The Ontario Securities Commission

OSC Bulletin

May 26, 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)

The Ontario Securities Commission
Cadillac Fairview Tower
Suite 1903, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

416-593-8314 or Toll Free 1-877-785-1555

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Carswell
One Corporate Plaza
2075 Kennedy Road
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M1T 3V4

416-609-3800 or 1-800-387-5164

Contact Centre - Inquiries, Complaints:	Fax: 416-593-8122
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General Counsel's Office:	Fax: 416-593-3681
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One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

Customer Relations
Toronto 1-416-609-3800
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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

MAY 26, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
Suite 1700, Box 55
20 Queen Street West
Toronto, Ontario
M5H 3S8

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- -

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

SCHEDULED OSC HEARINGS

May 29, 2006	**Maitland Capital Ltd *et al***
2:00 p.m.	s. 127 and 127.1
	D. Ferris in attendance for Staff
	Panel: PMM
May 30, 2006	**Jose Castaneda**
2:30 p.m.	s. 127 and 127.1
	T. Hodgson in attendance for Staff
	Panel: WSW
May 31, 2006	**Mega-C Power Corporation, Rene Pardo, Gary Usling, Lewis Taylor Sr., Lewis Taylor Jr., Jared Taylor, Colin Taylor and 1248136 Ontario Limited**
10:00 a.m.	S. 127
	T. Hodgson in attendance for Staff
	Panel: TBA
June 9, 2006	**Olympus United Group Inc.**
10:00 a.m.	s.127
	M. MacKewn in attendance for Staff
	Panel: TBA
June 9, 2006	**Norshield Asset Management (Canada) Ltd.**
10:00 a.m.	s.127
	M. MacKewn in attendance for Staff
	Panel: TBA
June 9, 2006	**Euston Capital Corporation and George Schwartz**
10:00 a.m.	s. 127
	Y. Chisholm in attendance for Staff
	Panel: WSW/ST

June 26, 2006 10:00 a.m.	**Universal Settlement International Inc.** s. 127 & 127.1 Y. Chisholm in attendance for Staff
June 27, 2006 2:30 p.m. Jun 28 & 30, 2006 July 4 – 7, 2006 10:00 a.m.	Panel: PMM/RWD
July 5, 2006 10:00 a.m.	**Sears Canada Inc., Sears Holdings Corporation, and SHLD Acquisition Corp.** Subsection 104(1) and section 127 J. Waechter in attendance for Staff Panel: SWJ/RWD/CSP
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
September 13, 2006 10:00 a.m.	**Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM/ST
September 21, 2006 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fun and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ/ST
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: TBA
TBA	**Philip Services Corp., Allen Fracassi**, Philip Fracassi**, Marvin Boughton**, Graham Hoey**, Colin Soule*, Robert Waxman and John Woodcroft**** s. 127 K. Manarin & J. Cotte in attendance for Staff Panel: TBA

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

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

ADJOURNED SINE DIE

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

1.1.2 OSC Staff Notice 81-708 Model Portfolios of Mutual Funds

OSC STAFF NOTICE 81-708
MODEL PORTFOLIOS OF MUTUAL FUNDS

Please refer to MRRS Decision Documents *In the Matter of Royal Mutual Funds Inc.*, *In the Matter of RBC Asset Management Inc.*, and *In the Matter of Royal Mutual Funds Inc.* (the **Decision Documents**), which are published in today's bulletin.

Overview

This notice addresses the issues raised in the Decision Documents for certain mutual fund dealers, investment counsels and portfolio managers (**IC/PMs**), and mutual fund managers conducting registerable activity in Ontario.

The intention of this notice is to provide guidance about exemptions required by market participants planning to introduce products and services in situations similar to those described in the Decision Documents.

The relevant fact situations

The Decision Documents provide exemptive relief for two firms: one firm is both an IC/PM and a fund manager (**IC/PM-Fund Manager**). The IC/PM Fund Manager makes decisions about rebalancing changes in model portfolios of mutual funds, including changes within pre-determined parameters as well as replacing existing funds with new funds. It also trades to carry out these rebalancing decisions made in its discretion. The other firm is an affiliated mutual fund dealer that sells these model portfolio products. A mutual fund dealer selling a model portfolio product that involves a separate IC/PM and fund manager would be in a similar situation.

Staff consider that the rebalancing activity undertaken by the IC/PM is discretionary management that affects the client's holdings directly. It is as though the IC/PM is advising the client directly, through its own actions as passed on through the mutual fund dealer. This situation differs from a fund of funds, where discretionary activity carried out in the top fund affects only that fund, and not the actual holdings in a client's account.

The mutual fund dealer through which the model portfolio product is sold to clients is therefore considered to be providing discretionary management to the client. This activity is not permitted for a mutual fund dealer without an exemption from the adviser registration requirement.

The IC/PM-Fund Manager in the Decision Documents carries out trades in units of the funds in each model portfolio that it decides in its discretion are appropriate, as authorised by the account opening agreement between the client and the mutual fund dealer. An IC/PM-Fund Manager in this situation usually holds no mutual fund dealer registration, to comply with MFDA rules.

Similar to the fact situation in the Decision Documents, if an IC/PM-Fund Manager trades to implement decisions made in its discretionary authority, it is required to be registered as a dealer in an appropriate category or obtain exemptive relief from the dealer registration requirements. This particular trading activity is not considered incidental to the IC/PM-Fund Manager's adviser registration.

Disclosure about model portfolio products

Existing disclosure

Model portfolio products are not offered as separately qualified funds under a prospectus, like a fund of funds. Model portfolio products are generally described in a prospectus as a service. More specific details about the model portfolio product are usually found in the account opening documentation.

It is clear that disclosure is an important element in selling model portfolio products. While considering the applications for exemptive relief that resulted in the Decision Documents, staff consulted with members of the mutual fund industry and reviewed the prospectus and account opening documentation for numerous model portfolio products to learn more about products already in the marketplace.

Staff found that direct discretionary management of the client's investment is often involved in these model portfolio products, to varying degrees. The requirement to describe the model portfolio products is not particularly specific, and the result is that descriptions in both prospectuses and account opening documentation vary significantly, from very good to very unclear. Staff also found that some descriptions were quite detailed, while others were not; these differences made it impossible to compare the model portfolio products.

Disclosure expectations

Prospectuses that describe model portfolio products like those in the Decision Documents are expected at a minimum to include the following:

- clear description of the model portfolio product
- clear description of the number of model portfolios, including how many portfolios are offered, the types of portfolios offered (such as growth, income, or balanced), and the fact that the portfolios consist of funds of the fund manager
- clear explanation of how the model portfolios are designed and who is involved in designing them
- clear explanation of the how investment ranges are established, how re-balancing occurs, and whether new funds may be substituted in the model portfolios
- the minimum amount required to invest in the model portfolio product
- the fees associated with the model portfolio product, including the basis on which they are charged and how they are paid
- clear description of reinvestments of distributions
- where to get more information and how to sign up for the model portfolio product

The account opening documentation is typically generated by the fund manager, and it contains details about the model portfolio products such as fees as well as information specific to the client. To help investors better understand model portfolio products, staff expect that fund managers will ensure their account opening documentation fully describes their model portfolio products. In addition to the information included in the prospectus, the account opening documentation should include at a minimum:

- clear description of all fees payable, including the services for which the fees are to be paid, and the compensation received by each of the entities that are involved
- clear description of what discretionary authority is exercised, how it is exercised, and by which entity
- clear description of when client consent is required for an action
- clear description of the entity or entities legally responsible to the investor for any liabilities concerning the model portfolio product

Please refer your questions to:

Martha Rafuse
Legal Counsel
Ontario Securities Commission
(416) 593-2321
mrafuse@osc.gov.on.ca

May 26, 2006

1.1.3 RS Market Integrity Notice – Notice of Amendment Approval – Provisions Respecting Client Priority

MARKET REGULATION SERVICES INC.

AMENDMENT TO THE UNIVERSAL MARKET INTEGRITY RULES
AMENDMENTS TO
RULE 5.3 AND POLICY 5.3 – PROVISIONS RESPECTING CLIENT PRIORITY

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission has approved amendments to Rule 5.3 and Policy 5.3 of the Universal Market Integrity Rules (UMIR) dealing with client priority. In addition, the other applicable securities regulatory authorities have also approved the amendments. A copy and description of the amendments were published on June 10, 2005 at (2005) 28 OSCB 5280. Four comment letters were received. The final version of the amendments and a summary of the comments received are published in Chapter 13 of this Bulletin.

1.1.4 OSC Notice 51-714 (Revised) - OSC Continuous Disclosure Advisory Committee

ONTARIO SECURITIES COMMISSION
NOTICE 51-714 (REVISED)

OSC CONTINUOUS DISCLOSURE ADVISORY COMMITTEE

(Previously published May 14, 2004)

The Ontario Securities Commission is inviting new applications for membership on its Continuous Disclosure Advisory Committee (CDAC).

The activities of the OSC's Corporate Finance Branch include reviewing continuous disclosure filings made by reporting issuers, addressing policy issues in the area of continuous disclosure, and monitoring external sources for possible CD issues. It also works to increase awareness of continuous disclosure issues and to effect greater discipline in the marketplace with respect to continuous disclosure obligations.

The Commission recognizes the critical importance of consulting with industry participants and other stakeholders in carrying out its mandate. The CDAC, established in 2002, advises staff on a range of matters including the planning, implementation and communication of its review program, and policy- and rule-making initiatives. The CDAC also serves as a forum to make staff aware of emerging issues and to critically assess its procedures.

The CDAC is made up of approximately fifteen individual members. The CDAC generally meets five times a year and members serve two-year terms. Members are expected to have extensive knowledge of continuous disclosure issues and a strong interest in securities regulatory policy as it relates to these issues. The CDAC is chaired by a Commission staff representative. The current chair is John Hughes.

We invite representatives of reporting issuers, industry associations, advisors, investing organizations and any other interested persons to apply in writing for membership on the CDAC indicating their areas of practice and relevant experience. Interested parties should submit their application by June 30, 2006. Applications and any queries regarding this Notice may be forwarded to:

John Hughes
Manager, Corporate Finance
Ontario Securities Commission
416-593-3695
jhughes@osc.gov.on.ca

May 26, 2006

1.1.5 TSX Notice of Approval - Housekeeping Amendments to the TSX Company Manual

TORONTO STOCK EXCHANGE
NOTICE OF APPROVAL OF
HOUSEKEEPING AMENDMENTS TO
THE TORONTO STOCK EXCHANGE
COMPANY MANUAL

On May 2, 2006, the TSX filed with the Commission amendments to the TSX Company Manual (Manual). The amendments represent a number of housekeeping amendments, such as the updating of cross references throughout the Manual and changes to certain filing requirements, the reduction in the amount of notice required via news release for issuers relying on certain exemptions, clarification of the procedure for continued listing reviews, changes to the Personal Information Form ("PIF") to reflect concurrent changes being made to TSX Venture Exchange's PIF in order to remain harmonized with them on the content and use of the PIFS, and finally the removal from the Manual of those reporting forms which, as of February 1, 2006, must be filed with TSX only through SecureFile.

The amendments have been filed as "non-public interest" amendments pursuant to the *Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals* and are deemed to have been approved upon filing. The amendments come into effect on May 29, 2006. A TSX Notice and the amendments are being published in Chapter 13 of this Bulletin.

1.2 Notices of Hearing

1.2.1 Sears Canada Inc., Sears Holdings Corporation, and SHLD Acquisition Corp.

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

AND

IN THE MATTER OF
SEARS CANADA INC.,
SEARS HOLDINGS CORPORATION,
AND SHLD ACQUISITION CORP.

NOTICE OF HEARING
(Subsection 104(1) and section 127)

WHEREAS Hawkeye Capital Management, LLC, Knott Partners Management LLC and Pershing Square Capital Management, L.P. (together, the "Applicants") have requested that the Commission convene a hearing to consider matters in connection with the offer by SHLD Acquisition Corp., a wholly-owned subsidiary of Sears Holdings Corporation, to acquire the outstanding common shares of Sears Canada Inc.;

TAKE NOTICE that the Commission will hold a hearing pursuant to subsection 104(1) and section 127 of the Act at the Commission's offices at 20 Queen Street West, 17th Floor Hearing Room, Toronto, Ontario commencing on Wednesday, July 5, 2006 at 10:00 a.m. and or as soon as possible after that time to consider whether the Commission should make an order under subsection 104(1) and/or section 127 of the Act, as the Commission deems appropriate.

AND TAKE FURTHER NOTICE that any party to the proceedings may be represented by counsel if he or she attends or submits evidence at the hearing;

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

BY REASON OF the application filed by the Applicants with the Office of the Secretary of the Ontario Securities Commission dated April 25, 2006.

DATED at Toronto, this 17th day of May, 2006.

"J. P. Stevenson"
Secretary to the Commission
Ontario Securities Commission

1.2.2 Andrew Oestreich - 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
ANDREW OESTREICH

AMENDED NOTICE OF HEARING
(sections 127 and 127.1)

TAKE NOTICE that the Ontario Securities Commission (the "Commission") will hold a hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act"), at the offices of the Commission located at 20 Queen Street West, Toronto, in the Small Hearing Room, located on the 17th Floor, commencing on Thursday, May 25, 2006, at 1:00 p.m. or as soon thereafter as the hearing can be held:

AND TAKE NOTICE that the purpose of the hearing will be for the Commission to consider whether to approve the proposed settlement of the proceeding entered into between Staff of the Commission ("Staff") and Andrew Oestreich ("Oestreich" or the "Respondent") pursuant to sections 127 and 127.1 of the Act, which approval will be sought by Staff and the Respondent;

BY REASON OF the allegations set out in the Statement of Allegations of Staff of the Commission 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;

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 19th day of May, 2006.

"John Stevenson"
Secretary to the Commission

1.2.3 Terrence William Marlow et al. - s. 127

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

AND

IN THE MATTER OF
TERRENCE WILLIAM MARLOW,
MARLOW GROUP PRIVATE PORTFOLIO MANAGEMENT INC.
AND MARLOW GROUP SECURITIES INC.

NOTICE OF HEARING
(Section 127)

TAKE NOTICE that the Commission will hold a hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") at the Commission's offices on the 17th floor, 20 Queen Street West, Toronto, Ontario, commencing on Thursday the 25th day of May, 2006, at 11:00 a.m. or as soon thereafter as the hearing can be held.

AND TAKE NOTICE THAT the purpose of the hearing is for the Commission to consider whether it is in the public interest to approve the settlement of the within proceedings entered into between Staff of the Commission and the respondent Terrence William Marlow.

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

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

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

DATED at Toronto this 23rd day of May, 2006

"John Stevenson"
Secretary to the Commission

1.3 News Releases

1.3.1 OSC Obtains Court Order Appointing Grant Thornton as Receiver of Juniper Group

FOR IMMEDIATE RELEASE
May 18, 2006

OSC OBTAINS COURT ORDER
APPOINTING GRANT THORNTON
AS RECEIVER OF JUNIPER GROUP

TORONTO – As a result of an application by the Ontario Securities Commission (OSC), the Ontario Superior Court of Justice today issued an order appointing Grant Thornton Limited as the Receiver of all assets, undertakings and properties of The Juniper Fund Management Corporation, Juniper Income Fund and Juniper Equity Growth Fund.

The appointment is for a period of 15 days subject to further Order of the Court.

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

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

Mark Gidwani
Communications Officer
416-593-2315

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

1.4 Notices from the Office of the Secretary

1.4.1 Andrew Oestreich

FOR IMMEDIATE RELEASE
May 23, 2006

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

AND

IN THE MATTER OF
ANDREW OESTREICH

TORONTO – The Commission issued an Amended Notice of Hearing scheduling a hearing on Thursday, May 25, 2006 at 1:00 p.m. in the above noted matter to consider a Settlement Agreement entered into by Staff of the Commission and Andrew Oestreich.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Mark Gidwani
Communications Officer
416-593-2315

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

1.4.2 Terrence William Marlow et al.

FOR IMMEDIATE RELEASE
May 24, 2006

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

AND

IN THE MATTER OF
TERRENCE WILLIAM MARLOW,
MARLOW GROUP PRIVATE PORTFOLIO MANAGEMENT INC.
AND MARLOW GROUP SECURITIES INC.

TORONTO – The Commission issued a Notice of Hearing yesterday scheduling a hearing on Thursday, May 25, 2006 at 11:00 a.m. in the above noted matter to consider a Settlement Agreement entered into by Staff of the Commission and Terrence William Marlow.

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

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
SECRETARY

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

Mark Gidwani
Communications Officer
416-593-2315

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

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Stone Mountain Resources Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – issuer deemed to have ceased to be a reporting issuer when in default of certain continuous disclosure requirements under securities legislation.

Ontario Statutes

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

May 12, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, SASKATCHEWAN, ONTARIO,
QUEBEC, 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
STONE MOUNTAIN RESOURCES LTD.
(THE FILER)

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) to be deemed to have ceased to be a reporting issuer in the Jurisdictions (the Requested Relief).

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

   2.1 the Alberta Securities Commission was selected as the principal regulator for this application; and

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

Interpretation

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

Representations

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

   4.1 the head office of the Filer is located in Calgary, Alberta;

   4.2 the Filer is the corporation resulting from an amalgamation (the Amalgamation) of Tenergy Ltd. (Tenergy), FRQ Acquisition Corp. and Quintana Canada Corp on April 2, 2006 and, upon completion of the Amalgamation, the Filer succeeded to the reporting issuer obligations of Tenergy;

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

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

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

   4.6 other than certain disclosure materials which were to be filed by Tenergy on or before March 31, 2006, the Filer is not in default of any of its obligations under the Legislation as a reporting issuer.

Decision

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

6. The decision of the Decision Makers under the Legislation is that the Applicant be deemed to have ceased to be a reporting issuer.

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

2.1.2 Avenir Diversified Income Trust - MRRS Decision

Headnote

Mutal Reliance Review System for Exemptive Relief Applications – s. 13.1 of National Instrument 51-102 Continuous Disclosure Obligations and ss. 80 and 88(2) of the Securities Act (Ontario) – exemption from the requirement in item 14.2 of Form 51-102F5 to include prospectus level disclosure in an information circular - relief granted from the requirement to include 3 years audited pre-acquisition financial statements in an information circular for 3 separate significant acquisitions - Relief granted on the condition that the existing financial statement disclosures presented in the information circular will provide some history and each of the 3 significant acquisitions are individually insignificant using an 'alternate optional' test.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S-5, as am., ss. 80, 88(2).
National Instrument 51-102 - Continuous Disclosure Obligations, ss. 9.1, 13.1.
Form 51-102F5 Information Circular, item 14.2.

May 8, 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
AVENIR DIVERSIFIED INCOME TRUST

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 Avenir Diversified Income Trust (the Trust or the Filer) on behalf of the New Trust (as defined herein) for a decision under the securities legislation (the Legislation) of the Jurisdictions that the New Trust be exempt from the requirement contained in the Legislation which requires it to include three years of audited financial statements in an information circular in respect of the Indy, Eagle and Westvac acquisitions (as defined herein), (the Requested Relief).

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

   (a) the Alberta Securities Commission is the principal regulator for this application;

   (b) the Filer is relying on the exemption in part 4 of NI 11-101 in each of British Columbia, Saskatchewan, Manitoba, New Brunswick, Newfoundland And Labrador, Prince Edward Island and Nova Scotia; and

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

Interpretation

3. Unless otherwise defined, the terms herein have the meaning set out in National Instrument 14-101 *Definitions*.

Representations

4. The Trust has represented to the Decision Makers that:

   4.1 The Trust is an unincorporated open-ended investment trust duly formed under the laws of the Province of Alberta and the Trust's head office is located in Calgary, Alberta.

   4.2 The Trust is a reporting issuer in each of the Jurisdictions.

   4.3 The trust units of the Trust are listed and posted for trading on the Toronto Stock Exchange under the trading symbol "AVF.UN".

   4.4 To its knowledge, the Trust is not in default of any of the requirements of the applicable securities legislation in any of the provinces in which it is a reporting issuer.

   4.5 The Trust is entering into a plan of arrangement (the Arrangement) whereby the Trust will divest itself of its existing oilfield services business unit (Energy Services Division), all of which will be transferred to a new trust (the New Trust). In connection with the Arrangement it is intended that the Trust will maintain an approximate one third interest in the New Trust, with an initial approximate one third interest sold by the Trust through a secondary offering to be completed either concurrently with or shortly after the completion of the Arrangement. The balance of the units of the New Trust will be distributed to existing unitholders of the Trust (the Unitholders) (other than dissenting unitholders under the Arrangement), each of whom will receive a certain number of units of the New Trust for each currently held Trust Unit of the Trust. No new or additional assets are being acquired by any parties to the Arrangement.

   4.6 The New Trust will make application to list its trust units (the New Trust Units) on the Toronto Stock Exchange.

   4.7 The acquisition of the Energy Services Division by the New Trust constitutes a "significant acquisition" under the Legislation for the New Trust.

   4.8 The information circular (the Information Circular) with respect to the special meeting of the Unitholders of the Trust, to be held in May, 2006 for the purpose of approving the Arrangement, will contain (or to the extent permitted, will incorporate by reference) prospectus-level disclosure in respect of the Trust and the New Trust and a detailed description of the Arrangement.

   4.9 Pursuant to Section 14.2 of National Instrument 51-102F5, for the current financial year and each of the three most recently completed financial years, the Filer would be required to provide financial statements for each acquisition which collectively makes up the Energy Services Division, including financial statements for the Energy Services Division (the Disclosure Requirements).

5. On July 15, 2004 the Energy Services Division of the Trust expanded with the acquisition of all of the outstanding shares of Indy Oilfield Ltd. (Indy), a private company incorporated pursuant to the laws of Alberta, for $265,961. The acquisition provided the platform to expand the Energy Services Division’s hydro-vac, steaming and vacuum truck business into the Grande Prairie area of Northwest Alberta.

6. Effective January 19, 2005, the Trust acquired through an indirect wholly owned subsidiary, 1118122 Alberta Ltd. (1118122), all of the issued and outstanding shares of Eagle Oilfield Services Inc. (Eagle) for an aggregate purchase price of $800,000 less assumed debt and working capital of approximately $150,000 paid in cash. Eagle provides steaming, vacuum and pressure truck

services in the Spirit River area outside Grande Prairie, Alberta.

7. On September 1, 2005, the Trust, through a wholly owned subsidiary, acquired a 90% interest in Westvac Services Ltd. (Westvac) through a partnership structure for $9 million less debt and adjusted for working capital. This was funded through existing credit facilities and the issuance of 170,454 Trust Units. A former owner of Westvac, retains a 10% partnership interest in the acquired entity.

8. The Information Circular will include audited statements of income, retained earnings and cash flows for Energy Services Division of the Trust for the year ended December 31, 2005 and the six months ended December 31, 2004.

9. The acquisition of each of WestVac, Eagle, and Indy make up part of the Energy Services Division being transferred to the New Trust. By using the audited annual financial statements for the year ended December 31, 2005 of the Energy Services Division of the Trust (which will effectively become the New Trust) for its calculations of significance for the acquisition of each of WestVac, Eagle, and Indy, (Alternate Optional Test) none of Indy, Westvac and Eagle would individually meet the 20% significance thresholds.

10. Audited year end financial statements for January 31, 2005 for Westvac will be included in the information circular.

11. A full year's results of Eagle would be reflected in the December 31, 2005 financial statements of the Energy Services Division.

12. A full year's results of Indy would be reflected in the December 31, 2005 financial statements of the Energy Services Division and five months results of Indy would be reflected in the December 31, 2004 financial statements of the Energy Services Division.

13. Other than as provided herein, historical audited year-end financial statements for Indy, Eagle and Westvac prior to their acquisition by the Trust can't be provided as records are not available and former management is not available.

Decision

14. 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.

15. The Decision of the Decision Makers under the Legislation is that the Requested Relief is granted to the Filer so long as:

15.1 The results from the Alternate Optional Test indicate that none of Indy, Westvac and Eagle would individually meet the 20% significance thresholds; and

15.2 The information circular includes the financial statements set out in representations 8 and 10.

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

2.1.3 Bank of Montreal - 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.

May 17, 2006

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

AND

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

AND

IN THE MATTER OF
BANK OF MONTREAL
(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:

(a) 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 (together Commercial Paper); and

(b) 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

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

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

Interpretation

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

Representations

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

1. The Filer is a bank listed on Schedule I of the *Bank Act* (Canada). The Filer's head office is located in Montréal, Québec and its corporate headquarters and executive offices are located in Toronto, Ontario.

2. The Filer is a reporting issuer in each Jurisdiction having such a concept. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation of any such Jurisdiction.

3. The Filer is not registered as a dealer or adviser under the Legislation in any province or territory of Canada.

4. The Filer trades in and distributes Commercial Paper in the Jurisdictions through the purchase of such Commercial Paper as principal for its own account or with a view to distribution or as agent for certain issuers.

5. Paragraph 2.35(1)(b) of National Instrument 45-106 Prospectus and Registration Exemptions (NI

45-106) provides an exemption from the dealer registration requirement and prospectus requirement for a trade in Commercial Paper (the Short-term Debt Exemption) where, among other things, the Commercial Paper "has an approved credit rating from an approved credit rating organization".

6. NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" that are used in National Instrument 81-102 Mutual Funds (NI 81-102). 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".

7. The Filer proposes to trade in Commercial Paper with the following general characteristics:

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

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

   (c) it has a credit rating from at least one of the following credit rating organizations at or above one of the following rating categories 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

8. The Commercial Paper may have a lower rating than required by the Short-term Debt Exemption and accordingly, the Short-term Debt Exemption may not be available.

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; and

(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.

"David L. Knight"
Commissioner
Ontario Securities Commission

"Susan Wolburgh Jenah"
Vice-Chair
Ontario Securities Commission

2.1.4 Royal Mutual Funds Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Mutual fund dealer is exempt from providing clients with trade confirmations for the trades carried out in connection with model portfolios of mutual funds, provided that the account agreement discloses that the clients will not receive trade confirmations for those trades, and that they will receive quarterly statements from the adviser to the model portfolios of mutual funds.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 25.

August 4, 2005

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

AND

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

AND

IN THE MATTER OF
ROYAL MUTUAL FUNDS INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut, and Yukon (the **Jurisdictions**) has received an application from Royal Mutual Funds Inc. (the **Applicant**) for a decision pursuant to the securities legislation of the Jurisdictions (the **Legislation**), that the provisions (the **Trade Confirmation Requirement**) contained in the Legislation that require a registered dealer who has acted as principal or agent in connection with a trade in a security to promptly send or deliver to the customer a written confirmation (a **Trade Confirmation**) of the transaction setting out certain information specified in the Legislation, shall not apply to the Applicant in respect of trades in securities of the Funds in connection with the Product (as defined and described below) distributed by the Applicant.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission has acted as 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 Applicant is registered under the Legislation as a dealer in the category of mutual fund dealer or the equivalent.

2. RBC AM is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager or the equivalent.

3. The Applicant and RBC AM are affiliated entities.

4. The Applicant's salespersons propose to distribute the RBC Managed Portfolios (the **Product**) to their clients.

5. The Product consists of a number of model portfolios (the **Model Portfolios**), which together occupy successive portions of the investing spectrum from conservative, income-maintenance investing to aggressive growth investing. Each Model Portfolio is made up exclusively of units of RBC Private Pools or RBC Funds.

6. Any of the RBC Private Pools or RBC Funds that currently exist or that may be created in the future (the **Funds**) and that are used in the Program is and will be qualified under a simplified prospectus that has been receipted by the applicable securities regulators under the Legislation.

7. If a client is interested in the Product, the client completes an investor profile form (the **Form**). The Form is used by the Applicant as a "know your client" form, to enable the Applicant to consider the client's financial circumstances, investment knowledge, investment objectives and risk tolerance, and thereby assist in determining an appropriate Model Portfolio for the client. From and based on the information provided in the Form, the Applicant recommends one of the Model Portfolios as suitable for the client.

8. The client receives a description of the Model Portfolio selected by the client (the **Selected**

Model Portfolio), completes the account application and enters into an agreement (the **Account Agreement**) with the Applicant.

9. The series of units of the Funds that are available under the Program enable management fees to be paid by the Applicant to RBC AM, as manager of the Funds, pursuant to an advisory agreement (the **Advisory Agreement**) between RBC AM and the Applicant. No management fees will be charged by RBC AM directly to the Funds or to the clients. No sales charges or trailing commissions will be payable in respect of any sales, redemptions or fund switches, and each Fund would pay its own operating expenses. As a result, there will be no duplication of any fees.

10. The client agrees to pay the Applicant a monthly fee outlined in the Account Agreement, which fee will be based on the net asset value of the client's account and not on transactions effected in the client's account. Fees could be changed from time to time, provided clients are given at least 30 days' advance written notice.

11. The Account Agreement authorizes the Applicant to permit RBC AM, pursuant to the Advisory Agreement, to invest client monies in accordance with the terms of the Selected Model Portfolio.

12. Pursuant to the Advisory Agreement, RBC AM is responsible for developing and managing the Model Portfolios. Each Model Portfolio is broken down into different asset classes (**Asset Classes**). Each Asset Class is allocated a permitted range (**Permitted Range**), being a minimum and maximum percentage of the Model Portfolio that can be allocated to Funds of a particular Asset Class. The Asset Classes and Permitted Ranges are disclosed to the client in the Selected Model Portfolio and cannot be changed without the client's prior approval.

13. RBC AM manages the Model Portfolios on a discretionary basis. In doing so, RBC AM determines a benchmark percentage (**Benchmark Percentage**) for each Asset Class, representing the target percentage within the Permitted Range, and adjusts that percentage at its discretion. RBC AM also uses its discretion in choosing which Funds will be used for each Asset Class, provided the involvement objective and strategies of any Fund are consistent with the Asset Class and any such Funds are listed in the Selected Model Portfolio for the client. RBC AM's actions will be carried out with a view to ensuring that the Model Portfolio continues to abide by the stated objectives. The above activities are herein defined as the **Investment Activities**.

14. The Account Agreement provides that the client will not receive Trade Confirmations for the trades carried out in connection with the Product, and that RBC AM will send the client a quarterly statement of account which will identify the assets being managed on behalf of the client through the Product, and include, for each trade made during the period, the information which the Applicant would otherwise have been required to include in a Trade Confirmation in accordance with the Trade Confirmation Requirement, except for the following information (which will be maintained by RBC AM in its books and records and made available to the client upon request):

    (i) the name of the dealer, if any, used by RBC AM as its agent to effect the trade; and

    (ii) the name of the salesperson, if any, in the trade.

15. All trades in connection with the Product will be reflected in the client's account on the day following the trade, and will also be reflected in the trade blotter to be shared by the Applicant and RBC AM in connection with the Product.

16. RBC AM is responsible for ensuring that the client monies are invested in accordance with the terms of the Selected Model Portfolio. Notwithstanding that there is no direct relationship between the client and RBC AM, the client will be entitled to treat RBC AM as if RBC AM were a party to the Account Agreement with respect to its responsibilities in this regard.

17. The client is provided with a simplified prospectus for the Funds on an annual basis. In addition, if and when new Funds are created and qualified under the simplified prospectus, and are intended to be used in the Model Portfolio, the Applicant will provide clients of the Model Portfolio with a new or amended simplified prospectus which includes those new Funds prior to investing any of the Model Portfolio in such Funds.

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 is exempt from the Trade Confirmation Requirement under the Legislation in connection with the trades carried out in connection with the Product, provided that the Account Agreement discloses that the client will not receive Trade Confirmations for such trades, and that they will receive quarterly statements from RBC AM.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

2.1.5 RBC Asset Management Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Adviser is exempt from registration as a dealer with respect to certain trades that will be made by the adviser in securities of mutual funds that are part of a model portfolio product to implement the investment decisions made by the adviser, provided that the adviser is at the time of the trade registered as an adviser in the category of portfolio manager (or the equivalent).

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 25.

August 4, 2005

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

AND

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

AND

IN THE MATTER OF
RBC ASSET MANAGEMENT INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of Ontario, British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut, and Yukon (the **Jurisdictions**) has received an application from RBC Asset Management Inc. (the **Applicant** or **RBC AM**) for a decision pursuant to the securities legislation of the Jurisdictions (the **Legislation**) seeking relief in each of the Jurisdictions from the dealer registration requirement in respect of any trades in securities of the Funds (as defined below) in accordance with the investment decisions made by the Applicant in its Investment Activities (as defined below) in connection with the Product (as defined and described below) distributed by the Royal Mutual Funds Inc. (**RMFI**).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission has acted as 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. RMFI is registered under the Legislation as a dealer in the category of mutual fund dealer (**MFD**) or the equivalent.

2. The Applicant is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager or the equivalent. The Applicant is also registered under the Act and Newfoundland as a dealer in the category of limited market dealer.

3. RMFI and the Applicant are affiliated entities.

4. RMFI's salespersons propose to distribute the RBC Managed Portfolios (the **Product**) to their clients (**clients**).

5. The Product consists of a number of model portfolios (the **Model Portfolios**), which together occupy successive portions of the investing spectrum from conservative, income-maintenance investing to aggressive growth investing. Each Model Portfolio is made up exclusively of units of RBC Private Pools or RBC Funds.

6. Any of the RBC Private Pools or RBC Funds that currently exist or that may be created in the future (the **Funds**) and that are used in the Program is and will be qualified under a simplified prospectus that has been receipted by the applicable securities regulators under the Legislation.

7. If a client is interested in the Product, the client completes an investor profile form (the **Form**). The Form is used by RMFI as a "know your client" form, to enable RMFI to consider the client's financial circumstances, investment knowledge, investment objectives and risk tolerance, and thereby assist in determining an appropriate Model Portfolio for the client. From and based on the information provided in the Form, RMFI recommends one of the Model Portfolios as suitable for the client.

8. The client receives a description of the Model Portfolio selected by the client (the **Selected Model Portfolio**), completes the account application and enters into an agreement (the **Account Agreement**) with RMFI.

9. The series of units of the Funds that are available under the Program enable management fees to be paid by RMFI to RBC AM, as manager of the Funds, pursuant to an advisory agreement (the **Advisory Agreement**) between RMFI and the Applicant. No management fees will be charged by the Applicant directly to the Funds or to the clients. No sales charges or trailing commissions will be payable in respect of any sales, redemptions or fund switches, and each Fund will pay its own operating expenses. As a result, there will be no duplication of any fees.

10. The client agrees to pay RMFI a monthly fee outlined in the Account Agreement, which fee will be based on the net asset value of the client's account and not on transactions effected in the client's account. Fees could be changed from time to time, provided clients are given at least 30 days' advance written notice.

11. The Account Agreement authorizes RMFI to permit RBC AM, pursuant to the Advisory Agreement, to invest client monies in accordance with the terms of the Selected Model Portfolio.

12. Pursuant to the Advisory Agreement, the Applicant is responsible for developing and managing the Model Portfolios. Each Model Portfolio is broken down into different asset classes (**Asset Classes**). Each Asset Class is allocated a permitted range (**Permitted Range**), being a minimum and maximum percentage of the Model Portfolio that can be allocated to Funds of a particular Asset Class. The Asset Classes and Permitted Ranges are disclosed to the client in the Selected Model Portfolio and cannot be changed without the client's prior approval.

13. The Applicant manages the Model Portfolios on a discretionary basis. In doing so, the Applicant determines a benchmark percentage (**Benchmark Percentage**) for each Asset Class, representing the target percentage within the Permitted Range, and adjusts that percentage at its discretion. The Applicant also uses its discretion in choosing which Funds will be used for each Asset Class, provided the involvement objective and strategies of any Fund are consistent with the Asset Class and any such Funds are listed in the Selected Model Portfolio for the client. The Applicant's actions will be carried out with a view to ensuring that the Model Portfolio continues to abide by the stated objectives. The above activities are herein defined as the **Investment Activities**.

14. RMFI will carry out trades in units of the Funds in connection with an investment of monies (an **Investment**) by the client in the Funds comprising

the Selected Model Portfolio at the time of Investment. RBC AM will carry out trades in units of the Funds for a client that are necessary and incidental to its Investment Activities, other than trades relating to an Investment.

15. RBC AM is responsible for ensuring that the client monies are invested in accordance with the terms of the Selected Model Portfolio. Notwithstanding that there is no direct relationship between the client and RBC AM, the client will be entitled to treat RBC AM as if RBC AM were a party to the Account Agreement with respect to its responsibilities in this regard.

16. The client is provided with a simplified prospectus for the Funds on an annual basis. In addition, if and when new Funds are created and qualified under the simplified prospectus, and are intended to be used in the Model Portfolio, RMFI will provide clients of the Model Portfolio with a new or amended simplified prospectus which includes those new Funds prior to investing any of the Model Portfolio in such Funds.

17. In the absence of this Decision, the Applicant would have to be registered under the Legislation of each Jurisdiction as a dealer in the category of "mutual fund dealer" or "investment dealer" (or the equivalent) in order to carry out the trading activities permitted by this Decision.

18. In order to obtain registration under the Legislation of all of the Jurisdictions as a mutual fund dealer, the Applicant would be required to be a member of the Mutual Fund Dealers Association of Canada (the "**MFDA**") except in Quebec.

19. The MFDA has rules that govern its membership which would have the effect of precluding the Applicant from being a member of the MFDA if it continues to conduct its principal business of acting as a portfolio manager.

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 is exempt from registration as a dealer under the Legislation with respect to the trades (other than trades related to Investments) that will be made by the Applicant in securities of the Funds in order to implement the investment decisions made by the Applicant in its Investment Activities, provided that the Applicant is at the time of the trade registered under the Legislation as an adviser in the category of portfolio manager (or the equivalent).

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

2.1.6 Royal Mutual Funds Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – A mutual fund dealer selling model portfolios of mutual funds is exempt from registration as an adviser with respect to investments carried out by the mutual fund dealer and discretionary management activities carried out by the adviser to the model portfolios of mutual funds, subject to certain conditions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 25.

August 4, 2005

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

AND

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

AND

IN THE MATTER OF
ROYAL MUTUAL FUNDS INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of Ontario, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Newfoundland and Labrador, Prince Edward Island, Northwest Territories, Nunavut, and Yukon (the **Jurisdictions**) has received an application from Royal Mutual Funds Inc. (the **Applicant**) for a decision pursuant to the securities legislation of the Jurisdictions (the **Legislation**) seeking exemption from registration as an adviser in each of the Jurisdictions with respect to the Investment Activities (as defined below) carried out by RBC Asset Management Inc. (**RBC AM**) in connection with the Product (as defined and described below).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission has acted as 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 Applicant is registered under the Legislation as a dealer in the category of mutual fund dealer or the equivalent.

2. RBC AM is registered under the Legislation as an adviser in the categories of investment counsel and portfolio manager or the equivalent.

3. The Applicant and RBC AM are affiliated entities.

4. The Applicant's salespersons propose to distribute the RBC Managed Portfolios (the **Product**) to their clients (**clients**).

5. The Product consists of a number of model portfolios (the **Model Portfolios**), which together occupy successive portions of the investing spectrum from conservative, income-maintenance investing to aggressive growth investing. Each Model Portfolio is made up exclusively of units of RBC Private Pools or RBC Funds.

6. Any of the RBC Private Pools or RBC Funds that currently exist or that may be created in the future (the **Funds**) and that are used in the Program is and will be qualified under a simplified prospectus that has been receipted by the applicable securities regulators under the Legislation.

7. If a client is interested in the Product, the client completes an investor profile form (the **Form**). The Form is used by the Applicant as a "know your client" form, to enable the Applicant to consider the client's financial circumstances, investment knowledge, investment objectives and risk tolerance, and thereby assist in determining an appropriate Model Portfolio for the client. From and based on the information provided in the Form, the Applicant recommends one of the Model Portfolios as suitable for the client.

8. The client receives a description of the Model Portfolio selected by the client (the **Selected Model Portfolio**), completes the account application and enters into an agreement (the **Account Agreement**) with the Applicant.

9. The series of units of the Funds that are available under the Program enable management fees to be paid by the Applicant to RBC AM, as manager of the Funds, pursuant to an advisory agreement (the **Advisory Agreement**) between RBC AM and

the Applicant. No management fees would be charged by RBC AM directly to the Funds or to the clients. No sales charges or trailing commissions would be payable in respect of any sales, redemptions or fund switches, and each Fund would pay its own operating expenses. As a result, there will be no duplication of any fees.

10. The client agrees to pay the Applicant a monthly fee outlined in the Account Agreement, which fee will be based on the net asset value of the client's account and not on transactions effected in the client's account. Fees could be changed from time to time, provided clients are given at least 30 days' advance written notice.

11. The Account Agreement authorizes the Applicant to permit RBC AM, pursuant to the Advisory Agreement, to invest client monies in accordance with the terms of the Selected Model Portfolio.

12. Pursuant to the Advisory Agreement, RBC AM is responsible for developing and managing the Model Portfolios. Each Model Portfolio is broken down into different asset classes (**Asset Classes**). Each Asset Class is allocated a permitted range (**Permitted Range**), being a minimum and maximum percentage of the Model Portfolio that can be allocated to Funds of a particular Asset Class. The Asset Classes and Permitted Ranges are disclosed to the client in the Selected Model Portfolio and cannot be changed without the client's prior approval.

13. RBC AM manages the Model Portfolios on a discretionary basis. In doing so, RBC AM determines a benchmark percentage (**Benchmark Percentage**) for each Asset Class, representing the target percentage within the Permitted Range, and adjusts that percentage at its discretion. RBC AM also uses its discretion in choosing which Funds will be used for each Asset Class, provided the involvement objective and strategies of any Fund are consistent with the Asset Class and any such Funds are listed in the Selected Model Portfolio for the client. RBC AM's actions will be carried out with a view to ensuring that the Model Portfolio continues to abide by the stated objectives. The above activities are herein defined as the **Investment Activities**.

14. The Applicant will carry out trades in units of the Funds for a client in connection with an investment of monies (an **Investment**) by the client in the Funds comprising the Selected Model Portfolio at the time of Investment. RBC AM will carry out trades in units of the Funds for a client of the Applicant that are necessary and incidental to its Investment Activities, other than trades relating to an Investment. All trades will be reflected in the client's account on the day following the trade, and will also be reflected in the trade blotter to be shared by the Applicant and RBC AM in connection with the Product.

15. RBC AM is responsible for ensuring that the client monies are invested in accordance with the terms of the Selected Model Portfolio. Notwithstanding that there is no direct relationship between the client and RBC AM, the client will be entitled to treat RBC AM as if RBC AM were a party to the Account Agreement with respect to its responsibilities in this regard.

16. The client is provided with a simplified prospectus for the Funds on an annual basis. In addition, if and when new Funds are created and qualified under the simplified prospectus, and are intended to be used in the Model Portfolio, the Applicant will provide clients of the Model Portfolio with a new or amended simplified prospectus which includes those new Funds prior to investing any of the Model Portfolio in such Funds.

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 is exempt from registration as an adviser under the Legislation with respect to the Investments carried out by the Applicant and the Investment Activities carried out by RBC AM in connection with the Product, provided that:

(a) the Asset Classes and Permitted Ranges cannot be changed without a client's prior approval;

(b) if and when new Funds are created and qualified under the simplified prospectus, and are intended to be used in a Model Portfolio and are within the same Asset Class and Permitted Range, the Applicant will provide each client of the Model Portfolio with a new or amended simplified prospectus that includes those new Funds and a notice that the Funds are being added to the Asset Class(es) of the Selected Model Portfolio prior to investing any of the Model Portfolio in such Funds;

(c) the Applicant ensures that the Account Agreement and the Selected Model Portfolio fully describe the Product and applicable Model Portfolio including (but not limited to) that:

(i) RBC AM manages the investment portfolios of the

Model Portfolios pursuant to the Advisory Agreement;

(ii) RBC AM and the Applicant are affiliated entities;

(iii) while RBC AM manages the Model Portfolios, it is not responsible for determining or confirming the suitability of a Model Portfolio for the client, and RBC AM has no direct relationship with the client and will not provide the client with direct access to investment management services;

(iv) the Asset Classes comprising a Model Portfolio and the Funds that may be invested in each of the Asset Classes will be listed along with the Permitted Range for each Asset Class;

(v) the Asset Classes and Permitted Ranges cannot be changed without the client's prior approval;

(vi) RBC AM will in its discretion adjust the Benchmark Percentage of an Asset Class within the Permitted Range;

(vii) RBC AM will in its discretion choose the Funds in which each Asset Class will invest and their weightings, and each Asset Class of a Model Portfolio will be invested in units of Funds that have investment objectives and strategies that are consistent with the Asset Class;

(viii) RBC AM will carry out the trades in units of the Funds for clients that are necessary and incidental to its Investment Activities, other than trades related to an Investment. All trades will be reflected in the client's account on the day following the trade, and will also be reflected in the trade blotter to be shared by the Applicant and RBC AM in connection with the Product.

(ix) full disclosure of compensation to RBC AM and the Applicant, including

(A) the Applicant pays RBC AM a management fee pursuant to the Advisory Agreement, no management fees will be charged by RBC AM directly to the Funds or to the clients, no sales charges or trailing commissions would be payable by the client to the Funds in respect of the their units in connection with any sales, redemptions or Fund switches, and each Fund pays its own operating expenses;

(B) the client will pay the Applicant a monthly fee in accordance with the fees outlined in the Account Agreement, which fees will be based on the net asset value of the client's account and which fees could only be changed from time to time provided the client is given at least 30 days' advance written notice.

"Paul M. Moore"
Commissioner
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

2.1.7 CIBC Asset Management Inc. and CIBC Global Asset Management Inc. - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

April 24, 2006

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

AND

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

AND

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

MRRS DECISION DOCUMENT

Background

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

- an exemption from subsection 4.1(1) of NI 81-102 to enable the Dealer Managed Funds to invest in the series "A" REIT units (the "**Units**") of Dundee Real Estate Investment Trust (the "**Issuer**") on the Toronto Stock Exchange (the "**TSX**") during the 60-day period following the completion of the distribution (the "**Prohibition Period**") notwithstanding that the Dealer Managers or their associates or affiliates act or have acted as an underwriter in connection with the offering (the "**Offering**") of Units of the Issuer pursuant to a short form prospectus dated March 27, 2006 (the "**Prospectus**") filed with the securities regulatory authorities in each of the provinces of Canada (the "**Requested Relief**").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

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

Interpretation

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

Representations

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

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

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

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

4. The Issuer is an unincorporated, open-ended real estate investment trust governed by the laws of Ontario focused on owning, acquiring, leasing and managing mid-sized urban and suburban office and industrial properties in Canada.

5. The Offering was underwritten, subject to certain terms, by a syndicate which included CIBC World Markets Inc. (the "**Related Underwriter**"), among others (the Related Underwriter together with the other underwriters, the "**Underwriters**"). The Related Underwriter is an affiliate of the Dealer Managers.

6. According to the Prospectus, the Offering was for approximately 2,200,000 Units at a price of $27.75 per Unit. The gross proceeds of the Offering are expected to be approximately $61,050,000. According to the Prospectus, the Issuer has granted the Underwriters an over-allotment option (the "**Over Allotment Option**") to purchase an additional 320,000 Units, exercisable, in whole or in part within 30 days of the closing date, which we understand occurred on April 13, 2006. If the Over Allotment Option is exercised in full, the Offering is expected to result in gross proceeds of approximately $69,930,000.

7. According to the Prospectus, the Issuer will use the net proceeds from the Offering for general purposes, including for funding strategic acquisitions and to repay certain revolving indebtedness incurred in connection with these acquisitions.

8. The Underwriters have entered into an underwriting agreement (the "**Underwriting Agreement**") with the Issuer for the purpose of the Offering. The Underwriting Agreement provides for the Underwriters to severally purchase, subject to the terms of the Underwriting Agreement, a total of 2,200,000 Units of the Issuer at a price of $27.75 per Unit.

9. According to the Prospectus, the Issuer may be considered a "connected issuer", as defined in NI 33-105, of one of the Underwriters, HSBC Securities (Canada) Inc. The Prospectus does not indicate that the Issuer is a "connected issuer" or a "related issuer" of the Related Underwriter.

10. According to the Prospectus, the Issuer's outstanding Units are posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol "D.UN". The TSX has conditionally approved the listing of the offered Units, subject to the Issuer fulfilling all of the TSX's listing requirements on or before June 15, 2006.

11. Despite the affiliation between the Dealer Managers 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 Managers are separated by "ethical" walls. Accordingly, no information flows from one to the other concerning their respective business operations or activities generally, except in the following or similar circumstances:

    (a) in respect of compliance matters (for example, the Dealer 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 Managers 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 Units during the Prohibition Period.

13. The Dealer Managers may cause the Dealer Managed Funds to invest in Units during the Prohibition Period. Any purchase of the Units will be consistent with the investment objectives of the Dealer Managed Funds and represent the business judgment of the Dealer Managers 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 Units purchased for them will be allocated:

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

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

15. There will be an independent committee (the "**Independent Committee**") appointed in respect of the Dealer Managed Funds to review the investments of the Dealer Managed Funds in Units 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. Each Dealer Manager, in respect of the Dealer Managed Funds, will notify a member of staff in the Investment Funds Branch of the Ontario Securities Commission, of the filing of the SEDAR Report 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. Each 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 Managers as to whether the Dealer Managed Funds will purchase Units during the Prohibition Period.

Decision

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

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

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

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

(a) the Purchase

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

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

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

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

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

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

(b) in connection with any Purchase,

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

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

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

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

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

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

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

VIII. The cost of any indemnification or insurance coverage paid for by the Dealer Manager, any portfolio manager of the Dealer Managed Fund, or any associate or affiliate of 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 Units purchased by the Dealer Managed Fund;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

APPENDIX A

THE MUTUAL FUNDS

Imperial Pools

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

Renaissance Talvest Mutual Funds

Renaissance Canadian Balanced Value Fund
Renaissance Canadian Dividend Income Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Income Trust Fund
Renaissance Canadian Income Trust Fund II
Renaissance Canadian Small Cap Fund
Talvest Dividend Fund
Talvest Cdn. Equity Growth Fund
Talvest Cdn. Asset Allocation Fund
Talvest Cdn. Equity Value Fund
Talvest Small Cap Cdn. Equity fund

CIBC Mutual Funds

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

Frontiers Pools

Frontiers Canadian Equity Pool
Frontiers Canadian Monthly Income Pool

2.1.8 SCITI Total Return Trust - MRRS Decision

Headnote

MRRS for Exemptive Relief Applications – exemption granted to an investment fund from the requirement in section 14.2(3)(b) of National Instrument 81-106 Investment Fund Continuous Disclosure to calculate its net asset value on a daily basis subject to the requirement to calculate its net asset value at least weekly and make it available to the public upon request and through its website.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 14.2(3)(b), 17.1.

April 26, 2006

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

AND

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

AND

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

AND
IN THE MATTER OF
SCITI TOTAL RETURN TRUST
(the "Filer")

MRRS DECISION DOCUMENT

Background

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

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

In this decision

"Canadian Securities Portfolio" means a specified portfolio consisting of securities of Canadian public issuers that are "Canadian securities" for the purposes of the *Income Tax Act* (Canada) and listed on the TSX having a value based on the economic return provided by the Portfolio.

"Counterparty" means the Canadian financial institution which will be the initial beneficial holder of all of the Fund Units;

"Filer" means SCITI Total Return Trust;

"Fund Units" means the units of SCITI TR Fund;

"Holders" means the holders of the Units;

"Portfolio" means an equally weighted portfolio of the 100 largest income funds included in the Scotia Capital Income Trust Index from time to time;

"Portfolio Securities" means the securities included in the Portfolio;

"Preliminary Prospectus" means the preliminary prospectus of the Filer dated March 14, 2006;

"Prospectus" means the final prospectus of the Filer;

"Purchase Agreement" means a forward purchase and sale agreement to be entered into between the Filer and the Counterparty;

"Scotia Capital" means Scotia Capital Inc., the promoter of the Filer;

"SCITI TR Fund" means a trust to be established under the laws of the Province of Ontario for the purpose of acquiring the Portfolio Securities that comprise the Portfolio;

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

"Trustee" means SCITI TR Limited, the trustee of the Filer;

"TSX" means the Toronto Stock Exchange;

"Units" means the units of the Filer;

Representations

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

1. The Filer's investment objectives are to provide Holders with tax efficient exposure to the total return of the Portfolio.

2. The Portfolio will be held by SCITI TR Fund. The Counterparty will be the initial beneficial holder of all of the units of SCITI TR Fund.

3. In order to achieve its investment objectives, the Filer will use the net proceeds of the offering of Units for the payment of its purchase obligations under the Purchase Agreement which the Filer will enter into with the Counterparty pursuant to which the Filer will acquire on or before the Termination Date securities of Canadian public issuers that are "Canadian securities" for the purposes of the *Income Tax Act* (Canada) and listed on the TSX having a value based on the economic return provided by the Portfolio.

4. Under the terms of the Purchase Agreement, the Counterparty will agree to deliver to the Filer, on the Termination Date, the Canadian Securities Portfolio with an aggregate value equal to the redemption proceeds of a corresponding number of units of SCITI TR Fund net of any amount owing by the Filer to the Counterparty.

5. The Purchase Agreement is expected to be the only material asset of the Filer, although the Filer may, from time to time, hold a portion of its assets in cash and cash equivalents.

6. The Filer will partially settle the Purchase Agreement prior to the Termination Date in order to fund (i) retractions, redemptions and repurchases of Units; and (ii) operating expenses and other liabilities of the Filer. Pursuant to the terms of the Purchase Agreement, the Counterparty will, in connection with a requested partial settlement deliver to the Filer securities of certain of the issuers in the Canadian Securities Portfolio with a value based on the partial settlement amount. The Filer will then sell such securities into the market in order to fund the retractions, redemptions and repurchases of Units or operatingexpenses or liabilities of the Filer.

7. Scotia Capital is the promoter of the Filer and one of the agents of the offering. The Filer is a connected issuer to Scotia Capital under applicable securities legislation by virtue of Scotia Capital's relationship with the Filer. Scotia Capital will be responsible for providing or arranging for the provision of administrative services required by both the Filer and SCITI TR Fund.

8. The Trustee is the trustee of the Filer and is responsible for managing the affairs of the Filer.

9. The Units are expected to be listed and posted for trading on the TSX. An application requesting conditional listing approval has been made on behalf of the Filer to the TSX.

10. Fund Units will be retractable at the demand of its unitholders. The Fund Units will be redeemed for cash or a combination of Portfolio Securities and cash in an amount computed by reference to the net asset value per unit of SCITI TR Fund.

11. The net asset value per Unit of the Filer will be calculated weekly. Scotia Capital will post the net asset value per Unit on its website at www.scotiamanagedcompanies.com.

12. SCITI TR Fund will employ leverage in the Portfolio to enhance the Portfolio's total returns.

13. In order to generate additional returns, SCITI TR Fund may lend the Portfolio Securities comprising the Portfolio to brokers, dealers and other financial institutions pursuant to the terms of a securities lending arrangement between SCITI TR Fund and any such borrower (a "Securities Lending Agreement"). Under any Securities Lending Agreement: (i) the borrower will pay a negotiated securities lending fee and will make compensation payments equal to any distributions received by the borrower on the securities borrowed; (ii) the loans must qualify as "securities lending arrangements" for the purposes of the *Income Tax Act* (Canada); and (iii) SCITI TR Fund will receive prescribed collateral security.

14. The Preliminary Prospectus contains, and the Prospectus will contain, disclosure with respect to securities lending by SCITI TR Fund.

Decision

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

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

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

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

for so long as:

(iii) the Units are listed on the TSX; and

(iv) the Filer calculates its NAV at least weekly.

"Leslie Byberg"
Manager, Investment Funds
Ontario Securities Commission

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

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Exemption from the reporting requirements of clause 117(1)(c) of the Securities Act (Ontario) provided that certain disclosure is made in the management reports of fund performance for each mutual fund and that certain records of portfolio transactions are kept.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 117(1)(c), 117(2).

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure.

April 28, 2006

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

AND

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

AND

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

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filers for a decision under the securities legislation of the Jurisdictions (the Legislation) that the provisions of the Legislation requiring a management company, or in British Columbia and New Brunswick a mutual fund manager, to file a report, within thirty days after each month end and in respect of each mutual fund to which it provides services, relating to every purchase or sale effected by such mutual fund through any related person or company with respect to which the related person or company received a fee either from the mutual fund or from the other party to the transaction or both (the Reporting Requirement) shall not apply to purchases and sales effected by the Funds through CIBC

World Markets Inc. (CWMI), CIBC World Markets Corp. (CWMC), CIBC or any other Related Company (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.

"CIBC Group of Companies" means the Filers and their affiliates.

"Funds" means the mutual funds set out in Schedule A hereto, together with such other funds managed by a member of the CIBC Group of Companies from time to time.

"Portfolio Advisers" means the portfolio advisers or sub-advisers of the Funds appointed by the Filers.

"Related Company" means CWMI, CWMC, or other related brokers or dealers that are members of the CIBC Group of Companies.

"NI 81-106" means National Instrument 81-106 Investment Fund Continuous Disclosure.

Representations

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

1. CIBC is a bank listed in Schedule I to the *Bank Act* (Canada), S.C. 1991, c. 46, as amended, with its head office currently in Toronto, Ontario. CIBC AMI is a corporation established under the laws of Canada with its head office currently in Toronto, Ontario. CIBC AMI is registered under the *Securities Act* (Ontario), R.S.O. 1990 c. S.5, as amended, as a mutual fund dealer and an adviser in the categories of investment counsel and portfolio manager, and under the *Commodity Futures Act* (Ontario), R.S.O. 1990, c. C.20, as amended, in the category of commodity trading manager.

2. The Filers act as managers of the mutual funds that currently consist of the funds set out in Schedule A hereto.

3. CWMI is a registered dealer in each of the provinces of Canada. CWMC is registered as an international dealer with the Ontario Securities Commission.

4. The Funds are open-ended investment trusts or mutual fund trusts established under the laws of the Province of Ontario. Each Fund is a reporting issuer in each of the provinces and territories of Canada.

5. Each of CIBC AMI, CWMI and CWMC are subsidiaries of CIBC. CWMI and CWMC are issuers in which CIBC (which is also a substantial securityholder of CIBC AMI) has a significant interest, such that the Funds are prohibited from making an investment in CWMI and CWMC under the Legislation. Therefore, CWMI and CWMC are "related persons" to the Funds under the Legislation.

6. As disclosed in the annual information forms or prospectuses of the Funds, the Portfolio Advisers may allocate brokerage business of the Funds to a Related Company, provided such transactions are made on terms and conditions comparable to those offered by unrelated brokers and dealers.

7. The Portfolio Advisers of the Funds have discretion to allocate brokerage business in any manner that they believe to be in a Fund's best interests. The purchase or sale of securities effected through a Related Company represents the business judgment of responsible persons uninfluenced by considerations other than the best interests of the Funds. In allocating brokerage, consideration is given to commission rates and to research, execution and other services offered.

8. The Funds will disclose in their interim and annual financial statements and in their interim and annual management reports of fund performance the amount of brokerage commissions paid by each Fund on trades with Related Companies.

9. In the absence of this Decision, reports must be filed on a monthly basis in respect of every purchase or sale of securities effected through a Related Company stating the issuer of the securities purchased or sold, the class or designation of the securities, the amount or number of securities, the consideration, the name of the Related Company receiving the fee, the name of the person or company that paid the fee to the Related Company and the amount of the fee received by the Related Company.

10. It would be costly and time consuming to provide the information required by the Legislation on a monthly and segregated basis.

11. Exemptive relief from the Reporting Requirement was previously granted to the Filers pursuant to a Mutual Reliance Review System Decision Document dated May 27, 2003. This relief was

conditional on the Funds disclosing, in their statements of portfolio transactions, in respect of every class or designation of securities of an issuer bought or sold during the period to which the statement of portfolio transactions related, the name of each Related Company, the amount of fees paid to each Related Company, and the person or company that paid the fees.

12. Since the introduction of NI 81-106, mutual funds are no longer required to prepare a statement of portfolio transactions. Therefore, the Funds are no longer able to comply with the exemptive relief previously granted. However, NI 81-106 now requires the Funds to prepare and file annual and interim management reports of fund performance that include a discussion of transactions involving related parties to the Funds. When discussing portfolio transactions with related parties, NI 81-106 requires the Funds to include the dollar amount of commission, spread or any other fee paid to a related party in connection with a portfolio transaction.

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 annual and interim management reports of fund performance for each Fund disclose

  (i) the name of the Related Company,

  (ii) the amount of fees paid to each Related Company, and

  (iii) the person or company who paid the fees, if they were not paid by the Fund; and

(b) the records of portfolio transactions maintained by each Fund include, separately for every portfolio transaction effected by the Fund through a Related Company,

  (i) the name of the Related Company,

  (ii) the amount of fees paid to the Related Company, and

  (iii) the person or company who paid the fees.

Carol S. Perry
Commissioner
Ontario Securities Commission

Suresh Thakrar
Commissioner
Ontario Securities Commission

Schedule "A"

List of Funds

CANADIAN IMPERIAL BANK OF COMMERCE

CIBC Mutual Funds
CIBC Asia Pacific Index Fund
CIBC Balanced Fund
CIBC Balanced Index Fund (formerly 5-Year Protected Balanced Index Fund)
CIBC Canadian Bond Fund
CIBC Canadian Bond Index Fund
CIBC Canadian Emerging Companies Fund
Canadian Imperial Equity Fund
CIBC Canadian Index Fund
CIBC Canadian Resources Fund
CIBC Canadian Short-Term Bond Index Fund
CIBC Canadian Small Companies Fund
CIBC Canadian T-Bill Fund
CIBC Capital Appreciation Fund
CIBC Core Canadian Equity Fund
CIBC Diversified Income Fund
CIBC Dividend Fund
CIBC Emerging Economies Fund
CIBC Emerging Markets Index Fund
CIBC Energy Fund
CIBC European Equity Fund
CIBC European Index Fund
CIBC European Index RRSP Fund
CIBC Far East Prosperity Fund
CIBC Financial Companies Fund
CIBC Global Bond Fund
CIBC Global Bond Index Fund
CIBC Global Equity Fund
CIBC Global Technology Fund
CIBC High Yield Cash Fund
CIBC International Index Fund
CIBC International Index RRSP Fund
CIBC International Small Companies Fund
CIBC Japanese Equity Fund
CIBC Japanese Index RRSP Fund
CIBC Latin American Fund
CIBC Money Market Fund
CIBC Monthly Income Fund
CIBC Mortgage and Short-Term Income Fund
CIBC Nasdaq Index Fund
CIBC Nasdaq Index RRSP Fund
CIBC North American Demographics Fund
CIBC Precious Metals Fund
CIBC Premium Canadian T-Bill Fund
CIBC Canadian Real Estate Fund
CIBC U.S. Dollar Money Market Fund
CIBC U.S. Equity Index Fund
CIBC U.S. Index RRSP Fund
CIBC U.S. Small Companies Fund

CIBC Managed Portfolios
CIBC Managed Income Portfolio
CIBC Managed Income Plus Portfolio
CIBC Managed Balanced Portfolio
CIBC Managed Balanced Growth Portfolio
CIBC Managed Balanced Growth RRSP Portfolio
CIBC Managed Growth Portfolio
CIBC Managed Growth RRSP Portfolio
CIBC Managed Aggressive Growth Portfolio
CIBC Managed Aggressive Growth RRSP Portfolio

CIBC U.S. Dollar Managed Portfolios
CIBC U.S. Dollar Managed Income Portfolio
CIBC U.S. Dollar Managed Growth Portfolio
CIBC U.S. Dollar Managed Balanced Portfolio

Imperial Pools
Imperial International Equity Pool
Imperial Registered International Equity Index Pool
Imperial Canadian Bond Pool
Imperial Money Market Pool
Imperial Canadian Equity Pool
Imperial Short-Term Bond Pool
Imperial U.S. Equity Pool
Imperial Emerging Economies Pool
Imperial International Bond Pool
Imperial Registered U.S. Equity Index Pool
Imperial Canadian Dividend Income Pool
Imperial Canadian Dividend Pool
Imperial Canadian Income Trust Pool
Imperial Overseas Equity Pool

CIBC ASSET MANAGEMENT INC.

Frontiers Pools
Frontiers Canadian Fixed Income Pool
Frontiers Canadian Short Term Income Pool
Frontiers Canadian Equity Pool
Frontiers International Equity Pool
Frontiers Emerging Markets Equity Pool
Frontiers Global Bond Pool
Frontiers U.S. Equity Pool
Frontiers Canadian Monthly Income Pool

Renaissance Funds
Renaissance Canadian Money Market Fund
Renaissance Canadian T-Bill Fund
Renaissance U.S. Money Market Fund
Renaissance Canadian Bond Fund
Renaissance Canadian Dividend Income Fund
Renaissance Canadian High Yield Bond Fund
Renaissance Canadian Income Trust Fund
Renaissance Canadian Balanced Fund
Renaissance Canadian Balanced Value Fund
Renaissance Canadian Core Value Fund
Renaissance Canadian Growth Fund
Renaissance Canadian Small Cap Fund
Renaissance U.S. Equity Value Fund (formerly Renaissance U.S. Basic Value Fund)
Renaissance U.S. Equity Growth Fund (formerly Renaissance U.S. Fundamental Growth Fund)
Renaissance U.S. Index Fund (formerly Renaissance U.S. RSP Index Fund)
Renaissance Developing Capital Markets Fund
Renaissance Euro Fund
Renaissance International Growth Fund
Renaissance International Index Fund (formerly Renaissance International RSP Index Fund)
Renaissance Tactical Allocation Fund

Renaissance Global Growth Fund
Renaissance Canadian Real Return Bond Fund (formerly Renaissance Global Opportunities Fund)
Renaissance Canadian Income Trust Fund II
Renaissance Global Sectors Fund
Renaissance Global Opportunities Fund (formerly Renaissance Global Value Fund)
Renaissance Global Technology Fund
Renaissance Talvest China Plus Fund
Renaissance Talvest Global Health Care Fund
Renaissance Talvest Millennium High Income Fund

Talvest Funds
Talvest Cdn. Asset Allocation Fund
Talvest Bond Fund
Talvest High Yield Bond Fund
Talvest Income Fund
Talvest Millennium High Income Fund
Talvest Money Market Fund
Talvest Asian Fund
Talvest Cdn. Equity Growth Fund
Talvest Cdn. Equity Value Fund (formerly Talvest Cdn. Leaders Fund)
Talvest Cdn. Multi Management Fund
Talvest China Plus Fund
Talvest Dividend Fund
Talvest European Fund
Talvest Global Equity Fund
Talvest Global Multi Management Fund
Talvest Global Resource Fund
Talvest Global Small Cap Fund
Talvest International Equity Fund
Talvest Millennium Next Generation Fund
Talvest Small Cap Cdn. Equity Fund
Talvest U.S. Equity Fund (formerly Talvest Value Line U.S. Equity Fund)
Talvest Global Asset Allocation Fund (formerly Talvest Global Asset Allocation RSP Fund)
Talvest Global Bond Fund (formerly Talvest Global Bond RSP Fund)
Talvest Global Markets Fund (formerly Talvest Global RSP Fund)
Talvest Global Health Care Fund
Talvest Global Science & Technology Fund
Talvest Renaissance Canadian Balanced Fund
Talvest Renaissance Canadian Balanced Value Fund
Talvest Renaissance Canadian Core Value Fund
Talvest Renaissance Canadian Real Return Bond Fund
Talvest Renaissance U.S. Equity Value Fund (formerly Talvest Renaissance U.S. Basic Value Fund)

Axiom Portfolios
Axiom Balanced Income Portfolio
Axiom Diversified Monthly Income Portfolio
Axiom Balanced Growth Portfolio
Axiom Long-Term Growth Portfolio
Axiom Canadian Growth Portfolio
Axiom Foreign Growth Portfolio
Axiom Global Growth Portfolio
Axiom All Equity Portfolio

Sequence Portfolios
Sequence Income Portfolio
Sequence 2010 Conservative Portfolio
Sequence 2010 Moderate Portfolio
Sequence 2020 Conservative Portfolio
Sequence 2020 Moderate Portfolio
Sequence 2030 Conservative Portfolio
Sequence 2030 Moderate Portfolio
Sequence 2040 Conservative Portfolio
Sequence 2040 Moderate Portfolio

2.1.10 Horizons Funds Inc. et al. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Variation of prior decision granting approval of change of manager, based on new non-material facts. Variation order granted under NI 81-102 as original approval of change of manager approved under NI 81-102. British Columbia as principal regulator.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(2), 5.8(1)(a).
OSC Blanket Order 1.2 Assignment by Commission Pursuant to Section 6 of the Act of Certain Commission's Powers and Duties, s. (j)(i).

May 10, 2006

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

AND

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

AND

IN THE MATTER OF
HORIZONS FUNDS INC. (HFI) AND
HORIZONS MONDIALE HEDGE FUND AND
HORIZONS TACTICAL HEDGE FUND
(the Funds)

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 that the decision document dated January 12, 2006 issued by the Decision Makers under Section 5.5(2) of National Instrument 81-102 *Mutual Funds* in respect of HFI and the Funds be varied by changing representations primarily relating to the identity of the President and Chief Executive Officer of HFI.

   Under the Mutual Reliance Review System for Exemptive Relief Applications:

   (a) the British Columbia Securities Commission is the principal regulator for this application; and

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

Interpretation

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

Representations

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

1. On January 12, 2006 the British Columbia Securities Commission issued a decision document (the Original Decision Document) under Section 5.5(2) of National Instrument 81-102 *Mutual Funds* on behalf of the Decision Makers approving a proposed transaction whereby Jovian Asset Management Inc. (Jovian) would acquire a controlling interest in the capital stock of HFI, resulting in a change of control of HFI (the Proposed Transaction).

2. All representations contained in the Original Decision Document remain true and complete except for paragraphs 6, 8 and 9 of the representations.

3. HFI is the manager of the Funds and is the manager of Horizons Phoenix Hedge Fund, which ceased to be a reporting issuer in the Jurisdictions on March 9, 2006.

4. Jovian is a wholly-owned subsidiary of Jovian Capital Corporation (JCC), which is listed on the TSX Venture Exchange and is a management company operating in the market segments of wealth management and asset management.

5. HFI sent notice of the Proposed Transaction (the Notice) to unitholders of the Funds on 18th October 2005, and anticipated that the Proposed Transaction would close soon after the Original Decision Document was issued.

6. The Original Decision Document contained the following representation (Representation No. 8):

7. "Following the Proposed Transaction, the directors and officers of the Manager will be as follows:

Name	Position
Gordon Cummings	President and Chief Executive Officer
Robert Reid	Director
Philip Armstrong	Director and Vice-President
Mark L. Arthur	Director and Vice-President
Jason Mackey	Chief Financial Officer
Duriya Patel	Secretary"

8. Representation No. 9 of the Original Decision Document (Representation 9) contained the following statement: "Gordon Cummings will continue to serve as President and Chief Executive Officer of HFI."

9. Two of the three directors listed in the above table and four of the six officers listed in the table were, and still are, directors and officers respectively of Jovian, providing Jovian with effective control of HFI on completion of the Proposed Transaction.

10. Due to delays including negotiations between the parties over the terms of the Proposed Transaction, the Proposed Transaction still has not closed; however, the negotiations have now been substantially concluded and the parties anticipate being in a position to close the Transaction within 10 days of issuance of this Decision Document.

11. In the interim, Gordon Cummings has ceased to be President and Chief Executive Officer of HFI, and has resigned as a director of HFI.

12. Malcolm Anderson is now a Senior Vice President of JCC rather than its Chief Operating Officer, and Russell Lindsay has been appointed Chief Operating Officer of JCC.

13. The percentage of shares of HFI to be acquired by Jovian after closing of the Proposed Transaction has now changed and will be approximately 62% rather than 66.67% as set out in representation No. 6 of the Original Decision Document (Representation 6), and the total percentage of shares of HFI to be held by Jovian after subscribing for additional shares on closing will be approximately 70% rather than 73.15% as set out in Representation 6.

14. The current intention of the parties is that immediately following the Proposed Transaction, the directors and officers of the Manager will be as follows:

Name	Position
Philip Armstrong	Director, President and Chief Executive Officer
Robert Reid	Director
Mark L. Arthur	Director and Vice-President
Jason Mackey	Chief Financial Officer
Duriya Patel	Secretary

15. The Notice indicated that, following the Proposed Transaction, Gordon Cummings would serve as President and Chief Executive Officer and Philip Armstrong would serve as Director and Vice-President of the Manager. In fact, Mr. Cummings will not continue in these roles. Immediately following the Proposed Transaction, Mr. Armstrong will serve as President and Chief Executive Officer, as well as Director of the Manager.

16. HFI has not provided additional written notice to all of the unitholders of the Funds advising of the fact that it will be Mr. Armstrong, and not Mr. Cummings, who will in fact serve as President and Chief Executive Officer of the Manager immediately following the proposed transaction; however, this fact will not result in any material change to the management and operation of the Funds. No changes to the investment portfolios of the Funds will take place as result of this substitution.

17. As stated in the Notice: "HFI will remain as trustee of the Funds, and the current management and operation of the Funds, namely the custodian services, fund advisors, portfolio managers, and the Funds' investment objectives will be maintained for a period of not less than 12 months following closing of the Proposed Transaction."

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:

1. Representation 3 is amended by deleting the words "Chief Operating Officer" beneath the name of Malcolm Anderson and replacing them with "Senior Vice President", and by adding the words "Russell Lindsay, Chief Operating Officer" in the left hand column and "Chief Operating Officer, Jovian Capital Corp." opposite his name in the right hand column;

2. The percentages "66.67%" and "73.15%" are deleted from Representation 6 of the Original Decision Document and replaced by "approximately 62%" and "approximately 70%" respectively;

3. Representation 8 is deleted from the Original Decision Document and replaced with the following:

   "8. The current intention of the parties is that immediately following the Proposed Transaction, the directors and officers of the Manager will be as follows:

Name	Position
Philip Armstrong	Director, President and Chief Executive Officer
Robert Reid	Director
Mark L. Arthur	Director and Vice-President
Jason Mackey	Chief Financial Officer
Duriya Patel	Secretary"; and

4. The words "Gordon Cummings will continue to serve as President and Chief Executive Officer of HFI" are deleted from Representation 9 of the Original Decision Document.

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

2.1.11 Morneau Sobeco Income Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application by an Issuer for a decision that the Issuer be permitted to file in a confidential manner certain side letters to material contracts and certain portions of schedules to material contracts – specified side letters and schedules contain personal and commercially sensitive information that would be seriously prejudicial to the interests of the Issuer and others if publicly disclosed – specified side letters and schedules do not contain information in relation to the Issuer or securities of the Issuer that would be material to an investor – relief granted.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 6(3), 140(2).

Applicable Ontario Instruments

Rule 41-501 General Prospectus Requirements, s. 13.3(1)(6).
Companion Policy 41-501CP General Prospectus Requirements, ss. 5.3, 5.4.

May 16, 2006

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

AND

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

AND

IN THE MATTER OF
MORNEAU SOBECO INCOME FUND
(the Issuer)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker, and collectively the Decision Makers) in each of the Jurisdictions has received an application from the Issuer for a decision under the securities legislation of the Jurisdictions (the Legislation) permitting the Issuer to file in a confidential manner portions of schedules to certain material contracts of the Issuer on the basis that the

information in such schedules contains personal and commercially sensitive information that would be seriously prejudicial to the interests of the Issuer and others if publicly disclosed (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.

Interpretation

Unless otherwise defined, the terms herein have the same meaning set out in National Instrument 14-101 *Definitions*.

Representations

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

1. On September 21, 2005, the Issuer filed a final long form prospectus (the "**Final Prospectus**") with each of the Jurisdictions. The OSC was designated as principal regulator for the review of the Final Prospectus.

2. The Final Prospectus was filed with the OSC pursuant to OSC Rule 41-501 – *Prospectus Contents — Non-Financial Matters* ("**OSC Rule 41-50l**"). Pursuant to Subsection 13.3(1)6 of OSC Rule 41-501, the Issuer was required to file copies of all of its material contracts with the Final Prospectus.

3. Concurrently with filing the Final Prospectus, a copy of the Underwriting Agreement (as defined in the Final Prospectus) was filed with each of the Jurisdictions.

4. In addition, the Issuer provided an undertaking to each of the Securities Regulatory Authorities that it would file, among other material contracts, the Investment and Acquisition Agreement and the Credit Agreement (as defined in the Final Prospectus) of which the Investment and Acquisition Agreement was subsequently filed.

5. In connection with the Investment and Acquisition Agreement and Underwriting Agreement, W.F. Morneau Services Inc. ("**Morneau**") and its former shareholders prepared disclosure letters (the "**Disclosure Letters**") for the purposes of setting forth certain exceptions to some of the representations and warranties contained in the agreements and to provide certain additional disclosure called for by the terms of the agreements. In the case of the Credit Agreement, this additional disclosure is set out in the schedules to the agreement itself.

6. Although the Disclosure Letters are referenced in the Investment and Acquisition Agreement and Underwriting Agreement, an investor does not need to review the Disclosure Letters nor the schedules in the Credit Agreement containing similar information in order to understand the substance of the agreements or the transactions contemplated thereby. More specifically, by reviewing the Underwriting Agreement, the Investment and Acquisition Agreement and the Credit Agreement, an investor will be able to understand (i) the nature of the representations and warranties provided by Morneau and its former shareholders in connection with the Issuer's indirect acquisition of Morneau and (ii) the nature and extent of the Issuer's potential recourse against Morneau and its former shareholders in the event of any breach or inaccuracy of such representations.

7. Furthermore, the Disclosure Letters and schedules to the Credit Agreement contain certain personal and commercially sensitive information that would be seriously prejudicial to the interests of the Issuer and others if publicly disclosed.

8. Therefore, the Issuer has redacted the following schedule references in respect of the Disclosure Letters and schedules to the Credit Agreement :

Investment and Acquisition Disclosure Letter

Schedule 1.1 (bbb) – Material Contracts
Schedule 5.2 (j) – Authorized and Issued Capital of the Morneau Entities and the Registered and Beneficial Ownership Thereof
Schedule 5.2 (l) – Litigation
Schedule 5.2 (n) – Dividends and Distributions since December 31, 2004
Schedule 5.2 (kk)(i), (vii) – Employment Matters
Schedule 5.2(oo) – Insurance
Schedule 5.2(h) – Required Consents

Underwriting Agreement Disclosure Letter

Schedule 1 – Material Contracts
Schedule 8(1)(s) – Authorized and Issued Capital of the Morneau Entities and the Registered and Beneficial Ownership Thereof
Schedule 8(1)(u) – Litigation
Schedule 8(1)(aa) – Dividends and Distributions since December 31, 2004
Schedule 8(1)(xx)(i),(vii) – Employment Matters
Schedule 8(1)(bbb) – Insurance

Credit Agreement

Schedule 1.1(25) – Branches of Account
Schedule 8.1(13) – Litigation
Schedule 8.1(19) – Corporate Organization Chart
Schedule 8.1(23) – Leased Property

9. The Disclosure Letters and schedules to the Credit Agreement in respect of which the Requested Relief is being sought do not contain information in relation to the Issuer or securities of the Issuer that would be material to an investor.

10. The Issuer is not in default of any requirement of the Legislation.

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.

"Charlie MacCready"
Assistant Manager, Corporate Finance

2.1.12 Fairmont Hotels and Resorts Inc. and 3128012 Nova Scotia Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – indirect issuer bid for convertible debentures – if bid effected immediately following change of control offer would not constitute issuer bid – offer to occur prior to change of control for tax purposes – de minimis security holders in Canada

Applicable Legislative Provisions

Securities Act R.S.O. 1990, c. S.5, as am., ss. 95, 96, 97, 98, 100, 104(2)(c).

March 30, 2006

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

AND

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

AND

IN THE MATTER OF
FAIRMONT HOTELS & RESORTS INC.
AND 3128012 NOVA SCOTIA LIMITED

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 Fairmont Hotels and Resorts Inc. (**Fairmont**) and 3128012 Nova Scotia Limited (**3128012**, and together with Fairmont, the **Filers**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) that:

(a) the issuer bid requirements of the Legislation will not apply to any offer (the **Purchaser's Note Offer**) made by 3128012 and/or an affiliate thereof (collectively, the **Purchaser**) to acquire any or all of the outstanding US$270 million aggregate principal amount of 3.75% convertible senior notes (the **Notes**) of Fairmont maturing December 1, 2023; and

(b) this decision be kept confidential until the earlier of

(i) the date the Purchaser commences the Purchaser's Note Offer,

(ii) 90 days after the date of this decision, or

(iii) one business day after notice to the Filers of a Decision Maker's intention to remove confidentiality

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

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

(b) the 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. Fairmont is a corporation incorporated under the *Canada Business Corporations Act*. Fairmont's principal office is located at the Canadian Pacific Tower, Suite 1600, TD Centre, P.O. Box 40, Toronto, Ontario M5K 1B7.

2. Fairmont is an owner/operator of luxury hotels and resorts. Fairmont's managed portfolio consists of 87 luxury and first-class properties with approximately 34,000 guestrooms in the United States, Canada, Mexico, Bermuda, Barbados, the United Kingdom, Monaco, Kenya and the United Arab Emirates as well as two vacation ownership properties managed by Fairmont Heritage Place. Fairmont owns Fairmont Hotels Inc., North America's largest luxury hotel management company, as measured by rooms under management, with 49 distinctive city center and resort hotels including The Fairmont San Francisco, The Fairmont Banff Springs and The Fairmont Scottsdale Princess. Fairmont also owns Delta Hotels, Canada's largest first-class hotel management company, which manages and franchises 38 city center and resort properties in Canada. In addition to hotel management, Fairmont holds real estate interests in 21 properties and an approximate 24% interest in Legacy Hotels Real Estate Investment Trust, which owns 24 properties. Fairmont owns FHP Management Company LLC, a private residence club management company that operates Fairmont Heritage Place, a vacation ownership business.

3. Fairmont is a reporting issuer, or the equivalent, in each of the Jurisdictions in which such concept exists and Fairmont's 72,345,487 issued and outstanding common shares (the **Fairmont Shares**), as at March 9, 2006, are listed and posted for trading on the New York Stock Exchange and the Toronto Stock Exchange under the symbol "FHR".

4. To the best of its knowledge, Fairmont is not in default of any applicable requirement of the Legislation and is not on the list of defaulting reporting issuers, if any, maintained pursuant to the Legislation.

5. On January 30, 2006, Fairmont announced that it had entered into an acquisition agreement dated January 29, 2006 between Fairmont and 3128012 (the **Acquisition Agreement**) and that 3128012 would acquire all of the outstanding the Fairmont Shares at a price of US$45.00 per share in cash pursuant to a plan of arrangement (the **Arrangement**).

6. 3128012 is a corporation formed solely for purposes of completing the transactions contemplated by the Acquisition Agreement and is not a reporting issuer, or the equivalent, in any of the Jurisdictions. The Purchaser is wholly-owned, directly or indirectly, by Kingdom Hotels International (**Kingdom**) and Colony Capital, LLC (**Colony**). Kingdom is owned by a trust for the benefit of HRH Prince Alwaleed Bin Talal Bin AbdulAziz Alsaud and his family. Colony is a private, international investment firm headquartered in Los Angeles, California, focusing primarily on real estate-related assets and operating companies.

7. As of March 9, 2006, Kingdom has advised Fairmont that it beneficially owns or controls 3,548,883 Fairmont Shares, being approximately 4.9% of the outstanding Fairmont Shares, and Colony beneficially owns or controls no Fairmont Shares.

8. If the Arrangement is approved at a meeting of Fairmont's shareholders (currently scheduled to be held on April 18, 2006) and all of the other conditions to closing of the Arrangement are satisfied or waived, the Arrangement will be implemented by way of a court approved plan of arrangement pursuant to section 192 of the *Canada Business Corporations Act* in late April or early May 2006. Pursuant to the Arrangement, among other things, the Fairmont Shares will be transferred by Fairmont's shareholders to 3128012 for US$45.00 per Fairmont Share.

9. The Notes were issued pursuant to a note indenture (the **Note Indenture**) dated as of December 8, 2003 between The Bank of New York, as trustee, and Fairmont. The Notes were sold solely to institutional purchasers in the United States pursuant to Rule 144A promulgated under the 1933 Act. The Notes are no longer subject to any resale restrictions in the United States and are currently freely tradable.

10. All of the Notes are currently registered in the name of The Depository Trust Company and, based on recent reports made available to Fairmont by The Bank of New York, approximately 3.4% of the outstanding aggregate principal amount of the Notes have been allocated in the debt clearing system to a participant that maintains an address in Toronto, Ontario. Based on these reports, no other Canadian participants have been allocated any of the Notes.

11. The Notes are not listed on a recognized stock exchange.

12. The Notes are not presently convertible into Fairmont Shares. The Arrangement will constitute a "Reorganization" and a "Designated Event" under the terms of the Note Indenture. As a result, holders may convert the Notes from and after the 15th day prior to the expected effective date of the Arrangement (the **Effective Date**) until the date on which the Notes tendered pursuant to the Fairmont's Note Offer (defined below) are accepted for payment. The Notes will be convertible into up to an aggregate of 7,156,107 Fairmont Shares (based on the present conversion rate of 26.5041 Fairmont Shares per US$1,000 principal amount of the Notes).

13. Following the effective time of the Arrangement, Fairmont will be entitled to satisfy any conversion of the Notes by way of a cash payment in the amount of US$1,192.68 for each US$1,000 principal amount of the Notes in accordance with the terms of the Note Indenture. This amount is calculated pursuant to the Note Indenture by multiplying the present conversion rate of 26.5041 Fairmont Shares per US$1,000 principal amount of the Notes by the US$45.00 to be paid by 3128012 per Fairmont Share pursuant to the Arrangement.

14. The Note Indenture provides that within 30 business days following the Effective Date, Fairmont must make an offer to purchase all of the outstanding Notes at a purchase price of US$1,000 for each US$1,000 principal amount of the Notes plus accrued interest to the date of purchase (**Fairmont's Note Offer**).

15. Interest is generally payable on the Notes in semi-annual instalments. The record date fixed in the certificate representing the Notes for the next payment of interest is May 15, 2006, and June 1, 2006 is the date fixed for the payment of such interest. Therefore, holders of Notes will have an economic incentive not to convert until after June 1, 2006 (or, in certain limited circumstances under the Note Indenture, May 15, 2006) to ensure receipt of the next interest payment.

16. If the Notes are converted into Fairmont Shares by the holders prior to the acquisition by 3128012 of the Fairmont Shares as part of the Arrangement, Fairmont will be required to recognize a significant foreign exchange gain resulting in a capital gain for income tax purposes. If the Notes are purchased and retired prior to such time, a similar capital gain arises, however, Fairmont may also be entitled to a deduction for income tax purposes equal to the difference between the amount repaid and the original issue price, which would effectively offset the gain that would otherwise be recognized. If the Notes are converted or repaid after such time, Fairmont will not be able to use any of its existing capital losses to reduce the capital gain as the capital losses expire on the acquisition by 3128012 of the Fairmont Shares.

17. Pursuant to the Purchaser's Note Offer, the Purchaser would commence, on or about March 28, 2006, an offer to purchase all of the outstanding Notes at a price of US$1,192.68 for every $1,000 in principal amount of the Notes, plus accrued and unpaid interest to June 1, 2006 (or, if the effective date of the Arrangement is later, accrued and unpaid interest until the effective date of the Arrangement) (the **Note Purchase Price**). The Purchaser's Note Offer is expected to close shortly before the effective time of the Arrangement. The Note Purchase Price corresponds to the amount of cash that a holder would receive (x) in the Arrangement for any Fairmont Shares it had received upon conversion of the Notes prior to consummation of the Arrangement or (y) upon conversion of the Notes after consummation of the Arrangement, plus in either case an amount corresponding to (a) the interest payable on June 1, 2006, assuming that the Arrangement was to be completed prior to such date, or (b) the interest which may have accrued from June 1, 2006 if the Arrangement was completed after such date.

18. The Purchaser's Note Offer is designed to encourage holders of the Notes to surrender their Notes prior to the effective time of the Arrangement by offering such holders an amount in cash which is no less than, and in certain instances, may be slightly more than, the amount of cash that holders would be entitled to receive had they converted their Notes, irrespective of whether such conversion had taken place before or after the effective time of the Arrangement, and thereby removing any incentive for holding on to

the Notes, as described above, and converting after the effective time of the Arrangement.

19. The Purchaser's Note Offer will be exempt from the take-over bid requirements of the Legislation because the Notes are not "voting or equity securities" and the number of Fairmont Shares issuable on conversion of the Notes, together with the Fairmont Shares owned by the Purchaser, Kingdom and Colony, constitute less than 20% of the outstanding Fairmont Shares at the date of the Purchaser's Note Offer. While the Purchaser's Note Offer will be exempt from a number of the tender offer rules under United States law, the Purchaser's Note Offer will be subject to, and be made in accordance with, Regulation 14E of the 1934 Act. The Purchaser's intention is not to acquire the underlying Fairmont Shares but rather to purchase and retire indebtedness in advance of the date that similar payments would otherwise be required to be made by Fairmont to holders of the Notes.

20. The Purchaser's Note Offer will be made to the holders of the Notes resident in Canada on the same basis, including extending to those holders identical rights and identical consideration, as to the holders of the Notes resident in the United States. All material relating to the Purchaser's Note Offer that is sent by the Purchaser to holders of the Notes resident in the United States is concurrently sent to all holders of the Notes resident in Canada and filed with Decision Makers.

21. The first step of the Arrangement will be to give effect to the subsequent acquisition by Fairmont of the Notes tendered to the Purchaser pursuant to the Purchaser's Note Offer (**Fairmont's Note Repurchase**). Pursuant to Fairmont's Note Repurchase, Fairmont will acquire from the Purchaser the Notes tendered to the Purchaser under the Purchaser's Note Offer in exchange for a note with a principal amount corresponding to the aggregate Note Purchase Price paid by the Purchaser in connection with the Purchaser's Note Offer. The Notes acquired by Fairmont from the Purchaser pursuant to Fairmont's Note Repurchase will be cancelled prior to the acquisition by the Purchaser of the Fairmont Shares pursuant to the Arrangement.

22. Because the Notes are debt securities convertible into securities other than debt securities, the Purchaser's Note Offer could be considered to constitute an "issuer bid" within the meaning of the Act if the Purchaser's Note Offer is considered to be an indirect offer by Fairmont to purchase the Notes (*i.e.*, in light of Fairmont's Note Repurchase). If treated as an issuer bid, the Purchaser's Note Offer would be subject to the Issuer Bid Requirements.

Decision

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

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

"Susan Wolburgh Jenah"
Commissioner

"Paul K. Bates"
Commissioner

2.1.13 SXR Uranium One Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Relief from the requirements of subsection 4.3(2) of National Instrument 51-102 - Continuous Disclosure Obligations to include comparative financial information in respect of the first and third quarters of 2005 in its interim financial statements for the first and third quarters of 2006, subject to conditions - Filer is result of reverse-takeover transaction involving South African company that prepared financial information on half-yearly as opposed to quarterly basis - comparative financial information for first and third quarters of 2005 not prepared - Available comparative financial information for second quarter of 2005 will be included in corresponding comparative interim financial statements for 2006 - To a reasonable person, it is impracticable to present prior period information on a basis consistent with subsection 4.3(2) of NI 51-102.

Applicable Legislative Provisions

National Instrument 51-102 - Continuous Disclosure Obligations, ss. 4.3(2), 13.1.

Addendum

[If at the time of making the decision, the decision maker in the principal regulator jurisdiction makes any comments about the application that would be relevant to staff or a decision maker in a non-principal regulator jurisdiction, staff should prepare an addendum to the memorandum summarizing the comments prior to circulating materials for opt-in.]

May 4, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION
OF ONTARIO AND NEW BRUNSWICK
(THE JURISDICTIONS)

AND

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

AND

IN THE MATTER OF
SXR URANIUM ONE INC.
(THE FILER)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for an exemption from the requirements of Section 4.3(2) of National Instrument 51-102 - *Continuous Disclosure Obligations* (NI 51-102) to provide the following comparative interim financial information for the 2006 financial year:

(a) balance sheet as at the end of the interim period ending (i) three months from the first day of the 2005 financial year (the First Quarter), and (ii) nine months from the first day of the 2005 financial year (the Third Quarter);

(b) an income statement, a statement of retained earnings and a cash flow statement as at the end of the First Quarter and Third Quarter of 2005; and

(c) an income statement and cash flow statement for the three month period ending on June 30, 2005 and for the three month period ending on the last day of the Third Quarter of 2005.

(the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications, (a) Ontario is the principal regulator for this application and (b) the MRRS decision document evidences the decision of each Decision Maker.

Interpretation

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

Representations

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

1. The Filer is a corporation continued under the *Canada Business Corporations Act*, with its head office in Toronto at 26 Wellington Street East, Suite 820, Toronto, Ontario, M5E 1S2.

2. The Filer is a result of a reverse take over (the RTO) of Southern Cross Resources Inc. (Southern Cross) by Aflease Gold and Uranium Resources Limited (Aflease) which was completed in December 2005.

3. Southern Cross and Aflease entered into a definitive acquisition agreement on September 14, 2005, providing for the acquisition by Southern Cross by way of a scheme of arrangement under the South African Companies Act of all of the ordinary shares of Aflease on the basis of 0.18 of a common share of Southern Cross for each outstanding Aflease ordinary share, as well as a 5:1 consolidation of Southern Cross' common shares and a change in corporate name to sxr Uranium One Inc.

4. The common shares of the Filer are listed and posted for trading on The Toronto Stock Exchange. The Filer is a reporting issuer under the securities legislation of Ontario and New Brunswick and is not in default of any of the requirements of the Legislation in any Jurisdiction.

5. Aflease was incorporated under the South African Companies Act in 1921, with its head office in Johannesburg at 55 Empire Road, Parktown, South Africa. Prior to the completion of the RTO, the ordinary shares of Aflease traded on the JSE Limited (the Johannesburg stock exchange).

6. Aflease is not and has not, at any time, been a reporting issuer in any Canadian jurisdiction.

7. During the year ended December 31, 2005, in accordance with the rules of the Johannesburg stock exchange applicable to developmental companies, Aflease prepared half-yearly, and not quarterly, interim financial statements.

8. To a reasonable person, it is impracticable to present prior period information on a basis consistent with subsection 4.3(2) of NI 51-102.

9. The prior period information that is available will be presented in the comparative interim financial statements for the period ending six months from the first day of the 2006 financial year of the Filer.

Decision

The Decision Makers being 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 Filer includes in the notes to its interim financial statements in respect of the periods ending three and nine months from the first day of the Filer's 2006 financial year the fact that the prior-period information has not been prepared on a basis consistent with the most recent interim financial information.

"Kelly Gorman"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.14 Ontario Power Generation Inc. - 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.

May 23, 2006

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

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

IN THE MATTER OF
ONTARIO POWER GENERATION INC.
(the Filer)

MRRS DECISION DOCUMENT

Background

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

(a) 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 (together **Commercial Paper**); and

(b) 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

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

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

Interpretation

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

Representations

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

1. The Filer was amalgamated under the laws of the Province of Ontario by Articles of Amalgamation dated January 1, 2006 and is existing as a corporation under the *Business Corporations Act* (Ontario). The Filer is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity in Ontario.

2. The Filer is a reporting issuer in Ontario, Alberta, British Columbia, Newfoundland and Labrador, Nova Scotia, Québec and Saskatchewan.

3. The Filer is not in default of its obligations under the Legislation in any Jurisdiction.

4. The Filer has established an aggregate Cdn $1 billion short term unsecured notes financing program pursuant to which the Filer may issue and sell unsecured Commercial Paper, provided that the aggregate outstanding principal amount of Commercial Paper issued by the Filer at any time does not exceed Cdn $1 billion.

5. 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 requirements and dealer registration requirements.

6. Subsection 2.35(1)(b) of National Instrument 45-106 *Prospectus and Registration Exemptions* (**NI 45-106**) provides that exemptions from the dealer registration requirements and the prospectus requirements 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". NI 45-106 incorporates by reference the definitions for "approved credit rating" and "approved credit rating organization" that are used in National Instrument 81-102 *Mutual Funds* (**NI 81-102**).

7. 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".

8. 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.

9. The Filer's Commercial Paper does not meet the definition of "approved credit rating" in NI 81-102 because Standard & Poor's has assigned the Filer's Commercial Paper a rating of "A-2", which is 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; and

(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.

"Wendell S. Wigle, Q.C."
Commissioner
Ontario Securities Commission

"Suresh Thakrar, FICB"
Commissioner
Ontario Securities Commission

2.1.15 Isotechnika Inc. and Azimuth Opportunity, Ltd. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Application by a TSX- listed issuer and foreign resident purchaser for exemptive relief in relation to a proposed distribution of securities by the issuer by way of an "equity line of credit"– a draw down under an equity line of credit may be considered to be an indirect distribution of securities by the issuer to purchasers in the secondary market through the equity line purchaser acting as underwriter – relief granted to the issuer and purchaser from certain registration and prospectus requirements, subject to terms and conditions, including a 10% restriction on the number of securities that may be distributed under an equity line in any 12-month period, certain restrictions on the permitted activities of the purchaser and certain notification and disclosure requirements.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 1(1) (definition of "distribution" and "underwriter"), 25(1)(a), 59(1), 71(1), 74(1), 147.

Applicable Ontario Rules

National Instrument 45-106 Prospectus and Registration Exemptions s. 1(1) "accredited investor".
National Instrument 41-101 Prospectus Disclosure Requirements.
National Instrument 44-101 Short Form Prospectus Distributions.

Citation: Isotechnika Inc., 2006 ABASC 1330

May 19, 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
ISOTECHNIKA INC. (Isotechnika) AND
AZIMUTH OPPORTUNITY, LTD.
(Azimuth and, together with Isotechnika, 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 (the Application) from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that in connection with the distribution of common shares of Isotechnika (Isotechnika Shares) by Isotechnika under a prospectus through Azimuth pursuant to a proposed equity line of credit arrangement between Azimuth and Isotechnika (the Equity Line):

1.1 the requirements under the Legislation that a person or company trading in a security or acting as an underwriter be registered (i) as a dealer, or (ii) as a salesperson or (iii) as a partner or as an officer of a registered dealer that acts on behalf of the dealer (together, the Registration Requirements) do not apply to Azimuth or its directors, officers or employees;

1.2 the requirements of the Legislation:

1.2.1 requiring Isotechnika to include and Azimuth to execute a certificate as part of the Prospectus (the Underwriter Certificate Requirement) do not apply to Isotechnika or Azimuth, as the case may be;

1.2.2 requiring Azimuth to send or deliver to a First Purchaser (as defined in paragraph 4.7.6 herein) a prospectus within two business days of a sale to the First Purchaser (the Prospectus Delivery Requirement) do not apply to Azimuth;

1.2.3 granting purchasers of securities under a prospectus the statutory right to withdraw from the purchase within two business days after receipt of the prospectus (the Withdrawal Right) do not apply to First Purchasers; and

1.2.4 granting purchasers of securities under a prospectus the statutory right as against Azimuth, as underwriter, to rescind the purchase or to claim damages in the event of a misrepresentation in the prospectus (the Prescribed Statutory Rights of Action) do not apply to First Purchasers;

1.3 the requirements under the Legislation that a prospectus include the following disclosure (the Prescribed Prospectus Requirements) do not apply to the Prospectus:

1.3.1 information concerning the plan of distribution specified in section 3.1 of National Instrument 41-101 *Prospectus Disclosure Requirements* (NI 41-101);

1.3.2 statements respecting statutory rights to withdraw, or to claim rescission or damages for prospectus misrepresentations, under section 4.1 of NI 41-101 and item 20.1 of Form 44-101F1 *Short Form Prospectus* (Form 44-101F1);

1.3.3 a distribution table and information concerning the underwriting and any market-out clause under items 1.6, 1.10 and 5.1 of Form 44-101F1; and

1.3.4 pricing information under item 5.3 of Form 44-101F1;

(the relief described in paragraphs 1.1 to 1.3 above being collectively referred to as the Requested Relief); and

1.4 the Application and this MRRS Decision Document (collectively the Confidential Materials) be held in confidence by the Decision Makers until the occurrence of the earliest of the following:

1.4.1 the date on which the first supplement to the Prospectus (as defined below) is filed by Isotechnika in respect of the Equity Line;

1.4.2 the date on which Isotechnika advises the Decision Makers that there is no longer any need to hold the Confidential Material in confidence; and

1.4.3 90 days from the date of this MRRS Decision Document

(the relief described in paragraph 1.4 being referred to as the Confidentiality Relief).

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

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

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

Interpretation

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

Representations

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

4.1 Isotechnika is a corporation governed by the *Business Corporations Act* (Alberta) having its registered and head office in Edmonton, Alberta. Isotechnika is a "reporting issuer" (or its equivalent) under the securities legislation of all of the provinces of Canada. The Isotechnika Shares are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol "ISA".

4.2 Isotechnika is eligible to file a short form prospectus under NI 44-101.

4.3 Azimuth is a corporation incorporated under the laws of the Territory of the British Virgin Islands. Acqua Wellington Asset Management Ltd., an international business company incorporated in the Bahamas, is the investment adviser to Azimuth.

4.4 Azimuth is not a "reporting issuer" (or its equivalent) under the securities legislation of any province or territory of Canada. None of Azimuth or its associates, affiliates and insiders is registered in any province or territory of Canada as a dealer, advisor or underwriter (or their equivalents) or a participating organization, approved participant or member, as the case may be, of any exchange or over-the-counter market.

4.5 Azimuth is an "accredited investor" as defined in National Instrument 45-106 *Prospectus and Registration Exemptions*.

4.6 Isotechnika intends to file a prospectus (the Prospectus) prepared in accordance with the requirements of National Instrument 44-102 *Shelf Distributions*, as varied by the Requested Relief, with the securities commissions of Alberta and Ontario, to qualify the issuance of the Isotechnika Shares under the Equity Line. References to the Prospectus include any amendment, restatement or supplement to the Prospectus filed in respect of a particular Drawdown or otherwise in accordance with the Legislation.

4.7 Upon receipt of the Requested Relief, Azimuth and Isotechnika will enter into a subscription agreement (the Subscription Agreement) the principal terms of which will include the following:

4.7.1 Azimuth will commit to purchase from Isotechnika, and Isotechnika will have the right but not the obligation to sell to Azimuth, up to $40,000,000 of Isotechnika Shares in a series of drawdowns (each a Drawdown) over a 24-month period (the Term).

4.7.2 Isotechnika will, in its sole discretion, determine the aggregate dollar amount of Isotechnika Shares it sells under the Equity Line and in each Drawdown, within specified minimum and maximum dollar amounts for each Drawdown. Isotechnika will issue to Azimuth a notice of each drawdown (a Drawdown Notice) that will specify the aggregate dollar amount being sold in that Drawdown and the minimum price per share less the applicable discount at which it will sell Isotechnika Shares in that Drawdown. Subject to certain adjustments and conditions, Azimuth will be obligated to purchase from Isotechnika the dollar amount of Isotechnika Shares specified in the Drawdown Notice (the Drawdown Amount), for which it will receive the number of Isotechnika Shares equal to (i) the Drawdown Amount divided by (ii) a price per share (the Discounted Price) calculated by applying a specified percentage discount to the market price for Isotechnika Shares determined over a specified 20-day pricing period (the Pricing Period).

4.7.3 Forthwith upon issuance of a Drawdown Notice, Isotechnika will issue a news release (a Drawdown News Release): (i) disclosing the issuance of the

particular Drawdown Notice to Azimuth; (ii) stating that the Prospectus (amended, restated or supplemented, as the case may be, in respect of the Drawdown) has been or will be filed and is or will be available on the System for Electronic Document Analysis and Retrieval (SEDAR); and (iii) describing the rights of action provided in accordance with paragraph 4.7.7.

4.7.4 If Azimuth and Isotechnika agree to change the minimum price at which Isotechnika Shares will be sold under the Equity Line, they will forthwith issue a news release disclosing that change.

4.7.5 Forthwith following the closing of a Drawdown, Isotechnika will issue a further news release (a Closing News Release): (i) announcing such closing; (ii) stating that the Prospectus is available on SEDAR; (iii) specifying the relevant Distribution Period (as defined below); and (iv) describing the rights of action described in paragraph 4.7.7.

4.7.6 If Azimuth, within 40 days of settlement of a Drawdown (the Distribution Period).

4.7.6.1 resells, through the TSX or otherwise into the secondary market in Canada, any of the Isotechnika Shares acquired by it pursuant to any Drawdown; or

4.7.6.2 directly or indirectly hedges the investment risk associated with its acquisition of any Isotechnika Shares by means of short sales or similar strategies involving the sale of Isotechnika Shares (or securities convertible into, exchangeable for or economically equivalent to Isotechnika Shares) through the TSX or otherwise into the secondary market in Canada;

Isotechnika will recognize the first purchasers (the First Purchasers) of such securities as having purchased pursuant to a distribution under the Prospectus and as having received constructive delivery of the Prospectus through a combination of Isotechnika's filing of the Prospectus in accordance with paragraph 4.6 and the issuance of the Drawdown News Release and the Closing News Release in connection with the particular Drawdown.

4.7.7 In the event that there is a misrepresentation in the Prospectus, each First Purchaser will be entitled to rights:

4.7.7.1 for damages, against Isotechnika, every director of Isotechnika as at the date of the Prospectus, and every other person who signs the Prospectus; and

4.7.7.2 for rescission, against Isotechnika;

and such rights will be described in the Prospectus.

4.8 The material terms of the Subscription Agreement and the Equity Line will be disclosed in a combination of the base shelf Prospectus and one or more shelf prospectus supplements. Because the price at which Isotechnika Shares will be sold in a particular Drawdown will not be fixed with certainty until the end of the Pricing Period, that pricing information will be disclosed in a prospectus supplement. Resales of Isotechnika Shares acquired by Azimuth under the Equity Line will be made at then-prevailing market prices.

4.9 Azimuth seeks relief from the Registration Requirements in respect of the sale to First Purchasers because it will sell Isotechnika Shares acquired by it under the Equity Line over the TSX and will have no direct contract with purchasers.

4.10 Azimuth seeks relief from the Underwriter Certificate Requirement because Azimuth will not be acting as a conventional underwriter with respect to the Equity Line.

4.11 Isotechnika and Azimuth seek relief from the Withdrawal Right, the Rescission Right, the Prescribed Statutory Rights of Action and the Prescribed Prospectus Requirements because of the nature of the Equity Line.

4.12 Azimuth and Isotechnika seek relief from the Prospectus Delivery Requirements in respect of sales by Azimuth to First Purchasers because Azimuth and Isotechnika will not necessarily know the identity of the First Purchasers in market transactions.

Decision

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

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

6.1 the Requested Relief is granted provided that:

6.1.1 the number of Isotechnika Shares distributed by Isotechnika under one or more equity lines, including the Equity Line, in any 12-month period does not exceed 10% of the number of Isotechnika Shares issued and outstanding as at the start of such period;

6.1.2. Isotechnika delivers to the TSX and each Decision Maker, on request, a copy of each Drawdown Notice;

6.1.3 Azimuth does not solicit offers to purchase Isotechnika Shares and effects all sales of Isotechnika Shares through the TSX using a dealer unaffiliated with Azimuth and Isotechnika and registered under the applicable Legislation;

6.1.4 the Pricing Period in respect of a particular Drawdown commences within five trading days after the issuance of the related Drawdown Notice;

6.1.5 Azimuth makes available to the Decision Makers on request full particulars of all trading and hedging activities of Azimuth and any of its affiliates relating to securities of Isotechnika during the Term; and

6.1.6 no extraordinary commission or consideration is paid by Azimuth in respect of the distribution of Isotechnika Shares; and

6.2 The Confidentiality Relief is granted.

"Glenda A. Campbell, Q.C."
Vice-Chair
Alberta Securities Commission

"Stephen R. Murison"
Vice-Chai
Alberta Securities Commission

2.2 Orders

2.2.1 TD Asset Management Inc. et al.

Headnote

Mutual fund in Ontario (non-reporting issuer) granted a one-time extension of the annual financial statement filing deadline as wholly invested in offshore investment fund for which audited financial information not yet available.

Rules Cited

National Instrument 81-106 Investment Fund Continuous Disclosure, ss. 2.2, 5.1(2), 18.3.

April 27, 2006

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

AND

IN THE MATTER OF
TD ASSET MANAGEMENT INC. (the Applicant)

AND

IN THE MATTER OF
TD WATERHOUSE $CDN ALTERNATIVE INVESTMENT FUND AND TD WATERHOUSE $US ALTERNATIVE INVESTMENT FUND
(the Funds)

ORDER

Background

The Ontario Securities Commission received an application from the Applicant, on behalf of the Funds, for a decision pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) exempting the Funds from:

(a) the requirement in sections 2.2 and 18.3 of NI 81-106 that the Funds file their audited annual financial statements on or before the 120th day after their most recently completed financial year (the Filing Deadline); and

(b) the requirement in subsection 5.1(2) of NI 81-106 that the Funds deliver their audited annual financial statements to securityholders by the Filing Deadline (the Delivery Requirement).

Representations

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

1. The Applicant is a corporation amalgamated under the *Business Corporations Act* (Ontario). It is a wholly-owned subsidiary of The Toronto-Dominion Bank, a bank listed in Schedule I to the *Bank Act* (Canada).

2. The Applicant is registered as an investment counsel and portfolio manager or their equivalent in all provinces and territories of Canada, as a limited market dealer under the *Securities Act* (Ontario) and the *Securities Act* (Newfoundland and Labrador), and as a commodity trading manager under the *Commodity Futures Act* (Ontario).

3. The Applicant is manager of the Funds. The Funds are open-end mutual funds established under the laws of Ontario on April 27, 2005. They are offered to investors pursuant to exemptions from the prospectus requirement under applicable Canadian securities laws. The Funds have a financial year-end of December 31.

4. Each Fund's investment objective is to achieve long-term capital appreciation and to consistently generate positive returns for investors irrespective of stock market volatility or direction, while focusing on preservation of capital. The Funds seek to achieve their investment objective by investing primarily in units of hedge funds or units of funds that invest primarily in hedge funds. The Funds are currently 100% invested in shares of Tremont Opportunity Fund Limited (the Tremont Fund).

5. The Tremont Fund is an open-end investment company organized as an exempted company under the laws of the Cayman Islands. The Tremont Fund invests its assets in a diverse group of non-U.S. investment funds whose managers employ a broad class of investment strategies including: long-short equity, hedging and arbitrage techniques in equity, fixed income and currency markets, index arbitrage, interest rate arbitrage, convertible bond and warrant hedging, merger arbitrage, statistical long/short equity strategies, pairs trading, and investment in non U.S. securities.

6. The underlying investment funds of the Tremont Fund have varying financial year-ends and are subject to financial reporting deadlines of varying lengths. As a result, the Tremont Fund is not in a position to complete its annual and interim financial statements until each of the underlying investment funds have completed their financial reporting. The Tremont Fund will not complete its 2005 audited annual financial statements until late June, 2006. Accordingly, the Funds are not able to complete their annual audited financial statements until the Tremont Fund provides its annual financial statements to the Applicant.

7. The Funds' auditors will not provide an audit opinion on the Funds' annual financial statements

unless they receive the audited financial statements of the Tremont Fund.

8. Sections 2.2 and 18.3 together with subsection 5.1(2) of NI 81-106 require the Funds to file and deliver their 2005 annual audited financial statements by April 30, 2006.

9. The Funds will not be able to meet the Filing Deadline and will not be able to comply with the Delivery Requirement.

Order

The Director is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Funds are exempt from the requirement to file their 2005 annual audited financial statements by the Filing Deadline and from the Delivery Requirement, provided that the 2005 audited annual financial statements are filed and delivered by August 31, 2006.

Nothing in this Order precludes the Funds from relying on the exemption contained in section 2.11 of NI 81-106 provided the 2005 audited annual financial statements are delivered by August 31, 2006.

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

2.2.2 York Labour Fund Inc.

Headnote

Labour sponsored investment fund exempt from requirements to prepare and file interim management report of fund performance as shareholders have already approved sale of substantially all of the fund's assets to another fund.

Rules Cited

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

April 28, 2006

IN THE MATTER OF
NATIONAL INSTRUMENT 81-106
INVESTMENT FUND CONTINUOUS DISCLOSURE

AND

IN THE MATTER OF
YORK LABOUR FUND INC.
(the Fund)

ORDER

Background

The Ontario Securities Commission (the Commission) has received an application from the Fund, formerly Centerfire Growth Fund Inc., for an order pursuant to section 17.1 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) to exempt the Fund from the requirement to prepare an interim management report of fund performance for the period ended February 28, 2006 (the Interim MRFP) as required by section 4.2 of NI 81-106, subject to certain conditions.

Representations

This Order is based on the following facts represented by the Fund:

1. The Fund is a corporation incorporated under the *Canada Business Corporations Act*, is registered as a labour sponsored investment fund under the *Community Small Business Investment Funds Act* (Ontario) and is a reporting issuer in Ontario. The Fund is not in default of any requirement of Ontario's securities laws.

2. Lawrence Asset Management Inc. is the manager and investment adviser of the Fund.

3. Shares of the Fund are currently not qualified for sale to the public by means of a prospectus.

4. The financial year-end of the Fund is August 31st.

5. In accordance with the requirements of NI 81-106, the Fund is required to prepare and file its unaudited interim financial statements for the period ended February 28, 2006 (the Interim Financial Statements) and its Interim MRFP, and to deliver a copy of such documents to its shareholders, on or before April 29, 2006 (the Filing Date).

6. At a meeting on February 28, 2006, the shareholders of the Fund approved selling substantially all of the assets of the Fund to Lawrence Enterprise Fund Inc. (LEFI), another labour sponsored investment fund, in exchange for class A series V shares of LEFI, which is expected to occur in the near future.

7. The Fund will deliver its Interim Financial Statements to its shareholders on or before the Filing Date.

Order

The Commission is satisfied that it would not be prejudicial to the public interest to grant the requested relief and orders that the Fund is exempt from the requirement to prepare and file a copy of the Fund's Interim MRFP on or before the Filing Date, provided the Fund delivers a copy of its Interim Financial Statements to its shareholders on or before the Filing Date.

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

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Goldman Sachs Asset Management, L.P.

IN THE MATTER OF
THE REGISTRATION OF
GOLDMAN SACHS ASSET MANAGEMENT, L.P.

OPPORTUNITY TO BE HEARD BY THE DIRECTOR
SECTION 26(3) OF THE SECURITIES ACT

Date: May 17, 2006

Director: David M. Gilkes
Manager, Registrant Regulation
Capital Markets Branch

Submissions: Isabelita Chichioco - For the staff of the Commission

Jacob Sadikman - For Goldman Sachs Asset Management, L.P.

Background

1. Goldman Sachs Asset Management, L.P. (GSAM) has been registered in Ontario in the categories of Investment Counsel and Portfolio Manager, and Commodity Trading Manager since August 29, 2003.

2. GSAM was due to file its financial statements with the Ontario Securities Commission (OSC) on February 24, 2006. GSAM filed the statements on March 8, 2006.

3. On March 8, 2006 staff of the OSC wrote GSAM indicating that a late filing fee was due and that it had recommended that terms and conditions be imposed on GSAM's registration.

4. On March 10, 2006 GSAM paid the late filing fee and requested an Opportunity to be Heard (OTBH) by the Director pursuant to subsection 26(3) of the *Securities Act* that states:

> (3) Refusal – The Director shall not refuse to grant, renew, reinstate or amend registration or impose terms and conditions thereon without giving the applicant an opportunity to be heard.

5. The OTBH was conducted through written submissions.

Submissions

6. OSC staff focus on three criteria in determining whether an applicant is suitable for registration: proficiency, integrity and financial solvency.

7. The failure to file audited financial statements is an important factor in determining the continuing suitability of a registrant. The experience of OSC staff has been that delays in filing statements can be indicative of a serious underlying financial problem with the registrant.

8. Counsel for GSAM explained that they had received the audited financial statements on February 17, 2006. The delay in filing the statements was a result of GSAM intending to file its revised participation fee calculation forms at the same time as the financial statements. Delays in completing these forms and getting them signed by the co-heads of GSAM led to a delay in filing the financial statements.

9. GSAM does not have systems in place to produce monthly unaudited financial statements as proposed in the terms and conditions. As a result, complying with the terms and conditions would impose a significant financial burden on the firm. Counsel for GSAM also noted that insolvency is not a concern given the size of the firm.

10. GSAM recognizes the importance of filing statements on time. It has taken steps to ensure the fee revision forms and financial statements will be filed within the prescribed time periods in future years.

Decision

11. A registrant with the resources of GSAM should have had the ability to meet the filing requirements of the *Securities Act* within the prescribed time limits. I understand that there was also some confusion about whether the fee revision forms needed to be filed with the financial statements. In fact, GSAM filed its fee revision forms on March 17, 2006 several days after it filed its financial statements on March 8, 2006.

12. I agree with counsel for GSAM that financial solvency is not an issue in this case. However, an error was made and I believe that staff for GSAM will not make this mistake in the future.

13. Therefore, I am not imposing terms and conditions on the registration of GSAM. GSAM must continue to meet all requirements under the Act that apply to it as a registrant.

May 17, 2006

"David M. Gilkes"

3.2 Court Decisions, Orders and Rulings

3.2.1 Ontario Securities Commission v. Juniper Fund Management Corporation - Ont. S.C.J. [Commercial List]

Court File No. ●

ONTARIO SUPERIOR COURT OF JUSTICE
[COMMERCIAL LIST]

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

THE HONOURABLE	**)**	**THURSDAY THE 18th DAY**
	)	
MR. JUSTICE CUMMING	**)**	**OF MAY , 2006**

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

AND

THE JUNIPER FUND MANAGEMENT CORPORATION,
JUNIPER INCOME FUND and JUNIPER EQUITY GROWTH FUND

Respondents

ORDER

THIS APPLICATION, made by the Ontario Securities Commission (the "Commission") for an Order pursuant to Section 129 of the *Securities Act*, R.S.O. 1990, c.S.5 as amended (the "Act") appointing Grant Thornton Limited as Receiver (in such capacity, the "Receiver") without security, of all of the assets, undertakings and properties of The Juniper Fund Management Corporation ("JFMC"), Juniper Income Fund ("JIF") and Juniper Equity Growth Fund ("JEGF") (collectively, the "Juniper Group") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Naomi Chak sworn May 17, 2006 and the Exhibits thereto, and on hearing the submissions of counsel for the Commission, and on reading the consent of Grant Thornton Limited to act as Receiver,

SERVICE

1. **THIS COURT ORDERS AND DECLARES** that this Application is properly made by the Commission without notice to any other party and is properly returnable today, and hereby dispenses with further service of the Notice of Application and Application Record.

APPOINTMENT

2. **THIS COURT ORDERS** that, pursuant to Section 129 of the Act, Grant Thornton Limited be and it is hereby appointed Receiver, without security, of all of the Juniper Group's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (collectively, the "Juniper Property") and any assets, undertakings and properties relating to the Juniper Group's business including, without limitation, that which is in the possession or under the control of the Juniper Group or any other Person (as defined herein) including cash, deposit instruments, securities or other property held in trust for any other person (collectively, the "Other Property"), such appointment to be for a period of 15 days from the date hereof, subject to further Order of the Court.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver be and it is hereby empowered and authorized, but not obligated, to act at once in respect of the Juniper Property and the Other Property (collectively, the "Property") and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive and collect all monies, dividends or other amounts payable in respect of the Property;

(c) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

(e) to engage such investment managers, fund managers, portfolio managers, hedge fund managers and other financial professionals from time to time and on whatever basis, including on a temporary basis, as may in the opinion of the Receiver be appropriate;

(f) to invest and/or reinvest the Property as the Receiver considers appropriate;

(g) to incur such obligations as are appropriate and/or advisable for the purpose of carrying out the mandate prescribed herein;

(h) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to fulfill the Receiver's mandate hereunder;

(i) to receive and collect all monies and accounts now owed or hereafter owing to the Juniper Group (which term, for greater certainty, includes any of them) and to exercise all remedies of the Juniper Group in collecting such monies and accounts, including, without limitation, to enforce any security held by the Juniper Group;

(j) to settle, extend or compromise any indebtedness owing to the Juniper Group;

(k) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Juniper Group, for any purpose pursuant to this Order;

(l) to undertake environmental or workers' health and safety assessments of the Property and operations of the Juniper Group;

(m) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Juniper Group, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order of judgment pronounced in any such proceeding;

(n) without limiting the generality of the foregoing, to initiate such actions, applications and other proceedings as the Receiver considers appropriate;

(o) to report to, meet with and discuss with any party deemed necessary or advisable by the Receiver including, without limitation, any secured and unsecured creditors of the Juniper Group, persons holding units in JIF and/or JEGF (collectively, the "Unitholders"), any other stakeholder of the Juniper Group, and any of their advisors as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share and provide reasonable access to information and documentation, subject to such terms as to confidentiality as the Receiver deems advisable;

(p) without limiting the foregoing subparagraph (n), to report to, meet with and discuss with any regulatory bodies including provincial securities commissions, securities exchanges and investment industry governing bodies and their advisors as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(q) without limiting the foregoing subparagraph (n), to arrange and participate in a meeting of the Unitholders;

(r) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(s) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Juniper Group;

(t) to enter into agreements with any trustee in bankruptcy appointed in respect of the Juniper Group, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Juniper Group and the power to lend money to or indemnify any such trustee borrowings or indemnity not to exceed $100,000 unless otherwise increased by this Court;

(u) to negotiate and enter into an extension of any real property lease where the Receiver considers it advisable to do so, on such terms as the Receiver considers appropriate;

(v) to repudiate any real property lease where the Receiver considers it advisable to do so;

(w) to repudiate leases in respect of equipment leased by the Juniper Group, and to return any such equipment to the lessors;

(x) to arrange for the liquidation of such equipment and property of the Juniper Group as the Receiver considers advisable;

(y) to exercise any shareholder, partnership, joint venture or other rights which the Juniper Group may have; and

(z) to take any steps reasonably incidental to the exercise of these powers,

and in each such case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Juniper Group, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Juniper Group (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instruction or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person", which term, for greater certainty, includes Bank of Montreal, Royal Bank of Canada, National Bank of Canada, Canadian Imperial Bank of Commerce, National Bank Financial Limited, RBC Dominion Securities Inc., NBCN Inc., FundServ Inc., D-Tech Consulting and each of their respective affiliates) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, shall provide the Receiver with account numbers and/or names under which Property may be hold by third parties, and shall deliver all such Property to the Receiver upon the Receiver's request, without charge to the Receiver.

5. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to take possession and control of any funds, securities or other assets held by any Person in the name of the Juniper Group, in any former names of the Juniper Group or by a third party for the benefit of the Juniper Group, or any stakeholders of the Juniper Group, including, without limitation, all amounts held in trust for any other person.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Juniper Group or the Property, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not

alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may request including providing the Receiver with instruction on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. **THIS COURT ORDERS** that Internet Service Providers and other Persons which provide e-mail, world wide web, file transfer protocol, Internet connection or other similar services to the Juniper Group and/or its present and former directors, officers, employees and agents shall deliver to the Receiver all documents, server files, archive files and any other information in any form in any way recording messages, e-mail correspondence or other information sent or received by such directors, officers, employees or agents in the course of their association with the Juniper Group.

NO PROCEEDINGS AGAINST THE RECEIVER

9. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court, on seven (7) days notice to the Receiver and the Service List.

NO PROCEEDINGS AGAINST THE JUNIPER GROUP OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of the Juniper Group or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court, on seven (7) days notice to the Receiver and the Service List, and any and all Proceedings currently under way against or in respect of the Juniper Group or the Property are hereby stayed and suspended pending further Order of this Court, provided that nothing herein shall prevent the commencement or continuation of any proceedings against the Juniper Group by the Commission, including, without limitation, the proceedings commenced by Notice of Hearing issued March 21, 2006 pursuant to Section 127 of the Act.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against the Juniper Group or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver of leave of this Court, on seven (7) days notice to the Receiver and the Service List, provided however that nothing in this paragraph shall (i) empower the Receiver or the Juniper Group to carry on any business which the Juniper Group is not lawfully entitled to carry on, (ii) exempt the Receiver or the Juniper Group from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest or a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, arrangements, agreement, licence or permit in favour of or held by the Juniper Group, without written consent of the Receiver or leave of this Court, on seven (7) days notice to the Receiver and the Service List.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Juniper Group or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Juniper Group are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Juniper Group's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the normal payment practices of the Juniper Group or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever including, without limitation, the sale of all or any of the Juniper Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from

time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. **THIS COURT ORDERS** that the employment of each employee of the Juniper Group is hereby terminated. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction, provided that, pursuant to subsection 14.06(1.2) of the BIA, the Receiver shall not be liable for any amount that is or could be due to an employee by the Juniper Group including, without limitation, any amount calculated by reference to any period of employment, service or seniority that precedes the date of this Order. For greater certainty, nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA.

16. **THIS COURT ORDERS** that, pursuant to clause (7)(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized to disclose personal information of identifiable individuals to any party to the extent desirable or required to carry out the provisions of this Order. Each person to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to a manner which is in all material respects identical to the prior use of such information by the Juniper Group, and shall return all such information to the Receiver promptly upon the Receiver's request, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that the Receiver shall promptly advise the Ministry of the Environmental of any obvious or known environmental condition existing on or in any of the Property in accordance with the applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it in fact takes possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees and disbursements of the Receiver, its agents and the fees and disbursement of its legal counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

20. **THIS COURT ORDERS** the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and their legal counsel are referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that, prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $250,000 (or such greater amount as this Court may be further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The

whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver may at any time apply for its discharge as Receiver in the event that the Property is not, in the opinion of the Receiver, likely to be sufficient to indemnify the Receiver for its remuneration, costs, expenses and liabilities.

25. **THIS COURT ORDERS** that that Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

26. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis.

SERVICE

27. **THIS COURT ORDERS** that the Receiver is at liberty to serve notice of its appointment as Receiver by placing advertisements regarding such appointment substantially in the form attached hereto as Schedule "B" in at least one (1) Canadian daily newspaper with national distribution, and such advertisement shall constitute effective notice of the appointment of the Receiver and all Persons shall be deemed to have received notice of the appointment.

28. **THIS COURT ORDERS** that, except as otherwise specified herein, the Receiver is at liberty to serve any notice, form or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective addresses or other contact particulars as last indicated in the records of the Juniper Group and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.

29. **THIS COURT ORDERS** that the Receiver may serve any court materials in these proceedings (including, without limitation, application records, motion records, facta and orders) on all parties electronically, by e-mailing a PDF or other electronic copy of such materials (other than any book of authorities) to any such party's e-mail address as recorded on the service list, and posting a copy of the materials to an internet website to be hosted by the Receiver (or such other person as may be designated by the Receiver) (the "Website") as soon as practicable thereafter, provided that the Receiver shall deliver hard copies of such materials to any party requesting same as soon as practicable thereafter.

30. **THIS COURT ORDERS** that any party in these proceedings (other than the Juniper Group) may serve any court materials (including, without limitation, application records, motion records, facta and orders) on all other parties electronically, by emailing a PDF or other electronic copy of all materials (other than any book of authorities) to any such other party's e-mail address as recorded on the service list; provided that such party shall deliver both PDF or other electronic copies and hard copies of full materials to counsel to the Receiver and to any other party requesting same and the Receiver shall cause a copy to be posted to the Website, all as soon as practicable thereafter.

31. **THIS COURT ORDERS** that, unless otherwise provided herein or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings unless such Person has served a Notice of Appearance on the solicitors for the Receiver and has filed such notice with this Court.

GENERAL

32. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

33. **THIS COURT ORDERS** that the Receiver shall be entitled to make an assignment in bankruptcy on behalf of the Juniper Group (which term, for greater certainty, includes any member thereof), with leave of the Court first being obtained.

34. **THIS COURT ORDERS** that the Receiver shall be authorized to file an Application for a Bankruptcy Order in respect of the Juniper Group (which term, for greater certainty, includes any member thereof) (the "Bankruptcy Application"), provided that the Receiver shall not take any further step in the Bankruptcy Application without further Order of the Court.

35. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Juniper Group, with leave of the Court first being obtained.

36. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

37. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever locate, for the recognition of this Order and for assistance in carrying out the terms of this Order.

38. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

39. **THIS COURT ORDERS** that the Receiver shall be authorized to retain Morgan Meighen & Associates ("Morgan") on such terms as the Receiver considers appropriate, to provide the Receiver with advice regarding the investment strategy, the investment and reinvestment of the Property and the ongoing management of JIF and JEGF (together, the "Funds").

40. **THIS COURT ORDERS** that the Receiver shall be entitled to rely on the advice of Morgan in investing and reinvesting the Property. For greater certainty, and without limiting the foregoing, the Receiver shall not be required to act on any such advice.

41. **THIS COURT ORDERS AND DIRECTS** Roy Brown a.k.a. Roy-Brown Rodrigues ("Brown") to attend an examination under oath by the Receiver, at a time and place prescribed by the Receiver in a Notice of Examination to be served on Brown in accordance with the Ontario *Rules of Civil Procedure*, regarding Roy Brown's knowledge of the business and affairs of the Juniper Group, including, without limitation, with respect to bank and/or brokerage accounts, the movement of funds and other Property, and the Funds.

42. **THIS COURT ORDERS** that, without limiting the foregoing, Brown be and he is hereby directed to immediately advise the Receiver as to the existence and location of any Property, and Brown is hereby directed to immediately deliver any such Property to the Receiver upon the Receiver's request.

43. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to retain the law firm of Thornton Grout Finnigan LLP as the Receiver's counsel.

SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO._____
AMOUNT $_____

1. **THIS IS TO CERTIFY** that ●, the Receiver (the "Receiver") of all of the assets, undertakings and properties of The Juniper Fund Management Corporation, Juniper Income Fund and Juniper Equity Growth Fund appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the ● day of May, 2006 (the "Order") made in an action having Court File Number 06-CL-●, has received from the holder of this certificate (the "Lender") the principal sum of $●, being part of the total principal sum of $● which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated **[monthly not in advance on the ● day of each month]** after the date hereof at a notional rate per annum equal to the rate of ● per cent above the prime commercial lending rate of Bank of ● from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ● day of ●, 2006.

●, solely in its capacity as Receiver of
the Property (as defined in the Order),
and not in its personal capacity

Per: _____
Name:
Title:

SCHEDULE "B"

NOTICE
in respect of
THE JUNIPER FUND MANAGEMENT CORPORATION,
JUNIPER INCOME FUND and JUNIPER EQUITY GROWTH FUND (collectively, the "Juniper Group")

Please be advised that pursuant to the Order of the Honourable Mr. Justice • of the Ontario Superior Court of Justice (Commercial List) dated May 18, 2006 in Court File No. • (the "Order"), Grant Thornton Limited has been appointed as Receiver (the "Receiver") of all of the Juniper Group's assets, undertakings and properties. The appointment of the Receiver was made under Section 129 of the Ontario *Securities Act*.

A copy of the Order and other information regarding the Receiver's appointment are available online at www.•.

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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	19 May 06	
BF Minerals Ltd.	10 May 06	19 May 06	19 May 06	
Brazilian Resources, Inc.	10 May 06	19 May 06		24 May 06
Continental Home Healthcare Ltd.	12 May 06	24 May 06		
Dectron Internationale Inc.	11 May 06	23 May 06	23 May 06	
Golden Briar Mines Limited	10 May 06	19 May 06	19 May 06	
Leisure Canada Inc.	11 May 06	23 May 06		19 May 06
Roman Corporation Limited	23 May 06	02 Jun 06		
Sackport Ventures Inc.	12 May 06	24 May 06	24 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	23 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	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	12 May 06		
Fareport Capital Inc.	13 Sept 05	26 Sept 05	26 Sept 05		
Foccini International Inc.	02 May 06	15 May 06	15 May 06		
Genesis Land Development Corp.	11 Apr 06	24 Apr 06	24 Apr 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
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	16 May 06		
Lakefield Marketing Corporation	08 May 06	23 May 06	23 May 06		
MedX Health Corp.	02 May 06	15 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	16 May 06		
Precision Assessment Technology Corporation	07 Apr 06	20 Apr 06	20 Apr 06		
Simplex Solutions Inc.	02 May 06	15 May 06	15 May 06		
Specialty Foods Group Income Fund	04 Apr 06	17 Apr 06	17 Apr 06		

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
05/08/2006	1	970198 Alberta Ltd. - Common Shares	10,000.00	20,000.00
05/02/2006	13	Acrex Ventures Ltd. - Units	705,000.00	3,000,000.00
05/04/2006	5	African Gold Group, Inc. - Common Shares	660,000.00	330,000.00
05/10/2006	106	AGS Energy Fund 11, L.P. - Limited Partnership Units	9,445,000.00	1,889.00
05/08/2006	2	Airesurf Networks Holdings Inc. - Units	89,999.90	466,666.00
04/25/2006	27	Alberta Star Development Corp. - Units	10,175,000.00	5,500,000.00
05/01/2006	35	Alexandria Minerals Corporation - Units	509,900.00	1,699,666.00
05/11/2006	3	ALL Group Financial Services Inc. - Notes	225,000.00	3.00
05/09/2006	3	Alliance Surface Finishing Inc. - Preferred Shares	526,845.00	14,250.00
04/26/2006	1	Alta Partners VIII, L.P. - Limited Partnership Interest	20,000,000.00	20,000,000.00
05/08/2006 to 05/15/2006	5	APAR Inc. - Common Shares	250,000.00	N/A
05/08/2006 to 05/15/2006	19	APAR Inc. - Units	323,500.50	N/A
03/20/2006 to 03/29/2006	5	APAR Inc. - Units	80,647.35	N/A
05/05/2006	1	Apax France VII - Common Shares	57,495,942.50	39,999,960.00
04/17/2006	237	Aurcana Corporation - Units	4,470,000.00	22,350,000.00
05/02/2006	125	Automated Benefits Corp. - Units	7,197,000.00	23,990,000.00
05/02/2006	16	BOS Rentals Ltd. - Common Shares	13,050,000.00	1,450,000.00
04/28/2006 to 05/12/2006	6	Caledonia Mining Corporation - Units	3,916,591.00	32,638,259.00
03/31/2006	47	Carmax Explorations Ltd. - Units	711,480.00	7,168,000.00
05/02/2006	2	Caxton Global Investments Pref . Class E - Units	338,759.00	560.00
03/10/2006	4	CCP VIII L.P. No. 1.2 - Limited Partnership Units	41,300.00	41,300.00
03/10/2006	1	CCP VIII L.P. No. 2.2 - Limited Partnership Units	2,240.00	N/A
09/06/2006	2	Chartwell Master Care LP - Units	2,623,805.16	177,404.00
05/02/2006	1	Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. - Notes	250,000,000.00	250,000,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
05/08/2006	6	Covarity Inc. - Preferred Shares	3,287,286.00	6,574,572.00
05/26/2006 to 05/30/2006	2	Critical Outcome Technologies Inc. - Common Shares	100,100.00	205.56
05/12/2006	4	Crown Realty Limited Partnership - Limited Partnership Units	71,500,000.00	71,500,000.00
04/19/2006 to 05/12/2006	12	Currency Capital Corp. - Common Shares	54,000.00	13,500.00
05/15/2006	5	Diablo Technologies Inc. - Preferred Shares	12,000,000.05	46,840,236.00
05/04/2006	31	Diamondex Resources Ltd. - Units	16,554,999.40	23,650,000.00
04/28/2006	9	DnB NOR Bank ASA - Notes	171,943,240.00	1,720,000.00
05/03/2006	15	Dorian Energy Inc. - Common Shares	2,400,000.00	500,000.00
05/05/2006	5	Dynamic Fuel Systems Inc. - Units	385,277.00	2,140,428.00
05/05/2006	2	DynaMotive Energy Systems Corporation - Common Shares	643,694.00	215,000.00
06/17/2006	9	Dynasty Metals & Mining Inc. - Common Shares	10,000,000.00	2,000,000.00
05/09/2006	1	East West Resource Corporation - Common Shares	10,000.00	100,000.00
05/12/2006	1	EM-Power Financial Services Inc. - Common Shares	50,000.00	20,000.00
05/08/2006	2	Epsilon Energy Ltd. - Common Shares	80,000.00	80,000.00
05/04/2006	2	Exxel Energy Corp. - Units	105,000.00	1,000,000.00
05/02/2006	28	First Metals Inc. - Special Warrants	440,250.10	2,875,500.66
05/04/2006	2	Fluid Audio Network, Inc. - Preferred Shares	850,000.00	283,333.00
05/08/2006	34	Galveston LNG Inc. - Common Shares	9,000,000.00	3,000,000.00
04/27/2006	1	Geophysical Prospecting Inc. - Common Shares	5,000.00	N/A
05/05/2006	6	Global Green Solutions Inc. - Common Shares	941,120.00	2,000,000.00
05/04/2006	75	Goldrush Resources Ltd - Units	3,520,000.00	14,000,000.00
05/01/2006	5	Groundlayer Capital Inc.- Alpha fund - Units	2,500,000.00	9.61
05/01/2006	11	Hy Lake Gold Inc. - Common Shares	200,000.00	2,000,000.00
04/21/2006	3	Icon Industries Limited - Common Shares	18,000.00	N/A
12/14/2005	1	J.L. Albright IV Parallel Venture Fund L.P. - Limited Partnership Units	82,727.27	82.73
12/14/2005	4	J.L. Albright IV Venture Fund L.P. - Limited Partnership Units	20,162,222.22	20,162.22
03/31/2006	57	K-Bro Linen Income Fund - Trust Units	15,012,000.00	1,080,000.00
04/28/2006	28	Kalahari Resources Inc. - Non-Flow Through Units	295,000.00	5,900,000.00
05/02/2006	108	Katanga Mining Limited - Receipts	152,250,000.00	21,000,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
05/15/2006	28	Landmark Oil & Gas Corp. - Units	500,000.00	666,667.00
05/02/2006	32	Lebon Gold Mines Limited - Units	238,000.00	2,380,000.00
05/16/2006	22	Longbow Capital Limited Partnership #14 - Limited Partnership Units	3,190,000.00	3,190.00
05/11/2006	1	Marathon PGM Corporation - Units	5,000,000.00	1,250,000.00
05/05/2006	40	Mengold Resources Inc. - Units	860,000.00	2,385,000.00
05/04/2006	12	MethylGene Inc. - Units	22,803,738.40	7,356,044.00
05/05/2006	1	Minera Andes Inc. - Warrants	0.00	2,000,000.00
05/04/2006	112	Nautilus Minerals Corporation Limited - Common Shares	52,992,586.90	12,500,000.00
05/11/2006	1	Nevada Pacific Gold Ltd. - Units	2,231,514.80	5,578,787.00
05/12/2006	1	Nevsun Resources Ltd. - Common Shares	10,000,000.00	2,500,000.00
05/05/2006 to 05/12/2006	3	New Solutions Financial (II) Corporation - Debentures	450,000.00	3.00
05/05/2006	6	NexGen Financial Limited Partnership - Debentures	10,370,000.00	10,370,000.00
05/05/2006	1	NexGen Financial Limited Partnership - Option	130,000.00	N/A
05/05/2006	6	NexGen Financial Limited Partnership - Preferred Shares	12,191,138.00	12,191,138.00
05/01/2006	26	NIR Diagnostics Inc. - Units	492,000.00	3,280,000.00
05/11/2006	138	Northern Canadian Mining Inc. - Units	3,500,000.00	7,000,000.00
05/04/2006	2	Northstar Neuroscience Inc. - Common Shares	990,630.00	7,100,000.00
05/05/2006	49	Northwestern Mineral Ventures Inc. - Units	17,972,422.95	21,144,027.00
05/09/2006	1	Pele Mountain Resources Inc. - Common Shares	75,000.00	200,000.00
05/08/2006 to 05/18/2006	14	Powertree Limited Partnership I - Units	140,000.00	4.00
05/01/2006	6	Promittere Retirement Trust - Units	305,000.00	38,136.00
05/04/2006	12	Riverstone Resources Inc. - Units	3,285,000.00	8,212,500.00
05/12/2006	7	Roundtable Capital Partners Inc. - Debentures	1,000,000.00	1,000,000.00
04/13/2006	20	Sage Gold Inc. - Units	1,099,000.00	10,990,000.00
05/10/2006	21	Scisense Limited Partnership - Limited Partnership Units	495,099.00	99.00
05/08/2006 to 05/17/2006	34	Sea Green Capital Corp. - Flow-Through Shares	668,000.00	5,180,000.00
05/04/2006 to 05/15/2006	101	Sigma Ventures Inc. - Common Shares	5,999,980.00	9,999,967.00
05/01/2006	4	Spartan Arbitrage Fund Limited Partnership - Units	700,000.00	700.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
05/10/2006	1	St Andrew Goldfields Ltd - Common Shares	14,091,836.00	100,000,000.00
05/01/2006	3	Sterling Diversified Fund - Limited Partnership Units	387,500.00	387,500.00
05/01/2006	4	Sterling Growth Fund - Limited Partnership Units	261,000.00	261,000.00
04/24/2006	87	Strategic Oil & gas Ltd. - Common Shares	2,797,400.00	1,748,374.00
05/09/2006	6	Strathmore Minerals Corp. - Flow-Through Shares	5,091,900.00	1,697,300.00
05/09/2006	3	Strathmore Minerals Corp. - Units	3,607,895.00	1,568,650.00
05/05/2006	1	Thundermin Resources Inc. - Common Shares	300,000.00	2,000,000.00
01/31/2006	16	Timbercreek Investments Inc. - Debentures	9,597,100.00	94,001.00
05/04/2006	38	TIO Networks Corp. - Common Shares	6,999,999.95	5,263,158.00
05/02/2006	1	Toyota Kreditbank GMBH - Notes	500,000,000.00	500,000,000.00
05/04/2006	38	Transeuro Energy Corp. - Flow-Through Shares	20,000,394.00	7,168,600.00
05/12/2006	1	Trident Global Opportunities Fund - Units	300,000.00	2,108.37
05/09/2006	3	Twoco Petroleums Ltd. - Flow-Through Shares	4,500,125.00	486,500.00
05/04/2006	18	Vencan Gold Corporation - Flow-Through Shares	600,000.00	6,000,000.00
05/04/2006	7	Vencan Gold Corporation - Units	200,000.00	2,000,000.00
04/30/2006	18	Vertex Balanced Fund - Trust Units	2,277,848.16	32.70
04/30/2006	273	Walton GGH Simcoe Heights 3 Corporation - Common Shares	4,485,950.00	448,595.00
05/11/2006	438	Walton GGH Simcoe Heights 4 Corporation - Common Shares	6,306,650.00	63,365.00
05/11/2006	28	Walton International Group Inc. - Notes	2,270,000.00	690,000.00
05/04/2006 to 05/15/2006	5	Wimberly Apartments Limited Partnership - Notes	560,000.00	560,000.00
05/04/2006	1	Wimberly Apartments Limited Partnership - Notes	111,000.00	100,000.00
04/28/2006	2	Xceed Mortgage Trust - Notes	175,496,898.00	N/A
05/05/2006	38	XGen Ventures Inc. - Units	802,500.00	2,790,000.00
12/06/2006	231	Zecotek Medical Systems Inc. - Units	12,800,460.00	6,389,400.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Cordero Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 17, 2006
Offering Price and Description:
$19,937,500.00 - 2,750,000 Common Shares Price: $7.25 per Common Share
Underwriter(s) or Distributor(s):
Peters & Co. Limited
Tristone Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Promoter(s):
-
Project #941470

Issuer Name:
Credential Money Market Fund
Principal Regulator - British Columbia
Type and Date:
Preliminary Simplified Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
Class F Units
Underwriter(s) or Distributor(s):
Credential Asset Management Inc.
Promoter(s):
Ethical Funds Inc.
Project #943066

Issuer Name:
Davis + Henderson Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
$116,000,500.00 - 6,026,000 Subscription Receipts each representing the right to receive one trust unit
Price: $19.25 per Subscription Receipt
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Scotia Capital Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
Promoter(s):
-
Project #942832

Issuer Name:
Divestco Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated May 18, 2006
Mutual Reliance Review System Receipt dated May 18, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Offered Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
Blackmont Capital Inc.
FirstEnergy Capital Corp.
Northern Securities Inc.
Promoter(s):
-
Project #942240

Issuer Name:
Evertz Technologies Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Genuity Capital Markets G.P.
Raymond James Ltd.
Promoter(s):
-
Project #942868

Issuer Name:
E.D. Smith Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
$ * - * Subscription Receipts, each representing the right to receive one Unit
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
Scotia Capital Inc.
TD Securities Inc.
Genuity Capital Markets G.P.
Clarus Securities Inc.
Canaccord Capital Corporation
Promoter(s):
E.D. Smith & Sons, Limited
Project #942714

Issuer Name:
First National Financial Income Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
$10.00 - * Units Price: $10.00 Per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Sprott Securities Inc.
Promoter(s):
First National Financial Corporation
Project #933860

Issuer Name:
Garda World Security Corporation
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 18, 2006
Offering Price and Description:
$105,300,000.00 - 4,500,000 Class “A” Shares Issuable Upon the Exercise of Previously Issued Special Warrants
Underwriter(s) or Distributor(s):
GMP Securities L.P.
BMO Nesbitt Burns Inc.
Desjardins Securities Inc.
Promoter(s):
-
Project #942174

Issuer Name:
Mercer International Inc.
Principal Regulator - British Columbia
Type and Date:
Preliminary MJDS Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
9,000,000 Common Shares
Underwriter(s) or Distributor(s):
Raymond James Ltd.
RBC Dominion Securities Inc.
UBS Securities Canada Inc.
Promoter(s):
-
Project #942967

Issuer Name:
Newport Partners Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated May 18, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
$75,026,000.00 - 8,155,000 Units Price: $9.20 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
Sprott Securities Inc.
BMO Nesbitt Burns Inc.
HSBC Securities (Canada) Inc.
Scotia Capital Inc.
TD Securities Inc.
Raymond James Ltd.
Acumen Capital Finance Partners Limited
Blackmont Capital Inc.
Promoter(s):
-
Project #942464

Issuer Name:
NBC Capital Trust
National Bank of Canada
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
$ * - * Trust Capital Securities - Series 1 (NBC CapsS - Series 1) Price: $1,000 per NBC CapS - Series 1
Underwriter(s) or Distributor(s):
National Bank Financial Inc.
Promoter(s):
-
Project #942818/942816

Issuer Name:
Standard Life Aggressive Portfolio
Standard Life Canadian Small Cap Fund
Standard Life Conversative Portfolio
Standard Life Corporate High Yield Bond Fund
Standard Life Global Dividend Growth Fund
Standard Life Global Equity Focus Fund
Standard Life Growth Portfolio
Standard life Moderate Portfolio
Principal Regulator - Quebec
Type and Date:
Preliminary Simplified Prospectuses dated May 18, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
A-Series, F-Series, E-Series, Legend Series and O-Series 1 Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
The Standard Life Assurance Company
Project #941961

Issuer Name:
Standard Radio Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
RBC Dominion Securities Inc.
Promoter(s):
Standard Radio Inc.
Project #942518

Issuer Name:
Teranet Income Fund
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
$ * * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns
Scotia Capital Inc.
TD Securities Inc.
Canaccord Capital Corporation
Desjardins Securities Inc.
Orion Securities Inc.
GMP Securities L.P.
Sprott Securities Inc.
MGI Securities Inc.
Promoter(s):
Teramira Holdings Inc.
Project #935021

Issuer Name:
TORR Canada Inc. (formerly ENVIRONMENTAL APPLIED RESEARCH TECHNOLOGY HOUSE - EARTH (CANADA) CORPORATION)
Principal Regulator - Quebec
Type and Date:
Preliminary Short Form Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 17, 2006
Offering Price and Description:
$20,130,000.00 - 12,200,000 Common Shares Price: $1.65 per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Paradigm Capital Inc.
Versant Partners Inc.
Promoter(s):
-
Project #941497

Issuer Name:
US Gold Corporation
Principal Regulator - Ontario
Type and Date:
Preliminary Prospectus dated May 18, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
16,700,000 Units to be issued upon the exercise of 16,700,000 previously issued Subscription Receipts
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Promoter(s):
-
Project #942586

Issuer Name:
Watt Carmichael Opportunity Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectus dated May 16, 2006
Mutual Reliance Review System Receipt dated May 17, 2006
Offering Price and Description:
Class A, F and O Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
Watt Carmichael Inc.
Project #941199

Issuer Name:
Acker Finley Canada Focus Fund (formerly, QSA Canada Focus Fund)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
Mutual Fund Securities @ Net Asset Value
Underwriter(s) or Distributor(s):
Acker Finley Asset Management Inc.
Promoter(s):
Acker Finley Asset Management Inc.
Project #918988

Issuer Name:
Arctic Glacier Income Fund
Principal Regulator - Manitoba
Type and Date:
Final Short Form Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 17, 2006
Offering Price and Description:
$50,001,100.00 - 4,673,000 Subscription Receipts each representing the right to receive one Trust Unit; and $100,000,000.00 - 6.50% Extendible Convertible Unsecured Subordinated Debentures Price: $10.70 per Subscription Receipt Price: $1,000 per Debenture
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Wellington West Capital Markets Inc.
Promoter(s):
-
Project #936342

Issuer Name:
Corriente Resources Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 18, 2006
Mutual Reliance Review System Receipt dated May 18, 2006
Offering Price and Description:
$125,001,500.00 - 19,231,000 Common Shares $6.50 per Offered 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:
Demcap Investments inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated May 12, 2006
Mutual Reliance Review System Receipt dated May 18, 2006
Offering Price and Description:
Minimum Offering : $800,000.00 or 2,666,667 Common Shares; Maximum Offering : $1,200,000.00 or 4,000,000 Common Shares Price : 0.30$ per Common Share
Minimum Subscription : $300 or 1,000 Common Shares
Underwriter(s) or Distributor(s):
Desjardins Securities Inc.
Promoter(s):
Claude Blanchet
Project #900889

Issuer Name:
Dundee Real Estate Investment Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 23, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
$100,036,000.00 - 3,560,000 REIT Units, Series A Price: $28.10 per Unit
Underwriter(s) or Distributor(s):
TD Securities Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
Dundee Securities Corporation
RBC Dominion Securities Inc.
National Bank Financial Inc.
Genuity Capital Markets G.P.
Canaccord Capital Corporation
Desjardins Securities Inc.
HSBC Securities (Canada) Inc.
Trilon Securities Corporation
Promoter(s):
-
Project #939479

Issuer Name:
E-Claim Solution
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 18, 2006
Offering Price and Description:
Minimum Offering: $900,000.00 or 6,000,000 Common Shares; Maximum Offering: $1,665,000.00 or 11,100,000 Common Shares Price: $0.15 per common share
Underwriter(s) or Distributor(s):
Versant Partners Inc.
Promoter(s):
Claude Roy
Project #914470

Issuer Name:
Gluskin Sheff + Associates Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
-
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:
Harmony U.S. Equity Pool
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated May 4, 2006 to the Simplified Prospectus dated January 18, 2006 and Amendment #3 dated May 4, 2006 to the Annual Information Form dated January 18, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
Wrap Series and Embedded Series Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AGF Funds Inc.
Project #869789

Issuer Name:
IMA Exploration Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
$10,027,500.00 - 2,865,000 Common Shares and 1,432,500 Warrants to be issued upon the excise or deemed exercise of 2,865,000 Special Warrants and 171,900 Broker Warrants to be issued on the exercise or deemed exercise of 171,900 Agents' Compensation's Options.
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Paradigm Capital Inc.
Blackmont Capital Inc.
Promoter(s):
-
Project #936514

Issuer Name:
Isotechnika Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Shelf Prospectus dated May 23, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
C$40,000,000.00 - Common Shares
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #922401

Issuer Name:
Long Reserve Life Resource Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated May 18, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
Maximum $100,000,000.00 (10,000,000 Units @ $10 per Unit)
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
RBC Dominion Securities Inc.
TD Securities Inc.
BMO Nesbitt Burns Inc.
National Bank Financial Inc.
Scotia Capital Inc.
Canaccord Capital Corporation
HSBC Securities (Canada) Inc.
Raymond James Ltd.
Desjardins Securities Inc.
Dundee Securities Corporation
Berkshire Securities Inc.
Blackmont Capital Inc.
GMP Securities L.P.
MGI Securities Inc.
Rothenberg Capital Management Inc.
Wellington West Capital Inc.
Promoter(s):
Fairway Advisors Inc.
Project #912203

Issuer Name:
Optimal Geomatics Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 17, 2006
Offering Price and Description:
Cdn $5,000,000.00 - 14,705,883 Common Shares
Underwriter(s) or Distributor(s):
Canaccord Capital Corporation
Promoter(s):
-
Project #919748

Issuer Name:
QuestAir Technologies Inc.
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 23, 2006
Mutual Reliance Review System Receipt dated May 23, 2006
Offering Price and Description:
$20,000,250.00 - 14,815,000 Common Shares Price: $1.35 per Common Share
Underwriter(s) or Distributor(s):
Clarus Securities Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #932644

Issuer Name:
RIOCAN REAL ESTATE INVESTMENT TRUST
Principal Regulator - Ontario
Type and Date:
Final Short Form Base Shelf Prospectus dated May 19, 2006
Mutual Reliance Review System Receipt dated May 19, 2006
Offering Price and Description:
$3,000,000,000.00 - Debt Securities Units (Senior Unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #939228

Issuer Name:
SIRIT Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 18, 2006
Offering Price and Description:
$11,050,000.00 - 42,500,000 Common Shares - Price: $0.26 per Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Wellington West Capital Markets Inc.
Dundee Securities Inc.
Haywood Securities Inc.
MGI Securities Inc.
Promoter(s):
-
Project #927072

Issuer Name:
Tournigan Gold Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated May 16, 2006
Mutual Reliance Review System Receipt dated May 18, 2006
Offering Price and Description:
Cdn. $45,250,150.00 - 31,207,000 Common Shares Issuable on Exercise of 31,207,000 Special Warrants and 936,210 Broker Warrants Issuable on Exercise of 936,210 Compensation Options
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
Promoter(s):
-
Project #925376

Issuer Name:
Uranium Participation Corporation
(Common Shares)
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated May 17, 2006
Mutual Reliance Review System Receipt dated May 17, 2006
Offering Price and Description:
$45,000,450.00 - 5,454,600 common shares @ a price of $8.25 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:
American Capital Strategies, Ltd.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary MJDS Prospectus dated November 11th, 2005
Withdrawn on May 19th, 2006
Offering Price and Description:
U.S. $3,000,000,000.00 - Common Stock; Preferred Stock; Debt Securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #853564

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	First State Investments International Limited	International Adviser (Investment Counsel & Portfolio Manager)	May 23, 2006-
New Registration	Cassis Capital Corporation	Limited Market Dealer	May 19, 2006
Suspended based on the firm's consent to suspension under Rule 33-501 – *Surrender of Registration*	Stratagem Investment Counsel Inc.	Investment Counsel and Portfolio Manager	May 17, 2006
Reinstated	Interpose Sault Incorporated	Limited Market Dealer	May 12, 2006
Change of Name	From: J.C. Clark Inc. To: JC Clark Inc.	Investment Counsel and Portfolio Manager	April 28, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 RS Market Integrity Notice – Amendment Approval

PROVISIONS RESPECTING CLIENT PRIORITY

Summary

This Market Integrity Notice provides notice of the approval by the applicable securities regulatory authorities effective May 26, 2006 of amendments to the Universal Market Integrity Rules respecting to client priority such that, subject to certain exceptions, a Participant must give priority to a client order over all principal orders and non-client orders that are entered on a marketplace after the receipt of the client order:

- for the same security;
- at the same or better price;
- on the same side of the market; and
- on the same conditions and settlement terms.

Questions / Further Information

For further information or questions concerning this notice contact:

James E. Twiss
Chief Policy Counsel
Telephone: 416.646.7277
Fax: 416.646.7265
e-mail: james.twiss@rs.ca

PROVISIONS RESPECTING CLIENT PRIORITY

Summary

This Market Integrity Notice provides notice of the approval by the applicable securities regulatory authorities effective May 26, 2006 of amendments (the "Amendments") to the Universal Market Integrity Rules ("UMIR") respecting client priority such that, subject to certain exceptions, a Participant must give priority to a client order over all principal orders and non-client orders that are entered on a marketplace after the receipt of the client order:

- for the same security;
- at the same or better price;
- on the same side of the market; and
- on the same conditions and settlement terms.

Background to the Amendments

On June 10, 2005, Market Regulation Services Inc. ("RS") issued Market Integrity Notice 2005-017 requesting comments on proposed amendment to UMIR respecting client priority (the "Proposal"). The applicable securities regulatory authorities (the "Recognizing Regulators") approved the Amendments which contain a number of changes from the original Proposal. The Amendments are effective May 26, 2006. The differences between the Amendments and the Proposal are summarized later in this notice under the heading "Summary of Changes from the Proposal".

Prior to the adoption of the Amendments, Rule 5.3 of UMIR provided that a Participant need not give priority to a client order over a principal order or non-client order if the allocation had been made by the trading system of a marketplace. This approach is acceptable when all marketplaces utilize the same allocation algorithms. However, if there are multiple marketplaces trading the same securities there is a probability that each of the marketplaces will have variations in the priorities for the allocation of orders in respect of trades executed on the marketplace. With the possible introduction of new allocation algorithms, the interests of a client could be affected, intentionally or unintentionally, based on the marketplace on which either the client order or the principal order or non-client order is entered.

Presuming that a Participant has implemented a reasonable system of internal policies and procedures to ensure compliance with the client priority rule and to prevent misuse of information about client orders, nonetheless the Participant under the prior version of Rule 5.3 was not able to rely on the allocation provided by the trading system of a marketplace if:

- any of the client order, principal order or non-client order had been executed on a market other than on a marketplace (e.g. a foreign stock exchange or an organized regulated market outside of Canada);
- the client order was not immediately entered upon receipt; or
- the client order was subsequently changed or cancelled by the Participant (e.g. by the trader in response to market conditions in an attempt to get "best execution" for the client) other than on the instruction of the client.

The Amendment addresses the practical problems associated with the inability of a Participant being in a position to rely on the "trading system exemption" by tying the obligation to provide client priority directly to the time of receipt of the client order.

Summary of the Impact of the Amendments

The following is a summary of the most significant differences between the client priority requirements under the Amendments as compared to the previous provisions of Rule 5.3 and Policy 5.3. Under the Amendments:

- a Participant is required to provide priority for a client order over a principal order or non-client order only if the client order is received prior to the entry of the principal order or non-client order and the client order is at the same or "better" price and is subject to the same conditions and settlement terms as the principal order or non-client order;
- the provisions clarify that a trade permitted by the client priority rule is nonetheless subject to any restrictions imposed by Rule 4.1 dealing with frontrunning;
- a principal order or non-client order is exempted from the client priority requirement if the principal order or non-client order is:

  - automatically generated by the trading system of an exchange or quotation and trade reporting system pursuant to market making obligations, or
  - a Basis Order;

- a client is deemed to have consented to the principal order or non-client order trading in priority if the client has instructed that their order be executed in part at various times during the trading day or at various prices during the trading day;
- a client may provide a "conditional consent" to the principal order or non-client order trading in priority which would require the Participant to "give up" all or part of its fills to the client order if the client's condition is not satisfied;
- if the security trades on more than one marketplace, the Participant would not be able to rely on an allocation made by the trading system of a marketplace unless:
  - the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order, or
  - each of the client order and the principal order or non-client order was entered on the same marketplace; and
- a principal order or non-client order could trade in priority to a client order if a Market Integrity Official requires or permits the trade.

Summary of the Amendments

The following is a summary of the provisions of the Amendments to Rule 5.3 and Policy 5.3:

Same Conditions and Settlement Terms

Rule 5.3 previously provided that a Participant must provide priority to its client orders:

- for the same security;
- at the same or better price; and
- on the same side of the market.

The Amendments varied these requirements such that priority would be provided only if the client order was on the same conditions and settlement terms as the principal or non-client order. The Amendments recognize that unless the conditions and settlement terms are the same, the principal order or non-client order has not effectively taken away a trading opportunity from the client.

In order to prevent abuse, the Policy specifically states that it is unacceptable for a Participant to:

- add terms or conditions to a client order (other than on the instructions of the client) so that the client order ranks behind principal or non-client orders at that price; or
- put terms or conditions on a principal or non-client order for the purpose of differentiating the principal or non-client order from a client order that would otherwise have priority at that price.

Anonymous Orders

A Participant does not have to provide priority for a client order that has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the person who enters the principal order or non-client order has no knowledge that the "anonymous" order is from a client of the Participant until the execution of the client order.

With the introduction of "attribution choice" on the TSX in March of 2002, an intentional cross with an unattributed order on both the buy and sell side was exempt from interference. To the extent that a principal order or non-client order may be entered without the disclosure of the relevant identifier of the Participant, it may be possible for a principal account or non-client account to obtain an execution in priority to a previously entered client order where the identifier of the Participant has been disclosed on

the entry of the client order. Under the previous client priority rule, the Participant may not have had to reallocate any fill obtained by the "unattributed" principal or non-client order to the previously entered client order as the allocation had been made by a trading system of a marketplace. However, RS took the position as set out in Market Integrity Notice 2003-024 dated October 31, 2003 that a Participant would be expected to provide priority to any "disclosed" client order. With the adoption of the Amendments, this position has been incorporated directly into the Policies and a Participant is under an obligation to provide priority to any previous client order on the same terms.

Exemptions for Trades Pursuant to Market Maker Obligations

Previously, the requirement to provide priority to a client order had been interpreted not to apply in the event the principal order or non-client order had been automatically generated by the trading system of a marketplace in order to fulfil Market Maker Obligations imposed by that marketplace on the Participant or an employee of the Participant in accordance with the applicable Marketplace Rules. In executing these trades, the market maker is not attempting to bypass client orders but to meet its obligations as a market maker. The Amendments incorporate this interpretation into the language of the rule.

Exemptions for a "Basis Order"

Effective April 8, 2005, UMIR was amended to provide recognition to a "Basis Order". A Basis Order is subject to a number of conditions including that the price of the resulting trade is determined in a manner acceptable to a Market Regulator based on the price achieved through the execution on that trading day of one or more transactions in a derivative instrument that is listed on a recognized exchange or quoted on a recognized quotation and trade reporting system. Under these circumstances, a Participant that executes a principal order as a Basis Order is not attempting to bypass client orders at the same or a better price but merely completing a trade at a price which is determined by derivative transactions. The Amendments to the client priority rule provide an exemption for a principal order or non-client order entered as a Basis Order.

Reliance on Trading System Allocation

Previously Rule 5.3 allowed a Participant to rely on trading allocations made by a trading system of a marketplace provided:

- the client order was entered on a marketplace immediately upon receipt;
- the client order was not varied except on the instruction of the client; and
- the Participant has a reasonable system of internal policies and procedures to prevent misuse of information about client orders.

This provision was based on a previous requirement of the TSX which had adopted "time priority" as the basis for trade allocations. However, if there are multiple marketplaces trading the same securities and each marketplace has distinct allocation algorithms, the interests of a client could be affected intentionally or unintentionally based on the marketplace on which either the client order or the principal order or non-client order is entered.

With the adoption of the Amendments, a Participant will only be able to rely on the trading system exemption if:

- the security which is the subject of the orders trades on a single marketplace;
- the principal order or non-client is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order; or
- each of the client order and the principal order or non-client order was entered on the same marketplace.

The exception for the Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order recognizes that the price at which these orders will execute is generally not known at the time of the entry of the order. Provided the client order has been entered on receipt and not varied without the consent of the client, any allocation by the trading system of the marketplace for these "specialty orders" is not an attempt to bypass client orders. Similarly, if the client order has been entered on receipt and not varied without the consent of the client, any allocation by the trading system of the marketplace between a client order and a principal order or non-client is not an attempt to bypass client orders.

Client Consent

Specific Consent

A Participant does not have to provide priority to a client order if the client specifically consents to the Participant trading alongside or ahead of the client. The consent of the client must be specific to a particular order and details of the agreement

with the client must be noted on the order ticket. A client cannot give a blanket form of consent to permit the Participant to trade alongside or ahead of any future orders the client may give the Participant.

If the client order is part of a pre-arranged trade that is to be completed at a price below the best bid price or above the best ask price as indicated on a consolidated market display, the Participant will be under an obligation to ensure that "better-priced" orders on a marketplace are filled prior to the execution of the client order. Prior to executing the client order, the Participant must ensure that the client is aware of the better-priced orders and has consented to the Participant executing as against them in priority to the client. The consent of the client must be noted on the order ticket.

Deemed Consent

Under the Amendments, a client is deemed to have consented to the principal order or non-client order trading in priority if the client has instructed that their order is to be executed in part at various times during the trading day or at various prices during the trading day. Unless the client has provided standing written instructions that all orders are to be executed at various times during the trading day or a various prices during the trading day, the client instructions should be treated as specific to a particular order and the details of the instructions by the client must be noted on the order ticket. This Amendment incorporates the existing administrative interpretation provided by RS with respect to client consent.

Conditional Consent

Under the Amendments to the Policies, a client may provide a "conditional consent" to the principal order or non-client order trading in priority which would require the Participant to "give up" all or part of its fills to the client order if the client's condition is not satisfied. For example, a client may consent to a principal order of Participant sharing fills with the client order provided the client order is fully executed by the end of the trading day. If the client's order is not fully executed, the client may expect that the Participant "give up" its fills to the extent necessary to complete the client order. In this situation, the Participant should mark its orders as "principal" throughout the day. Any part of the execution which is given up to the client should not be re-crossed on a marketplace but should simply be journalled to the client (since the condition of the consent has not been met, the fills in question could be viewed as properly belonging to the client rather than the principal order). To the extent that a Participant "gives up" part of a fill of a principal order to a client based on the conditional consent, the Participant shall report the particulars of the "give up" to the Market Regulator not later than the opening of trading on marketplaces on the next trading day.

The conditional consent of the client must be specific to a particular order. The details of the agreement with the client must be noted on the order ticket.

Application of the Frontrunning Rule

The Amendments clarify that a trade that is permitted by Rule 5.3 dealing with client priority would nonetheless be subject to any restriction imposed by Rule 4.1 dealing with frontrunning. In particular, if a Participant has knowledge of a client order that has not been entered on a marketplace that could, on entry on a marketplace, reasonably be expected to affect the market price of the security, the Participant is precluded from:

- entering a principal or non-client order with respect to that security or a related security;
- soliciting an order from any other person for the purchase or sale of that security or any related security; or
- informing any other person, other than in the necessary course of business, of the client order.

If that part of a client order that has not been entered on a marketplace could "reasonably be expected to affect the market price of the security", the frontrunning rule would preclude the entry of a principal or non-client order even if the client had given consent for the Participant to trade alongside or ahead of the client order for the purposes of the client priority rule. A Participant must determine the extent to which a client order, including a limit order, that is to be entered in part at various times during the trading day (e.g. an "over-the-day" order) or at various prices throughout the day (e.g. to approximate a volume-weighted average price) would, upon entry on a marketplace, reasonably be expected to affect the market price of the security. If the client has provided specific consent, deemed consent or conditional consent to the Participant trading alongside or ahead of the client order that could reasonably be expected to affect the market price of the security, a Participant would be able to rely on the exemptions from the frontrunning rule that would permit the entry of a principal or non-client order if:

- no director, officer, partner, employee or agent of the Participant who made or participated in making the decision to enter a principal order or non-client order or to solicit an order had actual knowledge of the client order;
- an order is entered or trade made for the benefit of the client for whose account the order is to be made;

- an order is solicited to facilitate the trade of the client order;
- a principal order is entered to hedge a position that the Participant had assumed or agreed to assume before having actual knowledge of the client order provided the hedge is:
    - commensurate with the risk assumed by the Participant, and
    - entered into in accordance with the ordinary practice of the Participant when assuming or agreeing to assume a position in the security;
- a principal order is made to fulfil a legally binding obligation entered into by the Participant before having actual knowledge of the client order; or
- the order is entered for an arbitrage account.

Summary of Changes from the Proposal

Based on comments received in response to the Request for Comments contained in Market Integrity Notice 2005-017 and based on comments received from the Recognizing Regulators, RS made a number of changes to the Proposal. The text of the Amendments is set out in Appendix "A" and the revisions made to the Proposal are highlighted in Appendix "B". The following is a summary of the significant changes made to the Proposal on the adoption of the Amendments:

"Same Terms and Conditions"

Under the Proposal, a Participant would have to provide client priority for a prior client order that had the same "terms and conditions". In order to clarify the ambit of this provision, the Amendments were varied to make specific reference to a "Special Terms Order". Under Rule 1.1 of UMIR, a "Special Terms Order" means an order for the purchase or sale of a security:

- for less than a standard trading unit;
- the execution of which is subject to a condition other than as to price or date of settlement; or
- that on execution would be settled on a date other than:
    - the third business day following the date of the trade, or
    - any settlement date specified in a special rule or direction referred to in subsection (2) of Rule 6.1 that is issued by an Exchange or a QTRS.

If either the client order or the principal order or non-client order is a Special Terms Order, a Participant would only have to provide priority to the client order if the client order would have executed in the transaction or transactions involving the principal order or non-client order. In the view of RS, this change is a clarification only and does not change the substance of the Proposal.

Trading System Allocation

The Amendments extended the circumstances under which a Participant may rely on an allocation made by the trading system of a marketplace in order to satisfy the requirements of the client priority rule. Under the Amendments, if the client order has been entered on receipt by the Participant and not varied without the consent of the client, any allocation by the trading system of the marketplace between a client order and a principal order or non-client entered on the same marketplace is not an attempt to bypass client orders and the Participant may rely on the allocation made by the trading system of the marketplace.

Appendices

- Appendix "A" sets out the text of the Amendments; and
- Appendix "B" contains a summary of the comments received by RS on the Proposal together with the response of RS to each of the comments. Appendix "B" also highlights the changes made to the Proposal that were incorporated upon the approval of the Amendments.

Questions / Further Information

For further information or questions concerning this notice contact:

James E. Twiss,
Chief Policy Counsel,
Market Policy and General Counsel's Office,
Market Regulation Services Inc.,
Suite 900,
145 King Street West,
Toronto, Ontario. M5H 1J8

Telephone: 416.646.7277
Fax: 416.646.7265
e-mail: james.twiss@rs.ca

ROSEMARY CHAN,
VICE PRESIDENT, MARKET POLICY AND GENERAL COUNSEL

Appendix "A"

Amendments Respecting Client Priority

The Universal Market Integrity Rules are amended by repealing Rule 5.3 and substituting the following:

5.3 Client Priority

(1) A Participant shall give priority to a client order of the Participant over all principal orders and non-client orders of the Participant that are entered on a marketplace or an organized regulated market after the receipt of the client order for the same security that is:

(a) at the same price or a higher price in the case of a purchase or the same or a lower price in the case of a sale; and

(b) on the same side of the market.

(2) Despite subsection (1) but subject to Rule 4.1, a Participant is not required to give priority to a client order if:

(a) the client specifically has consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same settlement terms;

(b) the client order has not been entered on a marketplace as a result of:

(i) the client specifically instructing the Participant to deal otherwise with the particular order,

(ii) the client specifically granting discretion to the Participant with respect to entry of the order, or

(iii) the Participant determining in accordance with Rule 6.3(1)(e) that, based on market conditions, entering the order would not be in the best interests of the client,

and no director, officer, partner, employee or agent of the Participant with knowledge that the client order has not been entered on a marketplace enters a principal order or a non-client order for the same security on the same side of the market on the same conditions and settlement terms;

(c) the principal order or non-client order is:

(i) automatically generated by the trading system of an Exchange or QTRS in accordance with the Marketplace Rules in respect of the applicable Market Maker Obligations, or

(ii) a Basis Order;

(d) the client order has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the director, officer, partner, employee or agent of the Participant who enters a principal order or a non-client order does not have knowledge that the client order is from a client of the Participant until the execution of the client order;

(e) the principal order or non-client order is executed pursuant to an allocation by the trading system of a marketplace and:

(i) either:

(A) the security which is the subject of the order trades on no marketplace other than that marketplace,

(B) the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order, or

(C) each of the client order and the principal order or non-client order was entered on the same marketplace,

(ii) the client order was entered by the Participant on that marketplace immediately upon receipt by the Participant, and

(iii) if the client order was varied or changed by the Participant at any time after entry, the variation or change was on the specific instructions of the client;

(f) either the client order or the principal order or non-client order is a Special Terms Order and the client order would not have executed in the transaction or transactions involving the principal order or non-client order due to the terms and conditions of at least one Special Terms Order; or

(g) a Market Integrity Official requires or permits the principal order or non-client order to be executed in priority to a client order.

(3) For the purposes of clause (2)(a), a client shall be deemed to have consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same conditions and settlement terms if the client order, in accordance with the specific instructions of the client, is to be executed in part at various times during the trading day or at various prices during the trading day.

The Policies under the Universal Market Integrity Rules are amended by repealing Policy 5.3 and substituting the following:

POLICY 5.3 – CLIENT PRIORITY

Part 1 – Background

Rule 5.3 restricts a Participant and its employees from trading in the same securities as a client of the Participant. The restriction is designed to minimize the conflict of interest that occurs when a Participant or its employee compete with the firm's clients for execution of orders. The Rule governs:

- *trading ahead* of a client order, which is taking out a bid or offering that the client could have obtained had the client order been entered first. By trading ahead, the pro order obtains a better price at the expense of the client order.

- *trading along* with a client, or competing for fills at the same price.

The application of the rule can be quite complex given the diversity of professional trading operations in many firms, which can include such activities as block facilitation, market making, derivative and arbitrage trading. In addition, firms may withhold particular client orders in order to obtain for the client a better execution than the client would have received if the order had been entered directly on a marketplace. Each firm must analyze its own operations, identify risk areas and adopt compliance procedures tailored to its particular situation.

A Participant has overriding agency responsibilities to its clients and cannot use technical compliance with the rule to establish fulfillment of its obligations if the Participant has not otherwise acted reasonably and diligently to obtain best execution of its client orders.

Part 2 – Prohibition on Intentional Trading Ahead

Rule 5.3 provides that a Participant must give priority of the execution to client orders over all principal orders and non-client orders of the Participant that are entered on a marketplace or an organized regulated market after the receipt of the client order for the same security at the same price on the same side of the market on the same conditions and settlement terms. The requirement is subject to certain exceptions necessary to ensure overall efficiency of order handling.

In particular, exceptions to the client priority rule are provided if the principal order or non-client order that is entered after the receipt of the client order is:

- automatically generated by the trading system of an Exchange or QTRS in accordance with the Market Maker Obligations of that marketplace;
- a Basis Order; or
- required or permitted to be executed by a Market Integrity Official in priority to the client order.

A principal order which is automatically generated by the trading system of an Exchange or QTRS in accordance with that marketplace's rules on market-making activities is not an intentional attempt by a Participant to trade ahead of or along with a client order. An exemption from the client priority rule is therefore provided in order to ensure overall market liquidity in accordance with established Market Making Obligations.

A Basis Order is undertaken at a price that is determined by prices achieved in related trades made in the derivatives markets. As such, the execution of a Basis Order is not an intentional attempt by a Participant to trade ahead of or along with a client order.

An exception to the client priority rule is also provided where the trading system of a marketplace allocates the fill to a principal order or non-client order. In order to be able to rely on this exception the following three conditions must be met:

- either:
  - the security does not trade on any marketplace other than the one on which the client order and the principal order or non-client order is entered,
  - the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order, or
  - each of the client order and the principal order or non-client order was entered on the same marketplace;
- the client order was entered immediately upon receipt by the Participant; and
- after entry, the client is not varied or changed except on the specific instructions of the client.

The exception that is provided for a principal or non-client order which is a Call Market Order, Opening Order, Market-on Close Order or a Volume-Weighted Average Price Order recognizes that the price at which such an order may execute will not generally be known at the time the principal or non-client order is entered on a marketplace. Provided the client order has been entered on receipt and not varied without the consent of the client, any allocation by the trading system of the marketplace for these particular types of orders is not an attempt to bypass client orders.

A Participant can never intentionally trade ahead of a client market or tradeable limit order received prior to the entry of the principal order or non-client order without the specific consent of the client. Examples of "intentional trades" include, but are not limited to:

- withholding a client order from entry on a marketplace (or removing an order already entered on a marketplace) to permit the entry of a competing principal or non-client order ahead of the client order;
- entering a client order in a relatively illiquid market and entering a principal or non-client order in a more liquid marketplace where the principal or non-client order is likely to obtain faster execution;
- adding terms or conditions to a client order (other than on the instructions of the client) so that the client order ranks behind principal or non-client orders at that price;
- putting terms or conditions on a principal or non-client order for the purpose of differentiating the principal or non-client order from a client order that would otherwise have priority at that price; and
- entering a principal order or non-client order as an "anonymous order" (without the identifier of the Participant) which results in an execution in priority to a previously entered client order where the identifier of the Participant has been disclosed on the entry of the client order.

Part 3 – No Knowledge of Client Order

Rule 5.3 also contains four exceptions to client priority that require the director, officer, partner, employee or agent of the Participant who enters the principal order or the non-client order to be unaware that the client order has not been entered. The exceptions are:

- the client specifically instructs the Participant to withhold entry of the order;
- the client specifically grants discretion to the Participant with respect to the entry of the order;
- the Participant withholds the client order from entry in accordance with Rule 6.3 in a *bona fide* attempt to get better execution for the client; and
- the client enters the order directly on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display.

In these circumstances, the Participant must have reasonable procedures in place to ensure that information concerning client orders is not used improperly within the firm. These procedures will vary from firm to firm and no one procedure will work for all firms. If a firm does not have reasonable procedures in place, it cannot rely on the exceptions. Reference should be made to Policy 7.1 – Policy on Trading Supervision Obligations, and in particular Part 4 – Specific Procedures Respecting Client Priority and Best Execution.

If a client has instructed a Participant to withhold an order or has granted a Participant discretion with respect to the entry of an order, details of the instruction or grant of discretion must be retained for a period of seven years from the date of the instruction or grant of discretion and, for the first two years, the consent must be kept in a readily accessible location.

Part 4 – Client Consent

A Participant does not have to provide priority to a client order if the client specifically consents to the Participant trading alongside or ahead of the client. The consent of the client must be specific to a particular order and details of the agreement with the client must be noted on the order ticket. A client cannot give a blanket form of consent to permit the Participant to trade alongside or ahead of any future orders the client may give the Participant.

If the client order is part of a pre-arranged trade that is to be completed at a price below the best bid price or above the best ask price as indicated on a consolidated market display, the Participant will be under an obligation to ensure that "better-priced" orders on a marketplace are filled prior to the execution of the client order. Prior to executing the client order, the Participant must ensure that the client is aware of the better-priced orders and has consented to the Participant executing as against them in priority to the client order. The consent of the client must be noted on the order ticket.

If the client has given the Participant an order that is to be executed at various times during a trading day (e.g. an "over-the-day" order) or at various prices (e.g. at various prices in order to approximate a volume-weighted average price), the client is deemed to have consented to the entry of principal and non-client orders that may trade ahead of the balance of the client order. Unless the client has provided standing written instructions that all orders are to be executed at various times during the trading day or a various prices during the trading day, the client instructions should be treated as specific to a particular order and the details of the instructions by the client must be noted on the order ticket. However, if the un-entered portion of the client order would reasonably be expected to affect the market price of the security, the Participant may be precluded from entering principal or non-client orders as a result of the application of the frontrunning rule.

In certain circumstances, a client may provide a conditional consent for the Participant to trade alongside or ahead of the client order. For example, a client may consent to a principal order of Participant sharing fills with the client order provided the client order is fully executed by the end of the trading day. If the client's order is not fully executed, the client may expect that the Participant "give up" its fills to the extent necessary to complete the client order. In this situation, the Participant should mark its orders as "principal" throughout the day. Any part of the execution which is given up to the client should not be re-crossed on a marketplace but should simply be journalled to the client (since the condition of the consent has not been met, the fills in question could be viewed as properly belonging to the client rather than the principal order). To the extent that a Participant "gives up" part of a fill of a principal order to a client based on the conditional consent, the Participant shall report the particulars of the "give up" to the Market Regulator not later than the opening of trading on marketplaces on the next trading day. The conditional consent of the client must be specific to a particular order. The details of the agreement with the client must be noted on the order ticket.

Appendix "B"

Comments Received on Proposed Amendments Respecting Client Priority

On June 10, 2005, RS issued Market Integrity Notice 2005-017 requesting comments on proposed amendments to UMIR respecting client priority (the "Proposal"). In response to that Market Integrity Notice, RS received comments from the following persons:

BMO Nesbitt Burns Inc. ("BMO")
Scotia Capital Inc. ("Scotia")
Shorcan Brokers Limited ("Shorcan")
TD Securities Inc. ("TD")

The following table presents a summary of the comments received together with the response of RS to those comments. Column 1 of the table also indicates the revisions to the Proposal as published on June 10, 2005 that have been made in the Amendments as approved.

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
5.3 Client Priority (1) A Participant shall give priority to a client order of the Participant over all principal orders and non-client orders of the Participant that are entered on a marketplace or an organized regulated market after the receipt of the client order for the same security that is: (a) at the same price or a higher price in the case of a purchase or <u>the same or</u> a lower price in the case of a sale; <u>and</u> ~~(b)~~ on the same side of the market~~; and~~ ~~(c) on the same conditions and settlement terms~~.	**BMO –** Problem is not really a mismatch of allocation algorithms but rather how a Participant can guarantee time priority to a client order. Believes that National Instrument 23-101 should be amended to require an electronic connection between marketplaces in order to satisfy client priority and trade-through obligations.	National Instrument 21-101 was amended to remove the requirement that marketplaces connect to every other marketplace trading the same security. As such, the proposed amendment is a response in part to that change in the marketplace structure.
	Scotia – Believes that there should be an electronic inter-connection between marketplaces and a single, or compatible, allocation algorithm. An inter-connection between marketplaces would relieve Participants on the obligation to monitor orders on several marketplaces and provide a cleaner audit trail, greater consistency and efficiency in execution and facilitate the introduction of TREATS.	See response to BMO comment above.
	TD – Concerned that proposal may require Participants to build sophisticated, centralized order management systems with connections to other markets.	The amendment will not require connections to all marketplaces. Rather it is the ability of the Participant to connect to multiple marketplaces that gives rise to the need for a Participant to discharge its fiduciary obligation to its client by providing priority to client orders. RS is proposing to expand the ability of a Participant to rely on a marketplace allocation to circumstances where both the client order and the principal or non-client order have been entered on the same marketplace (and the client order was entered immediately upon receipt by the Participant.)

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
(2) Despite subsection (1) but subject to Rule 4.1, a Participant is not required to give priority to a client order if: (a) the client specifically has consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same settlement terms; (b) the client order has not been entered on a marketplace as a result of: (i) the client specifically instructing the Participant to deal otherwise with the particular order, (ii) the client specifically granting discretion to the Participant with respect to entry of the order, or (iii) the Participant determining in accordance with Rule 6.3(1)(e) that, based on market conditions, entering the order would not be in the best interests of the client, and no director, officer, partner, employee or agent of the Participant with knowledge that the client order has not been entered on a marketplace enters a principal order or a non-client order for the same security on the same side of the market on the same conditions and settlement terms; (c) the principal order or non-client order is: (i) automatically generated by the trading system of an Exchange or QTRS in accordance with the Marketplace Rules in respect of the applicable Market Maker Obligations, or (ii) a Basis Order;	**BMO –** Believes that an exemption should be provided where the principal order is a "contingent order" or a "basket order" as the Participant is not attempting to bypass the client order.	The amendment originally proposed that priority is to be given to client orders "on the same conditions and settlement terms". In order to clarify the ambit of that phrase, RS is proposing to replace the language in subsection (1) with a new exemption under subsection (2) related to "Special Terms Orders". In the view of RS, this provision would permit a Participant to execute a "contingent order" or a "basket order" without reallocation to a client order unless the client order had the same contingencies or was for the same basket of securities (and each order comprising the "basket" is contingent on the execution of all of the other orders in the basket). Nonetheless, there is a general anti-avoidance provision which would preclude a Participant from adding a condition or an additional security to a basket for the purpose of avoiding the application of the client priority rule.
	Scotia – Concerned with the application of the frontrunning rule and believes that a Participant who is legitimately trading along side a client order with the client's consent should not be prohibited from doing so by regulation.	The frontrunning rule is not premised on the quantification of harm to the client. Rather the rule prohibits a Participant from taking advantage of client information which is reasonably expected to have an effect on the market price of a security and which is not available to other market participants
	Shorcan – Believes that the repeal of the existing trading system exemption has the effect of reducing competition among marketplaces that trade but do not list TSX securities. Believes that the change is unnecessary since a client's interest is already well protected under the current rules. RS is simply assuming adverse customer outcomes on marketplaces that have a different trading allocation algorithm than the TSX.	Rule 5.3 sets out how a Participant can discharge its fiduciary obligations to a client. The Market Integrity Notice indicates that a Participant is in a conflict situation when they can determine the marketplace on which their order is entered. The requirement is marketplace neutral in that the Participant will be obliged to give priority to client orders that were received by the Participant prior to the entry of the principal or non-client order.
	TD – Concerned that the application of	See response to Scotia comment

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
(d) the client order has been entered directly by the client of the Participant on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display and the director, officer, partner, employee or agent of the Participant who enters a principal order or a non-client order does not have knowledge that the client order is from a client of the Participant until the execution of the client order; (e) the principal order or non-client order is executed pursuant to an allocation by the trading system of a marketplace and: (i) either: (A) the security which is the subject of the order trades on no marketplace other than that marketplace, ~~or~~ (B) the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order, <u>or</u> <u>(C) each of the client order and the principal order or non-client order was entered on the same marketplace,</u> (ii) the client order was entered by the Participant on that marketplace immediately upon receipt by the Participant, and (iii) if the client order was varied or changed by the Participant at any time after entry, the variation or change was on the specific instructions of the client;~~or~~ <u>(f) either the client order or the</u>	the frontrunning rule may impede the ability of the firm to provide liquidity to clients in respect of large orders. Believes that a client should always be able to consent to a Participant trading alongside or ahead of a client order, particularly where the Participant has facilitated a trade with the client.	above. The frontrunning rule has always been interpreted as permitting a Participant to cover any position the Participant has taken on by executing as principal part of the client order. Such trading by the Participant requires the specific consent of the client under Rule 5.3. What would be offensive to the frontrunning rule would be transactions by a Participant with knowledge of an unentered client order that would affect the market ahead of or alongside a client (even with the consent of the client) in circumstances where the Participant has not taken on a position for the benefit of the client or undertakes transactions in excess of that position. RS would propose to clarify the interplay between the client priority and frontrunning rules in the Market Integrity Notice issued on the approval of the amendments.

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
principal order or non-client order is a Special Terms Order and the client order would not have executed in the transaction or transactions involving the principal order or non-client order due to the terms and conditions of at least one Special Terms Order; or (g) a Market Integrity Official requires or permits the principal order or non-client order to be executed in priority to a client order.		
(3) For the purposes of clause (2)(a), a client shall be deemed to have consented to the Participant entering principal orders and non-client orders for the same security at the same price on the same side of the market on the same conditions and settlement terms if the client order, in accordance with the specific instructions of the client, is to be executed in part at various times during the trading day or at various prices during the trading day.		
POLICY 5.3 – CLIENT PRIORITY **Part 1 – Background** Rule 5.3 restricts a Participant and its employees from trading in the same securities as a client of the Participant. The restriction is designed to minimize the conflict of interest that occurs when a Participant or its employee compete with the firm's clients for execution of orders. The Rule governs: • *trading ahead* of a client order, which is taking out a bid or offering that the client could have obtained had the client order been entered first. By trading ahead, the pro order obtains a better price at the expense of the client order. • *trading along* with a client, or competing for fills at the same price. The application of the rule can be quite complex given the diversity of professional trading operations in many firms, which can include such activities as block facilitation, market making, derivative and arbitrage		

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
trading. In addition, firms may withhold particular client orders in order to obtain for the client a better execution than the client would have received if the order had been entered directly on a marketplace. Each firm must analyze its own operations, identify risk areas and adopt compliance procedures tailored to its particular situation. **A Participant has overriding agency responsibilities to its clients and cannot use technical compliance with the rule to establish fulfillment of its obligations if the Participant has not otherwise acted reasonably and diligently to obtain best execution of its client orders.**		
Part 2 – Prohibition on Intentional Trading Ahead Rule 5.3 provides that a Participant must give priority of the execution to client orders over all principal orders and non-client orders of the Participant that are entered on a marketplace or an organized regulated market after the receipt of the client order for the same security at the same price on the same side of the market on the same conditions and settlement terms. The requirement is subject to certain exceptions necessary to ensure overall efficiency of order handling. In particular, exceptions to the client priority rule are provided if the principal order or non-client order that is entered after the receipt of the client order is: • automatically generated by the trading system of an Exchange or QTRS in accordance with the Market Maker Obligations of that marketplace; • a Basis Order; or • required or permitted to be executed by a Market Integrity Official in priority to the client order. A principal order which is automatically generated by the trading system of an Exchange or QTRS in accordance with that marketplace's rules on market-making activities is not an intentional attempt by a Participant to trade ahead of or along with a client order. An exemption from the client priority rule is therefore provided in order to ensure overall market liquidity in accordance		

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
with established Market Making Obligations. A Basis Order is undertaken at a price that is determined by prices achieved in related trades made in the derivatives markets. As such, the execution of a Basis Order is not an intentional attempt by a Participant to trade ahead of or along with a client order. An exception to the client priority rule is also provided where the trading system of a marketplace allocates the fill to a principal order or non-client order. In order to be able to rely on this exception the following three conditions must be met: • either: o the security does not trade on any marketplace other than the one on which the client order and the principal order or non-client order is entered, ~~or~~ o the principal order or non-client order is a Call Market Order, an Opening Order, a Market-on-Close Order or a Volume-Weighted Average Price Order, or o each of the client order and the principal order or non-client order was entered on the same marketplace; • the client order was entered immediately upon receipt by the Participant; and • after entry, the client order is not varied or changed except on the specific instructions of the client. The exception that is provided for a principal or non-client order which is a Call Market Order, Opening Order, Market-on Close Order or a Volume-Weighted Average Price Order recognizes that the price at which such an order may execute will not generally be known at the time the principal or non-client order is entered on a marketplace. Provided the client order has been entered on receipt and not varied without the consent of the client, any allocation by the trading system of the marketplace for these particular types of orders is not an attempt to bypass client orders. A Participant can never intentionally trade ahead of a client market or tradeable limit order received prior to the entry of the principal order or non-client order without the specific consent of the client. Examples of		

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
"intentional trades" include, but are not limited to: • withholding a client order from entry on a marketplace (or removing an order already entered on a marketplace) to permit the entry of a competing principal or non-client order ahead of the client order; • entering a client order in a relatively illiquid market and entering a principal or non-client order in a more liquid marketplace where the principal or non-client order is likely to obtain faster execution; • adding terms or conditions to a client order (other than on the instructions of the client) so that the client order ranks behind principal or non-client orders at that price; • putting terms or conditions on a principal or non-client order for the purpose of differentiating the principal or non-client order from a client order that would otherwise have priority at that price; and • entering a principal order or non-client order as an "anonymous order" (without the identifier of the Participant) which results in an execution in priority to a previously entered client order where the identifier of the Participant has been disclosed on the entry of the client order.		
Part 3 – No Knowledge of Client Order Rule 5.3 also contains four exceptions to client priority that require the director, officer, partner, employee or agent of the Participant who enters the principal order or the non-client order to be unaware that the client order has not been entered. The exceptions are: • the client specifically instructs the Participant to withhold entry of the order; • the client specifically grants discretion to the Participant with respect to the entry of the order; • the Participant withholds the client order from entry in accordance with Rule 6.3 in a *bona fide* attempt to get better		

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
execution for the client; and • the client enters the order directly on a marketplace that does not require the disclosure of the identifier of the Participant in a consolidated market display. In these circumstances, the Participant must have reasonable procedures in place to ensure that information concerning client orders is not used improperly within the firm. These procedures will vary from firm to firm and no one procedure will work for all firms. If a firm does not have reasonable procedures in place, it cannot rely on the exceptions. Reference should be made to Policy 7.1 – Policy on Trading Supervision Obligations, and in particular Part 4 – Specific Procedures Respecting Client Priority and Best Execution. If a client has instructed a Participant to withhold an order or has granted a Participant discretion with respect to the entry of an order, details of the instruction or grant of discretion must be retained for a period of seven years from the date of the instruction or grant of discretion and, for the first two years, the consent must be kept in a readily accessible location.		
Part 4 – Client Consent A Participant does not have to provide priority to a client order if the client specifically consents to the Participant trading alongside or ahead of the client. The consent of the client must be specific to a particular order and details of the agreement with the client must be noted on the order ticket. A client cannot give a blanket form of consent to permit the Participant to trade alongside or ahead of any future orders the client may give the Participant. If the client order is part of a pre-arranged trade that is to be completed at a price below the best bid price or above the best ask price as indicated on a consolidated market display, the Participant will be under an obligation to ensure that "better-priced" orders on a marketplace are filled prior to the execution of the client order. Prior to executing the client order, the Participant must ensure that the client is aware of the better-priced orders and has consented to the	**Scotia –** Believes that client consent is implicit for the Participant to trade against better-priced orders when the Participant has to move the market to execute a pre-arranged trade or cross. Believes that it is impractical to obtain consent to trade ahead of or along side a retail client order and that this will effectively prohibit a Participant from trading a security that trades on more than one marketplace. States "a Participant's traders have no knowledge or access to information regarding retail, discount and other client orders entered on a trading system of a marketplace via straight-through processing". Opposes the introduction of "conditional consent" as they are of the view that such arrangements should be a "private matter to be negotiated as between the	If a client agrees to a prearranged trade or cross at a particular price, it can not be assumed that the client is aware of the depth of the market at a better price. The rule does not preclude the Participant from executing against these better-priced orders when moving the market, rather it simply ensures that the client has provided an "informed consent". Unless the order has been entered "anonymously", traders are able to see orders from clients of their firm in the consolidated market display. In the absence of the amendment, a trader would be able to direct a pre-arranged trade or cross involving a principal or non-client order to another marketplace in order to avoid interference from the pre-existing order of a client of the

Text of the Amendments (Changes from the Proposal Highlighted)	Commentator and Summary of Comment	Response to Comment
Participant executing as against them in priority to the client order. The consent of the client must be noted on the order ticket. If the client has given the Participant an order that is to be executed at various times during a trading day (e.g. an "over-the-day" order) or at various prices (e.g. at various prices in order to approximate a volume-weighted average price), the client is deemed to have consented to the entry of principal and non-client orders that may trade ahead of the balance of the client order. Unless the client has provided standing written instructions that all orders are to be executed at various times during the trading day or a various prices during the trading day, the client instructions should be treated as specific to a particular order and the details of the instructions by the client must be noted on the order ticket. However, if the un-entered portion of the client order would reasonably be expected to affect the market price of the security, the Participant may be precluded from entering principal or non-client orders as a result of the application of the frontrunning rule.	client and Participant prior to executing the trade and not a matter requiring regulatory intervention." **TD –** Supports the introduction of the concepts of "deemed consent" and "conditional consent".	firm. While RS acknowledges that it would be impractical to obtain the consent of retail clients, it is the position of RS that the retail client order is entitled to be filled in priority. In the absence of a provision to cover a conditional consent, the Participant would have to "recross" to the client in an on-marketplace transaction. This would require the Participant to move the market to the price at which the Participant would trade with the client the position which the Participant had accumulated when trading along or ahead of the client. The introduction of the concept of conditional consent is therefore a "relief provision" for the benefit of the Participant. A Participant who is unwilling to assume the risk would not enter into a conditional consent arrangement.
In certain circumstances, a client may provide a conditional consent for the Participant to trade alongside or ahead of the client order. For example, a client may consent to a principal order of Participant sharing fills with the client order provided the client order is fully executed by the end of the trading day. If the client's order is not fully executed, the client may expect that the Participant "give up" its fills to the extent necessary to complete the client order. In this situation, the Participant should mark its orders as "principal" throughout the day. Any part of the execution which is given up to the client should not be re-crossed on a marketplace but should simply be journalled to the client (since the condition of the consent has not been met, the fills in question could be viewed as properly belonging to the client rather than the principal order). To the extent that a Participant "gives up" part of a fill of a principal order to a client based on the conditional consent, the Participant shall report the particulars of the "give up" to the Market Regulator not later than the opening of trading on marketplaces on the next trading day. The conditional consent of the client must be specific to a particular order. The details of the agreement with the client must be noted on the order ticket.		

13.1.2 Notice and Request for Comments – Material Amendments to CDS Rules Relating to Intellectual Property Rights

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED ("CDS")

MATERIAL AMENDMENTS TO CDS RULES

INTELLECTUAL PROPERTY RIGHTS

REQUEST FOR COMMENTS

A. DESCRIPTION OF THE PROPOSED AMENDMENTS

The proposed amendments confirm intellectual property rights in, and permitted uses of, compilations of information that CDS provides to participants to facilitate their use of CDS services. The proposed amendments also impose an obligation on participants to keep CDS information confidential, an obligation that is similar to the existing obligation on CDS to keep participant information confidential.

B. NATURE AND PURPOSE OF THE PROPOSED AMENDMENTS

CDS provides participants and their service providers with compilations of information to facilitate the participant's use of CDS's clearing and settlement services. These compilations comprise general information that participants need and use to interact with CDS (such as data on characteristics of particular securities and events affecting securities). CDS compiles this information from various sources, and the compilations include third party information. In some cases, CDS enters into agreements with third parties that define both the intellectual property rights to the information they provide to CDS and restrictions on use of that information. CDS, in return, needs to ensure that the information it provides to participants complies with CDS's obligations to those third parties.

The amendments add new defined terms, CDS Works and Security Information. CDS Works includes software and networks related to Services (such as CDSX), as well as a list of identified and generic compilations of information that CDS aggregates and creates (such as Bulletins). This list will be added to the Procedures. The definition of Security Information includes information about securities, with the presumption that most of the information is not owned by CDS, but has been compiled by CDS.

Under new Rule 3.8, participants agree that copyright exists in CDS Works and Security Information and CDS or its suppliers own the copyright. CDS grants each participant a licence to use the CDS Works and Security Information, provided such use is restricted to the participant's own use of the services. A participant is not permitted to resell CDS Works and Security Information.

The amendments also define terms, CDS Trade-marks and Other Marks. Under new Rule 3.8, each participant agrees to the terms on which such trade-marks may be used by it in relation to its use of CDS's services.

CDS also provides participants with confidential information. The new confidentiality obligation imposed on participants under new Rule 3.6.3 is similar to the confidentiality obligation imposed on CDS by Rule 3.6.1. The confidentiality obligation applies only to CDS Works and Security Information, or to any other information that CDS marks or discloses orally as being confidential.

C. IMPACT OF THE PROPOSED AMENDMENTS

Participants may use CDS Works and Security Information and information derived from any of them only as part of their use of CDS's services. If participants provide access to CDS Works or Security Information to another person authorized by the participant to act on its behalf (such as a service provider or an affiliate), they will require such persons to comply in writing with the Rules in their use of CDS Works and Security Information. Participants can give information derived from CDS Works and Security Information to their clients or customers on whose behalf the participant uses the services. CDS may require that such clients or customers agree in writing with the Participant to comply with the Rules in their use of CDS Works and Security Information and derived information.

Under the proposed amendments, unless otherwise provided in the Rules, participants agree that they will not:

(i) use CDS Works, Security Information or any information obtained or derived from any of them, for the benefit of any third party or affiliate;

(ii) reproduce, copy or modify CDS Works or Security Information;

(iii) reverse engineer, decompile or create derivative works based on CDS Works or Security Information;

(iv) directly or indirectly sell, license, or disseminate CDS Works or Security Information except to provide information derived from CDS Works and Security Information to the participant's client or customer if such provision is directly related to the use of the services.

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 participants' legal and business groups. The LDG's mandate is to advise CDS management and its Board of Directors on rule amendments and other legal matters relating to centralized securities depository and clearing services in order to ensure that they meet the needs of CDS, its participants and the securities industry.

E. IMPACT OF PROPOSED AMENDMENTS ON TECHNOLOGICAL SYSTEMS

There are no anticipated impacts on CDS or its participants technological systems.

F. COMPARISON TO OTHER CLEARING AGENCIES

The Depository Trust Company ("DTC") is reviewing intellectual property rights but due to other priorities, has not put enacted formal rules for its members. Nevertheless, when information is passed to a non-member, it is done so using a non-regulated subsidiary and redistribution is strictly limited.

In the CREST (a United Kingdom settlement system) Terms and Conditions (December, 2005) and CREST Reference Manual, users and participants acknowledge, agree and accept that certain services provided by Crestco (the Central Securities Depository for the United Kingdom market and Irish equities) depend on information from third parties and to restrictions on use of certain types of information, including restrictions on derived information given to any third party, including any subsidiary.

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.

H. COMMENTS

Comments on the proposed amendments should be in writing and delivered by June 26, 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
Rule 1.2.1 Definitions	**Rule 1.2.1 Definitions**
"**CDS Trade-marks**" means CDS Trade-marks as the term is defined in Rule 3.8.1.	"**CDS Trade-marks**" means CDS Trade-marks as the term is defined in Rule 3.8.1.
"**CDS Works**" means data and information created or compiled by CDS and provided by CDS to the Participant in written, oral or electronic form, as identified in the Procedures, and software, Functions, systems, hardware and networks relating to Services made available by CDS to the Participant.	"**CDS Works**" means data and information created or compiled by CDS and provided by CDS to the Participant in written, oral or electronic form, as identified in the Procedures, and software, Functions, systems, hardware and networks relating to Services made available by CDS to the Participant.
"**Other Marks**" means Other Marks as the term is defined in Rule 3.8.1.	"**Other Marks**" means Other Marks as the term is defined in Rule 3.8.1.
"**Security Information**" means data and information in written, oral or electronic form concerning a Security, including, without limitation, the deposit or withdrawal of a Security, an event related to a Security, the Issuer of a Security, the Security Identifier, or otherwise, which CDS or any of its affiliates or agents records, reports, collects, processes, compiles, creates, publishes, distributes, makes available, provides access to or has in its possession or control at any time.	"**Security Information**" means data and information in written, oral or electronic form concerning a Security, including, without limitation, the deposit or withdrawal of a Security, an event related to a Security, the Issuer of a Security, the Security Identifier, or otherwise, which CDS or any of its affiliates or agents records, reports, collects, processes, compiles, creates, publishes, distributes, makes available, provides access to or has in its possession or control at any time.
3.6. CONFIDENTIALITY	**3.6. CONFIDENTIALITY**
3.6.1 Confidentiality and Use of Participant Information	**3.6.1 Confidentiality and Use of Participant Information**
CDS shall preserve the confidentiality of any information concerning a Participant or provided by a Participant, that becomes known to CDS through the operation of any Service, exercising the same degree of care as it uses with respect to its own confidential information. CDS will not use such information except for operation of the Services. Such confidentiality obligation shall not apply to any information that is or becomes generally available to the public, otherwise than as a result of the breach of this Rule 3.6. Such confidentiality obligation shall not preclude the disclosure of confidential information to any of CDS's officers, directors, employees or agents that is reasonably necessary for the operation of the Services. The obligations of CDS pursuant to this Rule 3.6 shall be in addition to and shall not derogate from any other obligation of confidentiality arising from any agreement or legislation binding on CDS.	CDS shall preserve the confidentiality of any information concerning a Participant or provided by a Participant, that becomes known to CDS through the operation of any Service, exercising the same degree of care as it uses with respect to its own confidential information. CDS will not use such information except for operation of the Services. Such confidentiality obligation shall not apply to any information that is or becomes generally available to the public, otherwise than as a result of the breach of this Rule 3.6. Such confidentiality obligation shall not preclude the disclosure of confidential information to any of CDS's officers, directors, employees or agents that is reasonably necessary for the operation of the Services. The obligations of CDS pursuant to this Rule 3.6 shall be in addition to and shall not derogate from any other obligation of confidentiality arising from any agreement or legislation binding on CDS.
3.6.2 Release of Participant Information	**3.6.2 Release of Participant Information**
Each Participant authorizes CDS to release any information concerning the Participant or provided by a Participant:	Each Participant authorizes CDS to release any information concerning the Participant or provided by a Participant:
(a) to the auditors of CDS, of the Participant and of other Participants, as may reasonably be required to perform their duties;	(a) to the auditors of CDS, of the Participant and of other Participants, as may reasonably be required to perform their duties;

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
(b) to the legal counsel of CDS, as may reasonably be required to perform their duties;	(b) to the legal counsel of CDS, as may reasonably be required to perform their duties;
(c) requested by the Issuer of Securities held for the Participant or by any other Person, if such information is limited to information with respect to the Securities held for the Participant and if CDS is reasonably satisfied that such information is sought for a purpose concerning an effort to influence the voting by Security holders of the Issuer, an offer to acquire Securities of the Issuer or any other matter relating to either the affairs of the Issuer or Transactions in the Securities of the Issuer effected by the Participant, provided that any information released under this subsection (c) does not identify any client or customer of the Participant;	(c) requested by the Issuer of Securities held for the Participant or by any other Person, if such information is limited to information with respect to the Securities held for the Participant and if CDS is reasonably satisfied that such information is sought for a purpose concerning an effort to influence the voting by Security holders of the Issuer, an offer to acquire Securities of the Issuer or any other matter relating to either the affairs of the Issuer or Transactions in the Securities of the Issuer effected by the Participant, provided that any information released under this subsection (c) does not identify any client or customer of the Participant;
(d) as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of CDS, jurisdiction over CDS;	(d) as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of CDS, jurisdiction over CDS;
(e) pursuant to any statutory or regulatory requirement including National Instrument 54-101 Communication with Beneficial Owners of a Reporting Issuer (as it may be reformulated from time to time) or any similar policy, instrument or Rule adopted or made by the Canadian Securities Administrators;	(e) pursuant to any statutory or regulatory requirement including National Instrument 54-101 Communication with Beneficial Owners of a Reporting Issuer (as it may be reformulated from time to time) or any similar policy, instrument or Rule adopted or made by the Canadian Securities Administrators;
(f) to any securities exchange, commodities exchange, alternative trading system, securities depository, securities clearing agency, payment clearing system or self-regulatory organization of which the Participant is a member or the services of which the Participant uses in connection with its participation in CDS, or to any insurer of the Participant including the Canadian Investor Protection Fund or the Canada Deposit Insurance Corporation; and	(f) to any securities exchange, commodities exchange, alternative trading system, securities depository, securities clearing agency, payment clearing system or self-regulatory organization of which the Participant is a member or the services of which the Participant uses in connection with its participation in CDS, or to any insurer of the Participant including the Canadian Investor Protection Fund or the Canada Deposit Insurance Corporation; and
(g) that is in a statistical, summary or other format, provided the information in that format does not specifically identify a particular Participant, or, if the information concerns debt Securities, provided the information in that format does not identify any industry group.	(g) that is in a statistical, summary or other format, provided the information in that format does not specifically identify a particular Participant, or, if the information concerns debt Securities, provided the information in that format does not identify any industry group.
CDS shall take all reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant. When CDS is required pursuant to subsection (d) to disclose confidential information that is directed exclusively to the activities of a particular Participant, CDS shall give notice to the Participant of the request before making the disclosure unless the terms of any applicable statute, regulation, ruling or order prohibit such notice. When CDS releases confidential information pursuant to subsection (f), CDS shall request the recipient to treat such information as confidential.	CDS shall take all reasonable steps to avoid releasing any information that may identify a particular client or customer of a Participant. When CDS is required pursuant to subsection (d) to disclose confidential information that is directed exclusively to the activities of a particular Participant, CDS shall give notice to the Participant of the request before making the disclosure unless the terms of any applicable statute, regulation, ruling or order prohibit such notice. When CDS releases confidential information pursuant to subsection (f), CDS shall request the recipient to treat such information as confidential.
3.6.3 Confidentiality of CDS Information	**3.6.3 Confidentiality of CDS Information**
Each Participant shall preserve the confidentiality of: (i) CDS Works and Security Information; and (ii) any information	Each Participant shall preserve the confidentiality of: (i) CDS Works and Security Information; and (ii) any information

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
concerning CDS or provided by CDS, that, at the time of disclosure, is marked as confidential or is disclosed orally as confidential and that becomes known to the Participant through the operation of any Service, or in anticipation of any new service, including any on-going projects, records, data and reports. In preserving such confidentiality, each Participant shall exercise the same degree of care as it uses with respect to its own confidential information. Such confidentiality obligation shall not apply to any information that is or becomes generally available to the public, otherwise than as a result of the breach of this Rule 3.6. Such confidentiality obligation shall not preclude the disclosure of such confidential information to any of Participant's officers, directors, employees or agents that is reasonably necessary: for the use or proposed use of the Services or any new service by the Participant; or for the development or operation of Services or any new service by CDS; or to achieve the purposes for which CDS disclosed the confidential information.	concerning CDS or provided by CDS, that, at the time of disclosure, is marked as confidential or is disclosed orally as confidential and that becomes known to the Participant through the operation of any Service, or in anticipation of any new service, including any on-going projects, records, data and reports. In preserving such confidentiality, each Participant shall exercise the same degree of care as it uses with respect to its own confidential information. Such confidentiality obligation shall not apply to any information that is or becomes generally available to the public, otherwise than as a result of the breach of this Rule 3.6. Such confidentiality obligation shall not preclude the disclosure of such confidential information to any of Participant's officers, directors, employees or agents that is reasonably necessary: for the use or proposed use of the Services or any new service by the Participant; or for the development or operation of Services or any new service by CDS; or to achieve the purposes for which CDS disclosed the confidential information.
The obligations of each Participant pursuant to this Rule 3.6.3 shall be in addition to and shall not derogate from any other obligation of confidentiality arising from any agreement or legislation binding on the Participant.	The obligations of each Participant pursuant to this Rule 3.6.3 shall be in addition to and shall not derogate from any other obligation of confidentiality arising from any agreement or legislation binding on the Participant.
CDS authorizes the Participant to release any confidential information concerning CDS:	CDS authorizes the Participant to release any confidential information concerning CDS:
(a) to the auditors of the Participant, as may reasonably be required to perform their duties;	(a) to the auditors of the Participant, as may reasonably be required to perform their duties;
(b) to the legal counsel of the Participant, as may reasonably be required to perform their duties; and	(b) to the legal counsel of the Participant, as may reasonably be required to perform their duties; and
(c) as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of the Participant, jurisdiction over the Participant.	(c) as may be required from time to time by order, summons, subpoena, statutory direction or other process of, or pursuant to an agreement with, a court, Regulatory Body or other administrative or regulatory agency, having, in the opinion of the Participant, jurisdiction over the Participant.
3.8. RIGHTS AND USES	**3.8. RIGHTS AND USES**
3.8.1 CDS Trade-marks	**3.8.1 CDS Trade-marks**
The “CDS Trade-marks” are those words and logos identified as such in the Procedures. In addition, certain words, phrases, names, designs, numbers or logos may constitute trade-marks, service marks, trade names, domain names or intellectual property of CDS or other third parties (collectively the “Other Marks”). Nothing in the Rules gives the Participant any right to use the CDS Trade-marks or Other Marks, including without limitation, as part of the name of any of its products or services, except a limited, non-exclusive, revocable and non-transferable right to refer to the fact that the Participant is a participant of CDS or uses or facilitates the use of Services, in which cases the Participant shall display any CDS Trade-mark in special typographical treatment as set out in the Procedures, and shall indicate clearly that it is a trade-mark of and property of CDS. All uses of CDS Trade-marks and Other Marks and all goodwill	The “CDS Trade-marks” are those words and logos identified as such in the Procedures. In addition, certain words, phrases, names, designs, numbers or logos may constitute trade-marks, service marks, trade names, domain names or intellectual property of CDS or other third parties (collectively the “Other Marks”). Nothing in the Rules gives the Participant any right to use the CDS Trade-marks or Other Marks, including without limitation, as part of the name of any of its products or services, except a limited, non-exclusive, revocable and non-transferable right to refer to the fact that the Participant is a participant of CDS or uses or facilitates the use of Services, in which cases the Participant shall display any CDS Trade-mark in special typographical treatment as set out in the Procedures, and shall indicate clearly that it is a trade-mark of and property of CDS. All uses of CDS Trade-marks and Other Marks and all goodwill

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
attached thereto shall enure solely to the benefit of CDS or its respective third party owner. To the extent that any rights or goodwill inadvertently accrue or attach to the Participant in respect of the CDS Trade-marks and Other Marks, the Participant shall hold such rights and goodwill in trust and shall assign such rights and goodwill to CDS or its respective third party owner, if requested.	attached thereto shall enure solely to the benefit of CDS or its respective third party owner. To the extent that any rights or goodwill inadvertently accrue or attach to the Participant in respect of the CDS Trade-marks and Other Marks, the Participant shall hold such rights and goodwill in trust and shall assign such rights and goodwill to CDS or its respective third party owner, if requested.
Each Participant acknowledges and agrees that it acquires absolutely no rights or licenses in or to the CDS Trade-marks or Other Marks, other than the limited, non-exclusive, revocable and non-transferable right to use that is outlined in this Rule 3.8.1. Any unauthorized use by the Participant of the CDS Trade-marks or Other Marks or any other intellectual property right or proprietary right of CDS is strictly prohibited. Each Participant shall promptly notify CDS of any conflicting use or any act of infringement or passing off which comes to its attention involving the CDS Trade-Marks or Other Marks or any variation or imitation thereof by unauthorized persons. Each Participant shall cooperate with CDS to take any steps CDS considers necessary to prevent further unauthorized use, including but not limited to, cooperating with CDS in any proceedings involving the CDS Trade-marks of Other Marks.	Each Participant acknowledges and agrees that it acquires absolutely no rights or licenses in or to the CDS Trade-marks or Other Marks, other than the limited, non-exclusive, revocable and non-transferable right to use that is outlined in this Rule 3.8.1. Any unauthorized use by the Participant of the CDS Trade-marks or Other Marks or any other intellectual property right or proprietary right of CDS is strictly prohibited. Each Participant shall promptly notify CDS of any conflicting use or any act of infringement or passing off which comes to its attention involving the CDS Trade-Marks or Other Marks or any variation or imitation thereof by unauthorized persons. Each Participant shall cooperate with CDS to take any steps CDS considers necessary to prevent further unauthorized use, including but not limited to, cooperating with CDS in any proceedings involving the CDS Trade-marks of Other Marks.
3.8.2 Ownership	**3.8.2 Ownership**
The Participant acknowledges and agrees: that all right, title and interest in and to the Services, Security Information and CDS Works, including all patents, copyright, trade secrets and other intellectual property rights in any part of the world, are owned by CDS or its suppliers and are protected by Canadian and international copyright and other intellectual property laws; and that copyright subsists in the Services and CDS Works, and in the selection, arrangement and assembly of the content in Services, CDS Works, Security Information, and other information; and that such copyright is owned by CDS or its suppliers. All rights not expressly granted in the Rules are reserved. Each Participant shall promptly notify CDS of any unauthorized use of the Services, CDS Works, Security Information and other information owned by CDS or its suppliers, and agrees to cooperate with CDS and its suppliers to take any steps CDS considers necessary to prevent further unauthorized use, including but not limited to, cooperating with CDS and its suppliers in any proceedings involving the Services, CDS Works, Security Information and other information owned by CDS or its suppliers.	The Participant acknowledges and agrees: that all right, title and interest in and to the Services, Security Information and CDS Works, including all patents, copyright, trade secrets and other intellectual property rights in any part of the world, are owned by CDS or its suppliers and are protected by Canadian and international copyright and other intellectual property laws; and that copyright subsists in the Services and CDS Works, and in the selection, arrangement and assembly of the content in Services, CDS Works, Security Information, and other information; and that such copyright is owned by CDS or its suppliers. All rights not expressly granted in the Rules are reserved. Each Participant shall promptly notify CDS of any unauthorized use of the Services, CDS Works, Security Information and other information owned by CDS or its suppliers, and agrees to cooperate with CDS and its suppliers to take any steps CDS considers necessary to prevent further unauthorized use, including but not limited to, cooperating with CDS and its suppliers in any proceedings involving the Services, CDS Works, Security Information and other information owned by CDS or its suppliers.
Each Participant will preserve or reproduce on all records, data and reports (including all copies made by Participant), and will not alter any proprietary, confidential or other notices and legends contained on the originals supplied to Participant by CDS, or as may otherwise be required by CDS.	Each Participant will preserve or reproduce on all records, data and reports (including all copies made by Participant), and will not alter any proprietary, confidential or other notices and legends contained on the originals supplied to Participant by CDS, or as may otherwise be required by CDS.
Each Participant shall not take any action that purports to create a claim, lien or encumbrance on, or assignment of, any of the Services, CDS Works or Security Information. Any act by the Participant, voluntary or involuntary, purporting to create a claim, lien or encumbrance on, or assignment of, any of the Services, CDS Works or Security Information shall be void.	Each Participant shall not take any action that purports to create a claim, lien or encumbrance on, or assignment of, any of the Services, CDS Works or Security Information. Any act by the Participant, voluntary or involuntary, purporting to create a claim, lien or encumbrance on, or assignment of, any of the Services, CDS Works or Security Information shall be void.

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
3.8.3 Use of CDS Works and Security Information	**3.8.3 Use of CDS Works and Security Information**
CDS grants each Participant a limited, non-exclusive, revocable, and non-transferable license to use CDS Works and Security Information only for uses directly related to Participant's use of the Services. The Participant shall not use CDS Works or Security Information, or any information obtained or derived from any of them, except in accordance with this license.	CDS grants each Participant a limited, non-exclusive, revocable, and non-transferable license to use CDS Works and Security Information only for uses directly related to Participant's use of the Services. The Participant shall not use CDS Works or Security Information, or any information obtained or derived from any of them, except in accordance with this license.
If the Participant provides access to or discloses CDS Works or Security Information to a Person authorized by the Participant to act on its behalf in its use of the Services, such as an affiliate, service bureau or third party service provider, then the Participant shall require each such Person to comply in writing with Rules 3.6 and 3.8 in their use of CDS Works and Security Information on behalf of the Participant. If the Participant provides access to or discloses CDS Works, Security Information or any information obtained or derived from any of them to a client or customer receiving services from a Participant, then CDS may require the Participant to enter into a written agreement with each such client or customer requiring each such client or customer to comply with Rules 3.6 and 3.8 in their use of CDS Works, Security Information or any information obtained or derived from any of them.	If the Participant provides access to or discloses CDS Works or Security Information to a Person authorized by the Participant to act on its behalf in its use of the Services, such as an affiliate, service bureau or third party service provider, then the Participant shall require each such Person to comply in writing with Rules 3.6 and 3.8 in their use of CDS Works and Security Information on behalf of the Participant. If the Participant provides access to or discloses CDS Works, Security Information or any information obtained or derived from any of them to a client or customer receiving services from a Participant, then CDS may require the Participant to enter into a written agreement with each such client or customer requiring each such client or customer to comply with Rules 3.6 and 3.8 in their use of CDS Works, Security Information or any information obtained or derived from any of them.
Except as provided above, the Participant will not:	Except as provided above, the Participant will not:
(a) Use, disclose or communicate CDS Works or Security Information or any information obtained or derived from any of them to or for the benefit of any third party or any affiliate of the Participant by any means whatsoever, whether as back-office service provider, outsourcer or wholesaler to any third party or affiliate of the Participant or for the benefit of any joint venture, partnership or sales agency relationship to which the Participant is a party or by which it is bound;	(a) use, disclose or communicate CDS Works or Security Information or any information obtained or derived from any of them to or for the benefit of any third party or any affiliate of the Participant by any means whatsoever, whether as back-office service provider, outsourcer or wholesaler to any third party or affiliate of the Participant or for the benefit of any joint venture, partnership or sales agency relationship to which the Participant is a party or by which it is bound;
(b) reproduce, copy or modify CDS Works or Security Information except as permitted in the Rules or the Procedures;	(b) reproduce, copy or modify CDS Works or Security Information except as permitted in the Rules or the Procedures;
(c) reverse engineer, decompile, disassemble or create derivative works based on the whole or any part of CDS Works or Security Information or any information obtained or derived from any of them; or	(c) reverse engineer, decompile, disassemble or create derivative works based on the whole or any part of CDS Works or Security Information or any information obtained or derived from any of them; or
(d) directly or indirectly sell, rent, lease, license, sublicense, assign, provide access to or transmit or publish, repackage, retransmit, resell or otherwise disseminate or make available CDS Works or Security Information in any medium or manner whatsoever to any third party or any affiliate of the Participant, except to provide information derived from CDS Works or Security Information to a client or customer of a Participant receiving services from the Participant directly related to the Services and the provision of such derived information from CDS Works or Security Information is solely incidental to the services provided to the client or customer by the Participant.	(d) directly or indirectly sell, rent, lease, license, sublicense, assign, provide access to or transmit or publish, repackage, retransmit, resell or otherwise disseminate or make available CDS Works or Security Information in any medium or manner whatsoever to any third party or any affiliate of the Participant, except to provide information derived from CDS Works or Security Information to a client or customer of a Participant receiving services from the Participant directly related to the Services and the provision of such derived information from CDS Works or Security Information is solely incidental to the services provided to the client or customer by the Participant.

Text of CDS Participant Rules marked to reflect proposed amendments	Text of CDS Participant Rules reflecting the adoption of proposed amendments
The Participant will maintain appropriate internal controls, measures and security precautions to prevent unauthorized access to and use of CDS Works and Security Information, exercising the same degree of care as it uses for its own similar restricted or confidential information. CDS may offer new or enhanced functionality or grant additional rights to use CDS Works and Security Information as set out in the Procedures and User Guides. **3.8.4 Disclaimer** Certain Services and CDS Works provided by CDS to the Participants are dependent upon the provision to and use by CDS of information, including Security Information, from third parties. CDS does not guarantee or make any representations or warranties whatsoever, and there are no conditions, express or implied, in fact or in law, with respect to the accuracy, adequacy, timeliness, completeness, sequence, merchantable quality or fitness for any particular purpose of any such information, which is provided on an "as is", "as available" basis. **3.8.5 Verification of Compliance** Upon reasonable notice, at the request of CDS, a Participant shall within a reasonable time provide to CDS a statement in the form provided by CDS, signed by a Signing Officer on behalf of the Participant, confirming that the Participant's use of Services, CDS Works and Security Information is in compliance with Rules 3.6 and 3.8.	The Participant will maintain appropriate internal controls, measures and security precautions to prevent unauthorized access to and use of CDS Works and Security Information, exercising the same degree of care as it uses for its own similar restricted or confidential information. CDS may offer new or enhanced functionality or grant additional rights to use CDS Works and Security Information as set out in the Procedures and User Guides. **3.8.4 Disclaimer** Certain Services and CDS Works provided by CDS to the Participants are dependent upon the provision to and use by CDS of information, including Security Information, from third parties. CDS does not guarantee or make any representations or warranties whatsoever, and there are no conditions, express or implied, in fact or in law, with respect to the accuracy, adequacy, timeliness, completeness, sequence, merchantable quality or fitness for any particular purpose of any such information, which is provided on an "as is", "as available" basis. **3.8.5 Verification of Compliance** Upon reasonable notice, at the request of CDS, a Participant shall within a reasonable time provide to CDS a statement in the form provided by CDS, signed by a Signing Officer on behalf of the Participant, confirming that the Participant's use of Services, CDS Works and Security Information is in compliance with Rules 3.6 and 3.8.

13.1.3 TSX Notice of Approval - Housekeeping Amendments to the TSX Company Manual

TORONTO STOCK EXCHANGE

NOTICE OF APPROVAL

HOUSEKEEPING AMENDMENTS TO THE TORONTO STOCK EXCHANGE COMPANY MANUAL

Introduction

In accordance with the "Protocol for Commission Oversight of Toronto Stock Exchange Rule Proposals" (the "Protocol") between the Ontario Securities Commission (the "OSC") and Toronto Stock Exchange ("TSX"), TSX has adopted and the OSC has approved, various amendments (the "Amendments") to the TSX Company Manual (the "Manual"). The Amendments are housekeeping in nature and therefore, are considered non-public interest amendments.

Reasons for the Amendments

The Amendments have been made in order to update and revise various TSX rules and forms, and to remove from the Manual those reporting forms which now must be filed via TSX SecureFile.

Summary of the Amendments

The Amendments represent a number of housekeeping amendments, such as the updating of cross references throughout the Manual and changes to certain filing requirements, the reduction in the amount of notice required via news release for issuers relying on certain exemptions, clarification of the procedure for continued listing reviews, changes to the Personal Information Form ("PIF") to reflect concurrent changes being made to TSX Venture Exchange's PIF in order to remain harmonized with them on the content and use of the PIFS, and finally the removal from the Manual of those reporting forms which, as of February 1, 2006, must be filed with TSX only through SecureFile.

Effective Date

The Amendments become effective on **May 29, 2006**.

The Amendments are attached as **Appendix A**.

Appendix A
Non-Public Interest Amendments to the TSX Company Manual

Toronto Stock Exchange ("TSX") has amended the policies of the TSX Company Manual (the "Manual") as follows:

Part III of the Manual

1. Section 330 is amended by replacing "…as detailed in Sections 637.4 to 637.11…" with "…as detailed in Section 612…" in the last sentence.

Part IV of the Manual

2. Section 455 is amended by replacing the last sentence with "Notices filed publicly through SEDAR will satisfy this requirement.".

Part VI of the Manual

3. The second last sentence in the first paragraph of Section 604(d) is amended as follows:

   "…Listed issuers using this exemption will be required to issue a press release at least ~~ten (10)~~ five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. …".

4. The first sentence in the second paragraph of Section 604(e) is amended as follows:

   "…Listed issuers using this exemption will be required to issue a press release at least ~~ten (10)~~ five (5) business days in advance of the closing of the transaction disclosing the material terms of the transaction and that the listed issuer has relied upon this exemption. …".

5. Section 605 is amended as follows:

   "TSX must be notified immediately of any increase or decrease in the number of issued securities of a listed issuer. The notice must be on Form 1 "Change in Outstanding and Reserved Securities" ~~found in Appendix H,~~ which must be filed via TSX SecureFile within ten (10) days after~~at~~ the end of any month in which any change to the number of outstanding or reserved listed securities~~ are issued~~ has occurred (including a reduction in such number that results from a cancellation or redemption of securities). If no such change has occurred, a~~Please note that~~ "nil" report~~s~~ must be filed on a quarterly (calendar) basis."

6. Section 613(g) of the Manual is amended by adding the following to the end of the first sentence "…(this includes amendments to individual security agreements and amendments to security based compensation arrangements, including, in both instances, those assumed by the listed issuer through an acquisition).".

Part VII of the Manual

7. Section 719 is amended by inserting the following after the words "Decisions in respect of the application of this Part VII are made by…", in the first sentence: "members of…".

Other Parts of the Manual

8. In Appendix A, the Checklist of Documents to be filed with the Listing Application is amended by deleting the words "…(see Section 802 of the TSX Company Manual)" in item 17.

9. In Appendix A and H, the Personal Information Form ("PIF") is amended as follows:

   (I) first paragraph on cover page has been amended as follows:

   "Where an individual has submitted a Personal Information Form ("PIF") to ~~the~~ Toronto Stock Exchange, a division of TSX Inc. or to TSX Venture Exchange, a division of TSX Venture Exchange Inc. (collectively referred to as the "Exchange") within the last ~~12~~36 months and the information has not changed, a Declaration Form may be completed in lieu of this PIF.";

   (II) paragraph on the cover page subtitled "All Questions", the sentence "If you have any questions regarding this form please contact the Exchange." has been added;

(III) Question 4 subtitled "POSITIONS WITH OTHER ISSUERS", the following question has been added:

"D. Has your employment as an officer of an issuer ever been suspended or terminated for cause? If yes, attach full particulars.";

and Questions 4 (E) and (F) have been updated accordingly;

(IV) Question 8 subtitled "PROCEEDINGS" has been amended as follows:

"A. Are you now, in any jurisdiction, the subject of:
(i) a notice of hearing or similar notice issued by an SRA or any self regulatory organization?
(ii) a proceeding or to your knowledge, under investigation, by an ~~exchange~~SRA or any self regulatory organization?

B. Have you ever:
(iii) been prohibited or disqualified under securities, corporate or any other legislation from acting as a director or officer of a reporting issuer or been prohibited or restricted by a self regulatory organization or SRA from acting as a director, officer, employee, agent or consultant of a reporting issuer?
(iv) …
(v) had any other proceeding, review or investigation of any nature or kind taken against you?";

(V) Statutory Declaration to the PIF and the Declaration have been amended as follows:

"(b) I have read and understand the Personal Information Collection Policy of the Exchange attached hereto as Exhibit 2 as well as the Notice of Collection, Use and Disclosure of Personal Information by Securities Regulatory Authorities attached hereto as Exhibit 3 (Exhibit 3 relates to the use of this PIF and collection of information for the sole purposes of SRAs) (collectively, the "PIF Collection Policy");"; and

(VI) Exhibit 2 titled "PIF Personal Information Collection Policy" to both the Statutory Declaration and Declaration is amended as follows:

i. in the first paragraph subtitled "Collection, Use and Disclosure":

"TSX Inc. and its affiliates, their authorized agents, subsidiaries and divisions, including ~~the~~ Toronto Stock Exchange and TSX Venture Exchange (collectively referred to as "TSX") collect the information (which may include personal, confidential, non-public, criminal and other information) in the PIF~~Personal Information Form~~ and in other forms that are submitted by you and/or by the Issuer or an entity applying to be an Issuer and use it for the following purposes ~~(the "object of the file")~~:";

ii. in the final paragraph subtitled "Questions":

"~~If you wish to consult your file or make corrections to it or~~ ~~i~~If you have any questions or enquiries with respect to the privacy principles outlined above ~~or about our practices~~, please send a written request to : Chief Privacy Officer, TSX Group, The Exchange Tower, 130 King Street West, Toronto, Ontario, Canada, M5X 1J2.".

10. Appendix H is amended as follows:

(I) Form 10 – Change in Principal Business will be deleted, and its contents will be merged into Form 2 – Change in General Company Information;

(II) Forms 1, 2, 3, 5, 8 and 9 will no longer be located in the Manual, but will be available through TSX SecureFile and on TSX's website. The requirements to file such Forms will remain unchanged within the Manual;

(III) Form 11 – Notice of Private Placement is amended by adding the following question:

"13. Was the subscription price (or formula within a binding agreement) determined at a time when material undisclosed information existed?".

11. The Table of Contents and Index are amended to reflect corresponding updates to various parts of the Manual.

12. The Key Contacts page has been updated.

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