proposed appointment. The appointment of a designated clearing broker is not effective unless the designated clearing broker informs CDS that it accepts the appointment. An ACT Participant terminates the appointment of a designated clearing broker by informing CDS of the termination and the identity of the proposed replacement designated clearing broker. A designated clearing broker ceases to act as the designated clearing broker for an ACT Participant by informing CDS of the proposed termination of the appointment. CDS informs the ACT Participant and the designated clearing broker to be appointed or terminated of the proposed appointment or termination of appointment. The appointment of a designated clearing broker is effective at the beginning of the Business Day after the designated clearing broker accepts the appointment. The termination of appointment of a designated clearing broker is effective at the beginning of the Business Day after the ACT Participant or the designated clearing broker informs CDS of the termination.	An ACT Participant may not use ACT to report or confirm transactions unless it has a designated clearing broker to settle such trades through NSCC. A designated clearing broker shall be a full service CDS Cross-Border Participant using the New York Link. An ACT Participant appoints a designated clearing broker by informing CDS of the proposed appointment. The appointment of a designated clearing broker is not effective unless the designated clearing broker informs CDS that it accepts the appointment. An ACT Participant terminates the appointment of a designated clearing broker by informing CDS of the termination and the identity of the proposed replacement designated clearing broker. A designated clearing broker ceases to act as the designated clearing broker for an ACT Participant by informing CDS of the proposed termination of the appointment. CDS informs the ACT Participant and the designated clearing broker to be appointed or terminated of the proposed appointment or termination of appointment. The appointment of a designated clearing broker is effective at the beginning of the Business Day after the designated clearing broker accepts the appointment. The termination of appointment of a designated clearing broker is effective at the beginning of the Business Day after the ACT Participant or the designated clearing broker informs CDS of the termination.
(b) Settlement of Trades	(b) Settlement of Trades
The designated clearing broker for an ACT Participant is responsible for settling all trades executed by that ACT Participant and reported in its NYL Account during the	The designated clearing broker for an ACT Participant is responsible for settling all trades executed by that ACT Participant and reported in its NYL Account during the

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
time that it is so appointed, including all trades executed but not yet settled at the time that the termination of its appointment is effective. **10.12.6 Limitation of Obligations** An ACT Participant: (a) is not a Member of a Link Fund Credit Ring; (b) does not make Link Fund Contributions to any Link Fund; and (c) does not grant a security interest to CDS.	time that it is so appointed, including all trades executed but not yet settled at the time that the termination of its appointment is effective. **10.12.6 Limitation of Obligations** An ACT Participant: (a) is not a Member of a Link Fund Credit Ring; (b) does not make Link Fund Contributions to any Link Fund; and (c) does not grant a security interest to CDS.

Chapter 25

Other Information

25.1 Approvals

25.1.1 TW & Company Investment Management Inc.

April 25, 2006

TW & Company Investment Management Inc.
Commerce Court North, Suite 2505
25 King Street West
Toronto, ON M5L 1E2

Attention: John Wood

Dear Sirs/Mesdames:

RE: TW & Company Investment Management Inc. (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application #0213/06

Further to your application dated March 22, 2006 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that assets of future mutual fund trusts to be established and managed by the Applicant from time to time (the "Future Trusts") will be held in the custody of a trust company incorporated under the laws of Canada and licensed or registered under the laws of Canada, and that has shareholders' equity, as reported in its most recent audited financial statements, of not less than $10,000,000, the Ontario Securities Commission (the "Commission") makes the following order. Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of the Future Trusts, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Robert Davis"

"Susan Wolburgh Jenah"

25.2 Consents

25.2.1 ZENON Environmental Inc. - s. 4(b) of the Regulation

Headnote

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

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

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

IN THE MATTER OF
ONT. REG. 289/00, AS AMENDED
(THE "REGULATION") MADE UNDER
THE BUSINESS CORPORATIONS ACT, R.S.O. 1990,
c. B.16, AS AMENDED (THE "OBCA")

AND

IN THE MATTER OF
ZENON ENVIRONMENTAL INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of ZENON Environmental Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting consent (the "Request") from the Commission for the Applicant to continue in another jurisdiction, as required by subsection 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the laws of Canada on December 10, 1957 and was continued under the OBCA effective August 11, 1992. The Applicant filed articles of amalgamation most recently on January 1, 2001. The head and registered office of the Applicant is located at 3239 Dundas Street West, Oakville, Ontario L6M 4B2.

2. The Applicant intends to apply to the Director under the OBCA for authorization to continue under the *Business Corporations Act* (Alberta) (the "ABCA"). Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation, its application for continuance under the laws of another jurisdiction must be accompanied by a consent from the Commission.

3. The Applicant is an offering corporation under the OBCA and is and intends to remain a reporting issuer under the *Securities Act* (Ontario) (the "Act").

4. The Applicant is not in default of any of the provisions of the Act or the regulations or rules made thereunder.

5. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act.

6. The application for continuance under the ABCA is to be approved by the securityholders of the Applicant at the special meeting of securityholders scheduled to be held on May 3, 2006 (the "Meeting").

7. The continuance is being completed to permit the amalgamation by plan of arrangement of the Applicant with GE Acquireco ULC, an unlimited liability corporation created under the laws of Alberta.

8. Pursuant to section 185 of the OBCA, all shareholders of record as of the record date for the Meeting are entitled to dissent rights with respect to the application for continuance.

9. The management information circular dated March 30, 2006 and filed on SEDAR has been provided to all shareholders in connection with the Meeting and advises shareholders of their dissent rights in respect of the continuance.

10. The material rights, duties and obligations of a corporation governed by the ABCA are substantially similar to those of a corporation governed by the OBCA.

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

THE COMMISSION HEREBY CONSENTS, subject to receipt of shareholder approval as aforesaid, to the continuance of the Applicant as a corporation under the ABCA.

DATED April 28, 2006.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

"Suresh Thakrar"
Commissioner
Ontario Securities Commission

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