

The Ontario Securities Commission

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

The Ontario Securities Commission

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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JUNE 16, 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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Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

June 16, 2006	10:00 a.m.	Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg Motion Hearing s. 127 M. MacKewn & T. Hodgson for Staff Panel: SWJ/WSW/CSP
June 20, 2006	9:30 a.m. and 2:00 p.m.	Bennett Environmental Inc., John Bennett, Richard Stern, Robert Griffiths and Alan Bulckaert J. Cotte in attendance for Staff Panel: PMM/DLK
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.	Panel: TBA
Jun 28 & 30, 2006 July 4 – 7, 2006	10:00 a.m.	Xstrata Canada Inc. and Falconbridge Limited s. 127 J. Superina in attendance for Staff Panel: WSW/DLK/ST
June 27, 2006	10:00 a.m.	Maitland Capital Ltd et al s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM/ST

Notices / News Releases

June 28, 2006 9:00 a.m.	First Global Ventures, S.A. and Allen Grossman s. 127 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 Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues) s.127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ/ST
July 4-6, 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	October 19, 2006 10:00 a.m.	Euston Capital Corporation and George Schwartz s. 127 Y. Chisholm in attendance for Staff Panel: WSW/ST
July 25, 2006 2:30 p.m.	Jose Castaneda s. 127 and 127.1 T. Hodgson in attendance for Staff Panel: WSW	October 20, 2006 10:00 a.m.	Olympus United Group Inc. s.127 M. MacKewn in attendance for Staff Panel: TBA
July 31, 2006 10:00 a.m.	Firestar Capital Management Corp., Kamposse Financial Corp., Firestar Investment Management Group, Michael Ciavarella and Michael Mitton s. 127 J. Cotte in attendance for Staff Panel: TBA	October 20, 2006 10:00 a.m.	Norshield Asset Management (Canada) Ltd. s.127 M. MacKewn in attendance for Staff Panel: TBA
August 8, 2006 2:30 p.m.	Momentas Corporation, Howard Rash and Alexander Funt S. 127 P. Foy in attendance for Staff Panel: WSW/RWD/CSP	TBA	Yama Abdullah Yaqeen s. 8(2) J. Superina 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	TBA	Cornwall et al s. 127 K. Manarin in attendance for Staff Panel: TBA

TBA **Robert Patrick Zuk, Ivan Djordjevic,
Matthew Noah Coleman, Dane Alan
Walton, Derek Reid and Daniel David
Danzig**

s. 127

J. Waechter in attendance for Staff

Panel: TBA

TBA **John Illidge, Patricia McLean, David
Cathcart, Stafford Kelley and
Devendranauth Misir**

S. 127 & 127.1

K. Manarin in attendance for Staff

Panel: TBA

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

s.127

J. Superina in attendance for Staff

Panel: 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

TBA **Mega-C Power Corporation, Rene
Pardo, Gary Usling, Lewis Taylor
Sr., Lewis Taylor Jr., Jared Taylor,
Colin Taylor and 1248136 Ontario
Limited**

S. 127

T. Hodgson in attendance for Staff

Panel: TBA

ADJOURNED SINE DIE

**Global Privacy Management Trust and Robert
Cranston**

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

1.1.2 OSC Staff Notice 11-758 - Review of Limited Market Dealers

OSC STAFF NOTICE 11-758 REVIEW OF LIMITED MARKET DEALERS

Overview

The limited market dealer (LMD) category of registration was created in Ontario in 1987 when the Ontario Securities Commission (OSC) implemented the “universal registration” system. At that time, the OSC extended registration requirements to all market intermediaries, including LMDs that operate in the exempt market under prospectus and registration exemptions.

LMDs are subject to some of the conditions of registration that apply to investment dealers under Ontario securities law, such as know your client, and suitability and supervisory functions. However, they are not subject to other conditions, such as proficiency, minimum capital requirements and filing of financial statements.

The LMD category is diverse and includes three main groups:

- LMDs that are not registered in any other registration category (sole LMDs)
- LMDs that are also registered as Investment Counsel Portfolio Managers (ICPMs)
- LMDs that are also members of the Mutual Fund Dealers Association (MFDA)

As of January 31, 2006, approximately 550 LMDs were registered with the OSC. Approximately 46% of these were sole LMDs, 40% were also registered as ICPMs, 13% were also mutual fund dealers and 1% were also registered in other categories.

Historically, the OSC’s Compliance team monitored LMDs to a limited extent as part of its reviews of ICPMs that are also registered as LMDs. We initiated this review as a result of an increase in the number of firms registered as LMDs, and also to address specific areas of concern, including suitability, trade supervision and sales practices.

In 2005, the OSC conducted its first compliance review of LMDs. Our goals were to better understand their business operations, review their compliance with securities law and identify any regulatory gaps. This was a first step in enhancing compliance oversight and helping LMDs develop stronger compliance and internal controls. The results of this review will also assist the CSA Registration Reform Steering Committee in harmonizing registration requirements by identifying any specific risks this category poses to investor protection.

We identified a significant number of deficiencies as a result of our review. The 10 most frequent deficiencies were identified in at least 25% of our sample. The most significant deficiency—not collecting and documenting know your client (KYC) and suitability information—was identified in almost 80% of the LMDs reviewed. Without the necessary documentation, determining the suitability of a particular investment becomes more difficult.

For LMDs with significant deficiencies, we have taken further action including referring the matter to Enforcement, and closely monitoring the LMD. Approximately two thirds of the LMDs with deficiencies have resolved their issues to our satisfaction. We will continue to follow up with the remaining LMDs to ensure that all deficiencies are dealt with appropriately and within a reasonable time frame. If deficiencies cannot be resolved within a reasonable time frame, further action may be taken such as imposing terms and conditions on registration, or referring the matter to Enforcement. Commencing in the current fiscal year, we also intend to conduct regular compliance field reviews of LMDs to review their compliance with securities law.

This notice describes how we conducted the review and provides a summary of the results.

Information gathering

The Compliance team gathered information about the business operations of LMDs through a focus group, individual meetings and a written survey.

Focus group and individual meetings

The Compliance team held a focus group with representatives from LMDs in June 2005. All LMDs were invited and participation was voluntary. The firms that attended included a cross-section of the LMD population.

We also held individual meetings with other representatives from LMDs, on a voluntary basis. As well, we met with the MFDA, the Investment Dealers Association of Canada (IDA), and the Limited Market Dealers Association to hear their views on the LMD registration category.

LMD survey

We developed a written survey as our primary tool for gathering information. The survey consisted of structured questions and focused on key information about LMDs and their business operations, including corporate/management structure, products distributed, size of business, client base, policies and procedures, books and records, compliance with legislation, referral arrangements, outsourced functions, and custody and lending activities.

Specific criteria were developed for each question to ensure that the surveys were evaluated consistently. The survey was risk weighted and resulted in a risk score that translated into a risk ranking of high, medium high, medium low or low.

The survey excluded LMDs that were also members of the MFDA. The MFDA conducted a separate survey of all of its members, including approximately 75 LMDs in June 2005. The MFDA is addressing any issues identified from its survey through its oversight process.

In July 2005, we sent the survey to the remaining 475 LMDs who were not members of the MFDA. Almost all of the firms completed and returned the survey. We determined that 106 of these firms were inactive and excluded them from our overall results. The majority of the inactive firms were not using their LMD registration or were in the start-up phase of their business cycle.

We identified eight different business models from the survey (see Appendix 1):

- Firms registered as sole LMDs were distributed across five business models.
- Firms dually registered as LMDs and ICPMs were primarily distributed across two business models.
- A small number of LMDs were operating as Inter-Dealer Bond Brokers (IDBs).

Although the majority of LMDs operated under one business model, some operated under two or more business models.

Compliance reviews

We analysed the information we gathered in the first phase to conduct a focused compliance review of a sample of LMDs.

Objective

We had three objectives for the reviews:

1. To gain insight into the business operations of LMDs, including the type of exempt products they distribute and the nature of their clients
2. To assess LMDs' compliance with securities law
3. To identify any regulatory gaps

Scope

The reviews focused on areas with the greatest overall regulatory risk to investors:

- KYC and suitability
- Know your product
- Disclosure to investors
- Referral arrangements
- Custody
- Compliance and supervision structure

Sample selection

We selected 21 LMDs for review, representing 6% of registered LMDs (excluding inactive firms, members of the MFDA and IDBs). Risk ranking was a key factor in determining the sample. The majority of the sample consisted of LMDs with a risk ranking of "high". We also made specific selections to ensure that the various business models were adequately represented. A proportionately higher weighting of sole LMDs was selected as a result of our preliminary analysis of the surveys.

How the reviews were conducted

Our review teams were primarily made up of Compliance staff, but we also drew on resources and expertise from other branches in the OSC, including Corporate Finance, Investment Funds and Enforcement. The reviews began in mid-October 2005 and were largely completed by December 2005. We performed on-site visits of all 21 LMDs in the sample. We later determined that two of these firms were inactive. Our results are based on 19 reviews.

Results

We identified a significant number of compliance deficiencies during our reviews (see Appendix 2). The majority were identified in firms registered as sole LMDs. Very few deficiencies were identified in LMDs that are registered as ICPMs, or provide mergers and acquisitions services.

We found that LMDs may have roles outside the scope of their LMD registration. For example, an LMD may also be the issuer, ICPM or fund manager of non-prospectus qualified investment funds. We identified a number of deficiencies stemming from these other roles.

Common deficiencies

The following is a discussion of the 10 most frequent deficiencies we identified. To assist LMDs in understanding the deficiencies, we have included the applicable legislation and suggested practices to address each deficiency. We encourage all LMDs to use this as a self-assessment tool to strengthen their compliance with Ontario securities law.

1. Not collecting and documenting KYC and suitability information

Almost 80% of the LMDs reviewed were deficient in this area. Examples included:

- No KYC and suitability information was collected or documented
- KYC forms were not signed by the clients
- No evidence that KYC forms were reviewed

In most cases, LMDs had documents from clients confirming that they were accredited investors. However, they did not collect and document KYC and suitability information (e.g. investment objectives and risk tolerance). The fact that a client is an accredited investor does not mean that any investment product is suitable for him or her. Without the necessary documentation, determining the suitability of a particular investment becomes more difficult.

Applicable legislation

It is the dealer's obligation to collect and document KYC information and assess the suitability of client trades as required by section 1.5 of OSC Rule 31-505 - *Conditions of Registration* (OSC Rule 31-505).

Suggested practices

At a minimum, the KYC form should contain the investor's name, address, investment objectives, risk tolerance, investment restrictions, investment time frame, annual income and net worth. The KYC form should be signed and dated by the client and reviewed by the compliance officer.

2. No or inadequate filing of regulatory forms and/or statement of policies

Over 60% of the LMDs reviewed were deficient in this area. Examples included:

- No statement of policies
- The most current statement of policies was not filed with the OSC

- Statements of policies did not include all related issuers
- Exempt distribution reports were not filed with the OSC
- Offering memoranda, where distributed, were not filed with the OSC

Applicable legislation

Section 223 of R.R.O. 1990, Regulation 1015 made under the Act (the Regulation) requires a dealer to prepare and file a statement of policies with the OSC, as well as provide a copy to its clients. The statement should outline the activities of the dealer in respect of related or connected issuers.

Section 6.1 of National Instrument 45-106 - *Prospectus and Registration Exemptions* (NI 45-106) requires the issuer of the security to file Form 45-106F1 with the OSC for a trade made in reliance on certain exemptions from the prospectus requirement within 10 days of the distribution. If a trade is made in a security of a mutual fund or non-redeemable investment fund (investment funds), the filing requirement is within 30 days after the financial year end of the investment funds.

Section 6.4 of revised OSC Rule 45-501 - *Ontario Prospectus and Registration Exemptions* (OSC Rule 45-501) requires the seller to deliver a copy of the offering memorandum to the OSC within 10 days of the distribution if the trade is made in reliance on certain exemptions from the prospectus requirement.

Suggested practices

LMDs should prepare and file a current statement of policies with the OSC and distribute a copy to clients. The statement of policies should include a complete listing of related issuers and a concise description of the nature of the relationship with each related issuer. LMDs that are issuers should refer to section 6 of NI 45-106 for reporting requirements. LMDs acting as sellers should refer to section 6.4 of revised OSC Rule 45-501 as noted previously.

3. Misleading marketing materials/websites

Over 40% of the LMDs reviewed were deficient in this area. Examples included:

- Websites and marketing materials with incorrect information (e.g. brochures with an incorrect description of LMD activities and the products or services provided)
- Marketing materials that claimed "superior methodology" and "high returns" without any support to substantiate these claims
- Websites with outdated materials
- Certain salespersons who were incorrectly held out as officers and directors of the LMD in marketing materials
- Back-tested and pro-forma performance data (i.e. simulated historical and future trading performance that does not represent actual results) that was presented to clients.

Applicable legislation

Section 2.1 of OSC Rule 31-505 requires dealers to deal fairly, honestly, and in good faith with their clients. Section 45 of the *Securities Act (Ontario)* (Act) states that no person or company who is not registered shall hold himself, herself or itself out as being registered.

Suggested practices

LMDs should establish and enforce procedures for reviewing and approving marketing materials and websites. This is to ensure that all marketing materials and websites contain accurate and up-to-date information. All claims made in marketing materials and websites should be adequately supported. Back-tested performance data can be quite misleading to investors because it is typically presented as actual results of the funds or the investment strategy. Back-tested data can be constructed to achieve a desired outcome and is difficult to verify.

4. Ineffective compliance officer

Over 35% of the LMDs reviewed were deficient in this area. Examples included:

- Compliance officers who did not understand their roles and responsibilities (e.g. no review of clients' trades for suitability or marketing materials for appropriate disclosure)
- A lack of understanding of securities legislation

Applicable legislation

Paragraph 1.3 of OSC Rule 31-505 requires dealers to designate a registered partner or officer as the compliance officer who is responsible for discharging the obligations of the dealer under Ontario securities law. It also requires the designated compliance officer to be responsible for opening new accounts and supervising trades for each client.

Suggested practices

LMDs should clearly define the roles and responsibilities of their compliance officers. A compliance officer should fully understand his or her roles and responsibilities and LMDs should take the necessary steps, including providing additional training, to ensure that these responsibilities are met.

5. *Registration issues*

Over 35% of the LMDs reviewed were deficient in this area. Examples included:

- LMDs acting as an ICPM without registration
- Individuals acting as salespersons without registration

Most of the LMDs were only involved in the distribution of investment fund units. However, some LMDs performed multiple roles and were affiliated with the issuer. For example, some LMDs were acting as general partners or portfolio managers for their funds. These LMDs were actively involved in providing investment advice and managing the funds' portfolios, but were not registered as ICPMs. In all cases, the individual who managed the funds' portfolios did not meet the proficiency requirements of an ICPM under Part 3 of OSC Rule 31-502 - Proficiency Requirements for Registrants.

We also identified a number of cases where an individual employee or a third-party financial planner was selling investment products for LMDs without registration.

Applicable legislation

Section 25 of the Act prohibits trading in securities or acting as an adviser unless you are appropriately registered with the OSC.

Suggested practices

LMDs should review their current business activities and obtain the appropriate registration for all registerable activities. They should also review their business arrangements with third parties to ensure that each party to the agreement is appropriately registered to carry out its responsibilities.

6. *Inadequate disclosure and/or misleading statements in offering memoranda*

Over 35% of the LMDs reviewed were deficient in this area. Examples included:

- Risk factors that were inadequately disclosed or not disclosed
- Inadequate disclosure of conflicts of interest
- Back-tested and pro-forma performance data (i.e. simulated historical or future trading performance that does not represent actual results) was presented to clients (see common deficiency no.3)
- Statutory right of action for damages against the issuer and selling security holder, and right of rescission was not disclosed

Some of the LMDs or their affiliates were acting as fund managers, general partners or issuers. Clients were given various types of disclosure documents, such as an offering memorandum, an investment summary or other offering document. We consider these documents to be offering memoranda as defined in subsection 1(1) of the Act.

Applicable legislation

Subsection 2.1(1) of OSC Rule 31-505 requires a dealer to deal fairly, honestly and in good faith with its clients.

For certain exemptions from the prospectus requirement, section 6.3 of revised OSC Rule 45-501 requires the right of action (set out in section 130.1 of the Act) for damages against the issuer and a selling security holder, and the right of rescission to be described in the offering memorandum.

Suggested practices

LMDs or their affiliates should disclose all relevant information to their clients, including, but not limited to, risk factors, conflicts of interest and rights of action for damages or rescission in offering memoranda. This information is critical to clients when making investment decisions.

7. *Lack of written policies and procedures manual*

Over 35% of the LMDs reviewed were deficient in this area. Examples included:

- No written policies and procedures manual
- Missing procedures for some major areas of the business
- Insufficient detail about policies and procedures

Applicable legislation

Section 1.2 of OSC Rule 31-505 requires dealers to develop and enforce written procedures for dealing with clients that conform to prudent business practice and enable them to serve clients adequately. The policies and procedures should be in sufficient detail, updated periodically and made available to all staff. In addition, the relevant regulatory requirements should be outlined in the policies and procedures.

Suggested practices

LMDs should develop and enforce written policies and procedures manuals that are tailored to their operations. At a minimum, the following areas should be covered:

- Role of the compliance officer, including reviewing and approving new accounts and supervising trades
- Supervision and training of registered salespersons
- Collection and documentation of KYC and suitability information
- Prospectus exemptions available to investors and their application
- Maintenance of books and records
- Handling of client money in trust accounts
- Review and approval of marketing materials and websites
- Dealing with conflicts of interest
- Personal trading

8. *Inadequate books and records*

Over 30% of the LMDs reviewed were deficient in this area. The following are examples of books and records that were not maintained:

- Monthly and annual financial statements
- KYC forms

- Trade blotter and trade confirmations
- Signed subscription and accredited investor forms
- Bank reconciliations for both trust and operating bank accounts
- Marketing materials

Applicable legislation

Subsection 19(1) of the Act requires a market participant to keep books, records and other documents for the proper recording of its business transactions and financial affairs, and the transactions that it executes on behalf of others.

Suggested practices

LMDs should determine the appropriate books and records to be maintained in their operations. At a minimum, they should maintain records of client information, KYC forms, agreements with third parties, a trade blotter and financial statements.

9. *No written agreements with salespersons or third parties*

Over 30% of LMDs did not have written agreements with salespersons or promoters.

Applicable legislation

Subsection 19(1) of the Act requires a market participant to keep books, records and other documents for the proper recording of its business transactions and financial affairs, and the transactions that it executes on behalf of others.

Suggested practices

LMDs should establish written agreements with salespersons or third parties. The agreements should clearly define the roles and responsibilities of each party and ensure that each party to the agreement is appropriately registered to carry out its responsibilities.

10. *No written referral agreement and inadequate disclosure to clients*

Over 25% of the LMDs reviewed were deficient in this area. Examples included:

- No written agreement for third-party referral arrangements
- Inadequate disclosure to clients about the arrangement and the amount of fees paid to third parties

Applicable legislation

Subsection 19(1) of the Act requires a market participant to keep books, records and other documents for the proper recording of its business transactions and financial affairs, and the transactions that it executes on behalf of others.

Subsection 2.1(1) of OSC Rule 31-505 requires a dealer to deal fairly, honestly and in good faith with its clients. LMDs should provide adequate disclosure to clients regarding any conflicts of interest.

Suggested practices

LMDs should establish written agreements with referring parties. The agreements should clearly define the roles and responsibilities of each party and the amount of the fee. LMDs should also provide written disclosure to clients that includes the nature of the referral arrangement, the amount of the fee paid and any potential conflicts of interest.

Our response

As a result of these reviews, the OSC has taken steps to help address the deficiencies and improve compliance oversight.

When further action beyond a deficiency report is necessary, the Compliance team may, among other things:

- Refer the matter to Enforcement

- Closely monitor the LMD
- Impose terms and conditions on registration

Where appropriate, we referred matters resulting from the reviews to Enforcement. We continue to monitor some LMDs. We have suspended a few of the LMDs we reviewed because of registration renewal issues. These suspensions were made independently of our initiative.

Compliance deficiency reports were sent to the LMDs reviewed, where applicable. Each LMD was required to provide a written response, effectively an action plan, to all deficiencies identified in our report within 30 days. Approximately two thirds of the LMDs with deficiencies have resolved their deficiencies to our satisfaction. We will continue to follow up with the remaining LMDs to ensure that all deficiencies are dealt with appropriately and within a reasonable time frame. If deficiencies cannot be resolved within a reasonable time frame, further action, as noted above, may be taken such as imposing terms and conditions on registration, or referring the matter to Enforcement.

Commencing in the current fiscal year, the Compliance team will be conducting regular compliance field reviews of LMDs to review their compliance with securities law.

As noted previously, the results of this initiative will assist the CSA Registration Reform Steering Committee in harmonizing registration requirements. As a result, registration requirements may not be extended to some of the currently registered LMDs, for example, those providing mergers and acquisitions services. Also, due to the nature and frequency of the deficiencies identified, increased regulation of LMDs is being considered, including requirements for proficiency, books and records, filing of audited financial statements, and maintaining insurance and minimum capital, similar to those applicable to other registrants.

We expect that this initiative will assist LMDs in enhancing their compliance structure and will result in a more effective regulatory regime.

For more information, please contact:

Christina Forster Pazienza, Assistant Manager, Compliance
(416) 593-8061
cpazienza@osc.gov.on.ca

Carlin Fung, Senior Accountant, Compliance
(416) 593-8226
cfung@osc.gov.on.ca

Sam Aiello, Accountant, Compliance
(416) 593-2322
saiello@osc.gov.on.ca

June 16, 2006

Appendix 1

Summary of LMD business models

Model	% of LMDs surveyed*	Business objectives	Type of investors	Products
1. Sole LMD (mergers and acquisitions)	13.1%	Provides assistance in mergers and acquisitions and disposition of corporations	Institutional	No products distributed Only services provided as previously discussed
2. Sole LMD (private placement)	24.7%	Provides advice on capital structuring to raise financing Distributes new issues to accredited investors	Institutional and high net worth (accredited investors)	Shares, corporate debt, units of trusts, etc. (depends on the investment vehicle used to structure the private placement)
3. Sole LMD (relationship facilitator)	9.7%	Facilitates relationships between investors and registrants Does not distribute securities Provides advice on the suitability of the investment opportunity; this is done when the initial matching of the two parties occurs	Institutional and high net worth (accredited investors)	No products distributed Only services provided as previously discussed
4. Sole LMD (distributes exempt products)	21.3%	Distributes non-prospectus qualified products	Institutional and high net worth (accredited investors)	Pooled funds, hedge funds, etc.
5. Sole LMD (full-service)	3.1%	Distributes non-prospectus qualified and other types of investment products	Institutional and high net worth (accredited investors)	Pooled funds, hedge funds, etc. and other investment products (e.g. equities, fixed income, etc.)
6. ICPM (integrated)	28.4%	LMD is used to: facilitate the investment management of discretionary client accounts distribute products that are developed and managed (on a discretionary basis) in-house	Institutional and high net worth (accredited investors)	Pooled funds, hedge funds, etc.
7. ICPM (non-integrated)	24.4%	LMD is used to distribute products that are developed and managed (on a discretionary basis) in-house The products are distributed to investors who do not have a managed account with the registrant	Institutional and high net worth (accredited investors)	Pooled funds, hedge funds, etc.
8. Inter-dealer bond broker (IDB)	0.6%	Acts as an intermediary and matches buyers and sellers of government and Canadian bonds anonymously Recognized by the IDA as an IDB	Institutional (e.g. major banks, IDA member firms and international dealers)	Canadian federal bonds, provincial bonds, corporate bonds, T-Bills, repurchase agreements, federal and provincial government derivatives, forward currency swaps, overnight interest rate swaps, etc.

*Based on active LMD population identified from surveys submitted. The total of the percentages is greater than 100% because some LMDs operate under multiple business models.

Appendix 2
Top 10 most frequent deficiencies

Deficiency type	Number of deficiencies identified in LMD sample	% of total active LMD sample
Not collecting and documenting KYC and suitability information	15	79%
No or inadequate filing of regulatory forms and/or statement of policies	12	63%
Misleading marketing materials/website	8	42%
Ineffective compliance officer	7	37%
Registration issues	7	37%
Inadequate disclosure and/or misleading statements in offering memoranda	7	37%
Lack of written policies and procedures manual	7	37%
Inadequate books and records	6	32%
No written agreements with salespersons or third parties	6	32%
No written referral agreement and inadequate disclosure to clients	5	26%

1.1.3 Notice of Commission Approval - Investment Dealers Association of Canada - By-law No. 28 Discretionary Fund

THE INVESTMENT DEALERS ASSOCIATION OF CANADA (IDA)

BY-LAW NO. 28 DISCRETIONARY FUND

NOTICE OF COMMISSION APPROVAL

The Ontario Securities Commission approved housekeeping amendments to IDA By-law No. 28 *Discretionary Fund*. The objective of the amendments is to clarify the expenses that can properly be charged to the Discretionary Fund under paragraph 28.4 (d). In addition, the Autorité des marchés financiers approved, and the Alberta Securities Commission and the British Columbia Securities Commission did not object to the amendments. The description and a copy of the amendments are contained in Chapter 13 of this Ontario Securities Commission Bulletin.

1.2 Notices of Hearing

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

June 7, 2006

**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.**

AND

**IN THE MATTER OF
HAWKEYE CAPITAL MANAGEMENT, LLC,
KNOTT PARTNERS MANAGEMENT LLC, AND
PERSHING SQUARE CAPITAL MANAGEMENT, L.P.,**

**AMENDED 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 "Minority Shareholder Applicants") have requested that the Commission convene a hearing to consider matters in connection with the offer (the "Offer") by SHLD Acquisition Corp. ("SHLD"), a wholly-owned subsidiary of Sears Holdings Corporation ("Sears Holdings"), to acquire the outstanding common shares of Sears Canada Inc.;

AND WHEREAS on May 17, 2006, the Commission issued a notice that such a hearing would be held commencing on Wednesday July 5, 2006;

AND WHEREAS SHLD and Sears Holdings have subsequently requested that the Commission convene a hearing to consider matters in relation to the conduct of the Minority Shareholders Applicants and others in connection with the Offer;

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 Tuesday, July 4, 2006 at 10:00 a.m., 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.

BY REASON OF the application record of the Minority Shareholder Applicants dated June 5, 2006 and the application record of SHLD and Sears Holdings dated June 5, 2006, each as filed with the Office of the Secretary of the Ontario Securities Commission.

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.

Ontario Securities Commission

“John Stevenson”
Secretary to the Commission

1.4 Notices from the Office of the Secretary

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

**FOR IMMEDIATE RELEASE
June 8, 2006**

**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.**

TORONTO – On June 7, 2006, the Commission issued an Amended Notice of Hearing pursuant to subsection 104(1) and section 127 of the *Securities Act* to consider the application of Hawkeye Capital Management, LLC, Knott Partners Management LLC and Pershing Square Capital Management, L.P. and the application of Sears Holdings Corporation and SHLD Acquisition Corp.

A copy of the Amended 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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

1.4.2 Olympus United Group Inc.

**FOR IMMEDIATE RELEASE
June 9, 2006**

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

AND

**IN THE MATTER OF
OLYMPUS UNITED GROUP INC.**

TORONTO – The hearing to consider whether to extend the temporary orders made by the Commission on May 13, 2005 and May 20, 2005, is adjourned until October 20, 2006 at 10:00 a.m.; and the temporary orders issued on May 13, 2005 and May 20, 2005 are continued until the hearing on October 20, 2006, or until further order of the Commission.

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

Office of the Secretary
John P. Stevenson
Secretary

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

Laurie Gillett
Manager, Public Affairs
416-595-891

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

1.4.3 Norshield Asset Management (Canada) Ltd.

**FOR IMMEDIATE RELEASE
June 9, 2006**

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

AND

**IN THE MATTER OF
NORSHIELD ASSET MANAGEMENT (CANADA) LTD.**

TORONTO – The Commission issued an order on June 8, 2006 adjourning the hearing to consider whether to extend the Temporary Order until October 20, 2006 at 10:00 a.m. The Commission also ordered that the suspension of Norshield's registration be continued until that time or until such other time as may be ordered by the Commission.

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

Office of the Secretary
John P. Stevenson
Secretary

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

Laurie Gillett
Manager, Public Affairs
416-595-891

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

1.4.4 Euston Capital Corp. and George Schwartz

FOR IMMEDIATE RELEASE
June 9, 2006

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

AND

**IN THE MATTER OF
EUSTON CAPITAL CORP.**

AND

GEORGE SCHWARTZ

TORONTO – Following a hearing held today, the Commission ordered that:

- (a) the hearing is adjourned until October 19, 2006 at 10:00 a.m., preemptory on Euston Capital Corp. and George Schwartz;
- (b) the Temporary Order is continued until October 19, 2006 or until further order of the Commission; and
- (c) any materials upon which Euston Capital Corp. and George Schwartz intend to rely will be served and filed no later than October 11, 2006.

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

Office of the Secretary
John P. Stevenson
Secretary

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

Laurie Gillett
Manager, Public Affairs
416-595-8913

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

1.4.5 First Global Ventures, S.A. and Allen Grossman

FOR IMMEDIATE RELEASE
June 13, 2006

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

AND

**IN THE MATTER OF
FIRST GLOBAL VENTURES, S.A.
and ALLEN GROSSMAN**

TORONTO – Following a hearing held today, the Commission issued an Order extending the Temporary Cease Trade Order against the respondent First Global Ventures, S.A. until June 28, 2006. The hearing in this matter was adjourned to Wednesday, June 28, 2006 at 9:00 a.m.

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

Office of the Secretary
John P. Stevenson
Secretary

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

Laurie Gillett
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416-593-8314
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Western Silver Corporation - MRRS Decision

Headnote

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

Ontario Statutes

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

June 7, 2006

Lang Michener LLP

1500 – 1055 West Georgia Street
P.O. Box 11117
Vancouver, B.C., V6E 4N7

Attention: G. Barry Finlayson

Dear Sirs / Mesdames:

Re: Western Silver Corporation (the “Applicant”) – Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia and Newfoundland and Labrador (the “Jurisdictions”)

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

As the Applicant has represented to the Decision Makers that,

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

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

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

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

2.1.2 Philip Services Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Securities of issuer were cancelled upon reorganization under foreign bankruptcy protection and the Companies Creditors Arrangement Act - new securities of issuer distributed to two securityholders – Issuer in default of certain continuous disclosure requirements under securities legislation – Issuer deemed to cease to be a reporting issuer under applicable securities laws.
Statutes Cited

Ontario Statutes

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

May 30, 2006

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

AND

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

AND

**IN THE MATTER OF
PHILIP SERVICES CORPORATION**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the provinces of Alberta, Manitoba, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador (the “**Jurisdictions**”) has received an application (the “**Application**”) from Philip Services Corporation (the “**Filer**”) for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) that the Filer is deemed to have ceased to be a reporting issuer in the Jurisdictions (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 otherwise defined.

Representations

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

1. The Filer is a corporation incorporated under the laws of Delaware, with its head office located in Houston, Texas.
2. Prior to the completion of the Reorganization Plan (as hereinafter defined), the Filer was a reporting issuer or had an equivalent status in each of the provinces of Alberta, Manitoba, Saskatchewan, Ontario, Quebec, Nova Scotia, New Brunswick and Newfoundland and Labrador. The Filer was also a reporting issuer in British Columbia and on March 29, 2006 notified the British Columbia Securities Commission of its voluntary surrender of its status as a reporting issuer under BC Instrument 11-502 *Voluntary Surrender of Reporting Issuer Status*, effective April 11, 2006.
3. The Filer commenced Chapter 11 reorganization proceedings under the U.S. Bankruptcy Code on June 2, 2003 and filed, together with certain of its wholly-owned Canadian subsidiaries, under the *Companies’ Creditors Arrangement Act (Canada)* on September 19, 2003. Pursuant to the reorganization plan (the “**Reorganization Plan**”) filed with and confirmed by the U.S. Bankruptcy Court, the existing shares of common stock of the Filer were extinguished on December 31, 2003 (the “**Effective Date**”).
4. The existing shares of common stock were delisted from The Toronto Stock Exchange at the close of trading on December 24, 2003 at the request of the Filer.
5. New shares of common stock of the Filer (the “**Common Stock**”) were issued on the Effective Date. The Common Stock was not offered to the public and is not listed on any stock exchange or quotation system.
6. As at January 1, 2006, Arnos Corp. owned 95.57% (9557 shares) of the Filer’s outstanding Common Stock and American Real Estate Holdings L.P. owned the remaining 4.43% (443 shares).
7. The Filer has not accessed the capital markets in any of the Jurisdictions since the Effective Date and, except as noted above, the Filer does not have any securities outstanding.

8. The Filer has not complied with its obligations as a reporting issuer since the delisting and cancellation of its common shares at the end of December, 2003.
9. Other than as noted above, the Filer is not in default of any of the requirements of the Legislation.

Decision

Each of the Decision Makers is satisfied that the tests 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.

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

“Robert W. Davis”
Commissioner
Ontario Securities Commission

2.1.3 Multi-Glass International Corp. - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

June 8, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, ONTARIO
AND NOVA SCOTIA
(THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
MULTI-GLASS INTERNATIONAL CORP.
(THE APPLICANT)**

MRRS DECISION DOCUMENT

Background

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

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

- (i) the Ontario Securities Commission is the principal regulator for this application, and
- (ii) 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 was formed on May 1, 2006 through the amalgamation (the Amalgamation) of Multi-Glass International Corp. and 1215325 Alberta Ltd., a wholly-owned subsidiary of 2044278 Ontario Inc. (2044278), pursuant to a going-private transaction under the Business Corporations Act (Alberta).
2. The principal and head office of the Applicant is located at 3925 Steeles Avenue East, Unit #1, Brampton, Ontario L6T 3Y7. The registered office of the Applicant is located at Suite 3100, Home Oil Tower, 324 - 8th Avenue S.W., Calgary, Alberta T2P 2Z2.
3. The authorized capital of the Applicant consists of an unlimited number of common shares (the "Common Shares"). As at the date hereof, there are 8,769,520 Common Shares issued and outstanding.
4. In connection with the Amalgamation, 2044278 has become the beneficial holder of all the issued and outstanding Common Shares.
5. The outstanding securities of the Applicant, including debt securities, are beneficially owned, directly or indirectly, by fewer than 15 securityholders in each of the Jurisdictions and fewer than 51 securityholders in Canada.
6. The Applicant received conditional acceptance of the delisting of the Common Shares from the TSX Venture Exchange on March 31, 2006 and final acceptance of the delisting is pending.
7. The Applicant has no current intention to seek public financing by way of an offering of securities.
8. No securities of the Applicant are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
9. The Applicant is not in default of any of its obligations as a reporting issuer under the securities legislation of the Jurisdictions, other than its obligation to file annual financial statements, related management's discussion and analysis and certificates within 120 days of the end of a financial year. As 2044278 became the sole beneficial holder of all of the issued and outstanding Common Shares on the date upon which the Applicant was required to file its annual financial statements and related management's discussion and analysis in respect of its financial year ended December 31, 2005, the Applicant has not prepared or filed its annual financial

statements, related management's discussion and analysis or certificates.

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

Decision

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

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

"Robert L. Shirriff, Q.C."
Commissioner
Ontario Securities Commission

"Carol S. Perry"
Commissioner
Ontario Securities Commission

2.1.4 Stone & Co. Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – NI 81-102 Mutual Funds, s.5.7 – approval for change of manager of the Stone Mutual Funds – Change in manager is change only in a technical sense, no change to the management and administration of the Funds – Securityholders have received timely and adequate disclosure regarding the change of manager and the change is not detrimental to securityholders or the public interest

Mutual Reliance Review System for Exemptive Relief Applications – NI 81-102 Mutual Funds, s.19.1 – approval for relief from the requirement to obtain securityholder approval for a change of manager of the Stone Mutual Funds – Change in manager is change only in a technical sense, no change to the management and administration of the Funds, thereby creating situation for potential confusion should approval be sought – Securityholders have received timely and adequate disclosure regarding the change of manager and the cost of holding a securityholder meeting to obtain approval is not justifiable

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, s. 5.7 and s. 19.1

May 31, 2006

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

AND

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

AND

IN THE MATTER OF STONE & CO. LIMITED (THE FILER)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received

an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for:

- (1) an exemption pursuant to section 19.1 of National Instrument 81-102 – Mutual Funds (NI 81-102) from the requirement in section 5.1(b) of NI 81-102 to obtain the prior approval of the securityholders (the Securityholders) of the mutual funds listed in Appendix “A” (the Stone Mutual Funds) to the proposed change of manager (the Change of Manager) of the Stone Mutual Funds which will result from the SCL Reorganization (defined below); and
(2) approval pursuant to section 5.5(1)(a) of NI 81-102 of the proposed Change of Manager.

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. Effective on or about June 30, 2006, SCL will reorganize its corporate structure (the SCL Reorganization), subject to, among other things, obtaining all necessary regulatory relief and approvals.
2. The SCL Reorganization will be effected by way of a three-cornered amalgamation: A newly incorporated holding company (Holdco) will incorporate a wholly-owned subsidiary whose sole purpose is to amalgamate with SCL. The former shareholders of SCL will become shareholders of Holdco. The amalgamation between SCL and the Holdco subsidiary will result in the amalgamated company (New SCL) being a wholly-owned subsidiary of Holdco.
3. Mr. Richard Stone, a principal shareholder, and the largest shareholder, of SCL, will be a principal shareholder, and the largest shareholder, of Holdco following the completion of the SCL Reorganization, although Mr. Stone’s precise ownership percentage of Holdco remains to be determined as relative valuations are settled.

4. The purpose of the SCL Reorganization is to organize SCL (through its successor, New SCL) as a wholly-owned subsidiary of Holdco in order to integrate and simplify the existing corporate ownership structure and facilitate future growth and financing.

THE PARTIES

Holdco

5. Holdco will be a corporation newly incorporated under the laws of the Province of Ontario. Holdco's head office will be located in the Province of Ontario. Holdco will not be registered as a dealer or adviser under the securities legislation of any Jurisdiction. Contemporaneously with the completion of the SCL Reorganization, Holdco will complete an initial public offering of certain debt securities and thereby become a reporting issuer in each of the Jurisdictions. Following the completion of the SCL Reorganization, Mr. Richard Stone will be a principal shareholder, and the largest shareholder, of Holdco.

SCL

6. SCL is a corporation incorporated under the laws of the Province of Ontario. SCL's head office is located in the Province of Ontario. SCL acts as the manager of the Stone Mutual Funds. SCL is not registered as a dealer or adviser under the securities legislation of any Jurisdiction. Mr. Richard Stone is a principal shareholder, and the largest shareholder, of SCL.

The Stone Mutual Funds

7. The Stone Mutual Funds are governed by National Instrument 81-101 and NI 81-102. The Stone Mutual Funds are reporting issuers in each of the Jurisdictions and are not in default of any of the requirements of the Jurisdictions. Securities of the Stone Mutual Funds are qualified for distribution in all of the Jurisdictions by a simplified prospectus and related annual information form, each dated July 29, 2005. Securities of the Stone Mutual Funds are sold in all of the Jurisdictions through registered dealers.

TECHNICAL "CHANGE OF MANAGER" ONLY

8. The objective of the SCL Reorganization is to integrate and simplify the existing corporate ownership structure of SCL and facilitate future growth and financing. It is contemplated that the financing will be completed contemporaneously with the completion of the SCL Reorganization before the end of June 2006. In particular, it is necessary to structure the SCL Reorganization as a three-cornered amalgamation in order to avoid triggering the formal take-over bid requirements

under the *Securities Act* (Ontario), compliance with which would impose an unwarranted burden in the circumstances.

9. The formation of New SCL by amalgamation will result in a technical change of the manager of the Stone Mutual Funds because New SCL is a different legal entity than SCL and New SCL does not meet the definition of an affiliated entity under the *Securities Act* (Ontario).

REQUIRED APPROVALS

Approval of Securityholders

10. Pursuant to section 5.1(b) of NI 81-102, the approval of the Securityholders must be obtained prior to the proposed Change of Manager given by a resolution passed by at least a majority of the votes cast at a meeting of the Securityholders of each Stone Mutual Fund duly called and held to consider the matter, unless an exemption from this requirement can be obtained pursuant to section 19.1 of NI 81-102.

Approval of Decision Makers

11. Pursuant to section 5.5(1)(a) of NI 81-102, the approval of the Decision Makers must be obtained prior to the proposed Change of Manager.

IMPACT OF THE SCL REORGANIZATION ON THE STONE MUTUAL FUNDS

12. Following the completion of the SCL Reorganization:
- (a) Mr. Richard Stone will be a principal shareholder, and the largest shareholder, of Holdco;
 - (b) Holdco will own 100% of the issued and outstanding shares of New SCL;
 - (c) New SCL will act as the manager of the Stone Mutual Funds;
 - (d) in all material respects, New SCL will have the same offices, directors, officers and employees as SCL;
 - (e) New SCL will have the same name as SCL, except for a different legal suffix;
 - (f) Stone Asset Management Limited (**SAM**) will remain as the portfolio adviser of the Stone Mutual Funds; and
 - (g) from an operational perspective, there will be no change in the management, or investment management, of the Stone Mutual Funds. In connection with the SCL Reorganization, all material

agreements and other documents regarding the administration of the Stone Mutual Funds to which SCL is a party will be assigned to New SCL as required, and continue in force on the same terms, to ensure that the Stone Mutual Funds are operated in the same manner before, and following the completion of, the SCL Reorganization.

SUBMISSIONS

(a) *The SCL Reorganization Will Only Result in a Technical “Change of Manager”*

The formation of New SCL by amalgamation will result in a technical change of the manager of the Stone Mutual Funds because New SCL is a different legal entity than SCL.

(b) *Integrity and Experience of Proposed Indirect Shareholder of New SCL*

By virtue of his status as a principal shareholder, and the largest shareholder, of SCL, Mr. Richard Stone has demonstrated that he has the necessary integrity and experience to be (indirectly, through Holdco) a principal shareholder, and the largest shareholder, of New SCL.

(c) *Integrity and Experience of Proposed Management of New SCL*

In connection with their roles as directors and/or officers of SCL, the Decision Makers have already conducted security checks on the proposed directors and officers of New SCL and have had demonstrated to their satisfaction that such persons have the necessary integrity and experience to be directors and/or officers of New SCL.

(d) *No Material Change*

The management and administration of the Stone Mutual Funds will not be materially affected by the proposed Change of Manager because following the completion of the SCL Reorganization: (i) Mr. Richard Stone will remain a principal shareholder, and the largest shareholder (indirectly, through Holdco), of New SCL; (ii) in all material respects, New SCL will have the same offices, directors, officers and employees as SCL; (iii) SAM will remain as the portfolio adviser of the Stone Mutual Funds; and (iv) from an operational perspective, there will be no change in the management, or investment management, of the Stone Mutual Funds.

(e) *Avoidance of Securityholder Confusion*

In the normal course, the securityholders of a mutual fund are only required to approve “fundamental” changes. Requiring the Securityholders to approve the proposed Change of Manager may suggest, misleadingly, that a fundamental change in the management and administration of the Stone Mutual Funds may result from the proposed Change of Manager which is not, in fact, the case.

(f) *Similarity to Change in Control of Manager*

Conceptually, New SCL is simply SCL in another corporate form. The proposed Change of Manager will be a necessary result of the mechanics of the SCL Reorganization. This being the case, the considerations and attendant requirements regarding a conventional change of manager to a third party are not appropriate in respect of the Change of Manager. In this scenario, there is no need to inform the Securityholders of material details of the new manager in order to afford them an opportunity to assess the potential impact of the change. Rather, the considerations and attendant requirements regarding a change of manager to an affiliate, or regarding a change in control of a manager, are more appropriate in these circumstances. Neither a change of manager to an affiliate nor a change in control of a manager require the approval of the securityholders of a mutual fund.

(g) *Prior Notice to Securityholders*

Notice (the Notice) of the proposed Change of Manager will be mailed to the Securityholders on or about April 20, 2006 (the Notice Date).

(h) *Substantial Cost*

The substantial cost of holding meetings of the Securityholders regarding the proposed Change of Manager is not justifiable in light of SCL’s expectation: (1) of a low participation rate by the Securityholders; and (2) that the proposed Change of Manager would be overwhelmingly approved by voting Securityholders because it will not result in a material change in the management or administration of the Stone Mutual Funds.

(i) *Formality*

In substance, New SCL is the same entity as SCL notwithstanding that, by operation of corporate law, New SCL is, in form, a separate legal entity.

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:

- (a) an exemption pursuant to section 19.1 of NI 81-102 from the requirement of section 5.1(b) of NI 81-102 to obtain the prior approval of the Securityholders to the proposed Change of Manager is granted provided that the Notice is mailed to the Securityholders as described in section 13(g) above;
- (b) the proposed Change of Manager is approved pursuant to section 5.5(1)(a) of NI 81-102; and
- (c) the approval and exemption provided herein is subject to compliance with all applicable provisions of NI 81-102.

“Rhonda Goldberg”
Assistant Manager
Ontario Securities Commission

**APPENDIX “A”
LIST OF THE STONE MUTUAL FUNDS**

Stone & Co. Dividend Growth Class*
Stone & Co. Resource Plus Class*
Stone & Co. Flagship Growth & Income Fund Canada**
Stone & Co. Flagship Stock Fund Canada**
Stone & Co. Flagship Growth Industries Fund**
Stone & Co. Flagship Global Growth Fund**
Stone & Co. Longevity Fund **
Stone & Co. Flagship Money Market Fund Canada**

*A mutual fund constituted as a class of shares of Stone & Co. Corporate Funds Limited, a mutual fund corporation.

**A mutual fund trust.

2.1.5 Teranet Income Fund - MRRS Decision

Headnote

MRRS – exemption from issuer bid requirements – repurchase of units to effect distribution of proceeds from the exercise of an over-allotment option granted to underwriters in connection with an initial public offering of units would constitute an issuer bid – all pre-IPO shareholders had equal opportunity to participate in repurchase of units using proceeds from over-allotment option – prospectus contained full description of the use of any proceeds received by the issuer from any exercise of the over-allotment option – issuer bid constituting a technical step in what remained in substance an initial public offering of securities – Sections 95, 96, 97, 98, 100 of the Securities Act (Ontario)

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am. ss. 95, 96, 97, 98, 100, 102 and 104(2)(c).

June 7, 2006

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

AND

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

AND

**IN THE MATTER OF
TERANET INCOME FUND (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 of the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the proposed acquisition of trust units (Units) of the Filer pursuant to an issuer bid made by the Filer to some of the Vendors (as defined below) in connection with an over-allotment option (the Over-Allotment Option) granted by the Filer to the underwriters (the Underwriters) as part of the initial public offering (the IPO) of Units by way of prospectus to be filed in all of the provinces and territories of Canada shall be exempt from the requirements (the Issuer Bid Requirements) of the Legislation applicable to issuer bids (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 Filer:

1. The Filer is an unincorporated, open-ended trust established under the laws of Ontario pursuant to a declaration of trust dated May 8, 2006. The Filer's head and principal office is located at 1 Adelaide Street East, Suite 600, Toronto, Ontario M5C 2V9.
2. The Filer has filed a preliminary prospectus dated May 8, 2006 (the Preliminary Prospectus) and an amended and restated preliminary prospectus dated May 19, 2006 (the Amended and Restated Preliminary Prospectus and together with the Preliminary Prospectus, the Prospectuses) with the securities regulatory authorities in all of the provinces and territories of Canada in respect of the IPO. The Filer intends to become a reporting issuer under the securities legislation of all of the provinces and territories of Canada by filing a final prospectus in respect of the IPO.
3. The Filer is authorized to issue an unlimited number of Units. As at the date hereof, there are 20 Units issued and outstanding. An application has been made to list the Units on the Toronto Stock Exchange.
4. The Filer was created to indirectly acquire all of the outstanding shares of Teranet Inc. (Teranet), which primarily operates and supports a system of electronic registration of interests in real property in Ontario.
5. All of the outstanding shares of Teranet are owned by Teramira Holdings Inc. (Teramira), which in turn is owned as to (i) approximately 77% of the outstanding shares, by three holding companies, Miralta Teramira Inc. (Miralta), 1028484 Ontario Inc. (1028484) and 1255315 Ontario Inc. (1255315, and together with Miralta and 1028484, the Teramira Holdcos), and (ii) as to approximately 23% of the outstanding shares, by a number of individuals.
6. The shareholders of the Teramira Holdcos are principally comprised of pension plans and institutional investors.

7. As part of the IPO, Teramira has entered into commitment agreements (Commitment Agreements) with substantially all of the shareholders of Teramira (other than the Teramira Holdcos) and all shareholders of the Teramira Holdcos (collectively, the Vendors) which provide for, among other things, the agreement by such Vendors to sell their shares of Teramira and the Teramira Holdcos, as applicable, to Teranet Holdings Limited Partnership (Teranet Holdings LP), an indirect, wholly-owned subsidiary of the Filer in exchange for Units or class B limited partnership units (the Class B LP Units) of Teranet Holdings LP. A shareholder may elect to hold Class B LP Units, rather than Units, for tax deferral reasons. The Class B LP Units are exchangeable for Units at any time.
8. Only two shareholders of Teramira, representing approximately 8% of the outstanding shares of Teramira, have not entered into Commitment Agreements, one of whom has exercised its dissent rights under applicable corporate legislation. As a result, such shareholders will not be selling their shares of Teramira to Teranet Holdings LP in exchange for Units and/or Class B LP Units, but instead will receive cash in exchange for their shares of Teramira.
9. In connection with the IPO, the Filer will grant the Underwriters the Over-Allotment Option, exercisable for a period of 30 days from the closing (the Closing) of the IPO, to purchase additional Units at a price of \$10.00 per Unit to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised, the additional net proceeds will be used by the Filer to, directly or indirectly, acquire Units and/or Class B LP Units held by some of the Vendors at a price of \$10.00 per Unit or Class B LP Unit net of fees payable to the Underwriters in respect of the Over-Allotment Option. The Units and/or Class B LP Units so acquired will be cancelled upon acquisition.
10. All of the Vendors have had an equal opportunity to participate in having a portion of their Units or Class B LP Units repurchased by the Filer with the additional net proceeds from the exercise of the Over-Allotment Option. Those Vendors who desire to have their Units or Class B LP Units acquired by the Filer with the additional net proceeds from the exercise of the Over-Allotment Option have entered into identical agreements to give effect to the repurchase of such Units or Class B LP Units.
11. The acquisition of Units and Class B LP Units by the Fund with the additional net proceeds from the exercise of the Over-Allotment Option is one component step out of numerous transactional steps agreed to by the parties in connection with the IPO, with the overall objective of all such steps being the acquisition of Teranet by the Fund and the initial public offering of Units, and not the acquisition of Units or Class B LP Units by the Filer from some of the Vendors.
12. The Prospectuses disclose, and the final prospectus will disclose, the Over-Allotment Option and the acquisition of Units and Class B LP Units by the Filer with the additional net proceeds from the exercise of the Over-Allotment Option.
13. In a typical income fund initial public offering, the income fund issues to the selling securityholders, for tax deferral reasons, "private issuer" securities which are exchangeable into units of the income fund and the proceeds from the exercise of the over-allotment option are used to acquire such exchangeable securities on an exempt issuer bid basis. Similarly, in connection with the IPO, certain of the Vendors have elected to receive Class B LP Units for tax deferral reasons and a portion of the proceeds from the exercise of the Over-Allotment will be used to acquire Class B LP Units from certain of such Vendors on an exempt issuer bid basis. However, since many of the Vendors are tax-exempt entities which can directly hold Units without any adverse tax consequence to them, it is expected that a significant number of Vendors will hold Units on Closing and the additional net proceeds from the exercise of the Over-Allotment Option will be used to acquire Units from such Vendors.
14. Vendors who desire to have their Units acquired by the Filer with the additional net proceeds from the exercise of the Over-Allotment Option are resident in the provinces of Ontario, British Columbia, Alberta and Quebec.
15. The acquisition of Units by the Filer upon the exercise by the Underwriters of the Over-Allotment Option granted by the Filer to the Underwriters in connection with the IPO will constitute an issuer bid pursuant to the Legislation. Unless the relief sought is granted, the Filer will 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 under the Legislation is that the Requested Relief is granted.

"Robert L. Shirriff"
Commissioner
Ontario Securities Commission

“Carol Perry”
Commissioner
Ontario Securities Commission

2.1.6 Big Bank Big Oil Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Investment fund using specified derivatives exempted from the requirement to calculate its NAV on a daily basis, subject to certain conditions – NAV will not be generally required for the purposes of issuing and redeeming units since unitholders will have the option of liquidating their shares on the TSX and will not be dependent on redemptions for the purposes of disposing of their units- Prospectus must disclose that NAV calculation is to be made available to public upon request and NAV must be posted on manager’s website for so long as units listed on TSX and NAV per unit is calculated at least weekly - Clause 14.2(3)(b) of National Instrument 81-106 Investment Fund Continuous Disclosure.

Applicable Legislative Provisions

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

May 29, 2006

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

AND

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

AND

**IN THE MATTER OF
BIG BANK BIG OIL SPLIT CORP. (the Filer)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application (the Application) from the Filer for a decision under Section 17.1 of National Instrument 81-106 - Investment Funds Continuous Disclosure (the “Legislation”) for an exemption from the requirement, contained in Section 14.2(3)(b) of the Legislation, to calculate net asset value at least once every business day if the Filer uses specified derivatives (the Requested Relief).

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

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

Interpretation

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

Representations

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

The Filer

- 1. The Filer is a mutual fund corporation established under the laws of Ontario.
- 2. Claymore Investments, Inc. (the Manager) is the promoter and manager of the Filer and will perform administrative services on behalf of the Filer.

The Offerings

- 3. The Filer will be issuing class A preferred shares (the Preferred Shares) and class A capital shares (the Capital Shares, and together with the Preferred Shares, the Shares).
- 4. The offerings of Preferred Shares and Capital Shares (the Offerings) by the Filer are a one-time offering and the Filer will not continuously distribute the Shares.
- 5. The Filer's investment objectives are: (i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred Share representing a yield on the issue price of the Preferred Shares of 5.25% per annum; (ii) to return the original issue price to holders of Preferred Shares at the time of redemption of such shares on December 30, 2011; (iii) to provide holders of Capital Shares with regular monthly cash distributions targeted to be \$0.05 per Capital Share representing a yield on the issue price of the Capital Shares of 4.00% per annum; and (iv) to provide holders of Capital Shares with the opportunity for growth in net asset value per Capital Share.
- 6. The net proceeds from the Offerings will be invested in an equally weighted portfolio consisting of common shares of the six largest Canadian banks and common shares of the ten largest Canadian oil and gas companies (the Portfolio).

- 7. The Filer will, from time to time, selectively write covered call options in respect of all or part of the securities in its Portfolio.
- 8. A preliminary prospectus of the Filer dated April 28, 2006 (the Preliminary Prospectus) has been filed with the securities regulatory authorities in each of the Provinces and Territories of Canada.

The Shares

- 9. The Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the TSX).
- 10. The Shares will be retractable at the option of the holder on a monthly and annual basis at a price computed by reference to the value of a proportionate interest in the net assets of the Filer. As a result, the Filer will be a "mutual fund" under applicable securities legislation.
- 11. The description of the retraction process in the Preliminary Prospectus contemplates that the retraction price for the Shares will be determined as of the valuation date, being the second last business day of the month (the Retraction Date).
- 12. The retraction procedures described in the Preliminary Prospectus provide that shareholders will receive payment within ten business days of the month following the Retraction Date.
- 13. The net asset value per Unit (a notional unit consisting of one Preferred Share and one Capital Share), the net asset value per Preferred Share and the net asset value per Capital Share will be calculated weekly. The Filer will make available to the financial press for publication on a weekly basis the net asset value per Unit, the net asset value per Preferred Share and the net asset value per Capital Share as well as through the Internet at www.claymoreinvestments.ca.
- 14. Shareholders will have the opportunity to trade their Shares on the TSX and, as such, will not have to rely on the retraction features to provide liquidity for their Shares.

Decision

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

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

- (a) that the net asset value calculation per Unit, per Preferred Share and per Capital

Share is available to the public upon request;

- (b) a toll-free number or website that the public can access to obtain the net asset value per Unit, per Preferred Share and per Capital Share;

for so long as:

- (c) the Shares are listed on the TSX; and
- (d) the Filer calculates its net asset value per Unit, per Preferred Share and per Capital Share at least weekly.

“Rhonda Goldberg”
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.7 Big Bank Big Oil Split Corp. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Exemptive relief granted to an exchange traded fund offered in continuous distribution from certain mutual fund requirements and restrictions on: borrowing, organizational costs, calculation and payment of redemptions, compliance reports and date of record for payment of distributions – Since investors will generally buy and sell units through the facilities of the TSX, there are adequate protections and it would not be prejudicial to investors - National Instrument 81-102 Mutual Funds

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 2.6(a), 3.3, 10.3, 10.4(1), 12.1, 14.1 and 19.1

May 29, 2006

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

AND

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

AND

IN THE MATTER OF
BIG BANK BIG OIL SPLIT CORP. (the “Filer”)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application (the Application) from the Filer for a decision under Section 19.1 of National Instrument 81-102 - Mutual Funds (NI 81-102 or the Legislation) that the following sections of NI 81-102 (collectively the Requested Relief) will not apply to the Filer with respect to the Capital Shares and Preferred Shares (both defined below):

- (a) subsection 2.6(a), which prohibits a mutual fund from borrowing cash or providing a security interest over any of its portfolio assets except in compliance with subsection 2.6(a);
- (b) section 3.3, which prohibits a mutual fund or its securityholders from bearing the costs of incorporation, formation or initial organization of a

mutual fund, or of the preparation and filing of any preliminary simplified prospectus;

- (c) section 10.3, which requires that the redemption price of a security of a mutual fund to which a redemption order pertains shall be the net asset value of a security of that class, or series of class, next determined after the receipt by the mutual fund of the order;
- (d) subsection 10.4(1), which requires that a mutual fund shall pay the redemption price for securities that are the subject of a redemption order within three business days after the date of calculation of the net asset value per security used in establishing the redemption price;
- (e) subsection 12.1(1), which requires a mutual fund that does not have a principal distributor to complete and file a compliance report, and accompanying letter of the auditor, in the form and within the time period mandated by subsection 12.1(1); and
- (f) section 14.1, which requires that the record date for determining the right of securityholders of a mutual fund to receive a dividend or distribution by the mutual fund shall be calculated in accordance with section 14.1.

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

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

Interpretation

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

Representations

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

The Filer

- 1. The Filer is a mutual fund corporation established under the laws of Ontario.
- 2. Claymore Investments, Inc. (the Manager) is the promoter and manager of the Filer and will perform administrative services on behalf of the Filer.

The Offerings

- 3. The Filer will be issuing class A preferred shares (the Preferred Shares) and class A capital shares (the Capital Shares, and together with the Preferred Shares, the Shares).
- 4. The offerings of Preferred Shares and Capital Shares (the Offerings) by the Filer are a one-time offering and the Filer will not continuously distribute the Shares.
- 5. The Filer's investment objectives are: (i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of \$0.13125 per Preferred Share representing a yield on the issue price of the Preferred Shares of 5.25% per annum; (ii) to return the original issue price to holders of Preferred Shares at the time of redemption of such shares on December 30, 2011; (iii) to provide holders of Capital Shares with regular monthly cash distributions targeted to be \$0.05 per Capital Share representing a yield on the issue price of the Capital Shares of 4.00% per annum; and (iv) to provide holders of Capital Shares with the opportunity for growth in net asset value per Capital Share.
- 6. The net proceeds from the Offerings will be invested in an equally weighted portfolio consisting of common shares of the six largest Canadian banks and common shares of the ten largest Canadian oil and gas companies (the Portfolio).
- 7. The Filer will, from time to time, selectively write covered call options in respect of all or part of the securities in its Portfolio.
- 8. It is proposed that the initial costs of formation and organization of the Filer, including the preparation and filing of the Preliminary Prospectus and final Prospectus, be borne by the Filer rather than the promoter or manager of the Filer.
- 9. A preliminary prospectus of the Filer dated April 28, 2006 (the Preliminary Prospectus) has been filed with the securities regulatory authorities in each of the Provinces and Territories of Canada.
- 10. The Filer intends to establish a credit facility which may be used by the Filer for working capital purposes. The Filer expects that the maximum amount it borrows thereunder will be limited to 5% of NAV. The Filer may pledge Portfolio shares as collateral for amounts borrowed thereunder.

The Shares

- 11. The Shares are expected to be listed and posted for trading on the Toronto Stock Exchange (the TSX).

12. The Shares will be retractable at the option of the holder on a monthly and annual basis at a price computed by reference to the value of a proportionate interest in the net assets of the Filer. As a result, the Filer will be a "mutual fund" under applicable securities legislation.
13. The description of the retraction process in the Preliminary Prospectus contemplates that the retraction price for the Shares will be determined as of the valuation date, being the second last business day of the month (the Retraction Date). As requests for retractions may be made at any time during the month and are subject to a cut-off date (ten business days prior to the Retraction Date), and as the net asset value is calculated weekly, retractions may not be implemented at a price equal to the net asset value next determined after receipt of the retraction request.
14. The retraction procedures described in the Preliminary Prospectus provide that shareholders will receive payment within ten business days of the month following the Retraction Date.
15. The Preferred Shares have been provisionally rated Pfd-2 by Dominion Bond Rating Service Limited.
16. The Filer will make quarterly distributions to holders of the Preferred Shares and monthly distributions to holders of the Capital Shares. The record date for shareholders entitled to receive such distributions will be determined in accordance with the requirements of the TSX.
- (d) **Subsection 10.4(1)** - to permit the Filer to pay the retraction price for the Capital Shares and the Preferred Shares on the Retraction Payment Date, as defined in the Preliminary Prospectus;
- (e) **Subsection 12.1(1)** - to relieve the Filer from the requirement to file the prescribed compliance reports; and
- (f) **Section 14.1** - to relieve the Filer from the requirement relating to the record date for the payment of dividends or other distributions, provided that it complies with the applicable requirements of the TSX.

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

Decision

Each of the Decision Makers is satisfied that the tests contained in the Legislation that provide the Decision Makers with the jurisdiction to make the decisions have been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted on the following basis:

- (a) **Subsection 2.6(a)** - to enable the Filer to obtain a credit facility for working capital purposes and provide a security interest over its assets, as stated in paragraph 10 above, so long as the outstanding amount of any such borrowings of the Filer does not exceed 5% of the net assets of the Filer taken at market value at the time of the borrowing;
- (b) **Section 3.3** - to permit the Filer to bear the expenses of the Offerings as described in paragraph 8 above;
- (c) **Section 10.3** - to permit the Filer to calculate the retraction price for the

2.1.8 US Gold Canadian Acquisition Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – the Filer is deemed to be a reporting issuer in the jurisdictions as of the date its parent becomes a reporting issuer in the jurisdictions - the Filer is a Canadian subsidiary of a US entity – the Filer was formed to facilitate four take-over bids that will utilize an exchangeable share structure for Canadian offeree security holders.

Applicable Legislative Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.1(1)
National Instrument 45-102 Resale of Securities, section 2.11

June 1, 2006

**IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ALBERTA, BRITISH COLUMBIA, SASKATCHEWAN,
ONTARIO AND NEW BRUNSWICK
(THE JURISDICTIONS)**

AND

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

AND

**IN THE MATTER OF
US GOLD CANADIAN ACQUISITION CORPORATION
(THE FILER)**

MRRS DECISION DOCUMENT

Background

1. The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) for a decision that the Filer be declared a reporting issuer in each of the Jurisdictions with the effective date being the date that a receipt is issued for the Prospectus (as defined below) filed by US Gold across Canada (the Requested 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. The decision is based on the following facts represented by the Filer:
 - 4.1 U.S. Gold Corporation (US Gold) is a Colorado corporation engaged in mineral exploration and development and has its head office in Lakewood, Colorado. It is currently engaged in gold exploration on a property it owns in the State of Nevada called Tonkin Springs. Its shares of common stock are registered under the 1933 Act and are quoted on the Over-the-Counter Bulletin Board in the United States.
 - 4.2 The Filer is a wholly-owned subsidiary of US Gold incorporated under the laws of Alberta solely for the purpose of making the share exchange take-over bids described below, has not carried on any business activities and has its head office in Edmonton, Alberta.
 - 4.3 In February 2006, US Gold issued 16,700,000 subscription receipts (the Subscription Receipts) by way of private placement in Canada and the United States, which will automatically be converted into shares of common stock, and warrants to purchase shares of common stock of US Gold on the satisfaction of certain conditions. Those conditions include the issuance of a receipt for a final prospectus (the Prospectus) in the applicable Canadian jurisdictions, qualifying the securities underlying the Subscription Receipts.
 - 4.4 On March 5, 2006, US Gold announced its intention to make securities exchange take-over bids (the Take-Over Bids) for all of the outstanding common shares of four companies that have gold exploration properties adjacent to or near US Gold's Tonkin Springs property. Those companies are White Knight Resources Ltd., Nevada Pacific Gold Ltd., Coral Gold Resources Ltd. and Tone Resources Ltd (collectively, the Target Issuers), all of which are based in British Columbia and listed on the TSX Venture Exchange.
 - 4.5 On May 1, 2006, US Gold and the Filer filed a take-over bid for all of the

- outstanding common shares of White Knight Resources Ltd (the White Knight Bid), which resulted in both US Gold and the Filer becoming reporting issuers in Nova Scotia and Newfoundland and Labrador but not in the Jurisdictions.
- 4.6 In order to provide Canadian security holders of the offeree issuers with certain tax benefits, the offeree security holders have the option to exchange their securities for either shares of common stock of US Gold or exchangeable shares (the Exchangeable Shares) of the Filer.
- 4.7 The Exchangeable Shares are structured so that they are, except for tax implications, the economic equivalent of the shares of common stock of US Gold.
- 4.8 It is or will be a condition of the Take-Over Bids that
- 4.8.1 the shares of common stock of US Gold be accepted for listing on the American Stock Exchange;
- 4.8.2 the shares of common stock of US Gold and the Exchangeable Shares be accepted for listing on the Toronto Stock Exchange; and
- 4.8.3 a final receipt be issued for the prospectus relating to the Subscription Receipts in all jurisdictions in Canada, so that US Gold will become a reporting issuer prior to the take-up of shares under the Take-Over Bids all jurisdictions where that concept exists.
- 4.9 Both the prospectus of US Gold relating to the Subscription Receipts and each of the four Take-Over Bid circulars will describe the terms and conditions attaching to the Exchangeable Shares, will indicate that the Exchangeable Shares are the economic equivalent, except for tax implications, of the shares of common stock of US Gold and will contain prospectus-level disclosure regarding the Filer.
- 4.10 US Gold filed the Prospectus on May 19, 2006 in all jurisdictions in Canada.
- 4.11 By virtue of section 2.11 of Multilateral Instrument 45-102 Resale of Securities (NI 45-102), offeree security holders of

the Target Issuers who elect to receive shares of common stock of US Gold will have free-trading securities because, upon the issuance of a receipt for the prospectus relating to the Subscription Receipts, U.S. Gold will be a reporting issuer in each of the Jurisdictions before shares are taken up under the Take-Over Bids .

- 4.12 In the absence of the requested relief, the Exchangeable Shares, which will not be securities of US Gold, would be subject to either an indefinite hold period or a four-month seasoning period under section 2.6 of NI 45-102 in the Jurisdictions, which would place offeree security holders who elect to receive Exchangeable Shares at a significant disadvantage from those security holders who elect to receive shares of common stock of US Gold.

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 Requested Relief is granted, with the effective date being the date that a receipt is issued for the Prospectus filed by US Gold across Canada.

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

“James A. Millard, Q.C.”
Member
Alberta Securities Commission

2.1.9 Advantaged Preferred Share Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - Investment fund using specified derivatives exempted from the requirement in subsection 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 certain conditions.

Applicable Legislative Provisions

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

May 25, 2006

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

AND

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

AND

**IN THE MATTER OF
ADVANTAGED PREFERRED SHARE 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 (the "**Application**") from the Filer dated April 28, 2006 for a decision under the securities legislation (the "**Legislation**") of the Jurisdictions for an exemption from section 14.2(3)(b) of National Instrument 81-106 Investment Funds Continuous Disclosure ("**NI 81-106**"), which requires an investment fund that uses specified derivatives (as such term is defined in National Instrument 81-102 Mutual Funds) to calculate net asset value ("**NAV**") at least once every business day (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 an investment trust to be established under, and governed by, the laws of Ontario.
2. RBC Dominion Securities Inc. (the "**Administrator**") is the promoter and administrator of the Filer and will perform administrative services on behalf of the Filer. RBC Dominion Securities Inc. is also the calculation agent ("**Calculation Agent**") of the Filer.
3. Computershare Trust Company of Canada will act as the transfer agent and registrar for the Units (as defined below).
4. A preliminary prospectus of the Filer dated April 6, 2006 (the "**Preliminary Prospectus**") has been filed with the securities regulatory authorities in each of the provinces and territories of Canada in connection with a proposed issuance of units of the Filer (the "**Units**").
5. The Units are expected to be listed and posted for trading on the Toronto Stock Exchange (the "**TSX**"). An application requesting conditional listing approval has been made on behalf of the Filer to the TSX.
6. The Units will be retractable at the option of the holders of Units (the "**Unitholders**") on both a monthly and an annual basis. Commencing in 2007, Units can be retracted annually on or before June 30th of each year (the "**Annual Retraction Date**"). Unitholders who retract their Units on the Annual Retraction Date will be entitled to receive a cash retraction price per Unit equal to the net realized proceeds per Unit, determined as of the Valuation Date, less any expenses incurred by the Filer to partially settle the Forward Agreement (as defined below) in order to fund such retraction. For the purposes of this calculation, "**Valuation Date**" means a day on which the NAV per Unit is calculated. The monthly retractions are at a price computed by reference to the market price of the Units on the monthly retraction date. Since the primary purpose of the Filer is to invest money provided by its Unitholders, the Filer does not invest for the purpose of exercising effective control, seeking to exercise effective control or being actively involved in the management of the issuers in which it invests. As a result, the Filer will not be a "mutual fund" under applicable

- securities legislation, but will be a “non-redeemable investment fund” for purposes of the Legislation.
7. The Filer’s investment objectives are to provide Unitholders with exposure, on a passive basis, to the performance of an equally-weighted, diversified notional portfolio of 50 preferred shares (the “**Notional Securities**”) of Canadian issuers (the “**Notional Preferred Portfolio**”).
 8. The Filer intends to make tax-efficient cash distributions to Unitholders at the end of each calendar quarter.
 9. In order to meet its investment objectives and provide Unitholders with indirect exposure to the Notional Preferred Portfolio, the Filer will use the net proceeds of the offering to pre-pay its obligation to purchase a portfolio consisting of securities of certain specified Canadian public issuers listed on the TSX that are “Canadian securities” as defined in the Income Tax Act (Canada) (the “**Securities Portfolio**”) under a forward purchase and sale agreement (the “**Forward Agreement**”) which the Filer will enter into with Royal Bank of Canada (the “**Counterparty**”).
 10. Under the terms of the Forward Agreement, the Counterparty will agree to deliver to the Filer on May 31, 2011, or earlier if the Forward Agreement is terminated prior to this date (the “**Forward Termination Date**”), the Securities Portfolio securities. Under the terms of the Forward Agreement, the Filer and the Counterparty have agreed that the Counterparty’s settlement obligations under the Forward Agreement with respect to the Securities Portfolio securities will be discharged by physical delivery of the Securities Portfolio securities by the Counterparty to the Filer. The value of the Securities Portfolio securities delivered to the Filer will be equal to the value of the Notional Preferred Portfolio based on the Traded Prices, less any leverage, on the Forward Termination Date. “**Traded Prices**” means, at any time, for the Notional Securities, the volume weighted average prices, as reasonably determined by the Calculation Agent, at which an active market trader, trading in Canadian preferred shares, could reasonably buy or sell, as the case may be, the relevant amount of such Notional Securities on the TSX (as reviewed by the Filer’s independent trustees).
 11. From time to time, the Filer may hold a portion of its assets in cash and cash equivalents.
 12. The Forward Agreement provides that the Forward Agreement may be partially settled prior to the Forward Termination Date: (i) to permit the Filer to fund quarterly distributions and retractions of Units from time to time; (ii) to fund expenses

and other liabilities of the Filer; and (iii) for any other reason.

13. The NAV per Unit of the Filer will be calculated and made available to the financial press for publication on a weekly basis. The Filer’s prospectus will disclose that the Filer’s NAV per Unit is available to the public upon request as well as the methods by which this information can be obtained.
14. The Filer will employ leverage in the Notional Preferred Portfolio to enhance the Notional Preferred Portfolio’s total returns.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the authority 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 final prospectus discloses:

- (a) that the NAV per Unit of the Filer is available to the public upon request; and
 - (b) a toll-free telephone number or website which the public can access for this purpose;
- for so long as:
- (c) the Units are listed on the TSX; and
 - (d) the Filer calculates its net asset value per Unit at least weekly.

“Rhonda Goldberg”
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

**2.1.10 RBC Global Education Fund and RBC Target
2015 Education Fund - MRRS Decision**

Headnote

Approval of fund merger pursuant to paragraph 5.5(1)(b) of National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, section 5.6 and paragraph 5.5(1)(b).

June 7, 2006

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

AND

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

AND

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

AND

**IN THE MATTER OF
RBC GLOBAL EDUCATION FUND
(THE TERMINATING FUND)**

AND

**RBC TARGET 2015 EDUCATION FUND
(THE CONTINUING FUND)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Terminating Fund, the Continuing Fund (the Terminating Fund and the Continuing Fund are each sometimes referred to in this decision as a **Fund** and collectively as the **Funds**) and RBC Asset Management Inc. (**RBC AM**), the manager of the Funds (collectively with the Funds, the **Filers**) for a decision under the securities legislation of the Jurisdictions (the **Legislation**) for

approval of the merger (the **Merger**) of the Terminating Fund into the Continuing Fund.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

1. RBC AM is a corporation incorporated under the laws of Canada. RBC AM is the manager and primary portfolio advisor of the Funds.
2. The Royal Trust Company is the trustee of the Funds.
3. Each of the Funds is an open-ended mutual fund trust established under the laws of Ontario and governed by an Amended and Restated Master Declaration of Trust dated July 14, 2003, as amended, in respect of each Fund.
4. Series A units of both Funds, and Series F units of the Terminating Fund, are offered for sale pursuant to a simplified prospectus and annual information form dated June 23, 2005, as amended on September 26, 2005, January 23, 2006 and March 31, 2006. It is anticipated that all Series F units of the Terminating Fund will be redeemed prior to the Merger.
5. A material change report was filed with respect to the Merger on March 31, 2006.
6. The amendments to the simplified prospectus and the annual information form of the Funds dated March 31, 2006 describe the Merger.
7. Each of the Funds is a reporting issuer under the applicable securities legislation of each Jurisdiction and is not on the list of defaulting reporting issuers maintained under the applicable securities legislation in the Jurisdictions.
8. Units of each Fund are sold on a no-load basis.
9. If approved, the Merger will take effect after the close of business on or about June 30, 2006, and the Continuing Fund will continue as a publicly-

offered, open-ended mutual fund governed by the laws of Ontario.

10. Pursuant to paragraph 5.1(f) of NI 81-102, unitholders of the Terminating Fund will be asked to approve the Merger at a special meeting to be held on June 23, 2006 (the "Special Meeting").
11. A management information circular, together with a notice of special meeting and a form of proxy, was filed on SEDAR and mailed to unitholders of the Terminating Fund on May 29, 2006.
12. The costs and expenses of holding the Special Meeting in connection with the Merger and for soliciting proxies will be paid by RBC AM.
13. Given the fact that the Continuing Fund is a "fund-of-funds" whose returns are closely related to the funds in which it invests, and whose performance and operation would not be materially affected by the Merger, RBC AM has determined that the Merger will not be a material change for the Continuing Fund. Accordingly, approval of the Merger by unitholders of the Continuing Fund is not required.
14. No sales charges will be payable in connection with the acquisition by the Continuing Fund of the investment portfolio of the Terminating Fund.
15. Unitholders of the Terminating Fund will continue to have the right to redeem units of that Fund for cash at any time up to the valuation date immediately before the effective date of the Merger.
16. The anticipated benefits of the Merger are as follows:
 - (a) unitholders of both Funds will enjoy increased economies of scale as part of a larger continuing fund;
 - (b) the Merger will eliminate the administrative and regulatory costs of operating the Terminating Fund as a separate mutual fund and should reduce such costs on a per unit basis for the Continuing Fund;
 - (c) the Continuing Fund offers investors a more convenient solution for education savings plans; and
 - (d) the Merger will offer unitholders of the Terminating Fund a tax-free rollover of their investment, which would not occur if the Fund were terminated.
17. Approval of the Merger is required because the Merger does not satisfy one of the criteria for pre-approved reorganizations and transfers set out in

section 5.6 of NI 81-102; namely, the investment objectives of the Continuing Fund, while compatible with those of the Terminating Fund, are not substantially similar to those of the Terminating 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 this decision has been met.

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

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

2.1.11 AGF Partners Limited et al. - MRRS Decision

Headnote

Mutual Reliance Review System – relief from requirements in (i) National Instrument 51-102 – Continuous Disclosure Obligations to prepare first and third quarter interim financial statements, (ii) Multilateral Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings to file CEO and CFO certifications relating to annual and interim financial statements, (iii) Multilateral Instrument 52-110 – Audit Committees and (iv) National Instrument 58-101 – Disclosure of Corporate Governance Practices to provide disclosure regarding corporate governance practices – relief granted to passive, single purpose vehicles formed for the purpose of financing sales commissions payable to mutual fund dealers selling deferred charge units.

Applicable Legislative Provisions

National Instrument 51-102 – Continuous Disclosure Obligations
Multilateral Instrument 52-109 – Certification of Disclosure in Issuers’ Annual and Interim Filings
Multilateral Instrument 52-110 – Audit Committees
National Instrument 58-101 – Disclosure of Corporate Governance Practices

June 9, 2006

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

AND

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

AND

IN THE MATTER OF
AGF PARTNERS LIMITED, AGF PARTNERS NO. 2
LIMITED, AGF PARTNERS NO. FIVE LIMITED, 20/20
DISTRIBUTION GP LIMITED, 20/20 DISTRIBUTION NO.
2 LIMITED, GLOBAL STRATEGY MASTER GP INC.
AND MULTI-MANAGER DISTRIBUTION NO. 1 LIMITED
(COLLECTIVELY, THE GENERAL PARTNERS)

AND

AGF MASTER LIMITED PARTNERSHIP, 20/20 GROUP
1990 LIMITED PARTNERSHIP,
20/20 GROUP 1992 LIMITED PARTNERSHIP,
AGF LIMITED PARTNERSHIP 1990,

AGF LIMITED PARTNERSHIP 1991,
GLOBAL STRATEGY MASTER LP,
MULTI-MANAGER LIMITED PARTNERSHIP I
(COLLECTIVELY, THE LIMITED PARTNERSHIPS)
(THE GENERAL PARTNERS AND THE LIMITED
PARTNERSHIPS ARE COLLECTIVELY, THE FILERS)

MRRS DECISION DOCUMENT

Background

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

- except in Prince Edward Island, the Yukon, the Northwest Territories and Nunavut, for an exemption pursuant to section 13.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* (NI 51-102) exempting each Limited Partnership, except AGF Limited Partnership 1990 in Quebec, from:
 - (a) the requirement to prepare, approve, file and deliver interim financial statements for the periods ending nine and three months before the end of a financial year; and
 - (b) the requirement to send a request form annually to registered holders and beneficial owners of its securities that the registered holders and beneficial owners may use to request a copy of the applicable Limited Partnership’s management discussion and analysis (MD&A) and the applicable Limited Partnership’s interim financial statements for the first and third quarters of each financial year, or both(together, the Interim Financial Statement Requirements);
- except in Prince Edward Island and the Yukon, for an exemption pursuant to section 4.5 of Multilateral Instrument 52-109 *Certification of Disclosure in Issuers’ Annual and Interim Filings* (MI 52-109) exempting each Limited Partnership, except AGF Limited Partnership 1990 in Quebec, from:
 - (a) the requirements that the chief executive officer (CEO) and chief financial officer (CFO) or person who performs similar functions for the Limited Partnership file an annual certificate concurrently with the latest of the filing of an AIF, annual financial statements or annual MD&A; and

- (b) the requirements that the CEO and CFO or person who performs similar functions for the Limited Partnership file an interim certificate concurrently with its interim filings

(together, the Certification Requirements);

- except in British Columbia, Prince Edward Island and the Yukon, for an exemption pursuant to section 8.1 of Multilateral Instrument 52-110 *Audit Committees* (MI 52-110) exempting each Limited Partnership, except AGF Limited Partnership 1990 in Quebec, from the application of MI 52-110 (the Audit Committee Requirements); and
- for an exemption pursuant to section 3.1 of National Instrument 58-101 *Disclosure of Corporate Governance Practices* (NI 58-101) exempting:

- (a) AGF Master Limited Partnership, Global Strategy Master LP and Multi-Manager Limited Partnership I from the requirement to provide the disclosure required by Form 58-101F1; and

- (b) each Limited Partnership, other than AGF Master Limited Partnership, Global Strategy Master LP and Multi-Manager Limited Partnership I, and other than AGF Limited Partnership 1990 in Quebec, from the requirement to provide disclosure required by Form 58-101F2

(together, the Governance Practices Disclosure Requirements).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

Interpretation

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

Representations

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

1. Each Limited Partnership is a reporting issuer in one or more of the Jurisdictions.
2. The units of AGF Master Limited Partnership, Global Strategy Master LP and Multi-Manager

Limited Partnership I are listed on The Toronto Stock Exchange.

3. Each of the other Limited Partnerships is a “venture issuer” as defined in NI 51-102, MI 52-110 and NI 58-101.
4. Each Limited Partnership is a passive, single purpose vehicle, formed (or in the case of AGF Master Limited Partnership and Global Strategy Master LP, whose predecessors were formed) for the purpose of arranging for the distribution in Canada of securities of a group of mutual funds managed by a fund manager (collectively, the Funds) which purchasers of securities of the Funds elected to acquire on a deferred sales charge basis.
5. The business of each General Partner is limited to the management of the business of the Limited Partnerships for which it is the general partner.
6. Since its formation, the activities of each Limited Partnership has primarily consisted: (i) of collecting subscriptions from its limited partners (in each case, the Limited Partners); (ii) paying selling commissions in respect of securities of the applicable Funds sold on a deferred sales charge basis during a particular period of time; (iii) making distributions of its net income to its Limited Partners, and (iv) incurring expenses to maintain the Limited Partnership.
7. The principal asset of each Limited Partnership is its right to receive a monthly distribution fee based on the value of the securities of the applicable Funds for which the Limited Partnership (or in the case of AGF Master Limited Partnership and Global Strategy Master LP, their respective predecessors) paid selling commissions until such units are redeemed, any deferred sales charges payable in respect of those securities payable on redemption, and any investment income earned on cash assets pending distribution of net income to its Limited Partners.
8. Each year, each Limited Partnership distributes to its Limited Partners an amount equal to the amount by which distribution fees, deferred sales charges and investment income earned by the Limited Partnership during the year and the amount of any reserves retained at the end of the previous year exceeds the expenses.
9. Most of the Limited Partnerships will not earn any further revenue from deferred sales charges as the period during which deferred sales charges were payable according to the applicable redemption schedule is finished.
10. As noted above, the Limited Partnerships only receive distribution fees in respect of securities which have not been redeemed. As a

considerable number of years have passed, the securities which were funded by the Limited Partnerships and still remain outstanding have declined and will continue to decline with a corresponding reduction in the distribution fee revenue. As the income of the Limited Partnerships decline, any expenses of the Limited Partnership increase in percentage terms.

11. The entitlement to distribution fees and deferred sales charges, if any, will continue for each Limited Partnership until such time as the Limited Partnership is terminated in accordance with the Partnership Agreement governing the Limited Partnership.
12. The performance of the Limited Partnerships is largely out of the control of the General Partners. It is controlled by decisions of investors in Funds to retain or redeem their investment and by market conditions and the investment performance of the Funds themselves. As a result, commentary on the historical performance is of little value to investors since it does not predict future results or distribution levels. Factual information regarding the distribution fees earned and expenses are contained in the financial statements.
13. The Limited Partners of each Limited Partnership will receive semi-annual financial statements prepared as at June 30 and audited annual financial statements prepared as at December 31 of the Limited Partnership as well as distribution letters for each distribution to the applicable Limited Partners.
14. Given the passive, limited nature of its business, it is not warranted to require a Limited Partnership to formally establish and maintain disclosure controls and procedures and financial reporting controls and procedures as are required if the CEO and CFO or person who performs similar functions is to provide the certificates required by MI 52-109.
15. Given the passive, limited nature of their business and the constantly declining size of the Limited Partnerships, it is not warranted to require the General Partner of each Limited Partnership to: (i) appoint independent directors; (ii) have an independent audit committee, nominating committee or compensation committee; (iii) develop a written mandate for its board of directors, and position descriptions for its chair; (iv) provide orientation and continuing education for its directors; or (v) develop a written code for its directors, or regularly assess the effectiveness and contribution of the board, its committees and individual directors. As the substantive elements of corporate governance as described in NI 58-101 are not applicable to the structure of the Limited Partnerships, it not warranted to require that a Limited Partnership provide annual

disclosure in respect of corporate governance to the applicable Limited Partners.

16. The benefits to be derived by the Limited Partners of each Limited Partnership from requiring the General Partner of each Limited Partnership to have an independent audit committee, to implement disclosure controls and procedures and internal controls over financial reporting or to consider the corporate governance practices described in NI 58-101 do not justify the associated expense. All the costs of implementing these requirements will come from the distributions otherwise payable to the Limited Partners.
17. In the absence of the requested relief, the Filers would be required to comply with Interim Financial Statement Requirements, the Certification Requirements, the Audit Committee Requirements and the Governance Practices Disclosure 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 under the Legislation is that the Filers are exempt from:

- (a) the Interim Financial Statement Requirements;
- (b) the Certification Requirements;
- (c) the Audit Committee Requirements; and
- (d) the Governance Practices Disclosure Requirements,

provided that the exemptions shall terminate in respect of a Filer on the occurrence of a material change in the affairs of the Filer unless the Filer satisfies the Decision Makers that the exemptions should continue.

“Iva Vranic”

2.1.12 Cinram International Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Issuer of exchangeable partnership units exempt, subject to certain conditions, from National Instrument 51-102 Continuous Disclosure Obligations and Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings– Issuer technically a reporting issuer following arrangement creating issuer and indirect parent (income trust) - Exchangeable partnership units issued in connection with arrangement are exchangeable for units of issuer's indirect parent income trust– Exchangeable partnership units have economic and voting rights nearly equivalent to indirect parent income trust units - Conditions of relief intended to ensure that continuous disclosure of issuer's indirect parent income trust will contain the information relevant to holders of exchangeable partnership units and will be accessible to such holders.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings

June 7, 2006

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

AND

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

AND

**IN THE MATTER OF
CINRAM INTERNATIONAL LIMITED PARTNERSHIP
(THE "FILER")**

MRRS DECISION DOCUMENT

Background

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

- (a) the requirements (the "**Continuous Disclosure Requirements**") in National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**") do not apply to the Filer (the "**Continuous Disclosure Relief**"); and
- (b) the requirements in Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**MI 52-109**") do not apply to the Filer (the "**MI 52-109 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. Cinram International Income Fund (the "**Fund**") is an unincorporated, open-ended, limited purpose trust established under the laws of Ontario under an amended and restated declaration of trust dated May 5, 2006.
2. The Fund's head office is in Toronto, Ontario.
3. The Fund is authorized to issue an unlimited number of units ("**Fund Units**") and an unlimited number of special voting units ("**Special Voting Units**").
4. As at May 4, 2006, there were eleven Fund Units outstanding and no Special Voting Units outstanding.
5. As at May 4, 2006, the Fund was not a reporting issuer in any of the Jurisdictions, but became a reporting issuer in each of the Jurisdictions upon the completion of an arrangement effective May 5, 2006 involving the Fund, the Filer and Cinram International Inc. ("**Cinram**"), among others (the "**Arrangement**").
6. The Fund has applied to, and received the conditional approval of, the Toronto Stock Exchange (the "**TSX**") for the listing on the TSX of the Fund Units to be issued in connection with the Arrangement, subject to, among other things, completion of the Arrangement.

7. The Filer is a limited partnership established under the laws of Manitoba which owns all the outstanding securities of Cinram International ULC, an unlimited liability company established under the laws of Nova Scotia to directly or indirectly acquire the outstanding common shares of Cinram (the "**Cinram Shares**") under the Arrangement.
8. The Filer's head office is in Toronto, Ontario.
9. The Filer is authorized to issue an unlimited number of Class A limited partnership units (the "**Class A LP Units**"), an unlimited number of Class B limited partnership units (the "**Exchangeable LP Units**") and general partnership interests.
10. As at May 4, 2006, ten Class A LP Units were outstanding, which are indirectly owned by the Fund, no Exchangeable LP Units were outstanding and all general partnership interests were owned by Cinram International General Partner Inc., the general partner of the Filer.
11. Upon completion of the Arrangement, the Filer became a reporting issuer in each of the Jurisdictions where that concept exists.
12. Under the Arrangement, holders of Cinram Shares exchanged their Cinram Shares for Fund Units, Exchangeable LP Units or a combination of Fund Units and Exchangeable LP Units.
13. The Exchangeable LP Units provide a holder with a security having economic and voting rights that are, as nearly as practicable, equivalent to those of the Fund Units.
14. In particular, each Exchangeable LP Unit:
 - (i) is exchangeable at the option of the holder for a Fund Unit, subject to customary anti-dilution adjustments; and
 - (ii) was issued together with a Special Voting Unit of the Fund entitling the holder to voting rights equivalent to the voting rights attached to the Fund Units.
15. Holders of Exchangeable LP Units do not have the right to exercise any votes in respect of any matters relating to the business, affairs, rights, privileges, entitlements or obligations of the Filer or any partner of the Filer, except as required by applicable law.
16. The Fund will concurrently send to holders of Exchangeable LP Units all disclosure material it sends to holders of Fund Units.

17. As, following the completion of the Arrangement, the Fund is the direct or indirect beneficial owner of all of the issued and outstanding securities of the Filer, other than the Exchangeable LP Units, the financial results of the Fund will wholly reflect the financial performance of the Filer and the Fund will comply with all the requirements of MI 52-109.

Decision

1. 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.
2. The decision of the Decision Makers under the Legislation is that the Continuous Disclosure Relief is granted for so long as:
 - (a) the Fund is a reporting issuer in at least one of the jurisdictions listed in Appendix B of National Instrument 45-102 – *Resale of Securities* and is an electronic filer under National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* ("**SEDAR**");
 - (b) the Fund concurrently sends to all holders of Exchangeable LP Units all disclosure material furnished to holders of Fund Units under NI 51-102;
 - (c) the Fund files with each Decision Maker copies of all documents required to be filed by it pursuant to NI 51-102;
 - (d) the Fund complies with the requirements of the Legislation and the TSX, or such market or exchange on which the Fund Units may be quoted or listed, in respect of making public disclosure of material information on a timely basis and immediately issues and files a news release that discloses any material change in its affairs;
 - (e) the Filer complies with the requirements of the Legislation in each of the Jurisdictions to issue a press release and file a report with the Jurisdictions upon the occurrence of a material change in respect of the affairs of the Filer that is not also a material change in the affairs of the Fund;
 - (f) the Fund includes in all future mailings of proxy solicitation materials to holders of Exchangeable LP Units a clear and concise statement that:

- (i) explains the reason the mailed material relates solely to the Fund and not to the Filer;
 - (ii) indicates that the Exchangeable LP Units are the economic equivalent to the Fund Units, and
 - (iii) describes the voting rights associated with the Exchangeable LP Units;
- (g) the Fund remains the indirect beneficial owner of all of the issued and outstanding voting securities of the Filer, other than the Exchangeable LP Units;
- (h) the Filer does not issue any securities other than Exchangeable LP Units or debt obligations issued to the Fund or its affiliates or to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions; and
- (i) the Filer files a notice under its SEDAR profile stating that it is relying on the continuous disclosure documents filed by the Fund and referring to the Fund's SEDAR profile.
3. The further decision of the Decision Makers under the Legislation is that the MI 52-109 Relief is granted for so long as:
- (a) the Filer is not required to, and does not, file its own interim filings and annual filings (as those terms are defined under MI 52-109); and
 - (b) the Fund files in electronic format under the SEDAR profile of the Filer the:
 - (i) interim filings;
 - (ii) annual filings;
 - (iii) interim certificates; and
 - (iv) annual certificates;of the Fund, at the same time as such documents are required to be filed under the Legislation by the Fund; and
 - (c) the Filer is exempt from or otherwise not subject to the Continuous Disclosure Requirements.

"Erez Blumberger"
Assistant Manager, Corporate Finance

2.1.13 Cinram International Inc. - MRRS Decision

Headnote

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

Ontario Statutes

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

June 7, 2006

Fogler, Rubinoff LLP

95 Wellington Street West
Suite 1200, Toronto-Dominion Centre
Toronto, Ontario M5J 2Z9

Attention: Elliott Vardin

Dear Sirs/Mesdames:

Re: Cinram International Inc. (the "Applicant") – Application to Cease to be a Reporting Issuer under the Securities Legislation of Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Newfoundland and Labrador (collectively, the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

2.2 Orders

2.2.1 Nortel Networks Corporation and Nortel Networks Limited - ss. 144(1)

Headnote

Section 144 – application for revocation of management and insider cease trade order

Applicable Ontario Statutory Provisions

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

Applicable Ontario Policies

OSC Policy 57-603 Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements

June 6, 2006

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

AND

**IN THE MATTER OF
CERTAIN DIRECTORS, OFFICERS AND INSIDERS OF
NORTEL NETWORKS CORPORATION AND
NORTEL NETWORKS LIMITED
(BEING THE PERSONS AND COMPANIES LISTED
IN SCHEDULE "A" HERETO)**

ORDER

(SUBSECTION 144(1))

WHEREAS on April 10, 2006, the Ontario Securities Commission (the "Commission") made an order under paragraph 2 and paragraph 2.1 of subsection 127(1) of the Act that all trading in and acquisitions of securities of Nortel Networks Corporation ("NNC") and Nortel Networks Limited ("NNL", and collectively with NNC, the "Corporations", or either individually, the "Corporation"), whether direct or indirect, by any of the persons and companies listed in Schedule "A" annexed thereto (the "Respondents"), shall cease until two business days following the receipt by the Commission of all filings the Corporations are required to make pursuant to Ontario securities law (the "Nortel MCTO");

AND WHEREAS the Commission made the Nortel MCTO upon hearing evidence that:

- (a) NNC had announced that the Corporations would restate their respective financial results for 2003 and 2004 and for the first nine months of 2005 and would have adjustments to periods prior to 2003 and that the Corporations had not restated the

- financial results for such prior periods as of the date of the Nortel MCTO;
- (b) each of the Corporations had failed to file its:
- (i) annual report on Form 10-K for the year ended December 31, 2005 (the "2005 Form 10-K") which includes: (A) audited annual consolidated financial statements for such period, prepared in accordance with United States generally accepted accounting principles ("GAAP"), together with the Canadian GAAP reconciliation and other information required by Part 4 of National Instrument 52-107; and (B) management's discussion and analysis ("MD&A") for such period prepared in accordance with Item 303 of Regulation S-K under the United States *Securities Exchange Act of 1934*, as amended (the "1934 Act"); and
- (ii) supplemental Canadian GAAP annual MD&A for such period (together with the 2005 Form 10-K, the "2005 Disclosure Documents") by the required filing dates under Ontario securities law and had not filed such documents as of the date of the Nortel MCTO; and
- (c) each of the Respondents had, or may have had, in the ordinary course access to material information with respect to the Corporations that had not been generally disclosed;

AND WHEREAS the Corporations have applied to the Commission for a revocation of the Nortel MCTO pursuant to section 144 of the Act;

AND UPON the Corporations having represented to the Commission that:

1. Each of NNC and NNL is incorporated under the *Canada Business Corporations Act* and is a reporting issuer in the Province of Ontario.
2. Each of the Corporations has restated the following financial information of the respective Corporations: (a) audited annual consolidated financial statements for the year ended December 31, 2004; (b) audited annual consolidated statements of operations, changes in equity and comprehensive income (loss) and cash flows, and related note disclosure for the year ended

December 31, 2003; and (c) unaudited consolidated financial information for each of the first three quarters of 2005 and each of the quarters in 2004 (the "Restatement").

3. The Restatement resulted in the delay in filing each of the Corporation's: (a) 2005 Disclosure Documents; (b) unaudited interim consolidated financial statements for the quarter ended March 31, 2006 prepared in accordance with US GAAP (the "2006 First Quarter US GAAP Financial Statements"); and (c) MD&A for such period prepared in accordance with Item 303 of Regulation S-K under the 1934 Act (together with the 2006 First Quarter US GAAP Financial Statements, the "2006 First Quarter Disclosure Documents" and with the 2005 Disclosure Documents, the "Delayed Filings") by the required filing dates under Ontario securities law.
4. Each of the Corporations has now completed the filing of its Delayed Filings and is up-to-date with its current continuous disclosure filing obligations under Ontario securities law.
5. The Corporations believe that requiring them to amend their prior continuous disclosure filings to rectify content deficiencies therein due or related to the Restatement (the "Prior Unamended Filings"), including:
 - (a) any of their continuous disclosure filings for periods ended prior to January 1, 2001;
 - (b) their annual reports on Form 10-K or Form 10-K/A for the years ended December 31, 2001, 2002, 2003 and 2004 and related supplemental Canadian GAAP MD&A for such periods;
 - (c) any of their quarterly reports on Form 10-Q or Form 10-Q/A for each of the three quarterly periods in 2001, 2002, 2003, 2004 and 2005 and related supplemental Canadian GAAP MD&A for such periods; and
 - (d) any of their annual audited or interim unaudited consolidated financial statements prepared in accordance with Canadian GAAP for certain of the foregoing periods,would likely negatively affect their ability to report future financial results on a timely basis and would likely detract from the Corporations' ability to address the material weaknesses in their internal control over financial reporting.
6. The Corporations believe that if the Prior Unamended Filings were amended, the information that would be contained therein would

in large part repeat the information contained in the 2005 Disclosure Documents and that the 2005 Disclosure Documents include all financial and other information needed for current investor understanding of the Corporations.

7. Although the Corporations have not amended the Prior Unamended Filings, each of NNC's 2005 Form 10-K/A and NNL's 2005 Form 10-K includes the restated financial information described in paragraph 0 above. In addition, each of the Corporations' 2006 First Quarter Disclosure Documents includes restated unaudited consolidated financial statements for the period ended March 31, 2005.
8. Given that each of the Corporations has not amended its respective Prior Unamended Filings, the Respondents cannot rely on the Nortel MCTO to expire pursuant to its terms.

AND WHEREAS the Commission is of the opinion that it would not be prejudicial to the public interest to revoke the Nortel MCTO effective June 8, 2006;

IT IS ORDERED, pursuant to Subsection 144(1) of the Act, that the Nortel MCTO be and is hereby revoked, effective June 8, 2006.

"Robert Shirriff"
Commissioner
Ontario Securities Commission

"Carol Perry"
Commissioner
Ontario Securities Commission

Schedule "A"

Abreu, Rodrigo Modesto de
Ashwood, Christopher Kent
Auriol, Helene Marie Jacqueline Madeleine
Barnes, Debbie Lynn
Barrios, Alvio Silvio
Bartzokas, Robert John
Bejar, Martha Helena
Bennett, Jalynn Hamilton
Best, Gregory John
Bhatnagar, Atul
Biard, James Anthony
Bifield, Allan
Birt, Henry Charles
Bischoff, Dr., Manfred
Biston, Alain Mathieu Pierre
Bolouri, Chahram
Bourland, Deborah Ann
Brown, Robert Ellis
Byrd, Richard Andrew
Cahill, John Francis
Carbone, Peter John
Carey, Dennis James
Casey, Sherleen Pope
Cervantes, Victor Manuel
Chan, Man Fat Albert
Chan, Sidney Hung Cheong
Chico, Juan
Chronowic, Peter John
Cioffi, Anthony
Cleghorn, John Edward
Clement, Michel
Collins, Timothy
Collins, Malcolm Kevin
Colontonio, Mary Ellen
Connelly McGilley, Tracy Sarah Jane
Connor, Daniel
Covey, Niel Arthur
Cozyn, Martin Albert
Cross, Mary McGehee
Cuesta, George Julio
Currie, Peter William
Dadyburjor, Khush Sam
Dailey, Frank (Chip)
DaSilva, Joseph
Davies, Gordon Allan
Debon, Pascal
Decardenas, Alfredo Tomas
Del Villar, Clara
Di Giuseppe, Pierfrancesco
Dodd, Randy Kevin
Donoghue, Adrian Joseph
Donovan, William John
Doolittle, John Marshall
Downing, David
Drinkwater, David William
Durling, William
Durow, Wesley
Eason, Jeffrey William
Edholm, Philip
Edwards, Darryl Alexander
Ellis, William
Erkel, Enis

Farmer, Cecil Gregory
Flanagan, Joseph
Fleck, Shawn
Frisch, Mark Douglas
Gibson, David Fraser
Gigliotti, Thomas Andrew
Glofcheskie, Terry
Graham, Harold Everett
Grelck, Kenneth George
Hackney, Jr., Jesse Joel
Haydon, John Bradley
Hea, Jacqueline
Hegemann, Holger
Hempel, Karen
Higginbotham, Ernest Ryan
Hinz, Lorne (Conrad)
Hitchcock, Albert Roger
Hoadley, John Philip
Holmes, Robert Devon
Hopkins, Curtis Daniel (Curt)
House, Paul Richard
Hudson, David Victor
Hudson, Vivian Catharine
Hunt, Jr., James Baxter
Ingram, Robert Alexander
Joannou, Dion Constandino
Jones, Stephen Glenn
Kales, Michael
Karr, Paul Wesley
Kaye, Douglas
Kelly, Peter John Anthony
Khadbai, Abdul Aziz
Khawar, Abdul Majeed
King, Elena Soldera
Kokos, Christopher Anthony
Krebs, Laurie Ann
Kua, Jolia Kwai Fun
Lang, Kevin Edward
Langlois, Michael John
Lanier, Gayle La'Verne
LaSalle, William Joseph
Lechner, Kimberly Susan
Lee, Anthony Peter
Lefevre, Kalli
Lester, Monica Lynne
Lin, Yuan-Hao
Lloyd, Geoffrey James
Lo, Kai Yuen Edmond
Lockhart, Lewis Karl
Lowe, Richard Stephen
Lowe, Tonya Lee
Lupu, Sorin
MacKinnon, Pierre David
MacNaughton, John Alan
Madill, William Robertson
Malboeuf, Diane
Manley, John Paul
Mao, Robert Yu Lang
Marcellus, Kevin
Mathers, Lorrie
McCorkle, Michael Walton
McCormick, Richard David
McFeely, Scott Alexander
McGregor, Douglas James
McIver, Kenneth Robert Lloyd
McKenna, Don
Megura, Walter
Milan, Norberto
Mondor, Dan
Morfe, Jr., Claudio
Morin, Philippe
Morreale, Jr., Vincent
Murash, Barry
Murashige, David Hilliker
Murphy, Peter Michael
Myers, Jeffrey
Newcombe, Peter James
Osborne, Ronald Walter
Owens, William Arthur
Paige, Michael
Pangia, Michael Anthony
Pearce, Harry Jonathan
Pecot, Kenneth Wesley
Pierson, Alexander John Briens
Pillow, Timothy
Praysner, Patrick Eugene
Pritchard, Alan
Pugh, Gareth Alan David
Pusey, Stephen Charles
Quinn, Gordon William
Rea, Jeffrey Leonard
Reid, Robert Edwin
Renken, David Allen
Riccitelli, Robert
Richardson, Ralph Edward Clenton
Riedel, George Andrew
Saffell, Jr., Charles Raymond
Searles, Steven Graham
Seeto, Richard
Shepard, Susan Engelke
Sicotte, Luc Paul
Slattery, Stephen Francis
Sledge, Karen Elizabeth
Steffens, Thomas James
Stevens, Mark William
Stevenson, Katharine Berghuis
Stoddard, Alan Grant
Stout, Allen Keith
Swanson, Roxann Lee
Taylor, Kevin
Terry III, George William
Tessy, Leith
Townley, Jeffrey
Tsui, Stephen (Shing Tat)
Valia, Ashoka
Vazquez Oria, Pablo Abel
Ventresca, Anna
Wang, Chuan Shin Tony
Watkins, Timothy Ian
Wells, Mary Kay
Whitton, Mark James Christopher
Williams, Timothy Louis
Wolff, Douglas
Wu, Jang-Shang (Jackson)
Zafirovski, Mike Svetozar

2.2.2 TD Waterhouse Canada Inc. - s. 144

Headnote

Section 144 – application for partial revocation of cease trade orders – variation of cease trade orders to permit sales to defunct securities account of investment dealer subject to condition that investment dealer obtains written confirmation from purchasers that they are not and have never been an insider or control person of the issuer in which they hold shares.

Applicable Ontario Statutory Provisions

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

June 8, 2006

**IN THE MATTER OF
THE SECURITIES ACT,
R.S.O. 1990, C. S5, AS AMENDED (the Act)**

AND

**IN THE MATTER OF
TD WATERHOUSE CANADA INC.**

AND

**BRE-X MINERALS LTD., DALECO RESOURCES
CORPORATION,
INDOCAN RESOURCES INC., INTERNATIONAL
PRECIOUS METALS
CORPORATION AND ROYAL OAK VENTURES INC.
(TOGETHER, THE ISSUERS)**

**ORDER
(Section 144)**

Background

1. On June 2, 1997, the Manager, Market Operations ordered under subsection 127(8) of the Act that all trading in the securities of Bre-X Minerals Ltd. (Bre-X) cease until the order is revoked by further order of revocation (the Bre-X Order).
2. On May 4, 1999, the Manager, Corporate Finance ordered under subsection 127(8) of the Act that all trading in the securities of Daleco Resources Corporation (Daleco) cease until the order is revoked by further order of revocation (the Daleco Order).
3. On June 18, 1998, the Manager, Market Operations ordered under subsection 127(8) of the Act that all trading in the securities of Indocan Resources Inc. (Indocan) cease until the order is revoked by further order of revocation (the Indocan Order).
4. On September 21, 1998, the Manager, Market Operations ordered under subsection 127(8) of the Act that all trading in the securities of International Precious Metals Corporation (now Innotelco Inc.) (IPMC) cease until the order is revoked by further order of revocation (the IPMC Order).
5. On March 1, 2000, the Director ordered under subsection 127(8) of the Act that all trading in the securities of Royal Oak Ventures Inc. (currently Royal Oak Mines Inc.) (Royal Oak) cease until the order is revoked by further order of revocation (the Royal Oak Order, together with the Bre-X Order, Daleco Order, Indocan Order and IPMC Order, the Orders). The Royal Oak Order was partially revoked on March 13, 2000 and December 20, 2000.
6. TD Waterhouse Canada Inc. (TD Waterhouse) has applied to the Commission for an order under section 144 of the Act to vary the Orders to permit it to sell securities of Bre-X, Daleco, Indocan, IPMC and Royal Oak on behalf of certain clients of TD Waterhouse to its defunct securities account.

Representations

7. TD Waterhouse has represented to the Commission that:
 - 7.1 TD Waterhouse is a corporation incorporated under the laws of Ontario. The head office of TD Waterhouse is located in Toronto, Ontario.
 - 7.2 TD Waterhouse is registered as a dealer in the category of investment dealer (or equivalent) in each of the provinces and territories of Canada. TD Waterhouse is a member of the Investment Dealers Association of Canada.
 - 7.3 In mid 2004, TD Waterhouse discovered that, during the development of its internal cease trade order database (the CTO database) which was completed in late September 2002, it had inadvertently omitted the Issuers from its list of issuers whose securities were subject to cease trade orders. As a result, seven clients of TD Waterhouse resident in Ontario (the Ontario Purchasers) each purchased shares of one of the Issuers (the Shares) during the period when the Orders were in effect and hold the Shares in their accounts with TD Waterhouse. The Shares were purchased by the Ontario Purchasers through TD Waterhouse and the majority of the Shares were purchased by the Ontario Purchasers entering their orders electronically. TD

Waterhouse did not solicit these orders or make recommendations relating to the trades.

7.4 Once TD Waterhouse became aware that its CTO database contained certain inaccuracies, it initiated a detailed review to identify details of the inaccuracies. TD Waterhouse has since taken steps and devoted significant resources to correct the deficiencies in its CTO database and has established procedures designed to ensure that the information in its CTO database continues to be consistent with the information in the database maintained by the Canadian Securities Administrators (CSA). TD Waterhouse is confident that the information in its CTO database is consistent with the database maintained by the CSA with respect to cease trade orders applicable to issuers.

7.5 To the best of the knowledge of TD Waterhouse there is currently no market in Canada for the securities of the Issuers, but the common shares of Daleco, Indocan, IPMC and Royal Oak are quoted in the United States on the Over the Counter Bulletin Board or the Pink Sheets.

7.6 The terms of the Orders prohibit the Ontario Purchasers from selling the Shares.

Order

8. The Commission is satisfied that granting this Order would not be prejudicial to the public interest.

9. It is ordered pursuant to section 144 of the Act that the Orders are varied to permit TD Waterhouse to sell the Shares to TD Waterhouse's defunct securities account, provided that prior to executing any such sale, TD Waterhouse obtains written confirmation from the relevant Ontario Purchaser that it is not and has never been an insider or control person of the Issuer in which it holds shares.

"Kelly Gorman"

2.2.3 Alturas Minerals Corp. - s.83.1(1)

Headnote

Subsection 83.1(1) - Issuer deemed to be a reporting issuer in Ontario – Issuer already a reporting issuer in Alberta and British Columbia – Issuer's securities listed for trading on the TSX Venture Exchange – Continuous disclosure requirements in Alberta and British Columbia substantially the same as those in Ontario

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., s. 83.1(1)

Policies Cited

Policy 12-602 – Deeming an Issuer From Certain Other Canadian Jurisdictions to be a Reporting Issuer in Ontario

June 6, 2006

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

**AND
IN THE MATTER OF
ALTURAS MINERALS CORP.**

**ORDER
(Section 83.1(1))**

UPON the application of Alturas Minerals Corp (the Corporation) for an order pursuant to subsection 83.1(1) of the Act deeming the Corporation to be a reporting issuer for the purposes of Ontario securities law;

AND UPON considering the application and the recommendation of the staff of the Ontario Securities Commission (the Commission);

AND UPON the Corporation having represented to the Commission as follows:

1. the Corporation is a corporation continued under the *Canada Business Corporations Act* on April 5, 2006 with its registered and head office at 40 King Street West, Suite 2100, Toronto, Ontario M5H 3C2;
2. the Corporation's common shares (the Common Shares) have been listed and posted for trading on the TSX Venture Exchange (TSXV) since April 10, 2006 under the symbol "ALT";
3. the authorized share capital of the Corporation consists of an unlimited number of Common Shares and unlimited number of preferred shares, of which a total of 29,721,513 Common Shares are issued and outstanding as of April 28, 2006;

4. the Corporation became a reporting issuer in Alberta on December 9, 1998 and in British Columbia on November 26, 1999; investor making an investment decision; or
5. the Corporation is not currently a reporting issuer or the equivalent in any jurisdiction in Canada other than Alberta and British Columbia; (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years;
6. the Corporation is not on the lists of defaulting reporting issuers maintained pursuant to section 141 of the *Securities Act* (Alberta) and section 77 of the *Securities Act* (British Columbia). To the knowledge of management of the Corporation, the Corporation has not been the subject of any enforcement actions by the Alberta or British Columbia securities commissions or by the TSXV, and the Corporation is not in default of any requirement of the Act, the *Securities Act* (Alberta) or the *Securities Act* (British Columbia); 11. none of the officers or directors of the Corporation or any controlling shareholder is or has been at the time of such event an officer or director of any other issuer which is or has been subject to:
- (a) any cease trade or similar order, or order that denied access to any exemptions under Ontario securities law, for a period of more than 30 consecutive days, within the preceding 10 years;
- (b) any bankruptcy or insolvency proceedings, or other proceedings, arrangements or compromises with creditors, or the appointment of a receiver, receiver-manager or trustee, within the preceding 10 years; and
7. the continuous disclosure requirements of the *Securities Act* (Alberta) and the *Securities Act* (British Columbia) are substantially the same as the continuous disclosure requirements under the Act;
8. the materials filed by the Corporation as a reporting issuer in the Provinces of Alberta and British Columbia are available on the System for Electronic Document Analysis and Retrieval;
9. neither the Corporation nor any of its officers, directors or any controlling shareholder has:
- (a) been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority;
- (b) entered into a settlement agreement with a Canadian securities regulatory authority; or
- (c) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision;
10. neither the Corporation, nor any of its officers, directors or any controlling shareholder is or has been subject to:
- (a) any known ongoing or concluded investigations by:
- (i) a Canadian securities regulatory authority, or
- (ii) a court or regulatory body, other than a Canadian securities regulatory authority, that would be likely to be considered important to a reasonable
12. the Corporation will remit all participation fees due and payable by it pursuant to Commission Rule 13-502 – *Fees* by no later than two business days from the date of this Order.

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

IT IS HEREBY ORDERED pursuant to subsection 83.1(1) of the Act that the Corporation be deemed to be a reporting issuer for the purposes of Ontario securities law.

“Kelly Gorman”

2.2.4 Olympus United Group Inc. - s. 127

June 8, 2006

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

AND

**IN THE MATTER OF
OLYMPUS UNITED GROUP INC.**

**ORDER
(Section 127)**

WHEREAS Olympus United Group Inc. ("Olympus") is registered under Ontario securities law as a Limited Market Dealer and Mutual Fund Dealer. Olympus is a member of the Mutual Fund Dealers Association;

AND WHEREAS Olympus offers a variety of hedge funds and alternative investment products across Canada. These products are sold as shares in the Olympus United Funds Corporation ("Olympus Funds");

AND WHEREAS it appears that, at present, Olympus has approximately 2,000 shareholders, the majority of whom are resident in Ontario;

AND WHEREAS it appears that the manager and advisor of the Olympus Funds is Norshield Asset Management Canada Ltd. ("Norshield"). Norshield is registered under Ontario securities law as an Investment Counsel and Portfolio Manager, Commodity Trading Counsel and Commodity Trading Manager. Norshield is registered under Québec securities law as an advisor with an unrestricted practice;

AND WHEREAS on May 13, 2005, the Ontario Securities Commission (the "Commission") made a temporary order suspending the registration of Olympus because Olympus was operating without a registered trading and compliance officer in Ontario;

AND WHEREAS on May 20, 2005, the Commission made a temporary order imposing a term and condition on the registration of Olympus which precludes redemptions from any existing client accounts;

AND WHEREAS the hearing to consider the extension of the temporary orders made in relation to Olympus on May 13, 2005 and May 20, 2005, is scheduled to take place on June 9, 2006;

AND WHEREAS on May 20, 2005, the Commission also made an order suspending the registration of Norshield and requiring, as a term and condition of Norshield's registration, that a monitor be retained by Norshield to oversee its financial and business affairs;

AND WHEREAS on June 29, 2005, by order of Justice Campbell of the Ontario Superior Court of Justice (Commercial List), RSM Richter Inc. ("Richter") was appointed as receiver over the assets, undertakings and properties of Norshield, Olympus and other related entities;

AND WHEREAS the hearing to consider whether to extend the suspension of Norshield's registration was adjourned, on consent, from June 9, 2006 until October 20, 2006 and the suspension was ordered to be continued until that time or until such other time as ordered by the Commission;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make an order coordinating the hearing dates to consider the extension of the temporary orders affecting the registrations of Norshield and Olympus;

AND WHEREAS staff of the Commission, and Richter, as receiver over Olympus, have consented to the making of this order;

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

IT IS HEREBY ORDERED that:

1. the hearing to consider whether to extend the temporary orders made by the Commission on May 13, 2005 and May 20, 2005, is adjourned until October 20, 2006 at 10:00 a.m.; and
2. the temporary orders issued on May 13, 2005 and May 20, 2005 are continued until that time or until further order of the Commission.

"Susan Wolburgh Jenah"

**2.2.5 Norshield Asset Management (Canada) Ltd.
- s. 127**

June 8, 2006

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

AND

**IN THE MATTER OF
NORSHIELD ASSET MANAGEMENT (CANADA) LTD.**

**ORDER
(Section 127)**

WHEREAS on May 20, 2005, the Ontario Securities Commission (the "Commission") made an order suspending the registration of Norshield Asset Management (Canada) Ltd. ("Norshield") and requiring, as a term and condition of Norshield's registration, that a monitor (the "Monitor") be retained by Norshield to oversee its financial and business affairs (the "Temporary Order");

AND WHEREAS on May 20, 2005, the Commission issued a Notice of Hearing pursuant to section 127 of the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the "Act") to hold a hearing on June 3, 2005, to consider whether it is in the public interest to extend the Temporary Order;

AND WHEREAS on June 2, 2005, on consent, the Commission made an order:

1. imposing the following term and condition on the registration of Norshield:

"RSM Richter Inc. will act as the Monitor until terminated in accordance with the term of the retainer dated June 1, 2005 or until the Commission orders otherwise"
2. adjourning the hearing to consider whether to extend the Temporary Order until July 8, 2005; and
3. continuing the suspension of Norshield's registration until that time or until such other time as ordered by the Commission;

AND WHEREAS on June 29, 2005, by order of Justice Campbell of the Ontario Superior Court of Justice (Commercial List), RSM Richter Inc. ("Richter") was appointed as receiver over the assets, undertakings and properties of Norshield and other related entities;

AND WHEREAS on July 6, 2005, the Commission made an order pursuant to section 144 of the Act revoking the term of the Commission's order of June 2, 2005, requiring the continued retainer of Richter as Monitor;

AND WHEREAS the hearing to consider the extension of the Temporary Order is scheduled to take place on June 9, 2006;

AND WHEREAS the Commission is of the opinion that it is in the public interest to make this order;

AND WHEREAS staff of the Commission and Richter, as receiver over Norshield, consent to the making of this order;

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

IT IS HEREBY ORDERED that:

3. the hearing to consider whether to extend the Temporary Order is adjourned until October 20, 2006 at 10:00 a.m.; and
4. the suspension of Norshield's registration is continued until that time or until such other time as ordered by the Commission

"Susan Wolburgh Jenah"

2.2.6 First Global Ventures, S.A. and Allen Grossman - s. 127(7)

June 13, 2006

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

AND

**FIRST GLOBAL VENTURES, S.A.
and ALLEN GROSSMAN**

**ORDER
Section 127(7)**

WHEREAS on May 29, 2006, the Ontario Securities Commission (the "Commission") ordered pursuant to section 127(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended (the "Act") that: (a) all trading by First Global Ventures, S.A. ("First Global") and its officers, directors, employees and/or agents in securities cease forthwith; (b) all trading cease in the securities of First Global; and (c) any exemptions in Ontario securities law do not apply to First Global (the "Temporary Order");

AND WHEREAS on May 29, 2006, the Commission ordered that the Temporary Order shall expire on the 15th day after its making unless extended by order of the Commission;

AND WHEREAS pursuant to section 127(7), a hearing was scheduled for June 13, 2006 at 10:00 a.m. (the "Hearing");

AND WHEREAS First Global has been served with the Temporary Order, Notice of Hearing and the Statement of Allegations in this matter, the Affidavit of Jody Sikora sworn May 25, 2006 and the affidavit of Wendell Clarke sworn May 25, 2006 as evidenced by the affidavits of Alice Hewitt sworn June 9, 2006 and the affidavit of Roy Mitchell sworn June 12, 2006;

AND WHEREAS Staff of the Commission has received a letter from Alan Marsh of First Global dated June 9, 2006 indicating that all materials to be served on First Global should be sent to Alan Marsh at Ave. Aquilino De La Guardia Y Calle 47, Edificio Ocean Business Plaza, Piso 18, Panama City, Panama, Apartado Postal 0816-02273, fax: 011-507-340-0299 and e-mail: amarsh@firstglobalventures.com;

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

- (a) the Hearing is adjourned to June 28, 2006 at 9:00 a.m.; and
- (b) the Temporary Order is extended until June 28, 2006;

IT IS FURTHER ORDERED that service of documents upon First Global shall be effected by:

- (a) e-mail to amarsh@firstglobalventures.com; and
- (b) courier to the street address of Ave. Aquilino De La Guardia y Calle 47, Edificio Ocean Business Plaza , Piso 18, Panama City , Panama , Apartado Postal 0816-022273.

"Paul M. Moore"

"Suresh Thakrar"

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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
ComWest Enterprise Corp.	06 Jun 06	16 Jun 06		09 Jun 06
Dinnerex Limited Partnership X	08 Jun 06	20 Jun 06		
Dinnerex National Limited Partnership	02 Jun 06	14 Jun 06	14 Jun 06	
Red Tusk Resources Inc.	09 Jun 06	21 Jun 06		
World Wide Minerals Ltd.	07 Jun 06	19 Jun 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
Big Red Diamond Corporation	03 Mar 06	16 Mar 06	16 Mar 06	17 May 06	
Cognos Incorporated	01 Jun 06	14 Jun 06	14 Jun 06		
Nortel Networks Corporation	27 Mar 06	10 Apr 06	10 Apr 06	08 Jun 06	
Nortel Networks Limited	27 Mar 06	10 Apr 06	10 Apr 06	08 Jun 06	
Precision Assessment Technology Corporation	07 Apr 06	20 Apr 06	20 Apr 06	07 Jun 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	17 May 06	
Cognos Incorporated	01 Jun 06	14 Jun 06	14 Jun 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		

Cease Trading Orders

Genesis Land Development Corp.	11 Apr 06	24 Apr 06	24 Apr 06		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
Hollinger Canadian Newspapers, Limited Partnership	21 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Interquest Incorporated	03 May 06	16 May 06	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		
Neotel International Inc.	02 Jun 06	15 Jun 06			
Nortel Networks Corporation	27 Mar 06	10 Apr 06	10 Apr 06	08 Jun 06	
Nortel Networks Limited	27 Mar 06	10 Apr 06	10 Apr 06	08 Jun 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	07 Jun 06	
Simplex Solutions Inc.	02 May 06	15 May 06	15 May 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 SecuritiesSource (see www.carswell.com).

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
05/18/2006	27	AMADOR GOLD CORP. - Common Shares	605,000.00	4,033,333.00
05/15/2006 to 05/29/2006	5	APAR Inc. - Units	47,250.00	NA
05/29/2006	7	Archangel Diamond Corporation - Common Shares	8,009,615.11	6,730,769.00
05/31/2006	93	Astral Mining Corporation - Flow-Through Shares	1,080,000.00	2,400,000.00
05/18/2006	1	AT&T Inc. - Notes	5,584,500.00	5,000,000.00
05/31/2006	7	Aura Gold Inc. - Common Shares	470,000.00	2,350,000.00
05/23/2006	22	Bank of America Corporation - Notes	500,920,000.00	1.00
05/29/2006	6	Birim Goldfields Inc. - Units	4,727,855.00	8,536,100.00
05/17/2006 to 05/23/2006	5	Burger King Holdings Inc. - Common Shares	4,972,090.64	261,700.00
04/10/2006	1	Burlington Coat Factory Warehouse Corporation/Burlington Coat Factory Investments Holdings Inc. - Notes	6,482,774.40	NA
05/12/2006	1	Caledonia Mining Corporation - Units	328,500.00	2,190,000.00
05/25/2006	14	Canaco Resources Inc. - Units	1,100,000.00	2,000,000.00
05/25/2006	20	Canterbury Park Capital L.P. - Limited Partnership Units	125,200,000.00	12,520.00
05/26/2006 to 06/06/2006	3	Card One Plus Ltd. - Common Shares	969,625.00	719,004.00
05/30/2006	101	Celtic Exploration Ltd. - Common Shares	26,300,000.00	2,000,000.00
05/26/2006	42	ChondroGene Limited - Common Shares	25,000,000.00	15,625,000.00
05/31/2006	47	Churchill Moutnain View Industrial Park Limited Partnership - Units	4,925,000.00	4,925.00
05/31/2006	81	Cusac Gold Mines Ltd. - Units	5,746,089.00	NA
05/31/2006	140	DIRTT Environmental Solutions Ltd. - Debentures	10,983,640.00	10,980.64
05/29/2006	44	DK (2006) Oil & Gas Flow-Through Limited Partnership - Limited Partnership Units	7,575,000.00	606.00
05/24/2006 to 05/30/2006	1	Dresner Bank Aktiengesellschaft - Notes	594,767,970.00	NA
05/31/2006	166	Duvernay Oil Corp. - Common Shares	56,000,000.00	1,000,000.00
06/06/2006	43	DVD Investments Limited - Limited Partnership Units	500,000.55	1,428,573.00
06/02/2006	24	Dynamite Resources Ltd. - Units	1,300,000.00	2,500,000.00
05/17/2006	4	Embarq Corporation - Notes	30,411,256.83	27,000,000.00
05/24/2006	31	Enablence Inc. - Receipts	11,317,764.98	30,588,554.00
05/18/2006	86	Enercoil Resources Incorporated - Units	7,002,275.25	9,336,371.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
05/17/2006	5	Fraser Mackenzie Holdings Inc. - Units	700,000.00	NA
05/12/2006	68	Garda World Security Corporation - Warrants	20,000,000.00	800,000.00
06/05/2006	1	Geophysical Prospecting Inc. - Common Shares	0.00	300,000.00
06/01/2006	1	Giraffe Capital Limited Partnership 1 - Limited Partnership Units	250,000.00	169.59
06/01/2006	1	Giraffe Capital Limited Partnership III - Limited Partnership Units	250,000.00	2,755.70
05/29/2006	15	Gold Canyon Resources Inc. - Units	368,266.80	920,667.00
01/25/2005	1	Golden Gate Funds LP - Limited Partnership Units	25,000.00	250.00
02/17/2005 to 02/26/2005	3	Golden Gate Funds LP - Limited Partnership Units	46,509.00	465.00
03/14/2005 to 03/16/2005	3	Golden Gate Funds LP - Limited Partnership Units	55,000.00	550.00
03/24/2005	1	Golden Gate Funds LP - Limited Partnership Units	10,000.00	100.00
04/18/2005 to 04/27/2005	9	Golden Gate Funds LP - Limited Partnership Units	228,000.00	2,280.00
04/28/2005 to 05/06/2005	10	Golden Gate Funds LP - Limited Partnership Units	265,788.00	2,658.00
05/10/2005 to 05/19/2005	3	Golden Gate Funds LP - Limited Partnership Units	44,000.00	440.00
05/24/2005 to 05/27/2005	6	Golden Gate Funds LP - Limited Partnership Units	175,000.00	1,750.00
06/05/2005 to 06/14/2005	7	Golden Gate Funds LP - Limited Partnership Units	148,609.75	1,486.00
06/15/2005 to 06/23/2005	5	Golden Gate Funds LP - Limited Partnership Units	281,442.00	2,814.00
06/30/2005 to 07/08/2005	7	Golden Gate Funds LP - Limited Partnership Units	159,745.00	1,597.00
07/15/2005 to 07/21/2005	6	Golden Gate Funds LP - Limited Partnership Units	146,000.00	1,460.00
07/26/2005 to 08/03/2005	5	Golden Gate Funds LP - Limited Partnership Units	212,101.34	2,121.00
07/26/2005 to 08/02/2005	1	Golden Gate Funds LP - Limited Partnership Units	10,000.00	100.00
08/15/2005 to 08/22/2005	5	Golden Gate Funds LP - Limited Partnership Units	259,800.28	2,598.00
08/31/2005 to 09/09/2005	6	Golden Gate Funds LP - Limited Partnership Units	232,895.18	2,329.00
09/13/2005 to 09/20/2005	6	Golden Gate Funds LP - Limited Partnership Units	156,785.22	1,568.00
09/23/2005	1	Golden Gate Funds LP - Limited Partnership Units	17,254.50	173.00
10/04/2005 to 10/11/2005	3	Golden Gate Funds LP - Limited Partnership Units	46,568.00	466.00
10/17/2005 to 10/20/2005	5	Golden Gate Funds LP - Limited Partnership Units	186,737.68	1,867.00
11/01/2005 to 11/09/2005	3	Golden Gate Funds LP - Limited Partnership Units	49,927.70	4,993.00
11/10/2005 to 11/17/2005	6	Golden Gate Funds LP - Limited Partnership Units	75,000.00	750.00
11/22/2005 to 11/30/2005	3	Golden Gate Funds LP - Limited Partnership Units	56,500.00	565.00
12/09/2005 to 12/12/2005		Golden Gate Funds LP - Limited Partnership Units		4,318,058.00
12/28/2005 to 12/31/2005	3	Golden Gate Funds LP - Limited Partnership Units	49,300.00	493.00

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
01/10/2006 to 01/18/2006	8	Golden Gate Funds LP - Limited Partnership Units	114,200.00	1,142.00
01/30/2006 to 02/08/2006	4	Golden Gate Funds LP - Limited Partnership Units	237,000.00	2,370.00
02/10/2006 to 02/16/2006	6	Golden Gate Funds LP - Limited Partnership Units	239,000.00	2,390.00
02/21/2006 to 02/27/2006	4	Golden Gate Funds LP - Limited Partnership Units	103,400.00	1,034.00
03/09/2006 to 03/17/2006	5	Golden Gate Funds LP - Limited Partnership Units	61,897.33	618.97
03/20/2006 to 03/29/2006		Golden Gate Funds LP - Limited Partnership Units		3,540.00
04/10/2006 to 04/16/2006	2	Golden Gate Funds LP - Limited Partnership Units	20,483.51	2,048.35
04/21/2006 to 04/25/2006	3	Golden Gate Funds LP - Limited Partnership Units	45,000.00	450.00
01/20/2006 to 01/27/2006	4	Golden Gate Funds LP - Non-Flow Through Units	69,000.00	690.00
06/01/2006	126	Great Panther Resources Limited - Units	15,000,000.00	7,500,000.00
05/20/2006	31	HydraLogic Systems Inc. - Common Shares	1,836,000.00	2,448,000.00
05/12/2006	1	HydroPoint Data Systems, Inc. - Notes	101,839.66	NA
05/31/2006	8	Inviro Medical Inc. - Common Shares	1,152,270.00	548,700.00
05/19/2006	7	KBSH - Global Equity Fund - Units	494,605.72	49,460.57
05/29/2006	130	KERMODE RESOURCES LTD. - Common Shares	2,713,812.50	10,855,250.00
05/15/2006	2	Kingwest Avenue Portfolio - Units	27,000.00	902.09
05/24/2006 to 06/02/2006	19	Kirkland Lake Gold Inc. - Common Shares	16,500,200.00	1,793,500.00
05/10/2006	74	KKR Private Equity - Units	99,547,308.00	3,617,600.00
05/23/2006	1	Lodh Private Equity- Euro Choice III (Scotland) L.P. - Limited Partnership Interest	28,708,000.00	28,708,000.00
09/14/2005 to 12/31/2005	7	Mackenzie Alternative Strategies Fund - Units	559,225.31	NA
06/01/2006	1	Man-Glenwood Holdings Limited - Common Share Purchase Warrant	161,172,488.00	418,532.00
05/31/2006	1	Maple NHA Mortgage Trust - Note	112,000,000.00	1.00
05/23/2006	31	Maximus Ventures Ltd. - Flow-Through Shares	2,250,000.00	4,500,000.00
05/23/2006	32	Maximus Ventures Ltd. - Units	2,000,000.00	5,000,000.00
06/02/2000	8	McLaren Resources Inc. - Common Shares	200,000.00	2,000,000.00
05/31/2006	6	Mengold Resources Inc. - Common Shares	604,500.00	1,950,000.00
05/24/2006	3	Meriton Networks Canada Inc. - Common Shares	1,655,392.70	631,354.00
05/24/2006	14	Meriton Networks Inc. - Preferred Shares	20,386,545.91	7,775,278.00
05/06/2006 to 05/19/2006	43	Mont Blanc Resources Inc. - Units	1,020,000.00	2,040,000.00
05/31/2006	1	NAL Oil & Gas Trust - Trust Units	30,000,005.88	1,592,357.00
05/15/2006 to 05/26/2006	10	Natural Convergence Inc. - Debentures	1,797,704.15	1,797,704.12

Notice of Exempt Financings

Transaction Date	No of Purchasers	Issuer/Security	Total Purchase Price (\$)	No of Securities Distributed
06/01/2006	12	New World Lenders Corp. - Bonds	504,528.00	320.00
05/23/2006 to 05/31/2006	2	Newcastle Minerals Ltd. - Common Shares	260,200.00	867,333.00
05/23/2006 to 05/31/2006	1	Newcastle Minerals Ltd. - Non-Flow Through Units	20,000.00	100,000.00
05/30/2006	6	NexGen Financial Limited Partnership - Limited Partnership Units	4,736.84	236,842.00
06/06/2006	60	Orex Ventures Inc. - Units	1,350,000.00	9,000,000.00
05/22/2006	5	Penson Worldwide, Inc. - Common Shares	5,414,772.00	285,000.00
05/24/2006	380	Petro Field Industries Inc. - Debentures	3,250,000.00	3,250.00
05/24/2006	41	Petro Field Industries Inc. - Units	3,250,000.95	9,284,787.00
06/01/2006	1	Pinnacle Natural Resources Offshore Ltd. - Common Shares	82,499,175.00	NA
05/19/2006	1	Rare Earth Metals Corp. - Flow-Through Shares	51,000.00	1,000,000.00
05/11/2006	46	Raymor Industries Inc. - Units	9,565,920.00	7,971,600.00
06/02/2005	3	Regional Power Inc. - Common Shares	1,200,000.00	1,200,000.00
04/12/2006	34	Richmond Minerals Inc. - Units	1,094,738.00	6,912,399.00
05/29/2006	110	Rose Investments I Limited Partnership - Limited Partnership Units	28,430,000.00	28,430.00
05/24/2006	94	RSX Energy Inc. - Common Shares	17,000,003.00	4,657,535.00
05/30/2006	2	Silk Road Resources Ltd. - Units	1,500,000.00	1,200,000.00
06/05/2006	9	Silverbirch Inc. - Common Shares	224,070.27	896,281.00
05/17/2006 to 05/24/2006	2	Sun Life Financial Global Funding II, L.P. - Notes	151,591,500.00	900,000,000.00
05/17/2006	2	Sun Life Financial Global Funding II, L.P. - Notes	151,591,500.00	900,000,000.00
05/31/2006	7	SunOcean Energy Ltd. - Common Shares	996,999.00	1,329,332.00
06/01/2006	1	Teck Cominico Limited - Common Shares	801,201,509.25	11,489,368.00
05/31/2006	1	Terra Firma Capital Partners III, L.P. - Limited Partnership Interest	353,875,000.00	2,500.00
05/31/2006	78	Trivello Ventures Inc. - Units	1,351,625.00	4,915,000.00
05/31/2006	1	Value Partners Investments Inc. - Common Shares	26,500.00	10,000.00
06/30/2006	36	Vecten Corporation - Common Shares	34,500.00	8,625.00
04/28/2006 to 06/05/2006	11	Veris Health Sciences Inc. - Units	1,630,000.00	163.00
06/02/2006	304	Walton GGH Simcoe Heights 4 Corporation - Common Shares	6,163,830.00	616,383.00
05/11/2006	4	West Hawk Development Corp. - Flow-Through Shares	312,000.00	390,000.00
05/31/2006	6	Western Uranium Corporation - Common Shares	2,640,000.00	1,100,000.00
02/10/2006	1	Woodsmith Developments Corp. - Limited Partnership Units	25,000.00	25.00
05/18/2006	12	X-CAL Resources Ltd. - Common Shares	2,935,239.72	10,482,999.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:

American Capital Strategies, Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary MJDS Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 12, 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 #953964

Issuer Name:

Bank of Nova Scotia, The
Scotiabank Capital Trust
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Prospectus dated June 7, 2006
Mutual Reliance Review System Receipt dated June 8, 2006

Offering Price and Description:

\$ * - * Scotiabank Trust Securities - Series 2006-1 (Scotia
BaTS II Series 2006-1)
Price: \$1,000 per Scotia BaTS II Series 2006-1

Underwriter(s) or Distributor(s):

Scotia Capital Inc.
TD Securities Inc.
CIBC World Markets Inc.
BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
HSBC Securities (Canada) Inc.
National Bank Financial Inc.
Desjardins Securities Inc.
Laurentian Bank Securities Inc.
J.P. Morgan Securities Canada Inc.

Promoter(s):

-

Project #953288/953287

Issuer Name:

Big Country Energy Services Income Fund
Principal Regulator - Alberta

Type and Date:

Amended and Restated Preliminary Prospectus dated June 7, 2006
Mutual Reliance Review System Receipt dated June 7, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Peters & Co. Limited
Raymond James Ltd.
Sprott Securities Inc.

Promoter(s):

Grand Mesa Trust

Project #944226

Issuer Name:

Citadel Premium Income Fund
Principal Regulator - Alberta

Type and Date:

Preliminary Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

* Trust Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Canadian Income Fund Group Inc.
CGF Funds Management Ltd.

Project #954037

Issuer Name:

Constantine Metal Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated June 7, 2000
Mutual Reliance Review System Receipt dated June 8, 2006

Offering Price and Description:

\$2,200,000.00 - 5,500,000 Units Price: \$0.40 per Unit

Underwriter(s) or Distributor(s):

Pacific International Securities Inc.

Promoter(s):

Carlin Gold Corporation

Project #953445

Issuer Name:

GCH Capital Partners Inc.
Principal Regulator - British Columbia

Type and Date:

Preliminary CPC Prospectus dated June 6, 2006
Mutual Reliance Review System Receipt dated June 8, 2006

Offering Price and Description:

\$300,000.00 - 1,500,000 common shares Price: \$0.20 per common share

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation

Promoter(s):

Gerri Greenham

Project #953199

Issuer Name:

Divestco Inc.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Prospectus dated June 8, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

\$12,075,000.00 - 2,300,000 Common Shares Price: \$5.25 per Common Share

Underwriter(s) or Distributor(s):

TD Securities Inc.
Blackmont Capital Inc.
FirstEnergy Capital Corporation
Northern Securities Inc.

Promoter(s):

-

Project #953752

Issuer Name:

Merrill Lynch Canada Finance Company
Merrill Lynch & Co., Canada Ltd.
Principal Regulator - Ontario

Type and Date:

Preliminary Short Form Shelf Prospectus dated June 5, 2006
Mutual Reliance Review System Receipt dated June 7, 2006

Offering Price and Description:

Cdn. \$5,000,000,000.00 - Medium Term Notes
(Unsecured) Unconditionally guaranteed as to payment of all amounts payable thereunder by Merrill Lynch & Co., Inc.

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #952259/952266

Issuer Name:

EPCOR Power L.P.
Principal Regulator - Alberta

Type and Date:

Preliminary Short Form Shelf Prospectus dated June 8, 2006
Mutual Reliance Review System Receipt dated June 8, 2006

Offering Price and Description:

\$1,000,000,000.00 - Limited Partnership Units Debt Securities Subscription Receipts

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #953533

Issuer Name:

Merrill Lynch & Co., Inc.
Principal Regulator - Ontario

Type and Date:

Preliminary MJDS Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

Debt Securities, Warrants, Preferred Stock,
Depository Shares, Common Stock
We may offer from time to time in one or more series,
together or separately:

- * debt securities;
- * warrants;
- * preferred stock;
- * depository shares; and
- * common stock.

Underwriter(s) or Distributor(s):

Merrill Lynch Canada Inc.

Promoter(s):

-

Project #953709

Issuer Name:

NewWest Gold Corporation
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

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

Underwriter(s) or Distributor(s):

Canaccord Capital Corporation
GMP Securities L.P.
Wellington West Capital Markets Inc.

Promoter(s):

-

Project #953974

Issuer Name:

Northern Rivers Monthly Income and Capital Appreciation
Trust Pool

Principal Regulator - Ontario

Type and Date:

Preliminary Simplified Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

Series O Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Northern Rivers Capital Management Inc.

Project #953713

Issuer Name:

Nuvo Research Inc. (formerly Dimethaid Research Inc.)
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Prospectus dated June 12, 2006

Mutual Reliance Review System Receipt dated June 13, 2006

Offering Price and Description:

\$15,000,000.00 - 37,500,000 Units Each Unit consisting of
One Common Share and One-Third of a Common Share
Purchase Warrant Price: \$0.40 per Unit

Underwriter(s) or Distributor(s):

Dundee Securities Corporation
Versant Partners Inc.
Clarus Securities Inc.
Westwind Partners Inc.

Promoter(s):

-

Project #952272

Issuer Name:

Pixman Capital Inc.
Principal Regulator - Quebec

Type and Date:

Preliminary CPC Prospectus dated June 7, 2006
Mutual Reliance Review System Receipt dated June 8, 2006

Offering Price and Description:

Minimum Offering: \$1,000,000.00 or 3,333,333 common shares; Maximum Offering: \$1,600,000.00 or 5,333,333 common shares Price: \$0.30 per common share

Underwriter(s) or Distributor(s):

Dundee Securities Corporation

Promoter(s):

Daniel Langlois

Project #953161

Issuer Name:

Strike Resources Ltd.
Principal Regulator - British Columbia

Type and Date:

Preliminary Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

\$3,000,000.00 to 2,500,000 - 3,000,000 to 2,500,000
Common Shares Price: \$1.00 per Common Share

Underwriter(s) or Distributor(s):

Wolverton Securities Ltd.

Promoter(s):

-

Project #954079

Issuer Name:

Systems Xcellence Inc.
Principal Regulator - Ontario

Type and Date:

Amended and Restated Preliminary Short Form PREP
Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 12, 2006

Offering Price and Description:

\$ * - 3,200,000 Common Shares Price: \$ * per Common Share

Underwriter(s) or Distributor(s):

UBS Securities Canada Inc.
J.P. Morgan Securities Canada Inc.
William Blair & Company
SunTrust Capital Markets, Inc.
Sprott Securities Inc.
Orion Securities Inc.
Clarus Securities Inc.

Promoter(s):

-

Project #952404

Issuer Name:

Cineplex Galaxy Income Fund
Principal Regulator - Ontario

Type and Date:

Final Short Form Prospectus dated June 13, 2006
Mutual Reliance Review System Receipt dated June 13, 2006

Offering Price and Description:

\$83,475,000.00 - 5,250,000 Units Price: \$15.90 per Unit

Underwriter(s) or Distributor(s):

RBC Dominion Securities Inc.
Scotia Capital Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Westwind Partners Inc.
CIBC World Markets Inc.
Merrill Lynch Canada Inc.
Raymond James Ltd.

Promoter(s):

-

Project #952578

Issuer Name:

DaimlerChrysler Canada Finance Inc.

Principal Regulator - Quebec

Type and Date:

Final Short Form Shelf Prospectus dated June 9, 2006

Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

\$5,000,000,000.00 - Medium Term Notes (Unsecured)

Underwriter(s) or Distributor(s):

BMO Nesbitt Burns Inc.

RBC Dominion Securities Inc.

Scotia Capital Inc.

TD Securities Inc.

National Bank Financial Inc.

CIBC World Markets Inc.

Promoter(s):

-

Project #938014

Issuer Name:

Diversified All Equity Portfolio

Diversified All Income Portfolio

Diversified Balanced Portfolio

Diversified Conservative Portfolio

Diversified Defensive Portfolio

Diversified Growth Portfolio

Diversified High Growth Portfolio

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 5, 2006

Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

Marquis Series and Viscount Series units

Underwriter(s) or Distributor(s):

Goodman & Company, Investment Counsel Ltd.

Promoter(s):

-

Project #927639

Issuer Name:

Eveready Income Fund

Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 7, 2006

Mutual Reliance Review System Receipt dated June 7, 2006

Offering Price and Description:

\$50,000,000.00 - 7.00% Convertible Unsecured

Subordinated Debentures Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

Blackmont Capital Inc.

BMO Nesbitt Burns Inc.

CIBC World Markets Inc.

Acumen Capital Finance Partners Limited

Sprott Securities Inc.

Promoter(s):

-

Project #950375

Issuer Name:

Frontenac Mortgage Investment Corporation

Type and Date:

Final Prospectus dated June 6, 2006

Received on June 7, 2006

Offering Price and Description:

Common shares Price: \$30 per share during the First Valuation Period

Underwriter(s) or Distributor(s):

-

Promoter(s):

-

Project #927263

Issuer Name:

Halcyon Hirsch Opportunistic Canadian Fund

Halcyon Hirsch Opportunistic Tactical Allocation Fund

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 9, 2006

Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

Investment fund trust units at net asset value

Underwriter(s) or Distributor(s):

Burgeonvest Securities Limited

Promoter(s):

-

Project #936159

Issuer Name:

Leader Energy Services Ltd.
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 6, 2006
Mutual Reliance Review System Receipt dated June 7, 2006

Offering Price and Description:

\$20,003,100.00 - 5,129,000 Common Shares Price: \$3.90 per Common Share

Underwriter(s) or Distributor(s):

Westwind Partners Inc.
Westwind Partners USA Inc.

Promoter(s):

-

Project #945733

Issuer Name:

Class A and Class F units of:

Marquis Enhanced Canadian Equity Pool
Marquis Global Equity Pool
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 1, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

Mutual fund trust units at net asset value

Underwriter(s) or Distributor(s):

Desjardins Trust Investment Services Inc.

Promoter(s):

-

Project #925807

Issuer Name:

Merrill Lynch Financial Assets Inc.
Principal Regulator - Ontario

Type and Date:

Final Short Form PREP Prospectus dated June 12, 2006
Mutual Reliance Review System Receipt dated June 12, 2006

Offering Price and Description:

-

Underwriter(s) or Distributor(s):

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

Promoter(s):

-

Project #951995

Issuer Name:

Mutual Fund Shares of:
Middlefield Growth Class
Middlefield Equity Index Class
Middlefield U.S. Equity Class
Middlefield Income Plus Class
Middlefield Index Income Class
Middlefield Resource Class
Middlefield Canadian Balanced Class
Middlefield Income and Growth Class
Middlefield Short-Term Income Class
(Classes of Middlefield Mutual Funds Limited)
and
Mutual Fund Units of:
Middlefield Enhanced Yield Fund
Middlefield Money Market Fund

Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectuses dated June 9, 2006
Mutual Reliance Review System Receipt dated June 12, 2006

Offering Price and Description:

Mutual Fund Shares @ Net Asset Value and Mutual Fund Units @ Net Asset Value

Underwriter(s) or Distributor(s):

Middlefield Capital Corporation
Middlefield Capital Corporation

Promoter(s):

Middlefield Fund Management Limited

Project #935172

Issuer Name:

National Bank of Canada
NBC Capital Trust
Principal Regulator - Quebec

Type and Date:

Final Prospectus dated June 8, 2006
Mutual Reliance Review System Receipt dated June 8, 2006

Offering Price and Description:

\$225,000,000.00 - 225,000 Trust Capital Securities —
Series 1 (NBC CapS™ — Series 1) Price: \$1,000 per NBC
CapS - Series 1

Underwriter(s) or Distributor(s):

National Bank Financial Inc.
CIBC WORLD MARKETS INC.
HSBC SECURITIES (CANADA) INC.
MERRILL LYNCH CANADA INC.
BMO NESBITT BURNS INC.
RBC CAPITAL MARKETS
SCOTIA CAPITAL INC.
TD SECURITIES INC.
J.P. MORGAN SECURITIES CANADA INC.
LAURENTIAN BANK SECURITIES INC.

Promoter(s):

-

Project #942816/942818

Issuer Name:

Teranet Income Fund
Principal Regulator - Ontario

Type and Date:

Final Prospectus dated June 8, 2006
Mutual Reliance Review System Receipt dated June 9, 2006

Offering Price and Description:

-

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:

Class A Units, Class B Units, Class D Units, Class F Units and Class I Units of:

The Hartford U.S. Capital Appreciation Fund
The Hartford Global Leaders Fund
The Hartford U.S. Stock Fund
The Hartford Canadian Stock Fund
The Hartford Canadian Value Fund
The Hartford Growth and Income Fund
The Hartford Canadian Equity Income Fund
The Hartford Advisors Fund
The Hartford Bond Fund

and

DCA Class A Units, DCA Class B Units and DCA Class D Units (Twelve Month Series 1 and Six Month Series 3)

and

Class A Units, Class B Units and Class D Units of

The Hartford Money Market Fund

Principal Regulator - Ontario

Type and Date:

Amended and Restated Simplified Prospectuses and Annual Information Forms dated June 9th, 2006, amending and restating the Simplified Prospectuses and Annual Information Forms dated April 28th, 2006.

Mutual Reliance Review System Receipt dated June 13, 2006

Offering Price and Description:

Offering of Class A, B, C, D, F and I Units and DCA Class A Units, DCA Class B Units and DCA Class D Units

Underwriter(s) or Distributor(s):

-

Promoter(s):

Hartford Investments Canada Corp.

Project #905982

Issuer Name:

The Hartford U.S. Growth and Income Fund
Principal Regulator - Ontario

Type and Date:

Final Simplified Prospectus dated June 9, 2006
Mutual Reliance Review System Receipt dated June 13, 2006

Offering Price and Description:

Class A Units, Class B Units, Class D Units, Class F Units and Class I Units @ Net Asset Value

Underwriter(s) or Distributor(s):

-

Promoter(s):

Hartford Investments Canada Corp.

Project #936062

Issuer Name:

True Energy Trust
Principal Regulator - Alberta

Type and Date:

Final Short Form Prospectus dated June 7, 2006
Mutual Reliance Review System Receipt dated June 7,
2006

Offering Price and Description:

\$86,250,000.00 - 7.50% Convertible Unsecured
Subordinated Debentures Price: \$1,000 per Debenture

Underwriter(s) or Distributor(s):

CIBC World Markets Inc.
Canaccord Capital Corporation
Firstenergy Capital Corp.
National Bank Financial Inc.
GMP Securities L.P.
Orion Securities Inc.
Raymond James Ltd.
Scotia Capital Inc.

Promoter(s):

-

Project #950696

Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	From: CCM Holdings IV, LLC To: Independence Investments LLC	International Advisor (Investment Counsel and Portfolio Manager)	May 31, 2006
Change of Name	From: 18440 – The Alpha Scout Fund Ltd. To: 18440 – Alpha Scout Capital Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	June 1, 2006
Change in Registration Category	L & A Financial Inc.	From: Mutual Fund Dealer To: Mutual Fund Dealer and Limited Market Dealer	June 13, 2006
New Registration	Clarendon Capital Inc.	Limited Market Dealer	June 8, 2006
New Registration	Brascan Asset Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	June 9, 2006
New Registration	Brockhouse & Cooper Inc.	Limited Market Dealer	June 13, 2006
New Registration	FaithLife Investment Management Inc.	Limited Market Dealer and Investment Counsel & Portfolio Manager	June 13, 2006
New Registration	Edgewood Management LLC	International Advisor (Investment Counsel and Portfolio Manager)	June 13, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 IDA By-Law No. 28 Discretionary Fund

Investment Dealers Association of Canada – By-Law No. 28 Discretionary Fund

I OVERVIEW

The implementation of By-Law 20 Association Hearing Process has caused the IDA to focus greater attention on the use of the Discretionary Fund (“DF”) and, in so doing, we have identified some matters that we believe require clarification in By-Law 28, in particular By-Law 28.4 (d). The issue relating to and the objectives of the proposed change is discussed in greater detail below.

A Current Rule

By-law 28.4 (d) specifies that payments from the DF may be made to pay the fees, expenses or other remuneration of retired industry and public members of a District Council Panel, Hearing Panel or Appeal Panel.

B The Issue

From time to time, the IDA incurs other costs related to hearings and appeals such as the rental of meeting rooms at a local hotel or mediation centre to facilitate hearings/appeals, transcript services, retention of experts by a panel, etc. All of these expenses are incurred directly pursuant to the IDA’s adjudicative process. We propose that such expenses could properly be charged to the Discretionary Fund. No costs relating to the IDA’s investigative or enforcement processes have or will be charged to the Discretionary Fund.

C Objective

The amendment proposed to By-law 28.4 (see Attachments #1 – Board Resolution and #2 – blacklined copy) is designed to clarify certain anomalies or inconsistencies pertaining to the practical implementation of the By-law.

D Effect of Proposed Rules

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

II DETAILED ANALYSIS

A Present Rules, Relevant History and Proposed Policy

By-law 28.4 (d) specifies that payments from the DF may be made to pay the fees, expenses or other remuneration of retired industry and public members of a District Council Panel, Hearing Panel or Appeal Panel. From time to time, the IDA incurs other costs related to hearings and appeals such as the rental of meeting rooms at a local hotel or mediation centre to facilitate hearings/appeals, transcript services, retention of experts by a panel, etc. All of these expenses are incurred directly pursuant to the IDA’s adjudicative process. We propose that such expenses could properly be charged to the DF and, accordingly, a By-law amendment has been developed and is presented to the Board for approval.

B Issues and Alternatives Considered

No other alternatives were considered as the proposed amendment improves the current situation. The proposed amendment clarifies the original intent of By-law 28.4 d) whereby it was intended that the DF be used to fund expenses that are incurred directly in relation to the IDA’s adjudicative process. Where such expenses are funded by the DF their “separation” from the IDA’s operating costs is more apparent and the independence of the adjudicative function from the IDA’s enforcement and operating activities will be enhanced.

C Comparison with Similar Provisions

Not applicable.

D Systems Impact of Rule

No systems impact.

E Best Interests of the Capital Markets

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. The impact is thus neither beneficial to nor detrimental to capital markets.

F Public Interest Objective

The Association has determined that the entry into force of the proposed amendments is housekeeping in nature. As a result, a determination has been made that these proposed rule amendments need not be published for comment as there is no public interest component related to the proposed changes.

III COMMENTARY

Attachment #1

A Filing in Other Jurisdictions

This proposed amendment will be filed for information in Alberta, British Columbia, Quebec, Ontario, Manitoba, Nova Scotia and Saskatchewan.

B Effectiveness

Not applicable.

C Process

The proposed change has been developed by IDA Finance, reviewed by Regulatory Policy and has been recommended by the Executive Committee of the Board of Directors for approval by the full Board of Directors.

IV SOURCES

IDA By-law 28.4.

V OSC REQUIREMENT TO PUBLISH FOR COMMENT

The Association has determined that the entry into force of the proposed amendment is housekeeping in nature. As a result, a determination has been made that this proposed rule amendment need not be published for comment as there is no public interest component related to the proposed change.

**INVESTMENT DEALERS ASSOCIATION OF CANADA
PROPOSED CHANGES TO BY-LAW 28.4**

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

1. By-law 28.4 (d) is amended by adding the following paragraph following 28.4 (d) (ii) "Public members appointed pursuant to By-law 20.9":

"To pay other expenses relating directly to the activities of a (District Council Panel), Hearing Panel or Appeal Panel such as, but not limited to, the costs of meeting rooms for such hearings, transcript services, experts retained by a Hearing Panel or an Appeal Panel and costs of a Monitor appointed by a Panel."

PASSED AND ENACTED BY THE BOARD OF DIRECTORS this 26th day of October, 2005, to be effective April 1, 2006.

Attachment #2

**INVESTMENT DEALERS ASSOCIATION OF CANADA
PROPOSED CHANGES TO BY-LAW 28.4
BLACKLINED COPY**

28.4 Payments from the Discretionary Fund may be made at such times and in such amounts as the Board of Directors shall authorize for all or any of the following purposes, namely:

- (a) To fulfill all of the obligations of the Association to the Canadian Investor Protection Fund or under any guarantee given by the Association to a third party with respect to moneys payable by the Canadian Investor Protection Fund to such third party;
- (b) In the event of the insolvency or other inability of any Member to meet its financial obligations to the public (and whether or not claims against such Member have been considered by the persons administering the Canadian Investor Protection Fund), to compensate in whole or in part such creditors of any such Member as the Board of Directors in its discretion may determine;
- (c) Invest in the securities of, or provide financial assistance in such form and on such terms and conditions as the Board of Directors in its discretion may determine to, The Canadian Depository for Securities Limited;
- (d) To pay the fees, expenses or other remuneration of the following members of a District Council Panel, Hearing Panel or Appeal Panel:
 - (i) Members who have retired in good standing as employees of Members; and
 - (ii) Public members appointed pursuant to By-law 20.9.

To pay other expenses relating directly to the activities of a (District Council Panel), Hearing Panel or Appeal Panel such as, but not limited to, the costs of meeting rooms for such hearings, transcript services, experts retained by a Hearing Panel or an Appeal Panel and costs of a Monitor appointed by a Panel.

- (e) To make payments for special non-recurring projects that (1) benefit the public and/or (2) generally benefit Canadian Capital Markets, as determined

by the Board of Directors or Executive Committee.

- (f) For such other purposes (subject to the provisions of By-law 28.9) as the Board of Directors shall consider to be in the best interest of the Members of the Association.

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Chapter 25

Other Information

25.1 Consents

25.1.1 MP Western Properties Inc. - ss. 4(b) of the Regulation

Headnote

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

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am.
Canada Business Corporations Act, R.S., 1985, c. C-44, as am.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulations Cited

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

June 6, 2006

**IN THE MATTER OF
ONT. REG. 289/00, AS AMENDED
(THE "REGULATION") MADE UNDER
THE BUSINESS CORPORATIONS ACT
R.S.O. 1990, c. B.16, AS AMENDED (THE "OBCA")**

AND

**IN THE MATTER OF
MP WESTERN PROPERTIES INC.**

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

UPON the application of MP Western Properties Inc. (the "Applicant") to the Ontario Securities Commission (the "Commission") requesting the consent of the Commission to continue in another jurisdiction pursuant to clause 4(b) of the Regulation (the "application for continuance");

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was incorporated under the OBCA on April 3, 1997 under the name Fuel Cell Technologies Corporation. By articles of arrangement dated April 1, 2006, the Applicant

changed its name to MP Western Properties Inc. The Applicant's head office is located at Suite 305, 1788 West 5th Avenue, Vancouver British Columbia, V6J 1P2.

2. the authorized share capital of the Applicant consists of an unlimited number of Class B Voting Common Shares (the "Common Shares") and an unlimited number of Class A Non-Voting Participating Shares ("Non-Voting Shares"), of which, as at May 31, 2006, there were 8,094,000 Common Shares and 3,628,373,024 Non-Voting Shares issued and outstanding.
3. all of the issued and outstanding Common Shares of the Applicant are listed for trading on the NEX board of the TSX Venture Exchange under the symbol "MPW.H".
4. the Applicant proposes to make an application to the Director under the OBCA pursuant to section 181 of the OBCA for authorization to continue (the "Continuance") under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended ("CBCA");
5. the Applicant is an offering corporation under the provisions of the OBCA and a reporting issuer within the meaning of the *Securities Act*, R.S.O. 1990, c. S-5, as amended (the "Act").
6. the Applicant is a reporting issuer or the equivalent thereof in each of the provinces and territories of Canada and will remain a reporting issuer in Ontario and in the other provinces and territories of Canada in which it is a reporting issuer or the equivalent thereof after the Continuance;
7. pursuant to clause 4(b) of the Regulation, where the corporation is an offering corporation the application for continuance must be accompanied by the consent of the Commission;
8. the Applicant is not in default of any of the provisions of the Act or the regulations thereto;
9. the Applicant is not a party to any proceeding or to the best of its knowledge, information and belief, any pending proceeding under the OBCA;
10. the Applicant's shareholders authorized the continuance of the Applicant as a corporation under the CBCA by special resolution at a special meeting of shareholders of the Corporation held on March 22, 2006;

11. the continuance under the CBCA has been proposed because the Corporation believes it to be in its best interest to conduct its affairs in accordance with the CBCA;
12. the material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those governed by the OBCA, other than the requirement under the OBCA that a majority of a corporation's directors be resident Canadians whereas the CBCA requires that, subject to certain exceptions, only one-quarter of a corporation's directors need be resident Canadians.

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

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

"Robert L. Shirriff"

"Carol Perry"

25.1.2 UR Energy Inc. - ss. 4(b) of the Regulation

Headnote

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

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am., s. 181
Canada Business Corporations Act, R.S., 1985, c. C-44, as am.
Securities Act, R.S.O. 1990, c. S.5, as am.

Regulation Cited

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

June 9, 2006

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

ONTARIO REG. 289/00 (THE REGULATION)

AND

**IN THE MATTER OF
UR-ENERGY INC.
CONSENT**

(Subsection 4(b) of the Regulation)

UPON the application of Ur-Energy Inc. (the **Applicant**) to the Ontario Securities Commission (the **Commission**) requesting a consent from the Commission for the Applicant to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is governed under the provisions of the OBCA pursuant to articles of incorporation dated March 22, 2004, as amended pursuant to articles of amendment dated August 22, 2005. The registered office of the Applicant is located at 1128 Clapp Lane, P. O. Box 279, Manotick, ON K4M 1A3.
2. The authorized share capital of the Applicant is comprised of an unlimited number of common shares and an unlimited number of Class A preference shares, issuable in series, of which

- 49,334,623 common shares and no Class A preference shares were issued and outstanding as of March 24, 2006.
3. The Applicant is proposing to submit an application to the Director under the OBCA pursuant to section 181 of the OBCA (the **Application for Continuance**) for authorization to continue (the **Continuance**) as a corporation under the *Canada Business Corporations Act*, R.S.C. 1985, c.144, as amended (the **CBCA**).
 4. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation (as such term is defined in the OBCA), the Application for Continuance must be accompanied by a consent from the Commission.
 5. The Applicant is an offering corporation under the OBCA and a reporting issuer under the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the **Act**). The Applicant is also a reporting issuer or the equivalent thereof in British Columbia, Alberta, Saskatchewan and Manitoba.
 6. The Applicant's common shares are listed for trading on the Toronto Stock Exchange under the symbol "URE".
 7. Following the Continuance, the Applicant intends to remain a reporting issuer in Ontario and in the other jurisdictions in which it is currently a reporting issuer or equivalent thereof.
 8. The Applicant is not in default under any provision of the Act or the rules and regulations made under the Act and is not in default under the securities legislation of any other jurisdiction in which it is a reporting issuer or equivalent thereof.
 9. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act.
 10. The Continuance of the Applicant under the CBCA was approved by the Applicant's shareholders by way of special resolution at an annual and special meeting of shareholders (the **Meeting**) held on May 17, 2006.
 11. The management information circular of the Applicant dated March 24, 2006, provided to all shareholders of the Applicant in connection with the Meeting, advised the holders of common shares of their dissent rights in connection with the Continuance pursuant to section 185 of the OBCA.
 12. The principal reason for the Continuance is that the Corporation believes it to be in its best interests to conduct its affairs in accordance with the CBCA.

13. Other than the requirement under the OBCA that a majority of a corporation's directors be resident Canadians, as compared with the requirement under the CBCA that, subject to certain exceptions, only 25% of a corporation's directors need be resident Canadians, the material rights, duties and obligations of a corporation governed by the CBCA are substantially similar to those of a corporation governed by the OBCA.

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

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

"Wendell S. Wigle"

"Paul K. Bates"

25.1.3 Romarco Minerals Inc. - ss. 4(b) of the Regulation

Headnote

Consent given to an offering corporation under the OBCA to continue under the BCBCA.

Statutes Cited

Business Corporations Act, R.S.O. 1990, c. B.16, as am.
Business Corporations Act, S.B.C. 2002, c. 57
Securities Act, R.S.O. 1990, c. S.5., as am.

Regulation Cited

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

June 13, 2006

**IN THE MATTER OF
ONT. REG. 289/00, AS AMENDED
(THE REGULATION)
MADE UNDER
THE BUSINESS CORPORATIONS ACT
R.S.O. 1990, c.B.16, AS AMENDED (THE "OBCA")**

AND

**IN THE MATTER OF
ROMARCO MINERALS INC.**

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

UPON the application of Romarco Minerals Inc. (the Applicant) to the Ontario Securities Commission (the Commission) requesting consent (the Request) from the Commission for the Applicant to continue into British Columbia (the Continuance), as required by subsection 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant was amalgamated under the OBCA pursuant to Articles of Amalgamation dated July 11, 1995. As part of a reorganization by way of statutory plan of arrangement, the Applicant underwent another amalgamation under the OBCA pursuant to Articles of Arrangement dated December 30, 2002.
2. The Applicant's head office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, BC, V7X 1L3. The Applicant's registered office is 199 Bay Street, Suite 2800, Toronto, Ontario, M5L 1A9.

3. The Applicant has applied to the Director under the OBCA for authorization to continue under the *Business Corporations Act* (British Columbia) (the BCBCA), pursuant to Section 181 of the OBCA (Application for Authorization to Continue).
4. Pursuant to subsection 4(b) of Regulation 289/00 promulgated under the OBCA, where a corporation is an offering corporation under the OBCA, its Application for Authorization to Continue must be accompanied by a consent from the Commission.
5. The Applicant is an offering corporation under the OBCA and is and intends to remain a reporting issuer under the *Securities Act* (Ontario) (the Act) and in the provinces of British Columbia and Alberta.
6. The authorized capital of the Applicant consists of an unlimited number of common shares, of which approximately 47,170,385 were outstanding as at June 6, 2006.
7. The Applicant's issued and outstanding common shares are listed for trading on The TSX Venture Exchange under the symbol "R".
8. The Applicant is not in default of any of the provisions of the Act or the regulations or rules made thereunder and is not in default under the securities legislation of any other province of Canada.
9. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act.
10. A summary of the material provisions of the proposed Articles of the continued corporation was provided to shareholders in the Applicant's management information circular (the Circular) for its June 29, 2005 annual and special meeting (the Meeting). The Circular also advised registered shareholders of their dissent rights in connection with the Continuance pursuant to section 185 of the OBCA.
11. At the Meeting, a special resolution of the shareholders authorizing the Continuance was approved by 99.9% of the votes cast.
12. The principal reason for the proposed Continuance is to allow the Applicant to attract directors who are leaders in industry, regardless of where they reside. The OBCA requires that a majority of directors of a company be Canadian residents. Under the BCBCA, there are no residency requirements (Canadian, British Columbian or otherwise) for directors. The Applicant's principal mineral exploration projects are located outside of Canada in Nevada, U.S.A. and Peru. The Applicant also has shareholders

Other Information

and employs people who live and work outside of Canada. As a result, management believes that it is important to have the flexibility to have a board of directors that reflects the diversity of its stakeholders, and to invite participation on the board of directors by individuals who have expertise that is relevant to the Applicant, regardless of where they reside.

13. In addition, as the Applicant has moved its head office from Toronto, Ontario to Vancouver, British Columbia, management believes it is prudent to be governed by the corporate legislation of British Columbia.

CONSENT

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

THE COMMISSION HEREBY CONSENTS to the continuance of the Applicant as a corporation under the BCBCA.

“Paul M. Moore”

“Harold P. Hands”

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