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)

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Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JUNE 23, 2006

CURRENT PROCEEDINGS

BEFORE

ONTARIO SECURITIES COMMISSION

- -

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

The Harry S. Bray Hearing Room
Ontario Securities Commission
Cadillac Fairview Tower
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

June 26, 2006 10:00 a.m.	**Universal Settlement International Inc.** s. 127 & 127.1
Jun 28 & 30, 2006 10:00 a.m.	Y. Chisholm in attendance for Staff
July 4 – 7, 2006 10:00 a.m.	Panel: TBA
June 27, 2006 10:00 a.m.	**Xstrata Canada Inc. and Falconbridge Limited** s. 127
	J. Superina in attendance for Staff
	Panel: WSW/DLK/ST
June 28, 2006 9:00 a.m.	**Maitland Capital Ltd *et al*** s. 127 and 127.1
	D. Ferris in attendance for Staff
	Panel: PMM/ST
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
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
July 25, 2006 2:30 p.m.	**Jose Castaneda** s. 127 and 127.1
	T. Hodgson in attendance for Staff
	Panel: WSW

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
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
September 13, 2006 10:00 a.m.	**Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM/ST
September 21, 2006 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fund and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ/ST
October 19, 2006 10:00 a.m.	**Euston Capital Corporation and George Schwartz** s. 127 Y. Chisholm in attendance for Staff Panel: WSW/ST
October 20, 2006 10:00 a.m.	**Olympus United Group Inc.** s.127 M. MacKewn 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
TBA	**Yama Abdullah Yaqeen** s. 8(2) J. Superina in attendance for Staff Panel: TBA
TBA	**Cornwall *et al*** s. 127 K. Manarin in attendance for Staff Panel: TBA
TBA	**Robert Patrick Zuk, Ivan Djordjevic, Matthew Noah Coleman, Dane Alan Walton, Derek Reid and Daniel David Danzig** s. 127 J. Waechter in attendance for Staff Panel: TBA
TBA	**John Illidge, Patricia McLean, David Cathcart, Stafford Kelley and Devendranauth Misir** S. 127 & 127.1 K. Manarin in attendance for Staff Panel: TBA
TBA	**Hollinger Inc., Conrad M. Black, F. David Radler, John A. Boultbee and Peter Y. Atkinson** s.127 J. Superina in attendance for Staff Panel: TBA

TBA

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

s. 127

K. Manarin & J. Cotte in attendance for Staff

Panel: TBA

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

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

TBA

Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg

s. 127

M. MacKewn & T. Hodgson for Staff

Panel: TBA

TBA

Bennett Environmental Inc.*, John Bennett, Richard Stern, Robert Griffiths and Allan Bulckaert*

J. Cotte in attendance for Staff

Panel: TBA

* settled June 20, 2006

ADJOURNED SINE DIE

Global Privacy Management Trust and Robert Cranston

Andrew Keith Lech

S. B. McLaughlin

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

Andrew Stuart Netherwood Rankin

1.4 Notices from the Office of the Secretary

1.4.1 Bennett Enviromental Inc. et al.

FOR IMMEDIATE RELEASE
June 20, 2006

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

AND

IN THE MATTER OF
BENNETT ENVIROMENTAL INC., JOHN BENNETT, RICHARD STERN, ROBERT GRIFFITHS AND ALLAN BULCKAERT

TORONTO – Following a hearing held today, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Bennett Environmental Inc..

A copy of the Order and Settlement Agreement are available at **www.osc.gov.on.ca**

OFFICE OF THE SECRETARY
JOHN P. STEVENSON
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Manager, Public Affairs
416-595-8913

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1-877-785-1555 (Toll Free)

1.4.2 Bennett Enviromental Inc. et al.

FOR IMMEDIATE RELEASE
June 21, 2006

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

AND

IN THE MATTER OF
BENNETT ENVIROMENTAL INC., JOHN BENNETT, RICHARD STERN, ROBERT GRIFFITHS AND ALLAN BULCKAERT

TORONTO – Following a hearing held on June 20, 2006, the Commission issued an Order approving the Settlement Agreement reached between Staff of the Commission and Alan Bulckaert.

A copy of the Order and Settlement Agreement are available at **www.osc.gov.on.ca**

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

FOR IMMEDIATE RELEASE
June 21, 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 20, 2006, the Commission issued Orders granting the Royal Bank of Canada and Bank of Nova Scotia and Scotia Capital Inc. full standing in the hearing on the merits 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. for orders pursuant to subsection 104(1) and section 127 of the *Securities Act*.

Copies of the Orders are available at **www.osc.gov.on.ca**

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1.4.4 Portus Alternative Asset Management Inc. et al.

FOR IMMEDIATE RELEASE
June 21, 2006

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

AND

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

(Sections 127 and 127.1 of the Act)

TORONTO – Further to a hearing held on June 16, 2006, the Commission issued an Order adjourning the proceeding against the respondents under sections 127 and 127.1 of the *Securities Act*, until a judgment is rendered in respect of the proceeding initiated against Boaz Manor and Michael Mendelson pursuant to section 122 of the Act.

The respondents have provided undertakings to the Commission which are attached to the Order and have agreed to adhere to such undertakings until the Commission's final decision on the merits and sanctions has been rendered or until further order of the Commission releasing them from their undertakings or aspects thereof.

A copy of the Order and undertakings are available at **www.osc.gov.on.ca**

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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 AmerUS Capital Management Group, Inc. - s. 6.1(1) of MI-31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

International dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

June 13, 2006

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

AND

IN THE MATTER OF
AMERUS CAPITAL MANAGEMENT GROUP, INC.

DECISION
(Subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and section 6.1 of Rule 13-502 Fees)

UPON the Director having received the application of AmerUs Capital Management Group, Inc. (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

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

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is a corporation carrying on business in Des Moines, Iowa in the United States of America. The Applicant is not a reporting issuer. The Applicant is currently seeking registration under the *Securities Act* (Ontario) as an International Adviser (Investment Counsel and Portfolio Manager). The head office of the Applicant is located in Des Moines, Iowa.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (electronic funds transfer or, the EFT Requirement).

3. The Applicant anticipates encountering difficulties in setting up its own Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment

within ten (10) business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any Jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

"David M. Gilkes"

2.1.2 The Children's Educational Foundation of Canada on Behalf of the Children's Education Trust of Canada - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – s 62(5) of the Securities Act (Ontario) – Application for lapse date extension for the simplified prospectus of The Children's Education Trust of Canada – an extension to allows staff and the filer sufficient time to resolve outstanding issues on a new product.

Applicable Legislative Provisions

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

June 12, 2006

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

AND

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

AND

IN THE MATTER OF
THE CHILDREN'S EDUCATIONAL FOUNDATION OF CANADA (THE "FILER") ON BEHALF OF THE CHILDREN'S EDUCATION TRUST OF CANADA ("CETC")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **"Decision Maker"**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **"Legislation"**) that the time for filing of the prospectus be extended by an additional twenty-two days from the date on which the prospectus must be filed to July 4, 2006 and that the time for obtaining a receipt for the prospectus be extended by an additional twenty-four days from the date on which receipt for the prospectus must be obtained to July 14, 2006.

Under the MRRS,

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

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

Interpretation

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

Representations

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

1. The Filer was incorporated under the laws of Canada by articles of incorporation dated March 23, 1990.

2. The Filer is a reporting issuer in each of the provinces and territories in Canada and is not in default of any of the requirements of the securities legislation applicable therein.

3. The Filer filed a long form prospectus on May 31, 2005 in connection with the continuous distribution of securities of CETC (the **"Current Prospectus"**).

4. The lapse date for the Current Prospectus was May 31, 2006 (the **"Lapse Date"**).

5. The Filer filed a *pro forma* prospectus on May 1, 2006 in connection with the continuous public offering of the securities of CETC to the public beyond the Lapse Date.

6. Staff have issued one comment letter dated May 15, 2006, to which the Filer has responded.

7. Staff have indicated that a second comment letter is to be forthcoming.

8. Canada Revenue Agency has not yet completed its review of the process for the Achievers Plan.

9. If the relief requested is not granted, the Filer will no longer be qualified to distribute securities in the Jurisdictions pursuant to the Current Prospectus following June 12, 2006.

Decision

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

The decision of the Decision Makers under the Legislation is that the time for filing of the prospectus is extended by an additional twenty-two days from the date on which the prospectus must be filed to July 4, 2006 and that the time for obtaining a receipt for the prospectus is extended by an additional twenty-four days from the date on which receipt for the prospectus must be obtained to July 14, 2006.

"Leslie Byberg"
Manager, Investment Funds Branch

2.1.3 Michelago Limited and Golden China Resources Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – s. 13.1 of National Instrument 51-102 Continuous Disclosure Obligations – exemption from requirement in item 14.2 of Form 51-102F5 to include prospectus level disclosure in an information circular relating to a proposed business combination – s. 6.2 of National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency - exemption from requirements that financial statements of acquiree to be included in an information circular be audited in accordance with either Canadian or U.S. GAAS – ss. 6.3 and 6.5 of Ontario Securities Commission Rule 41-501 General Prospectus Requirements (Rule 41-501) - exemption from the requirements to prepare quarterly financial statements of the acquiree for inclusion in an information circular – exemption from requirements to include a pro forma balance sheet of the reporting issuer as at the date of its most recent balance sheet to be included in the information circular – exemption from the requirement in Rule 41-501 to include a pro forma income statement for the most recently completed interim period of the reporting issuer for which financial statements are included in an information circular.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 9.1 and 13.1.
Form 51-102F5 Information Circular, item 14.2.
National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, s. 6.2.
Ontario Securities Commission Rule 41-501 General Prospectus Requirements, ss. 6.3 and 6.5.

June 14, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA AND ONTARIO

AND

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

AND

IN THE MATTER OF
MICHELAGO LIMITED AND GOLDEN CHINA RESOURCES CORPORATION

MRRS DECISION DOCUMENT

BACKGROUND

The local securities regulatory authority or regulator (the "**Decision Maker**") in each of British Columbia, Alberta and Ontario (the "**Jurisdictions**") has received an application from Michelago Limited ("**MIC**") and Golden China Resources Corporation ("**GCRC**") for a decision under the securities legislation of the Jurisdictions (the "**Legislation**") that MIC and GCRC be exempt from the requirements in the Legislation to:

(a) audit MIC annual financial statements in accordance with Canadian GAAS or U.S. GAAS, as required by section 6.2 of National Instrument 52-107, Acceptable Accounting Principles, Auditing Standards and Reporting Currency,

(b) provide GCRC pro forma statements for the most recently completed interim financial period being March 31, 2006 as required by Part 6, Section 6.5 of Ontario Securities Rule 41-501 General Prospectus Requirements,

(c) provide MIC unaudited interim financial statements for the nine-month periods ended March 31, 2005 and 2006, respectively as required by Part 6, Section 6.3 of Ontario Securities Rule 41-501 General Prospectus Requirements,

(d) provide the following financial statements of Biogold (as defined below) as required by Part 6, Section 6.3 of Ontario Securities Rule 41-501 General Prospectus Requirements,

  (i) balance sheets at December 31, 2004 and 2003, and statements of operations, cash flows and retained earnings for each of the three years ended December 31, 2004, 2003 and 2002 prepared in accordance with Canadian GAAP and audited in accordance with Canadian GAAS or U.S. GAAS; and

  (ii) Unaudited interim financial statements for six months ended June 30, 2005 and 2004, respectively, prepared in accordance with Canadian GAAP,

and to include the financial statements indicated in (b) (c) and (d) above in an information circular (the "**Information Circular**") GCRC will send in connection with its business combination with MIC (the "**Business Combination**").

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

Under the Mutual Reliance Review System (the "**System**"),

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

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

INTERPRETATION

Unless otherwise defined in this decision, the terms herein have the meaning set out in National Instrument 14-101 Definitions;

REPRESENTATIONS

This decision is based on the following facts represented by GCRC and MIC:

1. On November 14, 2005, MIC and GCRC announced the proposed Business Combination.

2. GCRC is listed on the TSX Venture Exchange but as part of the proposed transaction intends to seek a listing on the Toronto Stock Exchange (the "**TSX**"). The closing of the Business Combination is subject to, among other things, conditional approval of the GCRC common shares for listing on the TSX. GCRC is a reporting issuer in the Jurisdictions and is not in default of any of its reporting issuer obligations in any of the Jurisdictions.

3. MIC is an Australian company listed on the Australian Stock Exchange (the "**ASX**") and is not a reporting issuer in any province of Canada.

4. The Business Combination is to be carried out by way of two schemes of arrangement under Australian law pursuant to which MIC shareholders and listed optionholders will receive GCRC Chess Depository Interests in exchange for their MIC securities. Immediately before completion of the Business Combination, GCRC will consolidate its issued share capital and MIC shareholders will be issued depository receipts representing GCRC shares on a post-consolidation basis.

5. Following completion of the Business Combination, MIC will become an indirect wholly-owned subsidiary of GCRC and will be delisted from ASX. GCRC will be listed on both the TSX and the ASX.

6. On July 22, 2005, MIC completed an acquisition of Shandong Tarzan Biogold Limited ("**Biogold**"), a company located in the Peoples Republic of China.

7. GCRC is the acquirer of MIC for both accounting purposes and the purposes of the Legislation.

8. The fiscal year-end of GCRC, MIC and Biogold, respectively, are as follows:

   (a) GCRC – June 30;

   (b) MIC – June 30; and

   (c) Biogold – December 31.

9. MIC and GCRC propose to include or incorporate by reference the following financial statements in the Information Circular:

   1. GCRC:

   (i) audited consolidated financial statements prepared in accordance with Canadian GAAP (the "**GCRC Audited Financial Statements**") as at June 30, 2005 and June 30, 2004 (balance sheet) and for the financial year ended June 30, 2005 and the period from the date of incorporation on February 26, 2004 to June 30, 2004 (statements of operations and deficit and cash flows) together with the auditor's report thereon in accordance with Canadian GAAS; and

   (ii) unaudited interim consolidated financial statements (the "**GCRC Unaudited Interim Financial Statements**") as at March 31, 2006 (balance sheet) and for the nine month period ended March 31, 2006 and March 31, 2005 (statements of operations and deficit and cash flows), in each case prepared in accordance with Canadian GAAP.

   2. MIC:

   (i) audited financial statements for the three years ended June 30, 2003, 2004 and 2005 (the "**MIC Audited Financial Statements**"); and

   (ii) unaudited interim financial statements for the six-month period ended December 31, 2005 and 2004 (the "**MIC Interim Unaudited Financial Statements**").

   Prior to July 1, 2005, MIC prepared its financial statements in accordance with Australian generally accepted accounting principles ("**Australian GAAP**"). Subsequent to this date, all financial statements have been prepared in accordance with the

Australian equivalent to International Financial Reporting Standards ("**AIFRS**"). MIC has complied with the rules and regulations of the Australian Securities and Investment Commission ("**ASIC**") in its transition from Australian GAAP to AIFRS and its financial statements have been prepared in accordance with accounting principles that meet the disclosure requirements of ASIC to which MIC is subject. The financial statements will include an Australian auditor's report which has been prepared in accordance with Australian generally accepted auditing standards ("**Australian GAAS**"). The auditor's report will contain a statement that:

A. describes any material differences in the form and content of the auditor's report as compared to an auditor's report prepared in accordance with Canadian GAAS; and

B. will indicate that an auditor's report prepared in Canadian GAAS would not contain a reservation.

Financial disclosure for the most recent periods (the fiscal year ended June 30, 2005 and six month period ended December 31, 2005) will be reconciled to Canadian GAAP and the notes to the statements will:

C. explain the material differences between Canadian GAAP and Australian GAAP/AIFRS (as applicable) that relate to recognition, measurement, and presentation;

D. quantify the effect of material differences between Canadian GAAP and Australian GAAP/AIFRS (as applicable) that relate to recognition, measurement and presentation, including a tabular reconciliation between net income reported in MIC's financial statements and net income computed in accordance with the Canadian GAAP, and

E. provide disclosure consistent with Canadian GAAP to the extent not already reflected in MIC's financial statements.

3. GCRC Pro Forma Statements (in Canadian GAAP):

(i) a pro forma balance sheet at December 31, 2005 (combining GCRC as at December 31, 2005 and MIC as at December 31, 2005);

(ii) a pro forma income statement for the six-month period ended December 31, 2005 (combining GCRC and MIC for the six-month period and adjusted to reflect short pre-acquisition results of Biogold); and

(iii) pro forma income statement for the twelve-month period ended June 30, 2005 combining GCRC, MIC and Biogold.

4. Biogold:

(i) the audited financial statements of Biogold as at and for the year ended June 30, 2006 prepared in accordance with Canadian GAAP and audited in accordance with Canadian GAAS; and

(ii) unaudited comparative financial statements of Biogold as at and for the year ended June 30, 2005 prepared in accordance with Canadian GAAP and reviewed in accordance with Canadian GAAS. MIC and GCRC have also sought consent to permit the auditors' review for 2005 to include a qualification, if determined to be necessary, due to the auditors'

inability to perform review procedures with respect to opening inventory.

10. MIC and GCRC have sought consent to include the Biogold financial statements set out at subsection 4 of paragraph 9 above due to the indirect nature of the Biogold acquisition and due to limitations in gaining access to information necessary to re-audit the historical financial statements that strictly meet the requirements of the Jurisdictions. MIC has had very limited access to Biogold's previous auditors.

11. Pursuant to the requirements in National Instrument 51-102 Continuous Disclosure Requirements and National Instrument 52-107 Acceptable Accounting Principles, Auditing Standards and Reporting Currency, GCRC will file, within 75 days of the completion of the Business Combination, the audited financial statements of MIC for the year ended June 30, 2006 prepared in accordance with AIFRS, reconciled to Canadian GAAP and audited in accordance with Canadian GAAS.

12. GCRC has undertaken not to conduct a public offering of its securities by way of a prospectus until the financial statements referred to in paragraph 11 above have been filed on SEDAR.

THE 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 by the Decision Makers in the Jurisdictions under the Legislation is that the Requested Relief is granted, provided GCRC includes or incorporates by reference the financial statements described in paragraph 9 in the Information Circular.

"John Hughes"

Manager, Corporate Finance
Ontario Securities Commission

2.1.4 Aldeavision Inc. - MRRS Decision

Headnote

Mutual Reliance Review System For Exemptive Relief Applications – National Instrument 51-102 Continuous Disclosure Obligations - Significant Acquisition Through Judicial Sale – Issuer Does Not Have Access to Historical Accounting Records of Acquired Business and Cannot Produce Audited Financial Statements for Acquired Business – Issuer Granted Relief from the Requirement to Include Audited Annual Financial Statements and Pro Forma Financial Statements in the Business Acquisition Report – Business Acquisition Report to Include Unaudited Financial Statements and a Pro Forma Balance Sheet.

National Instruments Cited

National Instrument 51-102 Continuous Disclosure Obligations, Part 8 and s. 13.1.

May 24, 2006

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

AND

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

AND

IN THE MATTER OF
ALDEAVISION INC.(The "Filer") AND INVIDEX, INC.("Invidex").

MRRS DECISION DOCUMENT

WHEREAS 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 pursuant to section 13.1 of National Instrument 51-102 Continuous Disclosure Obligations ("NI 51-102") made under National Policy 12-201 Mutual Reliance Review System for Exemptive Relief Applications ("NP 12-201") from the financial statements requirements of Part 8 of NI 51-102 required in the business acquisition report (the "BAR") of the Filer to be prepared and file on SEDAR in connection with the recent acquisition by the Filer of substantially all of the assets (the "Assets") of Invidex.

AND WHEREAS under the Mutual Reliance Review System for Exemptive Relief Applications (the "System"), the Autorité des marchés financiers is the principal regulator for this application;

AND WHEREAS, unless otherwise defined, the terms herein have the meaning set out in the National Instrument 14-101 Definitions;

AND WHEREAS the Filer has represented to the Decision Maker that:

1. The Filer is a corporation that was incorporated on June 3, 1992 pursuant to the Canada Business Corporations Act ("CBCA").

2. The head office of the Filer is located in St-Laurent, Quebec.

3. The authorized capital of the Filer consists of an unlimited number of common shares without nominal or par value. As of the date hereof, 62,272,857 common shares are issued and outstanding.

4. The Filer's common shares are listed on the TSX Venture Exchange under the symbol "ALD".

5. The Filer is a "venture issuer" as defined in NI 51-102 and is a reporting issuer in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

6. Invidex is a Montreal-based private company that was a broadcast solution provider to the telecommunications industry.

7. In 2005 Invidex started having financial difficulties.

8. On October 21, 2005, the Quebec Superior Court rendered an initial order (the "Initial Order") in favour of Invidex under the Companies' Creditors Arrangement Act ("CCAA"), to, among other things:

   a. order that all proceedings against Invidex and its assets be stayed and suspended;

   b. appoint Raymond Chabot Inc. as monitor pursuant to section 11.7 of the CCAA; and

   c. authorize Invidex to file, at a later date, a compromise or an arrangement under the CCAA.

9. On November 22, 2005 at the request of Invidex, the Quebec Superior Court rendered an amended order extending the CCAA protection period for a period of 65 days, up to and including January 25, 2006.

10. On January 25, 2006 at the request of Invidex, the Quebec Superior Court rendered an order extending the CCAA protection period for an additional period of 7 days, up to and including February 1, 2006.

11. Following February 1, 2006, no further extensions of the Initial Order were sought by Invidex given that the Filer had shown an interest in acquiring substantially all of the assets of Invidex.

12. On February 24, 2006, the Filer made the acquisition of the Assets and issued a press release announcing the acquisition on February 27, 2006.

13. The purchase of the Assets represents for the Filer a Significant Acquisition as such term is defined in section 8.3 of NI 51-102.

14. At the request of two secured creditors of Invidex, namely, Capital Régional et Coopératif Desjardins and Desjardins Capital de Développement Montréal Métropolitain, Ouest et Nord du Québec (collectively, the "Desjardins Creditors"), the sale of the Assets to the Filer was made under a court order issued on February 23, 2006 by the Quebec Superior Court and ordering the judicial sale of the Assets under the provisions of the Civil Code of Quebec.

15. The Filer paid $1,640,000 for the Assets of Invidex.

16. The purchase price was paid by the issuance of three convertible debentures for an aggregate value of $1,515,000 due in January 31, 2008 to the Desjardins Creditors and 9143-8655 Quebec Inc. and through the issuance of 1,250,000 common shares of the Filer to certain employees and officers of Invidex for an aggregate value of $125,000.

17. The purchase price was established based on unaudited annual financial statements of Invidex for the years ended December 31, 2004 and December 31, 2005. Invidex was not required to prepare audited financial statements because of its private company status.

18. The Filer and all of the parties involved in the sale of the Assets were arm's-length parties.

19. As a consequence of the sales of the Assets being made by way of a judicial sale, no compromises or arrangements, as defined under the CCAA, were ever filed or proposed by Invidex.

20. After the sale of its assets to the Filer, Invidex ceased all of its operations and no longer employs any employees.

21. The Filer has made every reasonable effort to obtain access to, or copies of, the historical accounting records necessary to audit the financial statements but such efforts have been unsuccessful because Invidex has ceased its operations and the inability of AldeaVision to

locate past employees of Invidex in charge of maintaining such historical accounting records.

22. As a result, the Filer does not have access to Invidex financial historical records (working papers and the supporting documentations) that would be required to audit the unaudited financial statements of Invidex for the years ended on December 31, 2004 and 2005.

23. Apart from the requirement to include audited financial statements related to the acquisition, the Filer is otherwise able to prepare and file the BAR in accordance with NI 51-102. The Filer will include in the BAR additional disclosure requirements as set out under section 8.9(4)(b) of the Companion Policy 51-102CP Continuous Disclosure Obligations.

24. Consequently, the Filer is unable to prepare the financial statements disclosure required under section 8.4 of NI 51-102 for the BAR.

25. The Filer however will file with the BAR the unaudited financial statements of Invidex for the years ended December 31, 2004 and 2005 and a pro forma balance sheet as at December 31, 2005 together with the accompanying compilation report signed by the Filer's auditors.

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

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

THE DECISION of the Decision Makers under NI 51-102 is that the financial statements requirements of Part 8 of NI 51-102 required in the BAR of the Filer to be prepared and file on SEDAR in connection with the recent acquisition by the Filer of substantially all of the Assets shall not apply, subject to the Filer filing with the BAR the unaudited financial statements of Invidex for the years ended December 31, 2004 and 2005 and a pro forma balance sheet as at December 31, 2005 together with the accompanying compilation report signed by the Filer's auditors.

"Jean St-Gelais"
President and Director General

2.1.5 Optifund Investments Inc. and Performa Financial Group Limited - MRRS Decision

Headnote

Optifund Investments Inc. & Performa Financial Group

Mutual Reliance Review System for Exemptive Relief Applications – Multilateral Instrument 33-109 Registration Information (MI 33-109) – relief from certain filing requirements of MI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals under an internal reorganization.

Applicable Rule

Multilateral Instrument 33-109 Registration Information.

June 14, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
THE PROVINCES OF ALBERTA, BRITISH COLUMBIA, MANITOBA, NEW-BRUNSWICK, NOVA SCOTIA, PRINCE EDWARD ISLAND, ONTARIO, SASKATCHEWAN AND NEWFOUNDLAND AND LABRADOR
(THE "JURISDICTIONS")

AND

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

AND

IN THE MATTER OF
OPTIFUND INVESTMENTS INC. ("OPTIFUNDS") AND PERFORMA FINANCIAL GROUP LIMITED ("PERFORMA")
(OPTIFUNDS AND PERFORMA COLLECTIVELY CALLED THE "FILERS")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **"Decision Maker"**) in each of the Jurisdictions has received an application from the Filers for a decision under the Securities Legislation of the Jurisdictions (the **"Legislation"**) exempting the Filers from the requirements of National Instrument 33-109 Registration Information (**"MI 33-109"**) so as to permit the Filers to bulk transfer to Optifunds, under the National Registration Database (**"NRD"**) the places of business and certain registered representatives who are associated on NRD with Performa (**"Affected Locations and Individuals"**) following an agreement entered into on March 9, 2006 in relation to the purchase by Optifunds of all the assets of Performa (**"Requested Relief"**);

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

(a) the Autorité des marchés financiers du Québec 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:

(a) Founded in 1992, Performa is a mutual fund dealer that also provides life insurance, group insurance and financial planning services. Performa is registered in each of the Jurisdictions as a mutual fund dealer or equivalent. Performa is incorporated under the laws of the Province of Ontario.

(b) Founded in 1991, Optifund is a mutual fund dealer that also provides life insurance, group insurance and financial planning services. Optifund is registered in each of the Jurisdictions as a mutual fund dealer or equivalent. Optifund is incorporated under the laws of the Province of Quebec.

(c) To the best of each Filer's knowledge, each are respectively not in default of any requirements of the securities legislation of any of the Jurisdictions.

(d) On March 9, 2006, Standard Life Financial Inc. and Desjardins Financial Security, Life Assurance Company (**"DSF"**) announced that they had agreed to the sale of Performa to Optifund, a wholly owned subsidiary of SFL Management Inc., itself a wholly owned subsidiary of DSF (the **"Transaction"**). Performa shall cease its activities after the closing of the Transaction. The Jurisdictions were advised of the Transaction on March 10, 2006.

(e) Performa advised its representatives that its activities would be terminated and most of such representatives were invited to join Optifund or were advised that their status within the firm would be terminated. The closing of the Transaction is planned for on or about June 30, 2006 and the Filer will be required to transfer their Affected Locations and Individuals who will be joining Optifund using the NRD.

(f) According to the procedure required under MI 33-109, the Filers must file, for each representative being transferred or terminated, as the case may be, and for each business location that it holds, notices of registration modification, notices of termination and new registrations no later than five (5) business days after the closing of the Transaction.

(g) Given the number of Affected Locations and Individuals under the Transaction and the NRD systems constraints, it would be exceedingly difficult, onerous, costly and time consuming for the Filers to complete within the required five (5) business day all the forms required for the purposes of sections 2.2, 3.1, 3.2, 3.3, 4.3 and 5.2 of MI 33-109 for the transfer of Affected Locations and Individuals and to transfer as a separate and distinct transfer of each Affected Location and Individual while ensuring that all such transfers occur at the same time in order to preclude any disruption of individual registration or Optifund's business activities. As such, the Filers could find themselves in a situation at the expiry of the five (5) business day where there is a break in the registration in that certain Affected Locations and Individuals have not been transferred and would fall into a situation where they would be neither under the registration of Performa (which would have abandoned its activities) or the jurisdiction of Optifund (who would not have been able to confirm the modifications to the representatives status). It is imperative that the transfer of Affected Locations and Individuals occur on the same date, in order to ensure that there be no break in the registration.

(h) The Transaction is not contrary to the public interest as there will be no change to the Affected Individual's employment or responsibilities and each Affected Individual will be transferred under the same registration category. In addition the Transaction has no negative consequences on the ability of Optifund to comply with all regulatory requirements or the ability of Optifund to satisfy the obligations to the clients of Performa transferred as part of the Transaction.

(i) The Filers believe that a simplified procedure, via a bulk transfer of Affected Locations and Individuals would be adequate in order to avoid the problems which could be created by the standard procedure under Regulation 33-109Q and MI 33-109. The bulk transfer would permit all the profiles of the Affected Locations and Individuals to be modified or terminated or registered on the same day.

Decision

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

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

(a) the requirement to submit a notice regarding the termination of each employment, partnership or agency relationship under section 4.3 of MI 33-109;

(b) the requirement to submit a notice regarding each individual who ceases to be a non-registered individual under section 5.2 of MI 33-109;

(c) the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of MI 33-109;

(d) the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of MI 33-109;

(e) the requirement under section 3.2 of MI 33-109 to notify the regulator of a change in business location information in Form 33-109F3; and

(f) provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the bulk transfer, as referred to in section 3.1(5) of the Companion Policy to MI 33-109 and make such payment in advance of the bulk transfer.

Executive Director, Distribution

Nancy Chamberland, notary (s)

AMF Decision Document

Given the application filed on May 18, 2006;

given sections 263 of the Securities Act, L.R.Q., c. V-1.1;

given section 228.1 of the Act respecting the distribution of financial productsd and services;

given Regulation 33-109Q;

given the powers delegated as provided in section 24 of the Autorité des marchés financiers;

given Order N° 2005-PDG-0349 issued November 29, 2005;

Accordingly, the Executive Director, Distribution :

Exempt Optifund Investments Inc. and Performa Financial Group Limited from the requirements of sections 4.3, 5.2, 2.2, 3.3 et 3.2 of the Regulation 33-109Q in respect of Affected Locations and Individuals that will be bulk transferred from Performa to Optifund.

The order is conditional upon the following:

- that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the bulk transfer and make such payment in advance of the bulk transfer.

Signed in Montreal on 14 2006.

Executive Director, Distribution,

Nancy Chamberland, notary (s)
NC/lf

2.1.6 Merrill Lynch Financial Assets Inc.(formerly Merrill Lynch Mortgage Loans Inc.) and Merrill Lynch Canada Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Dealer proposing to act as sole underwriter in connection with the distribution from time to time of asset-backed securities by issuer (the Issuer) – Issuer is a "related issuer" (as defined in National Instrument 33-105 Underwriting Conflicts) of the Dealer because Issuer and Dealer are wholly owned subsidiaries of common parent issuer (Parent) – subsections 2.1(2) and (3) of NI 33-105 require participation of independent underwriter in related issuer offering – relief granted from independent underwriter requirement – securities will have an approved rating – independent review provided by a rating agency accepted by the Decision Makers in the circumstances of this offering as an acceptable alternative to the independent review which an independent underwriter would provide.

Applicable Legislative Provisions

National Instrument 33-105 Underwriting Conflicts, ss. 5.1, 2.1.

June 16, 2006

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

AND

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

AND

IN THE MATTER OF
MERRILL LYNCH FINANCIAL ASSETS INC. (FORMERLY MERRILL LYNCH MORTGAGE LOANS INC.) AND MERRILL LYNCH CANADA INC.

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from Merrill Lynch Canada Inc. (the Filer) for a decision under section 5.1 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105) that the provisions contained in section 2.1 of NI 33-105 mandating independent underwriter involvement shall not apply to the Filer and Merrill Lynch Financial Assets Inc. (the Issuer) in respect of distributions of asset-backed securities (the Offerings) issued by the Issuer from time to time on the terms specified in this decision (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 Issuer was incorporated under the laws of Canada on March 13, 1995 under the name BULLS Offering Corporation. Effective December 3, 1998, the Issuer changed its name from BULLS Offering Corporation to Merrill Lynch Mortgage Loans Inc. Effective March 15, 2001, the Issuer changed its name from Merrill Lynch Mortgage Loans Inc. to Merrill Lynch Financial Assets Inc. The authorized share capital of the Issuer consists of an unlimited number of common shares, of which 1,000 common shares are issued and outstanding, all of which are held by Merrill Lynch & Co., Canada Ltd. (ML & Co.). The head office of the Issuer is located in Toronto, Ontario.

2. To date, the Issuer has issued and has outstanding approximately $7,207,586,275 of asset-backed securities in 22 issues (the Prior Transactions).

3. The Issuer filed its seventh renewal annual information form on May 18, 2006.

4. The Issuer has been a "reporting issuer" or its nearest equivalent pursuant to the securities legislation in each of the provinces of Canada for over 12 calendar months. Pursuant to a decision dated June 29, 2005 of the Decision Makers of Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, New Brunswick and Newfoundland and Labrador, (the June 29, 2005 Decision), the Issuer has been granted certain relief in connection with the requirement in the securities legislation of such jurisdictions to make continuous disclosure of its financial results, and from other forms of continuous disclosure required under such legislation, provided that the Issuer complies with the conditions set out in the June 29, 2005 Decision.

5. The officers and directors of the Issuer are employees of the Filer or its affiliates.

6. The Filer was continued and amalgamated under the laws of Canada on August 26, 1998. The authorized share capital of the Filer consists of an unlimited number of common shares. The common shares of the Filer are owned by ML & Co. and Midland Walwyn Inc. The head office of the Filer is located in Toronto, Ontario.

7. The Filer is not a reporting issuer in any Canadian province.

8. The Filer is registered in all Jurisdictions as a dealer in the categories of "broker" and "investment dealer" and is a member of the Investment Dealers Association of Canada.

9. As a special purpose vehicle, the Issuer is restricted to activities relating to the acquisition of various categories of commercial and residential mortgages, hypothecs or other charges on real or immovable property situated in Canada and originated by parties other than the Issuer (the Custodial Property). The Issuer funds successive acquisitions of Custodial Property by issuing mortgage pass-through certificates (the Certificates) in successive series, each evidencing an undivided co-ownership interest in the Custodial Property acquired by the Issuer from the proceeds of such series (the Offerings). Each series of Certificates will be entitled to receive distributions from the Custodial Property acquired by the Issuer from the proceeds of such series. The Custodial Property of each series will be deposited with a custodian and the recourse of Certificate holders of each series will be limited to the Custodial Property of such series and any proceeds thereof.

10. The Issuer is a special purpose vehicle and does not carry on any activities other than activities related to the issuing of asset-backed securities in respect of Custodial Property acquired by the Issuer. The Issuer currently has, and will continue to have, no material assets or liabilities other than its rights and obligations arising from acquiring Custodial Property and issuing asset-backed securities, or from the Prior Transactions. Certificate holders will only have recourse to the Custodial Property and will not have any recourse to the Issuer.

11. The Issuer has operated and will continue to operate as an issuer corporation for the purpose of distributing from time to time "asset-backed securities", as such term is defined in National Instrument 44-101 Short Form Prospectus Distributions ("NI 44-101"), with an "approved rating" by an "approved rating organization", as those terms are defined in NI 44-101, to the public in Canada.

12. The Filer proposes to act as the underwriter in connection with the distribution of up to 100% of the dollar value of the distribution of the Certificates as described below for the Offerings.

13. The Filer expects that approximately 90% of the Offerings will be made to Canadian institutions, pension funds, endowment funds or mutual funds (collectively, Institutional Investors) based upon the experience of the Prior Transactions.

14. A minimum of 66⅔% of each Offering will be made to Institutional Investors.

15. The Issuer will not offer any Certificates by prospectus in circumstances where an independent underwriter underwrites less than the prescribed amount of the offering contemplated by s. 2.1 of NI 33-105, unless the Certificates have been rated by an approved rating agency.

16. The independent review provided by an approved rating agency in the circumstances of the Offerings would provide an alternative to the independent review which an independent underwriter would provide, and would provide the basis for a prospective purchaser to independently price the Certificates of each Offering.

17. The pricing of each Offering will be determined by market comparisons in both the secondary and primary market for commercial mortgage backed securities at the time; secondary market levels on comparable offerings will be obtained from other dealers and investors and final pricing of each Offering will be based on the secondary market bid spread (being the difference in yield between comparable commercial mortgage backed securities trading in the secondary market and the current Government of Canada bond) plus, in appropriate circumstances, a new issue premium plus the current Government of Canada bond yield.

18. The only financial benefits which the Filer will receive as a result of the Offerings are the normal arm's length underwriting commission and reimbursement of expenses associated with a public offering in Canada, which commissions and reimbursements shall be deemed to include the increases or decreases contemplated by Section 1.7(b) of Form 44-101F1 Short Form Prospectus and by the applicable securities legislation in Québec.

19. The Filer administers the ongoing operations and pays the ongoing operating expenses of the Issuer, for which the Filer receives no additional compensation.

20. The Issuer may be considered to be a related (or equivalent) issuer (as defined in the Legislation) of the Filer for the purposes of the Offerings because

both the Filer and the Issuer are subsidiaries of ML & Co.

21. The Filer proposes that in connection with the distribution by the Issuer of up to 100% of any Certificates of the Issuer, the preliminary prospectus, the final prospectus and any prospectus supplement of the Issuer contain the following information:

    (a) on the front page of each such document, the information listed in Appendix C of NI 33-105 as required information for the front page of such document; and

    (b) in the body of each such document, the information listed in Appendix C of NI 33-105 as required information for the body of such document;

    (c) in the body of each such document disclosure reflecting the substance of paragraphs 14 and 17; and

    (d) in the body of each such document the rating of each Certificate granted by at least one approved rating agency.

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 Issuer complies with paragraphs 14, 15, 18 and 21 of this decision.

"Jo-Anne Matear"
Assistant Manager, Corporate Finance
Ontario Securities Commission

2.1.7 The Bank of Nova Scotia and Scotiabank Capital Trust - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Trust permitted to issue non-convertible trust capital securities using a short form prospectus – Relief granted from eligibility requirements enabling an issuer to file a short form prospectus, subject to certain conditions – Relief also granted from earnings coverage disclosure requirements and certain requirements relating to documents incorporated by reference.

Applicable National Instrument

National Instrument 44-101 – Short Form Prospectus Distributions

May 31, 2006

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

AND

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

AND

**IN THE MATTER OF
THE BANK OF NOVA SCOTIA AND
SCOTIABANK CAPITAL TRUST**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the Decision Maker and, collectively, the Decision Makers) in each of the Jurisdictions has received an application (the Application) from The Bank of Nova Scotia (the Bank) and Scotiabank Capital Trust (the Trust) (collectively, the Filers) for a decision (the Requested Relief), pursuant to the securities legislation of the Jurisdictions (the Legislation), that:

A. the Trust be exempted from the following requirements of the Legislation in connection with offerings of non-convertible Scotiabank Trust Securities (as defined herein):

    (i) the requirements of Part 2 of National Instrument 44-101 (NI 44-101), which set forth the eligibility requirements to enable

an issuer to file a prospectus in the form of a short form prospectus; and

(ii) the disclosure requirements in Item 6 (Earnings Coverage Ratios) and Item 11 (Documents Incorporated by Reference), with the exception of Item 11.1(1)5, of Form 44-101F1 in respect of the Trust;

B. the Trust is qualified to file a prospectus in the form of a short form prospectus in accordance with NI 44-101; and

C. the Application and this MRRS decision document be held in confidence by the Decision Makers, subject to certain conditions.

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) the Ontario Securities Commission is the principal regulator for the 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:

The Bank

1. The Bank is a Schedule 1 Bank under the *Bank Act* (Canada) and such act is its charter and governs its operations. The head office of the Bank is located in Halifax, Nova Scotia.

2. The authorized share capital of the Bank consists of an unlimited number of: (i) common shares without nominal or par value (Bank Common Shares); and (ii) Preferred Shares without nominal or par value (the Bank Preferred Shares).

3. The Bank Common Shares are listed on the Toronto Stock Exchange and the New York Stock Exchange.

4. The Bank is a reporting issuer in each province and territory of Canada that provides for a reporting issuer regime and is not, to its knowledge, in default of any requirement thereof. The Bank is qualified to use the short form prospectus system provided under NI 44-101.

The Trust

5. The Trust is an open-end trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated April 23, 2002 of the Computershare Trust Company of Canada (the Trustee), as amended and restated and supplemented from time to time (the Declaration of Trust). In April, 2002, the Trust completed a public offering of $750 million of Scotiabank Trust Securities — Series 2002-1 (the Scotia BaTS II – Series 2002-1). In February, 2003, the Trust completed a public offering of $750 million of Scotiabank Trust Securities – Series 2003-1 (Scotia BaTS II – Series 2003-1). The Trust is proposing to offer a third series of Scotiabank trust securities (Scotiabank Trust Securities) to the public pursuant to a prospectus (the Offering). Upon completion of the Offering, the authorized capital of the Trust will consist of: (i) an unlimited number of Scotia BaTS II — Series 2002-1; (ii) an unlimited number of Scotia BaTS II — Series 2003-1; (iii) an unlimited number of Scotiabank Trust Securities – Series 2006-1 (Scotia BaTS II – Series 2006-1); and (iv) an unlimited number of special trust securities (the Special Trust Securities).

6. The Trust is a reporting issuer in each province and territory of Canada that provides for a reporting issuer regime and is not, to its knowledge, in default of any requirement thereof. The head office of the Trust is located in Toronto, Ontario.

7. All of the Special Trust Securities of the Trust are held by the Bank (the Special Trust Securities and the Scotiabank Trust Securities being collectively referred to herein as the Trust Securities). The Trust may, from time to time, issue further series of Scotiabank Trust Securities having terms substantially similar to the Scotia BaTS II – Series 2002-1 and Scotia BaTS II – Series 2003-1.

8. The Scotia BaTS II – Series 2006-1 will be non-voting securities of the Trust (except in limited circumstances where holders can vote if changes to the terms of the Scotia BaTS II – Series 2006-1 are made), which have the attributes described below under “Scotia BaTS II – Series 2006-1”. The Special Trust Securities are voting securities of the Trust.

9. The Trust was established for the purpose of effecting offerings of Trust Securities in order to provide the Bank with a cost effective means of raising capital for Canadian financial institutions regulatory purposes by means of: (i) creating and selling the Trust Securities; and (ii) acquiring and holding assets which, on completion of the Offering, will consist primarily of senior deposit notes issued by the Bank (the Bank Deposit Notes) acquired by the Trust with the proceeds of

the offerings of the Trust Securities. The Bank Deposit Notes will generate income for distribution to holders of the Trust Securities. The Trust does not, and will not, carry on any operating activity other than in connection with the Offering of the Scotia BaTS II – Series 2006-1 and any future offerings.

Scotia BaTS II – Series 2006-1

10. Holders of Scotia BaTS II – Series 2006-1 will be entitled to receive fixed, semi-annual non-cumulative distributions (each, an Indicated Yield) on the basis described below (the Distributions). Each semi-annual payment date for the Indicated Yield in respect of the Scotia BaTS II – Series 2006-1 (a Distribution Date) will be either a Regular Distribution Date or a Distribution Diversion Date. A Distribution Date will be a Distribution Diversion Date, with the result that the Indicated Yield will not be paid in respect of the Scotia BaTS II – Series 2006-1 but, instead, the Trust will pay the net distributable funds of the Trust to the Bank as holder of the Special Trust Securities if: (i) the Bank has failed in the period to be described in the prospectus for the Offering (the Prospectus) to declare regular dividends on the Bank Preferred Shares of any series; or (ii) no Bank Preferred Shares are then outstanding and the Bank has failed in the period described in the Prospectus to declare regular dividends on the Bank Common Shares. In all other cases, a Distribution Date will be a Regular Distribution Date, in which case holders of Scotia BaTS II – Series 2006-1 will be entitled to receive the Indicated Yield and the Bank, as holder of the Special Trust Securities, will be entitled to receive the net distributable income, if any, of the Trust remaining after payment of the Indicated Yield. The Bank Preferred Shares and the Bank Common Shares are hereinafter collectively referred to as the Bank Dividend Restricted Shares.

11. Under a Share Exchange Agreement to be entered into among the Bank, the Trust and a party acting as Exchange Trustee (the Series 2006-1 Share Exchange Agreement), the Bank will agree, for the benefit of holders of Scotia BaTS II – Series 2006-1 , that in the event that the Trust fails on any Regular Distribution Date to pay the Indicated Yield on the Scotia BaTS II – Series 2006-1 in full, the Bank will not pay dividends on the Bank Dividend Restricted Shares until a specified period of time has elapsed, unless the Trust first pays such Indicated Yield (or the unpaid portion thereof) to holders of Scotia BaTS II – Series 2006-1. Accordingly, it is in the interest of the Bank to ensure, to the extent within its control, that the Trust complies with its obligation to pay the Indicated Yield on each Regular Distribution Date.

12. Pursuant to the terms of the Scotia BaTS II – Series 2006-1 and the Series 2006-1 Share Exchange Agreement, the Scotia BaTS II – Series 2006-1 may be exchanged, at the option of the holder, for newly issued Preferred Shares Series S of the Bank (Bank Preferred Shares Series S). The Scotia BaTS II – Series 2006-1 will be automatically exchanged, without the consent of the holder, for newly issued Preferred Shares Series T of the Bank (Bank Preferred Shares Series T) upon the occurrence of certain stated events relating to the solvency of the Bank or actions taken by the Superintendent of Financial Institutions in respect of the Bank.

13. Neither the Bank Preferred Shares Series S nor the Bank Preferred Shares Series T are convertible into Bank Common Shares.

14. The Trust may, subject to federal regulatory approval, redeem the Scotia BaTS II – Series 2006-1 in certain circumstances.

15. The Bank has covenanted under the Series 2006-1 Share Exchange Agreement that the Bank will maintain direct ownership of 100% of the outstanding Special Trust Securities. Subject to regulatory approval, the Scotia BaTS II – Series 2006-1 will constitute Tier I Capital of the Bank.

16. As long as any Scotia BaTS II – Series 2006-1 are outstanding and are held by any person other than the Bank, the Trust may only be terminated with the approval of the Bank as holder of the Special Trust Securities and with the approval of the Superintendent: (i) upon the occurrence of a Special Event (as defined in the Prospectus) at any time; or (ii) for any reason on June 30, 2011 or any Distribution Date thereafter. Holders of each series of outstanding Trust Securities will rank *pari passu* in the distribution of the property of the Trust in the event of a termination of the Trust after the discharge of any creditor claims.

17. As set forth in the Declaration of Trust, the Scotia BaTS II – Series 2006-1 are non-voting except in limited circumstances and Special Trust Securities entitle the holder thereof to vote.

18. Except to the extent that Distributions are payable to holders of Scotia BaTS II – Series 2006-1 , and other than in the event of a termination of the Trust (as set forth in the Declaration of Trust), holders of Scotia BaTS II – Series 2006-1 have no claim or entitlement to the income of the Trust or its assets.

19. Pursuant to an administration agreement entered into between the Trustee and the Bank, as amended and restated, the Trustee has delegated to the Bank certain of its obligations in relation to the administration of the Trust. The Bank, as administrative agent, provides advice and counsel

with respect to the administration of the day-to-day operations of the Trust and other matters as may be requested by the Trustee from time to time.

20. The Trust may from time to time, issue further series of Scotiabank Trust Securities, the proceeds of which would be used to acquire additional Bank Deposit Notes.

21. On July 26, 2002, the Decision Makers granted an MRRS Decision Document to the Bank and the Trust (the Continuous Disclosure Relief') exempting the Trust from most of the continuous disclosure requirements under the Legislation upon certain conditions, including that the Bank provide its financial statements to holders of Trust Securities and file its financial statements and Annual Information Form (AIF) on the Trust's SEDAR profile.

22. It is expected that the Scotia BaTS II – Series 2006-1 will receive an approved rating from an approved rating organization, as defined in NI 44-101.

23. At the time of the filing of any prospectus in connection with offerings of Scotiabank Capital Securities (including the Offering):

(i) the Scotiabank Capital Securities will be non-convertible within the meaning of NI 44-101;

(ii) the prospectus will be prepared in accordance with the short form prospectus requirements of NI 44-101, except as varied by this Decision or as permitted by the Legislation;

(iii) the Trust will comply with all of the filing requirements and procedures set out in NI 44-101 except as varied by this Decision or as permitted by the Legislation;

(iv) the prospectus will incorporate by reference the documents that would be required to be incorporated by reference under Item 11 of Form 44-101F1 if the Bank were the issuer of such securities;

(v) the prospectus disclosure required by Item 11 (other than Item 11.1(1)5) of Form 44-101F1 of NI 44-101 in respect of the Trust will be addressed by incorporating by reference the Bank's public disclosure documents referred to in paragraph 23(iv) above;

(vi) the Continuous Disclosure Relief, as amended, supplemented or replaced from time to time, is in effect; and

(vii) the Bank satisfies the criteria set forth in paragraphs 2.2(a), (b), (c), (d) and (e) of NI 44-101.

Decision

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

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

(i) the Trust and the Bank, as applicable, comply with paragraph 23 above;

(ii) the Bank remains the direct or indirect beneficial owner of all of the outstanding Special Trust Securities;

(iii) the Bank, as holder of the Special Trust Securities, will not propose changes to the terms and conditions of any outstanding Scotiabank Trust Securities offered and sold pursuant to a short form prospectus of the Trust filed under this decision that would result in such Scotiabank Trust Securities being exchangeable for securities other than preferred shares of the Bank;

(iv) the Trust is not required to, and does not, file its own AIF and annual financial statements in a Jurisdiction;

(v) the Trust has minimal operations independent of the Bank;

(vi) the Trust issues a news release and files a material change report in accordance with Part 7 of the NI 51-102, as amended, supplemented or replaced from time to time, in respect of any material change in the affairs of the Trust that is not also a material change in the affairs of the Bank;

(vii) if the Trust files a preliminary short form prospectus more than 90 days after the end of the most recently completed financial year end of the Bank, the Bank has filed audited financial statements for that year;

(viii) the Trust is an electronic filer under National Instrument 13-101;

(ix) the Trust is a reporting issuer in at least one jurisdiction of Canada;

(x) the Trust has filed with the securities regulatory authority in each jurisdiction in

which it is a reporting issuer all periodic and timely disclosure documents that it is required to have filed in that jurisdiction: (a) under applicable securities legislation; (b) pursuant to an order issued by the securities regulatory authorities; or (c) pursuant to an undertaking to the securities regulatory authorities; and

(xi) the securities to be distributed: (a) have received an approved rating on a provisional basis; (b) are not the subject of announcement by an approved rating organization, of which the Trust is or ought reasonably to be aware, that the approved rating given by the organization is to be downgraded to a rating category that would not be an approved rating; and (c) have not received a provisional or final rating lower than an approved rating from any approved rating organization.

The further decision of the Decision Makers under the Legislation is that the Application and this decision shall be held in confidence by the Decision Makers until the earlier of the date that a preliminary short form prospectus is filed in respect of the offering of Scotia BaTS II – Series 2006-1 and August 15, 2006.

"Iva Vranic"
Manager, Corporate Finance

2.1.8 Ferris, Baker Watts, Incorporated - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

Ferris, Baker Watts, Incorporated

Applicant seeking registration as an international dealer is exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

June 13, 2006

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

AND

IN THE MATTER OF
FERRIS, BAKER WATTS, INCORPORATED

DECISION

(Subsection 6.1(1) of Multilateral Instrument 31-102
National Registration Database and
Section 6.1 of Rule 13-502 Fees)

UPON the Director having received the application of Ferris, Baker Watts, Incorporated (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (**MI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (**Rule 13-502**) in respect of this discretionary relief;

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

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is organized under the laws of the State of Delaware in the United States. The Applicant is not a reporting issuer in any province or territory in Canada. The Applicant is seeking registration in Ontario as an international dealer.

The Applicant is registered as a broker-dealer with the U.S. Securities Exchange Commission and is a member of the U.S. National Association of Securities Dealers. The head office of the Applicant is in Baltimore, Maryland.

2. MI 31-102 requires that all registrants enrol with CDS INC. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (**electronic funds transfer** or, the **EFT Requirement**).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement, and anticipates a significant cost for an account that would not otherwise be used.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it has applied for registration.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees, and makes such payment within ten business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

“David M. Gilkes”

2.1.9 Lafarge North America Inc. - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

June 8, 2006

Blake Cassels & Graydon LLP
Box 25, Commerce Court West
Toronto, Ontario
M5L 1A9

Attention: Shlomi Feiner

Dear Sirs/Mesdames,

Re: Lafarge North America Inc. (the "Applicant")
Application to Cease to be a Reporting Issuer under the securities legislation of Ontario, Alberta, Saskatchewan, Québec and Nova Scotia (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that,

- 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

2.1.10 Front Street Flow-Through 2005-I Limited Partnership and Front Street Flow-Through 2006-I Limited Partnership - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from investment fund annual information form requirement – flow-through limited partnerships exempted from preparing and filing annual information forms – annual information form may not be useful for flow-through limited partnerships because of their structure and short lifespan – flow-through limited partnerships are closed-end and there is no readily available secondary market.

Rules Cited

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

June 15, 2006

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

AND

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

AND

IN THE MATTER OF
FRONT STREET FLOW-THROUGH 2005-I LIMITED PARTNERSHIP (FS 2005-I) AND FRONT STREET FLOW-THROUGH 2006-I LIMITED PARTNERSHIP (FS 2006-I)
(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) for an exemption from the annual information form (AIF) filing requirement in section 9.2 of National Instrument 81-106 *Investment Fund Continuous Disclosure* (NI 81-106) pursuant to section 17.1 thereof (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief applications:

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

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

Interpretation

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

Representations

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

1. The Filers are limited partnerships formed pursuant to the provisions of the *Limited Partnerships Act* (Ontario). FS 2005-I was formed on December 31, 2002 and FS 2006-I was formed on December 28, 2005. The principal office of the Filers is located in Toronto, Ontario.

2. The primary investment objective of FS 2005-I is to achieve capital appreciation for its limited partners through investment in a diversified portfolio of flow-through common shares (Flow-Through Shares) of resource issuers (Resource Issuers) engaged primarily in oil and gas and mining exploration, development and production that will incur Canadian Exploration Expenses (CEE), including Canadian Renewable and Conservation Expenses (CRCE). Flow-Through Shares are issued on the basis that the Resource Issuer will agree to incur and renounce to that Filer amounts equal to the subscription price of the Flow-Through Shares in expenditures in respect of resource exploration and development which qualify as CEE or as CRCE.

3. The investment objectives of FS 2006-I are (i) to achieve capital appreciation through investment in a diversified portfolio of equity securities of Resource Issuers engaged in oil and gas or mining exploration, development or production or energy production that will incur CEE, including CRCE; and (ii) to invest in limited partnerships that will participate financially in the gross production or production revenue generated from mining and oil sands properties of various resource companies that meet specified criteria (each a Resource Company) and that will make contributions to qualifying environmental trusts to secure reclamation obligations of Resource Companies.

4. FS 2005-I received a receipt dated January 27, 2005, issued under MRRS by the Ontario Securities Commission on behalf of each of the provincial regulators with respect to a (final) prospectus dated January 25, 2005, offering for sale up to 4,000,000 limited partnership units of

FS 2005-I at a price of $25 per unit. FS 2005-I is a reporting issuer in each of the provincial Jurisdictions.

5. On or about June 30, 2007, FS 2005-I will be dissolved. The FS 2005-I general partner has been authorized to implement an exchange transaction (a Mutual Fund Rollover Transaction), prior to that date, under which FS 2005-I would transfer its assets to an open-end mutual fund corporation, on a tax deferred basis, in exchange for mutual fund shares. If a Mutual Fund Rollover Transaction is not implemented by May 31, 2007 or if the FS 2005-I limited partners determine by extraordinary resolution not to proceed with the Mutual Fund Rollover Transaction, the assets of FS 2005-I will be disposed of, debts and liabilities will be paid and FS 2005-I will be dissolved with the FS 2005-I limited partners receiving their pro rata share of the FS 2005-I net assets.

6. FS 2006-I received a receipt dated February 13, 2006, issued under MRRS by the Ontario Securities Commission on behalf of each of the jurisdictions with respect to a (final) prospectus dated February 9, 2006, offering for sale up to 5,000,000 limited partnership units of FS 2006-I at a price of $25 per unit. FS 2006-I is a reporting issuer in each of the Jurisdictions.

7. On or about June 30, 2008, FS 2006-I will be dissolved. The FS 2006-I general partner has been authorized to implement a Mutual Fund Rollover Transaction, prior to that date, under which FS 2006-I would transfer its assets to an open-end mutual fund corporation, on a tax deferred basis, in exchange for mutual fund shares. If a Mutual Fund Rollover Transaction is not implemented by May 31, 2008 or if the FS 2006-I limited partners determine by extraordinary resolution not to proceed with the Mutual Fund Rollover Transaction, the assets of FS 2006-I will be disposed of, debts and liabilities will be paid and FS 2006-I will be dissolved with the FS 2006-I limited partners receiving their pro rata share of the FS 2006-I net assets.

8. The limited partnership units of each Filer are not and will not be listed or quoted for trading on any stock exchange or market and are also not redeemable by the limited partners.

9. Given the limited range of business activities conducted by the Filers, the short duration of their existence and the nature of the investment in the Filers, the preparation and distribution of an AIF by the Filers will not be of any benefit to the Filers' limited partners and may impose a material financial burden on the Filers.

10. The limited partners of each Filer will obtain adequate financial information from that Filer's annual and interim financial statements and management reports of fund performance. If a material change occurs to one of the Filers, that Filer is obligated to file a material change report in the applicable Jurisdictions.

Decision

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

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

"R. Goldberg"
Assistant Manager, Investment Funds Branch
Ontario Securities Commission

2.1.11 Ferris, Baker Watts, Incorporated - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

Ferris, Baker Watts, Incorporated

Applicant seeking registration as an international dealer is exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1.
Ontario Securities commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1.

June 13, 2006

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

AND

IN THE MATTER OF
FERRIS, BAKER WATTS, INCORPORATED

DECISION

(Subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and section 6.1 of Rule 13-502 Fees)

UPON the Director having received the application of Ferris, Baker Watts, Incorporated (the **Applicant**) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (**MI 31-102**) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees (**Rule 13-502**) in respect of this discretionary relief;

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

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is organized under the laws of the State of Delaware in the United States. The Applicant is not a reporting issuer in any province or territory in Canada. The Applicant is seeking registration in Ontario as an international dealer. The Applicant is registered as a broker-dealer with the U.S. Securities Exchange Commission and is a member of the U.S. National Association of Securities Dealers. The head office of the Applicant is in Baltimore, Maryland.

2. MI 31-102 requires that all registrants enrol with CDS INC. (**CDS**) and use the national registration database (**NRD**) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (**electronic funds transfer** or, the **EFT Requirement**).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement, and anticipates a significant cost for an account that would not otherwise be used.

4. The Applicant confirms that it is not registered in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it has applied for registration.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the **Application Fee**).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees, and makes such payment within ten business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the

Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as an international dealer or international adviser or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the Application Fee will be waived in respect of the application for this Decision.

"David M. Gilkes"

2.1.12 Veritas Energy Services 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.

Citation

Veritas Energy Services Inc., 2006 ABASC 1460

June 16, 2006

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

Attention: Shannon K. Ward

Dear Madam:

Re: Veritas Energy Services 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 (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 16th day of June, 2006.

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

2.1.13 Ameristar RSP Income Trust, American Income Trust and Quadravest Inc.- MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Application - Approval of merger of exchange-traded funds. – Merger does not meet the criteria for pre-approval outlined in section 5.6 of NI 81-102 – Unitholders have received timely and adequate disclosure regarding the merger and the merger is not detrimental to securityholders or the public interest.

Applicable Legislative Provisions

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

June 14, 2006

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

AND

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

AND

IN THE MATTER OF
AMERISTAR RSP INCOME TRUST AND AMERICAN INCOME TRUST

AND

IN THE MATTER OF
QUADRAVEST INC. (the "Filer")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Filer (the "Application") on behalf of AmeriStar RSP Income Trust ("AmeriStar") and American Income Trust ("American Income") and Income Financial Trust ("IFT", and together with AmeriStar and American Income, the "Trusts") for a decision under the securities legislation of the Jurisdictions (the "Legislation") granting approval of the merger of AmeriStar and American Income into IFT (the "Merger"), as contemplated by section 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* ("NI 81-102") (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. IFT is an investment trust established under the laws of the Province of Ontario on January 27, 1999 pursuant to a trust agreement between the Filer, as manager of IFT, and the Royal Trust Company as trustee (the "Trustee"). American Income is an investment trust established under the laws of the Province of Ontario on June 8, 1999 pursuant to a trust agreement between the Filer and the Trustee. AmeriStar is an investment trust established under the laws of the Province of Ontario on December 7, 1999 pursuant to a trust agreement between the Filer and the Trustee. The investment manager of each of the Trusts is Quadravest Capital Management Inc. ("Quadravest"). The principal office address of each of the Trusts, the Filer and Quadravest is in Toronto, Ontario.

2. Units of American Income are qualified by long-form prospectus dated June 8, 1999. Units of AmeriStar are qualified by long-form prospectus dated December 7, 1999. Units of IFT are qualified by long form prospectus dated January 27, 1999. Units of the Trusts are not in continuous distribution, but currently trade on the Toronto Stock Exchange ("TSX").

3. The primary investment focus of both American Income and AmeriStar is to invest in a portfolio consisting principally of common shares issued by corporations whose shares are included in S&P 500 Index. The primary investment focus of IFT is to invest in a portfolio of financial services companies from the S&P/TSX Capped Financials Index, the S&P Financials Index or the S&P MidCap Financials Index.

4. Special meetings of the unitholders of AmeriStar and American Income (the "Meetings") were held on April 20, 2006 for the purpose of seeking the approval of such unitholders to the Merger. Approval of the unitholders of IFT is not required as the Merger would not constitute a material change to IFT.

5. In conjunction with the Meetings, a management information circular (the "Circular") was prepared and distributed to unitholders of Ameristar and American Income which contained "prospectus-level" disclosure of IFT but, through inadvertence, the most recent annual and interim financial statements of IFT were not provided to such unitholders. All unitholders were advised, however, in the annual management report of fund performance that such financial statements could be obtained electronically on the SEDAR and Quadravest websites.

6. Complete details of the Merger, as well as the risks associated with the proposal and the implementation thereof, were disclosed in the Circular.

7. The unitholders of Ameristar and American Income approved the Merger at the Meetings.

8. Upon the implementation of the Merger, units of AmeriStar and American Income will be exchanged for units of IFT at an exchange ratio (the "Exchange Ratio") calculated based on the relative net asset value per unit of the applicable Trusts as at the close of trading on the Toronto Stock Exchange on the business day prior to the date the Merger is to be effective (the "Effective Date").

9. In lieu of the annual retraction right at net asset value occurring in February 2007 in respect of AmeriStar, and in June 2006 in respect of American Income, unitholders of AmeriStar and American Income were permitted to redeem their units at their net asset value effective April 30, 2006, with payments of proceeds of redemption being made on or before May 10, 2006. This permitted those unitholders of Ameristar and American Income who did not approve of the Merger to exit those Trusts without penalty.

10. AmeriStar and American Income will sell all of the assets held in their portfolios through normal market sales. On the Effective Date, AmeriStar and American Income will subscribe for units of IFT based on the net asset value per unit of IFT as at the close of trading on the TSX on the day prior to the Effective Date. Immediately thereafter, the units of AmeriStar and American Income will be redeemed and the Manager will pay the redemption price therefore by delivering the applicable number of units of IFT to unitholders, with each unitholder receiving that number of units of IFT (rounded down to the nearest whole unit) as is equal to the applicable Exchange Ratio multiplied by the number of units of applicable Trust held by the unitholder immediately prior to the completion of the Merger.

11. Following the Merger, AmeriStar and American Income will apply to cease to be reporting issuers and will have their units delisted from the TSX. AmeriStar and American Income will continue to exist as trusts after the Merger in order to preserve tax losses for possible future use. The units of IFT (including the units issued in connection with the Merger) will continue trading on the TSX under the symbol "INC".

12. AmeriStar and American Income have issued and filed a press releases and have filed material change reports as required by Part 11 of National Instrument 81-106.

13. Should the Requested Relief be granted, the Filer intends to effect the Merger as soon as practical following the receipt of the Requested Relief.

14. The Filer submits that the Merger will result in the following benefits:

    (a) lower operating costs are expected to be realized under a merged trust; and

    (b) securityholders of each Trust will benefit from becoming investors in a larger merged trust which, due to larger market capitalization, should increase liquidity on the TSX.

15. In particular, there is a cap on the base management fee payable to Quadravest and the administration fee payable to the Filer, and the operating costs of IFT, in effect from March 1, 2006 until December 31, 2006, and from January 1, 2007 to December 31, 2007. Such costs will not exceed 1.35% of the average net asset value of IFT during each such period. Such costs represent all of the components of IFT's management expense ratio, with the exception of any performance fee that might to payable to Quadravest.

16. Quadravest has agreed with the Filer to waive, or rebate to unitholders of Ameristar and American Income as at the Effective Date of the Merger who remain in IFT on December 31, 2006 or December 31, 2007, as the case may be, such portion of any performance fee owing to it as would, if charged to IFT and not rebated to such unitholders, result in the management expense ratio of IFT as it relates to such unitholders exceeding 1.49% in respect of either such period.

17. If the Merger is approved, the costs of implementing the Merger will be borne by the Filer or Quadravest.

Decision

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

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

(a) on or before the Effective Date of the Merger the Filer will obtain from Quadravest the agreement to waive or rebate performance fees referred to in paragraph 16 above; and

(b) the Filer will notify the Decision Makers, in writing, in advance of any public or private offerings of, or any future use being made of, AmeriStar or American Income.

"Rhonda Goldberg"
Assistance Manager, Investment Funds Branch
ONTARIO SECURITIES COMMISSION

SEDAR Project Nos. 919361 and 919363

2.1.14 Peregrine Energy Ltd. - 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.

Citation

Peregrine Energy Ltd., 2006 ABASC 1444

June 14, 2006

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

Attention: Grant A. Mackenzie

Dear Sir:

Re: Peregrine Energy Ltd. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Ontario and Québec (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 14th day of June, 2006.

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

2.1.15 Rhinopharma Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Securities Act s. 74(1) - Exemption from s. 53 requirement to file a prospectus in connection with a distribution - an issuer that is not a reporting issuer in Canada is seeking first trade relief for securities that it will issue or has issued to Canadian residents - the issuer meets all of the conditions of section 2.14 of National Instrument 45-102 Resale of Securities except that residents of Canada will own more than 10% of the securities of the class and will represent more than 10% of the total number of holders of the securities of the class; the issuer is listed on an exchange outside of Canada; the issuer is not seeking to create a market for its securities in Canada by offering its securities to new Canadian investors; the issuer will provide security holders who are resident in Canada with the same continuous disclosure materials that are provided to foreign shareholders.

Applicable Ontario Statutory Provisions

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

June 16, 2006

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

AND

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

AND

IN THE MATTER OF
RHINOPHARMA LIMITED

MRRS DECISION DOCUMENT

Background

The local securities regulatory authorities or regulator (the Decision Maker) in each of the Jurisdictions has received an application from Rhinopharma Limited (the Filer) for a decision under the securities legislation of the Jurisdictions (the Legislation) that the prospectus requirements contained in the Legislation do not apply to the first trade of the Corporation Shares (as defined below) acquired by the Canadian Owners (as defined below) in exchange for their Investor Shares (as defined below) (the Requested Relief).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

Representations

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

1. the Filer was incorporated under the laws of British Columbia on April 22, 2004;

2. the registered office and the principal place of business of the Filer is located in Vancouver, British Columbia;

3. the Filer is not a reporting issuer or its equivalent in any jurisdiction of Canada and the Filer has no present intention of becoming a reporting issuer in any jurisdiction in Canada;

4. none of the Filer's securities are listed or quoted on any exchange or market in Canada;

5. there are 12,250,001 common shares of the Filer issued and outstanding, of which 8,001,000 common shares were issued for nominal consideration (the Founders' Shares) and 4,250,000 common shares were issued at prices ranging from $0.125 to $0.275 per share (the Investor Shares); the holders of the Investor Shares acquired such shares under private placement exemptions on the basis of being an accredited investor or a close personal friend, family, or close business associate of a director or executive officer of the Filer;

6. the Filer currently has six holders of Founders' Shares (the Founders) who are residents of Canada and 29 holders of Investor Shares who are residents of Canada;

7. the Filer's shareholders have entered into a share exchange agreement (the SEA) under which all of the issued and outstanding shares of the Filer will be exchanged for ordinary shares (the Corporation Shares) of Isis Resources plc (to be renamed Verona Pharma Ltd.) (the Corporation);

8. the Corporation is an Australian company whose ordinary shares are listed on the London Stock Exchange – Alternative Investment Market (the LSE-AIM); the Corporation is not and has no present intention of becoming a reporting issuer in any jurisdiction of Canada;

9. on completion of the share exchange under the SEA and a proposed concurrent financing (the

Merger Transactions), the Filer will become a wholly owned subsidiary of the Corporation; it is intended that the Filer will then be dissolved;

10. following the Merger Transactions, there will be approximately 143,200,000 Corporation Shares held by approximately 100 to 150 shareholders, the exact number being unknown until the concurrent financing is completed;

11. the concurrent financing is not being made to Canadian residents;

12. after giving effect to the Merger Transactions, 25,816,221 Corporation Shares (the Canadian Held Shares) will be owned by residents of Canada (the Canadian Owners); 12,293,390 of the Canadian Held Shares (representing approximately 8.58% of the Corporation's issued and outstanding share capital) will have been issued to Canadian Owners in exchange for their Investor Shares;

13. under the rules for companies listed on the LSE-AIM, the Corporation Shares issued in exchange for the Founders' Shares will be subject to

    (a) a one year lock-up period following the Merger Transactions; and

    (b) a contractual orderly marketing arrangement under which they will be subject to a second year lock-up, with trades permitted in limited circumstances;

14. any resale of Corporation Shares by the Canadian Owners is expected to be made through the facilities of the LSE-AIM as there is no market for the Corporation Shares in Canada and none is expected to develop;

15. in the absence of exemptive relief, the first trade of the Corporation Shares by the Canadian Owners will be deemed to be a distribution unless, among other things, the Corporation has been a reporting issuer for four months immediately preceding the trade in a jurisdiction of Canada;

16. Canadian Owners cannot rely on section 2.14 of National Instrument 45-102 *Resale of Securities* for a first trade of the Corporation Shares because, as at the date of distribution of the Corporation Shares to the Canadian Owners, residents of Canada will own, directly or indirectly, more than 10% of the Corporation Shares and will represent in number more than 10% of the total number of owners, directly or indirectly of the Corporation Shares;

17. as required by the rules of the LSE-AIM, holders of the Corporation Shares who are residents of Canada will receive copies of all materials provided to all other holders of the Corporation 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:

(a) neither the Filer nor the Corporation is a reporting issuer in any jurisdiction of Canada at the date of the trade; and

(b) the trade is made through LSE-AIM or through another exchange or market outside of Canada or to a person or company outside of Canada.

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

2.1.16 Producers Oilfield Services 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.

Citation

Producers Oilfield Services Inc., 2006 ABASC 1451

June 20, 2006

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

Attention: Scott D. Kearl

Dear Sir:

Re: Producers Oilfield Services Inc. (the "Applicant") - Application to Cease to be a Reporting Issuer under the securities legislation of Alberta, Saskatchewan, Ontario and Québec (the "Jurisdictions")

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

As the Applicant has represented to the Decision Makers that:

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

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

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

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

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

Relief requested granted on the 20th day of June, 2006.

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

2.1.17 Murphy & Durieu - s. 6.1(1) of MI 31-102 National Registration Database and s. 6.1 of Rule 13-502 Fees

Headnote

Murphy & Durieu

Non-resident limited market dealer exempted from the electronic funds transfer requirement pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and activity fee contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 Fees waived in respect of this discretionary relief, subject to certain conditions.

Rules Cited

Multilateral Instrument 31-102 National Registration Database (2003) 26 O.S.C.B. 926, s. 6.1
Ontario Securities commission Rule 13-502 Fees (2003) 26 O.S.C.B. 867, ss. 4.1 and 6.1

June 20, 2006

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

AND

IN THE MATTER OF
MURPHY & DURIEU

DECISION

(Subsection 6.1(1) of Multilateral Instrument 31-102 National Registration Database and Section 6.1 of Ontario Securities Commission Rule 13-502 Fees)

UPON the Director having received the application of Murphy & Durieu (the Applicant) for an order pursuant to subsection 6.1(1) of Multilateral Instrument 31-102 *National Registration Database* (MI 31-102) granting the Applicant relief from the electronic funds transfer requirement contemplated under MI 31-102 and for relief from the activity fee requirement contemplated under section 4.1 of Ontario Securities Commission Rule 13-502 *Fees* (Rule 13-502) in respect of this discretionary relief;

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

AND UPON the Applicant having represented to the Director as follows:

1. The Applicant is organized as a partnership under the laws of the State of New York in the United States of America. The Applicant is not a reporting issuer in any province or territory of Canada. The Applicant is seeking registration under the Act as a limited market dealer. The head office of the Applicant is located in New York City.

2. MI 31-102 requires that all registrants in Canada enrol with CDS Inc. (CDS) and use the national registration database (NRD) to complete certain registration filings. As part of the enrolment process, registrants are required to open an account with a member of the Canadian Payments Association from which fees may be paid with respect to NRD by electronic pre-authorized debit (the electronic funds transfer requirement or EFT Requirement).

3. The Applicant has encountered difficulties in setting up a Canadian based bank account for purposes of fulfilling the EFT Requirement.

4. The Applicant confirms that it does not intend to register in another category to which the EFT Requirement applies and that Ontario is the only jurisdiction in which it is seeking registration.

5. Staff of the Canadian Securities Administrators has indicated that, with respect to applications from international dealers and international advisers (or applicants in equivalent categories of registration) for relief from the EFT Requirement, it is prepared to recommend waiving the fee normally required to accompany applications for discretionary relief (the Application Fee).

6. For Ontario registrants, the requirement for payment of the Application Fee is set out in section 4.1 of Rule 13-502.

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

IT IS THE DECISION of the Director, pursuant to subsection 6.1(1) of MI 31-102 that the Applicant is granted relief from the EFT Requirement for so long as the Applicant:

A. makes acceptable alternative arrangements with CDS for the payment of NRD fees and makes such payment within ten (10) business days of the date of the NRD filing or payment due date;

B. pays its participation fee under the Act to the Commission by cheque, draft, money order or other acceptable means at the time of filing its application for annual renewal, which shall be no later than the first day of December in each year;

C. pays any applicable activity fees, or other fees that the Act requires it to pay to the Commission, by cheque, draft, money order or other acceptable means at the appropriate time; and

D. is not registered in any other Canadian jurisdiction in another category to which the EFT Requirement applies;

PROVIDED THAT the Applicant submits a similar application in any other Canadian jurisdiction where it becomes registered as a limited market dealer or in an equivalent registration category;

AND IT IS THE FURTHER DECISION of the Director, pursuant to section 6.1 of Rule 13-502, that the application fee will be waived in respect of the application for this Decision.

"David M. Gilkes"

2.1.18 CI Investments Inc. and Skylon Advisors Inc. - s. 7.1(1) of MI 33-109

Headnote

CI Investments Inc. & Skylon Advisors Inc.

Multilateral Instrument 33-109 Registration Information (MI 33-109) – relief from certain filing requirements of MI 33-109 in connection with a bulk transfer of business locations and registered and non-registered individuals under an internal reorganization.

Applicable Rule

Multilateral Instrument 33-109 Registration Information.

June 19, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
ONTARIO

AND

IN THE MATTER OF
CI INVESTMENTS INC. AND
SKYLON ADVISORS INC.

DECISION

(Subsection 7.1(1) of Multilateral Instrument 33-109)

UPON the application (the Application) of CI Investments Inc. (CI) and Skylon Advisors Inc. (Skylon, together with CI, the Filers) to the Ontario Securities Commission (the Commission), pursuant to section 7.1 of Multilateral Instrument 33-109 -- *Registration Information* (MI 33-109), for a decision exempting the Filers from certain filing requirements under MI 33-109, so as to permit the bulk transfer of business locations and individuals (the Representatives) that are associated on the National Registration Database (NRD) to the continuing entity resulting from an amalgamation of CI and Skylon.

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

AND UPON the Filers having represented to the Director that:

1. CI is a corporation formed under the laws of the Province of Ontario and its head office is located in Toronto, Ontario.

2. CI is registered under the Ontario *Securities Act* (the Act) as an adviser in the categories of investment counsel and portfolio manager and under the Ontario *Commodity Futures Act* (the CFA) as a Commodity Trading Manager and Commodity Trading Counsel.

3. Skylon is a corporation formed under the laws of the Province of Ontario and its head office is located in Toronto, Ontario

4. Skylon is registered under the Act as an adviser in the categories of investment counsel and portfolio manager and as a dealer in the category of limited market dealer.

5. CI and Skylon propose to amalgamate and carry on their respective securities businesses in a similar manner under the successor, CI Amalco (the Amalgamation).

6. CI Amalco has applied for registration under the Act as an adviser in the category of investment counsel and portfolio manager and as a dealer in the category of limited market dealer. CI Amalco has also applied for registration under the CFA as a Commodity Trading Manager and Commodity Trading Counsel.

7. In accordance with the terms of the Amalgamation, each Representative will be transferred to the CI Amalco under the same registration category(ies) in which s/he is currently registered on NRD with CI and Skylon.

8. The Amalgamation was effective on June 1, 2006 (the Amalgamation Date). The Filers will complete the bulk transfer of Representatives within two months of the Amalgamation Date.

9. It would be difficult to transfer each of the Representatives to CI Amalco as per the requirements set out in MI 33-109 given the importance of ensuring that the transfer occurs on the same date, ensuring that there is no break in registration.

10. The Amalgamation is not contrary to the public interest and will have no negative consequences on the ability of CI Amalco to comply with all applicable regulatory requirements or its ability to satisfy any of its obligations to clients of CI and Skylon.

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

IT IS ORDERED pursuant to section 7.1 of MI 33-109 that the following requirements of MI 33-109 shall not apply to the Filers, in respect of the bulk transfer of Representatives and business locations under the Amalgamation:

(a) the requirement to submit a notice regarding the termination of each employment, partner, or agency relationship under section 4.3 of MI 33-109;

(b) the requirement to submit a notice regarding each individual who ceases to be a non-registered individual under section 5.2 of MI 33-109;

(c) the requirement to submit a registration application for each individual applying to become a registered individual under section 2.2 of MI 33-109;

(d) the requirement to submit a Form 33-109F4 for each non-registered individual under section 3.3 of MI 33-109; and

(e) the requirement under section 3.2 of MI 33-109 to notify the regulator of a change to the business location information in Form 33-109F3,

provided that the Filers make acceptable arrangements with CDS Inc. for the payment of the costs associated with the bulk transfer, as referred to in section 3.1(5) of the Companion Policy and make such payment in advance of the completion of the bulk transfer.

"David M. Gilkes"

2.1.19 TD Asset Management Inc. and TD Private Canadian Strategic Opportunities Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications- exemption from unitholder approval requirement in clause 5.1(c) of NI 81-102- mutual fund permitted to change its investment objective without seeking unitholder approval - – all unitholders of the fund have entered into separately managed account agreements giving full discretionary authority to portfolio manager- convening of unitholder meeting represents unnecessary cost and inconvenience to filer, the mutual fund and the unitholders.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, clause 5.1(c).

June 20, 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
TD ASSET MANAGEMENT INC.
(the Filer)

AND

IN THE MATTER OF
TD PRIVATE CANADIAN STRATEGIC OPPORTUNITIES FUND
(the Fund)

Background

The local securities regulatory authority or regulator (the Decision Maker) in each of the Jurisdictions has received an application from the Filer, on behalf of the Fund, for a decision (the Requested Relief) under the securities legislation of the Jurisdictions (the Legislation) exempting the Fund from the requirement contained in clause 5.1(c) of National Instrument 81-102 *Mutual Funds* (NI 81-102) requiring a mutual fund to obtain approval of its securityholders before changing the fundamental investment objective of the 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 Filer:

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

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

3. The Filer conducts an investment management business which offers passive, quantitative, enhanced and active portfolio management services to a large and diversified client base. As part of its portfolio management business, the Filer is the manager, principal distributor and promoter of the Fund which is one of the TD Private Funds qualified for sale by means of simplified prospectuses and annual information forms that have been prepared and filed in accordance with the securities legislation of all provinces and territories of Canada. The Fund is a no-load mutual fund within the meaning ascribed thereto in NI 81-102.

4. TD Waterhouse Private Investment Counsel Inc. (TDWPIC) is a corporation that was incorporated under the Canada Business Corporations Act. It is a wholly-owned subsidiary of the Filer and is registered as an investment counsel and portfolio manager or their equivalent in all provinces and territories of Canada and as a limited market dealer under the Ontario Act and the Newfoundland Act.

5. TDWPIC utilizes model portfolios, which include mutual funds managed by the Filer, to provide customized investment management strategies to clients having $300,000 or more of investable assets who grant TDWPIC the authority under a separately managed account (SMA) agreement to manage their assets on a discretionary basis. Client SMA's that are managed by TDWPIC are charged an annual fee that is based upon a percentage of assets under management.

6. TDWPIC currently uses, among other things, the TD Private Funds as an investment vehicle for the assets of many of the SMA's in order to reduce the cost of administering such accounts so that the Filer's individually managed account services can be offered to individuals who could not otherwise gain access to such services.

7. As the Fund is a connected issuer to the Filer and TDWPIC, each SMA client has consented to TDWPIC investing client monies held in an SMA in units of the Fund.

8. All of the Fund's unitholder's are clients of TDWPIC and have all entered into SMA agreements giving TDWPIC full authority to invest assets held in their SMA's.

9. Prior to February 16, 2006 the sub-advisor to the Fund was KBSH Capital Management Inc. Effective February 16, 2006 the Filer retained Highstreet Asset Management Inc. (Highstreet) as a sub-advisor to the Fund.

10. The Filer and TDWPIC, after consultation with Highstreet, have determined that it is appropriate to change the fundamental investment objective of the Fund from:

> "The fundamental investment objective is to earn an above-average rate of return over a complete market cycle by investing primarily in small to mid-capitalization stocks based in Canada. The Fund may also hold equity stocks of small to mid-capitalization stocks of non-Canadian based companies. Additionally, the Fund may opportunistically invest in large-cap Canadian equity securities when such securities are deemed attractive. At no time will large-cap issues account for the majority of the Fund's assets"

to

> "The fundamental investment objective is to earn an above average rate of return over a complete market cycle by investing primarily in small to mid-capitalization equity securities based in Canada and large-cap Canadian equity securities when such securities are deemed attractive. The Fund may also hold equity securities of small to mid capitalization stocks of non-Canadian based companies. At no time will large-cap issues account for the majority of the Fund's assets."

11. TDAM and TDWPIC believe that this change is in the best interests of the Fund's unitholders.

12. Clause 5.1(c) of NI 81-102 requires that unitholder approval be obtained for any change to the fundamental investment objective to the Fund. The Filer and TDWPIC believe that, in the circumstances, a unitholder meeting convened for the purpose of obtaining unitholder approval to change the fundamental investment objective of the Fund is not desirable and represents an unnecessary cost and inconvenience to the Filer, TDWPIC, the Fund and unitholders.

13. Unlike an investor that holds units outside of an SMA, the unitholders of the Fund have not participated in the investment decision to acquire units of the Fund apart from the consent requirement mentioned in paragraph 7 above. Instead, the unitholders of the Fund are relying entirely on TDWPIC to make investment decisions for them and, in these circumstances, the change of a fundamental investment objective is analogous to the unitholder changing from one TD Private Fund to another, which change does not require unitholder approval but which change would, for tax purposes, be a disposition.

14. Provided the requested relief is granted, the Declaration of Trust governing the Fund does not require unitholder approval in order for TDAM to change the fundamental investment objective of the Fund provided the Filer believes the change to be not materially adverse to unitholders. The Filer believes the change of the fundamental investment objective is in the best interests of the Fund's unitholders.

15. If the requested relief is granted, the Filer proposes to amend the prospectus and annual information form, issue a press release and file a material change report announcing the change.

16. The proposed change of the fundamental investment objective is neutral to the unitholders of the Fund from a fee and expense perspective.

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.

SEDAR Project No. 944037

"Leslie Byberg"
Manager, Investment Funds Branch

2.1.20 Alberta Focused Income & Growth Fund - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – closed-end investment trust exempt from prospectus requirements in connection with the sale of units repurchased from existing security holders pursuant to market purchase programs and by way of redemption of units by security holders subject to conditions.

Ontario Statutes Cited

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

National Instrument Cited

National Instrument 45-102 Resale of Securities, s. 2.8(2).

June 21, 2006

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

AND

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

AND

IN THE MATTER OF
ALBERTA FOCUSED INCOME & GROWTH 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 from the Filer for a decision (the **"Requested Relief"**) under the securities legislation of the Jurisdictions (the **"Legislation"**), that the requirement contained in the Legislation to file and obtain a receipt for a preliminary prospectus and a final prospectus (the **"Prospectus Requirements"**) shall not apply to the distribution of units of the Filer (the **"Units"**) which have been repurchased by the Filer pursuant to the Mandatory Purchase Program, the Discretionary Purchase Program (as each term is defined below), or by way of redemption of Units at the request of holders thereof.

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 unincorporated closed-end investment trust established under the laws of the Province of Alberta by a declaration of trust dated as of March 30, 2006 (the **"Declaration of Trust"**).

2. The Filer is not considered to be a "mutual fund" as defined in the Legislation because the holders of Units (**"Unitholders"**) are not entitled to receive on demand an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets of the Filer as contemplated in the definition of "mutual fund" in the Legislation.

3. The Filer became a reporting issuer or the equivalent thereof in the Jurisdictions on March 30, 2006 upon obtaining a receipt for its final prospectus dated March 30, 2006 (the **"Prospectus"**). As of the date hereof, the Filer is not in default of any requirements under the Legislation.

4. The Units are listed and posted for trading on the Toronto Stock Exchange (the **"TSX"**) under the trading symbol "AFZ.UN". As at May 9, 2006, 6,895,000 Units were issued and outstanding.

5. Each Unit represents an equal, undivided beneficial interest in the net assets of the Filer and is redeemable (as described below) at the option of the holder thereof.

6. Each whole Unit is entitled to one vote at all meetings of Unitholders and is entitled to participate equally with all other Units with respect to any and all distributions made by the Filer.

7. Middlefield FOCUSED Management Limited (the **"Manager"**), which was incorporated pursuant to the *Business Corporations Act* (Alberta), is the manager and the trustee of the Filer.

8. In order to enhance liquidity and to provide market support for the Units, pursuant to the Declaration of Trust and the terms and conditions that attach to the Units, the Filer shall, subject to compliance with any applicable regulatory requirements, be obligated to purchase (the **"Mandatory Purchase Program"**) any Units offered in the market at the then prevailing market price if, at any time after the closing of the Filer's initial public offering, the price at which Units are then offered for sale is less than 95% of the net asset value of the Filer (**"Net Asset Value"**) per Unit, provided that:

   (a) the maximum number of Units that the Filer shall purchase pursuant to the Mandatory Purchase Program in any calendar quarter will be 1.25% of the number of Units outstanding at the beginning of each such period; and

   (b) the Filer shall not be required to purchase Units pursuant to the Mandatory Purchase Program if:

      (i) the Manager reasonably believes that the Filer would be required to make an additional distribution in respect of the year to Unitholders of record on December 31 of such year in order that the Filer will generally not be liable to pay income tax after the making of such purchase;

      (ii) in the opinion of the Manager, the Filer lacks the cash, debt capacity or other resources to make such purchases; or

      (iii) in the opinion of the Manager, such purchases would adversely affect the ongoing activities of the Filer or the remaining Unitholders.

9. In addition, the Declaration of Trust provides that the Filer, subject to applicable regulatory requirements and limitations, shall have the right, but not the obligation, exercisable in its sole discretion, at any time, to purchase outstanding Units in the market at prevailing market prices (the **"Discretionary Purchase Program"**). Such discretionary purchases may be made through the facilities and under the rules of any exchange or market on which the Units are listed (including the TSX) or as otherwise permitted by applicable securities laws.

10. Pursuant to the Declaration of Trust and subject to the Trust's right to suspend redemptions, Units may be surrendered for redemption (the **"Redemption Program"** and, together with the

Mandatory Purchase Program, Discretionary Purchase Program and Additional Redemptions (as defined below), the **"Programs"**) by a Unitholder in any month commencing in October, 2007 on any date that is at least 20 business days prior to October 31 by giving notice thereof to the Trust's registrar and transfer agent. Units surrendered for redemption by a Unitholder by 5:00 p.m. (Toronto time) on the 20th business day prior to October 31 of any year commencing in 2007 will, subject to an investment dealer finding purchasers for Units properly surrendered for redemption at the direction of the Trust and subject to the Trust's right to suspend redemptions in certain circumstances, be redeemed on the last day of the next following month (a **"Valuation Date"**) and the Unitholder will receive payment therefor on or before the 15th business day following such Valuation Date.

11. A Unitholder who properly surrenders a Unit for redemption on the Valuation Date of October of any year commencing in 2007 will receive the amount, if any, equal to the "Redemption Price per Unit" (as described in the Prospectus) less any costs associated with the redemption, including commissions.

12. In addition, the Manager may, at its sole discretion and subject to receipt of any necessary regulatory approvals, allow additional redemptions from time to time of Units (**"Additional Redemptions"**), for an amount equal to the Redemption Price per Unit less any costs of funding the redemption, including commissions; provided that the holder thereof shall be required to use the full amount received on such redemption to purchase treasury securities of a new or existing fund promoted by Middlefield Group then being offered to the public by prospectus.

13. Purchases of Units made by the Filer under the Programs are exempt from the issuer bid requirements of the Legislation pursuant to exemptions contained therein.

14. The Filer desires to, and the Declaration of Trust provides that the Filer shall have the ability to, sell through one or more securities dealers Units that have been repurchased by the Trust pursuant to the Programs (**"Repurchased Units"**), in lieu of cancelling such Repurchased Units and subject to obtaining all necessary regulatory approvals.

15. The Prospectus disclosed that the Filer may repurchase and redeem, as the case may be, Units under the Programs and that, subject to receiving all necessary regulatory approvals, the Filer may arrange for one or more securities dealers to find purchasers for any Repurchased Units.

16. In order to effect sales of Repurchased Units by the Filer, the Filer intends to sell, in its sole discretion and at its option, any Repurchased Units purchased by it under the Programs primarily through one or more securities dealers and through the facilities of the TSX (or such other exchange on which the Units are then listed).

17. All Repurchased Units will be held by the Filer for a period of 4 months after the repurchase thereof by the Filer (the **"Holding Period"**), prior to the resale thereof.

18. Repurchased Units that the Filer does not resell within 12 months after the Holding Period (or 16 months after the date of repurchase) will be cancelled by the Filer.

19. Prospective Purchasers who subsequently acquire Repurchased Units will have equal access to all of the continuous disclosure documents of the Filer, which will be filed on SEDAR, commencing with the Prospectus.

20. The Legislation provides that a trade by or on behalf of an issuer in previously issued securities of that issuer that have been purchased by that issuer is a distribution subject to the Prospectus 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 provided that:

(a) the Repurchased Units are sold by the Filer through the facilities of and in accordance with the regulations and policies of the TSX or the market on which the Units are then listed;

(b) the Filer complies with the insider trading restrictions imposed by securities legislation with respect to the trades of Repurchased Units; and

(c) the Filer complies with the conditions of paragraphs 1 through 5 of subsection 2.8(2) of National Instrument 45-102 with respect to the sale of the Repurchased Units.

Wendell S. Wigle
Commissioner

Paul K. Bates
Commissioner

2.1.21 Investors Group Trust Co. Ltd. and IG Templeton World Bond Fund - MRRS Decision

Headnote

MRRS - Approval of fund merger on the basis that the simplified prospectus and financial statements of the continuing fund need not be delivered to unitholders of the terminating fund but instead a tailored simplified prospectus be delivered to unitholders of the terminating fund - approval was needed because the merger did not meet the pre-approval requirements – unitholders will still be able to obtain financial statements from the fund manager's website or SEDAR - clause 5.5(1)(b) of National Instrument 81-102 Mutual Funds.

Applicable Legislative Provisions

National Instrument 81.102 Mutual Funds, clause 5.5(1)(b), clause 5.6(1)(f)(ii) and clause 5.7(1)(b).

June 8, 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
INVESTORS GROUP TRUST CO. LTD.
(the "Trustee")

AND

IG TEMPLETON WORLD BOND FUND
(the "Terminating Fund")

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the "Decision Maker") in each of the Jurisdictions has received an application from the Trustee and the Terminating Fund (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 (as defined below) pursuant to paragraph 5.5(1)(b) of the Instrument (the "Requested Approval").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

(a) The Manitoba Securities Commission is the principal regulator for this application; and

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

Interpretation

Defined terms contained in National Instrument 14-101 Definitions have the same meaning in this decision unless they are defined in this decision. The following additional terms shall have the following meanings:

"Authorities" means the securities regulatory authority of a Jurisdiction;

"Continuing Fund" means Investors Global Bond Fund;

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

"Instrument" means National Instrument 81-102 Mutual Funds;

"Manager" means I.G. Investment Management, Ltd.; and

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

Representations

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

1. The Trustee is a corporation having its registered head office in Winnipeg, Manitoba.

2. The Manager provides day-to-day administration, including unit holder record-keeping and tax reporting for the Funds.

3. The Funds are established by separate Declarations of Trust or Trust Agreements under the laws of Manitoba.

4. Each of the Funds is an open-end mutual fund. The net asset value for each series of units of the Funds is calculated on a daily basis on each business day.

5. Each Fund issues a single series of units to retail purchasers under both No-Load and Deferred Sales Charge purchase options. The Continuing Fund also issues a separate series of units (called "Series "Z" Units") for investment by accredited institutional investors, such as the Investors Portfolio Funds (which are fund-of-funds). The Series "Z" units are not qualified by prospectus, but are identical to the retail series of units except they have no management fees, sales charges or redemption fees in order to avoid

any duplication of fees under a fund-of-funds structure.

6. Pursuant to the Merger, unitholders will receive retail units of equal value in the Continuing Fund with the same purchase option as they currently own in the Terminating Fund.

7. The retail units of each of the Funds are qualified for distribution in each province and territory of Canada pursuant to the Investors Group Funds simplified prospectus dated June 30, 2005, as amended, and the Investors Group Funds annual information form dated June 30, 2005, as amended.

8. Unitholders of the Terminating Fund will be asked to approve the Merger at a special meeting scheduled to be held on or about June 15, 2006. Implicit in the approval by unitholders of the Merger is the adoption by the Terminating Fund of the investment objective, strategies and fee structure of the Continuing Fund.

9. The Funds are reporting issuers under the applicable securities legislation of each province and territory of Canada and are not on the list of defaulting reporting issuers maintained under the applicable securities legislation of the Authorities. Following the Merger, the Continuing Fund will continue as a publicly offered open-end mutual fund.

10. Each of the Funds follows the standard investment restrictions and practices applicable to mutual funds pursuant to the Instrument and applicable securities legislation established by the Authorities, except to the extent that the Funds have obtained orders to deviate from such Instrument and applicable securities legislation.

11. 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 close of business on the business day immediately preceding the effective date of the Merger.

12. As soon as is reasonably practical after the Merger, the Terminating Fund will be terminated.

13. The Merger will occur as a tax-deferred transaction under the Tax Act.

14. The Merger will not result in any fee increases. Unitholders of the Terminating Fund having investments subject to a deferred sales charge will not have any change in their redemption fee schedule.

15. A notice of meeting, a management information circular and a proxy in connection with the Merger will be filed on SEDAR and were mailed to unitholders of the Merging Fund on or before May 23, 2006. A press release and material change report in respect of the Merger was filed on SEDAR on April 28, 2006. A report of voting results as required by National Instrument 81-102 will be filed on SEDAR in due course after the meeting.

16. Currently, the sub-advisor of the Terminating Fund is Templeton Investment Management (an operating division of Franklin Templeton Investment Corp.). After the Merger, the Manager, together with its affiliate I.G. International Management Limited of Dublin, will continue as the portfolio advisors of the Continuing Fund and Templeton Investment Management will not provide sub-advisory services with respect to the Continuing Fund.

17. Although the investment strategies of the Continuing Fund and the Terminating Fund are not substantially similar, the mandate of the Continuing Fund is broader and, as a result, generally the securities of the Terminating Fund fall within the mandate of the Continuing Fund. To the extent that acquisition of the portfolio assets of the Terminating Fund are not what the portfolio advisor of the Continuing Fund would have chosen, they may be liquidated prior to the Merger and any costs associated with these changes in the portfolio will be borne by the Trustee or the Manager. Accordingly, the portfolio assets of the Merging Fund to be acquired by the Continuing Fund arising from the Merger are currently, or will be, acceptable, on or prior to the effective date of the Merger, to the portfolio advisors of the Continuing Fund and are, or will be, consistent with the investment objective of the Continuing Fund.

18. The Trustee or Manager will pay all of the costs specifically associated with the Merger, including the cost of holding the meeting in connection with the Merger and of soliciting proxies, including the costs of mailing the management information circular and accompanying materials.

19. Approval of the Merger is required because the Merger does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of the Instrument in the following ways:

    (a) The fundamental investment strategy of the Terminating Fund and the Continuing Fund are not substantially similar in all respects; and

    (b) The current simplified prospectus of the Investors Group Funds will not be sent to unitholders of the Merging Fund but, instead, a tailored document consisting of the Part A, the Part B and any amendments of the simplified prospectus

for the Continuing Fund will be sent to unitholders 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 the decision has been met. The decision of the Decision Makers under the Legislation is that the Requested Approval is granted, provided that:

(a) the material sent to unitholders of the Terminating Fund in respect of the Merger includes a tailored simplified prospectus consisting of:

(i) the current Part A of the simplified prospectus of the Continuing Fund (as amended), and

(ii) the current Introduction to Part B and Part B of the simplified prospectus of the Continuing Fund;

(b) the information circular sent to unitholders in connection with the Merger provides sufficient information about the Merger to permit unitholders to make an informed decision about the Merger;

(c) the information circular sent to unitholders in connection with the Merger prominently discloses that unitholders can obtain the most recent interim and annual financial statements of the Continuing Fund by accessing the SEDAR website at www.sedar.com, by accessing the Trustee's website at www.investorsgroup.com, by writing to the Trustee at 447 Portage Avenue, Winnipeg, Manitoba, R3C 3B6 or by contacting the Trustee by calling a toll-free telephone number;

(d) upon request by a unitholder for financial statements, the Trustee will make best efforts to provide the unitholder with financial statements of the Continuing Fund in a timely manner so that the unitholder can make an informed decision regarding the Merger; and

(e) the Terminating Fund and the Continuing Fund with respect to a Merger have an unqualified audit report in respect of their last completed financial period.

This Decision, as it relates to the jurisdiction of a Decision Maker, will terminate one year after the publication in final form of any legislation or rule of that Decision Maker dealing with matters in paragraph 5.5(1)(b) of the Instrument.

"Robert B. Bouchard"
Director, Corporate Finance
The Manitoba Securities Commission

SEDAR Project #928061

2.2 Orders

2.2.1 Ampal-American Israel Corporation - s. 144

Headnote

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

Statutes Cited

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 127(1)2, 127(5), 127(1), 144.

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
AMPAL-AMERICAN ISRAEL CORPORATION

ORDER

(Section 144)

WHEREAS the securities of Ampal-American Israel Corporation (the **"Applicant"**) are subject to a Temporary Order of the Director dated December 15, 2004 under paragraph 127(1)2 and subsection 127(5) of the Act, as extended by an Order of the Director dated December 24, 2004 under subsection 127(1) of the Act (together, the **"Cease Trade Order"**) directing that trading in the securities of the Applicant cease until the Cease Trade Order is revoked by the Director;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation formed under the laws of New York in 1942 with its principal place of business located in New York, New York. The Applicant is subject to the reporting requirements of the United States Securities Exchange Act of 1934, as amended (the **"1934 Act"**).

2. The Applicant is a reporting issuer under the Act and is not a reporting issuer (or equivalent) in any other jurisdiction of Canada.

3. The authorized capital of the Applicant consists of: 60,000,000 Class A Stock (**"Common Stock"**) with a par value of $1, of which 20,157,772 shares of Common Stock were issued and outstanding on March 6, 2006; 189,287 4% Cumulative Convertible Preferred Stock (**"4% Preferred Stock"**) with a par value of $5, of which 112,502 shares of 4% Preferred Stock were issued and 110,296 were outstanding on March 6, 2006; and 988,055 6½% Cumulative Convertible Preferred Stock (the **"6½% Preferred Stock"**) with a par value of $5, of which 641,655 6½% Preferred Stock were issued and 501,227 were outstanding on March 6, 2006.

4. The Common Stock of the Applicant is listed on Nasdaq National Market System under the symbol "AMPL". The 6½% Preferred Stock of the Applicant is quoted on the Nasdaq SmallCap Market under the symbol "AMPLP". The 4% Preferred Stock of the Applicant is listed on the Nasdaq OTC under the symbol AMPLO.PK.

5. The number of shares registered in the names of persons with addresses in Ontario and the number of registered shareholders with addresses in Ontario is as follows:

	Common Stock	4% Preferred Stock	6½% Preferred Stock
Number of Shares	702	293	6,211
Number of Shareholders	10	8	7

6. The Cease Trade Order was issued because of the failure of the Applicant to file its audited annual financial statements for the year ended December 31, 2003 and interim statements for the periods ended March 31, 2004, June 30, 2004 and September 30, 2004 as required by Ontario securities law.

7. Subsequent to the Cease Trade Order being imposed, the Applicant failed to file with the Commission its audited annual financial statements for the year ended December 31, 2004 and interim statements for the periods ended March 31, 2005, June 30, 2005 and September 30, 2005 as required by Ontario securities law.

8. The Applicant is a "foreign issuer (SEDAR)" as that term is defined in National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR) (**"NI 13-101"**), and has not elected to become an electronic filer in accordance with subsection 2.1(2) of NI 13-101.

9. The Applicant has filed with the Commission in paper format its annual financial statements for the years ended December 31, 2003 and

December 31, 2004, as well as its interim statements for the periods ended March 31, 2004, June 30, 2004, September 30, 2004, March 31, 2005, June 30, 2005 and September 30, 2005 (collectively the **"Disclosure Documents"**).

10. The Disclosure Documents were not filed with the Commission within the prescribed time as a result of a compliance oversight after a corporate restructuring of the Applicant. The Disclosure Documents were filed under the 1934 Act within the prescribed time and are available on the EDGAR website maintained by the United States Securities and Exchange Commission.

11. Except for the Cease Trade Order, the Applicant is not otherwise in default of any requirement of Ontario securities law.

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

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

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

"Erez Blumberger"
Assistant Manager, Corporate Finance

2.2.2 Signature Capital Securities LLC - s. 218 of the Regulation

Headnote

Signature Capital Securities LLC

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

Applicable Statutes

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

June 13, 2006

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

AND

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

AND

IN THE MATTER OF
SIGNATURE CAPITAL SECURITIES LLC

ORDER

(Section 218 of the Regulation)

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

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a limited liability Company formed under the laws of the State of New York in the

United States. The head office of the Applicant is located in Portland, Maine.

2. The Applicant is registered in the U.S. as a broker-dealer with the Securities and Exchange Commission and is a member of the U.S. National Association of Securities Dealers.

3. The Applicant is not presently registered in any capacity under the Act. The Applicant intends to apply to the Commission for registration under the Act as a non-resident limited market dealer.

4. The Applicant acts as a private placement agent in underwritings on behalf of emerging companies through private placements, that are exempt from federal or state registration requirements in the U.S., to accredited investors. The Applicant proposes to offer accredited investors in Ontario privately placed securities pursuant to registration and prospectus exemptions contained in National Instrument 45-106 – *Prospectus and Registration Exemptions*.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

   (a) so advise the Commission; and

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

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

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

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

   (a) so advise the Commission; and

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

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

"Paul M. Moore" Commissioner

"Harold P. Hands" Commissioner

2.2.3 Gartmore Investment Limited - s. 80 of the CFA

Headnote

Section 80 of the Commodity Futures Act (Ontario) – relief from the adviser registration requirements of subsection 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Canada in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside Canada and cleared through clearing corporations primarily outside Canada, subject to certain terms and conditions.

Statutes Cited

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

June 13, 2006

IN THE MATTER OF
THE COMMODITY FUTURES ACT,
R.S.O. 1990, CHAPTER C.20, AS AMENDED
(the CFA)

AND

IN THE MATTER OF
GARTMORE INVESTMENT LIMITED

ORDER

(Section 80 of the CFA)

UPON the application (the **Application**) of Gartmore Investment Limited (the Applicant) to the Ontario Securities Commission (the **Commission**) for an order pursuant to section 80 of the CFA that the Applicant and its directors, officers and employees acting on its behalf as an adviser (collectively, the **Representatives**), be exempt, for a period of three years, from the requirements of paragraph 22(1)(b) of the CFA in respect of advising certain mutual funds, non-redeemable investment funds and similar investment vehicles established outside of Ontario in respect of trades in commodity futures contracts and commodity futures options traded on commodity futures exchanges primarily outside Canada and cleared through clearing corporations primarily outside Canada;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is a corporation incorporated under the laws of England and Wales, with its head office in London, England. The Applicant is a

subsidiary of Gartmore Investment Management PLC of London, England.

2. The Applicant is registered under the *Securities Act* (Ontario) as an international adviser in the categories of investment counsel and portfolio manager and is not registered in any capacity under the CFA.

3. The Applicant is registered as an investment adviser with the U.S. Securities and Exchange Commission (the **SEC**) and as an investment manager with the U.K. Financial Services Authority.

4. The Applicant acts as an investment manager to certain private non-Canadian investment funds, including, but not limited to, The AlphaGen Octanis Fund Limited, The AlphaGen Absolus Fund Limited, The AlphaGen Aldebaran Fund Limited, The AlphaGen Altai Fund Limited, The Arrakis Fund Limited, The AlphaGen Avior Fund Limited, The AlphaGen Capella Fund Limited, The AlphaGen Crucis Fund Limited, The AlphaGen Eltanin Fund Limited, The AlphaGen Etacas Fund Limited, The AlphaGen Hokuto Fund Limited, The AlphaGen Perseus Fund Limited, The AlphaGen Pictor Fund Limited, The AlphaGen Pyxis Fund Limited, The AlphaGen Regulus Fund Limited, The AlphaGen RhoCas Fund Limited, The AlphaGen Tucana Fund Limited, The AlphaGen Velas Fund Limited, The AlphaGen Volantis Fund Limited (collectively, the **Gartmore Funds**). The Applicant may in the future manage certain other mutual funds, non-redeemable investment funds or similar investment vehicles (collectively, along with the Gartmore Funds, the **Funds**).

5. The Funds invest, or may in the future invest, in commodity futures contracts and commodity futures options traded on organized exchanges primarily outside Canada and cleared through clearing corporations primarily outside Canada.

6. The Applicant, as investment manager of the Funds, will make all decisions with respect to the Funds and as such will also provide all investment advice.

7. By advising the Funds directly on investing in commodity futures contracts and commodity futures options, the Applicant will be providing advice to the Funds with respect to commodity futures contracts and commodity futures options.

8. Any of the Funds advised by the Applicant are or will be established outside Canada. Securities of the Funds are or will be primarily offered outside Canada to institutional investors and high net worth investors. Securities of the Funds are or will be offered only to Ontario residents who qualify as an "accredited investor" under NI 45-106 *Prospectus and Registration Exemptions* or will be offered and distributed in Ontario only in reliance upon an exemption from the prospectus requirements of the *Securities Act* (Ontario) (the **OSA**) and an exemption from the adviser registration requirement of the OSA under section 7.10 of OSC Rule 35-502 *Non-Resident Advisers* (**Rule 35-502**).

9. Prospective investors in the Funds who are Ontario residents will receive disclosure that includes:

   (a) a statement that there may be difficulty in enforcing any legal rights against the Applicant (or its directors, officers and employees) and the Funds (or their directors, officers and employees), because such entities are resident outside Canada and all or substantially all of their assets are situated outside Canada; and

   (b) a statement that the Applicant is not, or will not be, registered with the Commission under the CFA and, accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the Funds.

10. None of the Funds has any intention of becoming a reporting issuer in Ontario or in any other Canadian jurisdiction.

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

IT IS ORDERED pursuant to section 80 of the CFA that the Applicant and its Representatives responsible for advising the Funds are not subject to the requirements of paragraph 22(1)(b) of the CFA in respect of their advisory activities in connection with the Fund, for a period of three years, provided that at the time such activities are engaged in:

   (a) the Applicant continues to be registered as an investment adviser with the SEC and registered as an investment manager with the U.K. Financial Services Authority or otherwise exempt from such registrations;

   (b) the Funds invest, or may in the future invest, in commodity futures contracts and commodity futures options traded on organized exchanges primarily outside Canada and cleared through clearing corporations primarily outside Canada;

   (c) securities of the Funds will be offered primarily outside Canada and will only be

distributed in Ontario through one or more registrants (as defined under the OSA) in reliance on an exemption from the prospectus requirements of the OSA and upon an exemption from the adviser registration requirement of the OSA under section 7.10 of Rule 35-502; and

(d) prospective investors in the Funds who are Ontario residents will receive disclosure that includes: (i) a statement that there may be difficulty in enforcing any legal rights against the Applicant (or its Representatives) and the Funds (or its Representatives), because such entities are resident outside Canada and all or substantially all of their assets are situated outside Canada; and (ii) a statement that the Applicant is not, or will not be, registered with the Commission under the CFA and, accordingly, the protections available to clients of a registered adviser under the CFA will not be available to purchasers of securities of the Funds.

"Paul M. Moore" "Harold P. Hands"

2.2.4 Bennett Environmental Inc. et al. - ss. 127, 127.1

June 20, 2006

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

AND

IN THE MATTER OF
BENNETT ENVIRONMENTAL INC., JOHN BENNETT, RICHARD STERN, ROBERT GRIFFITHS, AND ALLAN BULCKAERT

ORDER

(Section 127 and 127.1)

WHEREAS on June 2, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127(1) and 127.1 of the *Securities Act* (the "Act") in respect of Bennett Environmental Inc., John Bennett, Richard Stern, Robert Griffiths, and Allan Bulckaert;

AND WHEREAS Bennett Environmental Inc. ("BEI") entered into a settlement agreement with Staff of the Commission ("Staff") dated June 15, 2006 (the "Settlement Agreement") in which it agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS Staff recommend approval of the Settlement Agreement;

AND UPON reviewing the Settlement Agreement and the Notice of Hearing and upon hearing submissions of Staff and counsel for BEI;

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

IT IS HEREBY ORDERED THAT:

1. the Settlement Agreement is hereby approved;

2. pursuant to clause 4 of subsection 127(1) of the Act, within 30 days from the date of this Order, BEI shall initiate a review of its disclosure and reporting practices and procedures by an independent third party, acceptable to both BEI and Staff, at the expense of BEI; and

3. pursuant to clause 4 of subsection 127(1) of the Act, BEI will implement any recommendations made by the independent third party that are approved by Staff, within a reasonable period of time as approved by Staff.

"Paul M. Moore" "David L. Knight"

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

AND

IN THE MATTER OF
BENNETT ENVIRONMENTAL INC., JOHN BENNETT, RICHARD STERN, ROBERT GRIFFITHS, AND ALLAN BULCKAERT

SETTLEMENT AGREEMENT BETWEEN STAFF OF THE ONTARIO SECURITIES COMMISSION AND BENNETT ENVIRONMENTAL INC.

I. INTRODUCTION

1. On June 2, 2006, the Ontario Securities Commission (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 consider this Settlement Agreement between Staff of the Ontario Securities Commission and Bennett Environmental Inc. ("BEI").

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff agree to recommend Settlement of the proceeding against BEI in accordance with the terms and conditions set out below. BEI consents to the making of an order against it in the form attached as Schedule "A" based on the facts set out in Part III of this Settlement Agreement.

III. STATEMENT OF FACTS

A. The Respondents in this proceeding

3. Bennett Environmental Inc. ("BEI") is a Canadian company with its head office in Oakville, Ontario. BEI is a reporting issuer in Ontario, Quebec and British Columbia. Shares of BEI trade on the TSX and the American Stock Exchange in the United States. BEI provides thermal treatment services for the remediation of contaminated soil.

4. At all relevant times, John Bennett was Chairman of the Board of BEI and was the Chief Executive Officer ("CEO") of BEI until February 18, 2004. John Bennett was the founder of BEI and one of two members of its Disclosure Committee, which was responsible for ensuring that BEI complied with its disclosure obligations under the Ontario *Securities Act*.

5. At all relevant times, Richard Stern was the Chief Financial Officer ("CFO") of BEI. Stern was the other member of BEI's Disclosure Committee.

6. At all relevant times, Robert Griffiths headed BEI's U.S. Sales division, first as Director of Sales, U.S.A. and then, as of approximately June, 2003, as Vice-President, U.S. Sales.

7. Allan Bulckaert became the President and CEO of BEI on February 18, 2004.

B. The Phase III Contract is announced

8. On June 2, 2003, BEI announced that it had been awarded a contract to treat contaminated soil from Phase III of the Federal Creosote Superfund Site in New Jersey (the "Phase III Contract"). The Phase III Contract was with Sevenson Environmental Services Inc. ("Sevenson") acting as sub-contractor for the United States Army Corps of Engineers ("the Corps"). In its news release, BEI described the Phase III Contract as being for an "estimated 300,000 tons of soil" and "valued at $200 million Cdn., the largest in the Company's history".

9. In the June 2, 2003 news release, BEI emphasized the significance of the Phase III Contract, stating that "[s]hipments from three different locations on the site should start within the next few days, and continue until the completion of Phase III which is anticipated by the end of 2005". In the news release, John Bennett is quoted as stating that:

> [t]his, together with previously announced contracts, ensures that we will have a very successful year in 2003 and beyond in terms of meeting our financial and operational goals….[w]inning this contract…provides a good base load of materials for our proposed new soil treatment facility in Belledune, New Brunswick which is scheduled to be completed by the end of this year."

10. BEI did not disclose that the Phase III Contract was an "Indefinite Delivery/Indefinite Quantity" ("ID/IQ") contract, which means that the actual amount of soil to be treated under the

contract was uncertain, as was the timing of any shipment of soil.

C. BEI is advised that there has been a protest of the Phase III Contract

11. Just a few days after issuing its news release of June 2, 2003, BEI was advised that a competitor of BEI had protested the awarding of the Phase III Contract to BEI. At the request of Sevenson, BEI agreed to a 30 day extension of the previous Phase II Contract to treat material that would have been treated under the Phase III Contract. At this point, BEI was sufficiently concerned about the status of the Phase III Contract that it had legal counsel review the matter.

12. BEI did not disclose the fact that a competitor had protested the awarding of the Phase III Contract or the fact that Sevenson had requested an extension to the previous Phase II Contract.

13. BEI released its Q2 2003 results by news release dated July 24, 2003 and held a conference call for investors on July 25, 2003. In that news release and during that conference call, BEI continued to report the full 300,000 tons of soil to be treated under the Phase III Contract as part of its contract "backlog", which represents contracts that have been signed but have not yet been fully performed.

D. BEI is advised by Sevenson that ACE has withdrawn its consent to the Phase III Contract

14. On August 5, 2003, Sevenson advised BEI that the Request for Proposal ("RFP") that had given rise to the Phase III Contract was going to be amended such that multiple ID/IQ contracts were being awarded with a maximum shared quantity of 100,000 tons of soil and a minimum quantity of 1000 tons.

15. BEI sent a letter to Sevenson protesting the amendment to the RFP, noting that Sevenson was essentially re-bidding the work that had been awarded to BEI under the Phase III Contract. In response, Sevenson wrote to BEI on August 6, 2003 and advised that,

> [t]he amended RFP was issued as a result of the **government's withdrawal of its consent to the Bennett contract** with direction to Sevenson to obtain clarifications concerning, and to perform a re-evaluation of, the proposals received in response to the original RFP. Those clarifications and the re-evaluation resulted in the government's direction to Sevenson to proceed with the amended RFP. (emphasis added)

16. Moreover, Sevenson advised BEI that BEI's characterization of the Phase III Contract (as set out in the June 2, 2003 news release) was incorrect, stating that,

> [a]s you well know, the contract guarantees a minimum quantity of 500 tons. A prudent person could not value such contract as having the value you ascribe to it using the maximum quantity. That contract also contains a termination for convenience clause.

17. On August 14, 2003, Sevenson advised BEI that instead of amending the original RFP, it would proceed by way of an Invitation for Bids ("IFB") which would be delivered on or about August 27, 2003.

18. Throughout this time, BEI did not disclose that the Corps had withdrawn its consent to the Phase III Contract. It did not disclose that Sevenson had told BEI that the Phase III Contract was going to be re-bid and that the maximum shared quantity of soil to be treated was going to be reduced to 100,000 tons.

19. In addition, BEI continued to include the full 300,000 tons of soil under the Phase III Contract (minus any nominal amounts that had been shipped) as part of its disclosed contract backlog, including in a news release dated August 8, 2003.

E. The Corps confirms to BEI that it has withdrawn its consent to the Phase III Contract

20. Although it had not yet received the new IFB, BEI was concerned that it appeared to be replacing the Phase III Contract. BEI's legal counsel wrote to the Corps on August 25, 2003 and objected on the grounds that the IFB was "essentially a re-solicitation to submit bids for a contract that Bennett has already been awarded".

21. By letter dated September 4, 2003, the Corps advised BEI of the following facts:

- It had withdrawn its consent to the Phase III Contract;
- The Phase III Contract only guaranteed a minimum of 500 tons of soil;
- The Corps had issued a limited consent for up to 10,000 tons of soil, which would exceed the minimum guarantee under the Phase III Contract; and
- As a result of design revisions to the site in New Jersey, the maximum amount of soil to be treated had been reduced from 300,000 tons of soil to 100,000 tons of soil. The new IFB would be awarding up to three sub-contracts to treat a minimum of 1000 tons of soil and a total maximum of 100,000 tons of soil.

22. BEI and the Corps exchanged correspondence throughout the month of September, 2003, in which the Corps reiterated the above facts to BEI.

23. Throughout this time, BEI still did not disclose that the Corps had withdrawn its consent to the Phase III Contract. It did not disclose that the Phase III Contract was going to be re-bid and that the maximum shared quantity of soil to be treated had been reduced to 100,000 tons.

24. In addition, BEI continued to include the full 300,000 tons of soil under the Phase III Contract (minus any nominal amounts that had been shipped) as part of its disclosed contract backlog, including in a conference call for investors on October 23, 2003.

F. <u>BEI is notified that it is the low bidder on the 100,000 ton contract</u>

25. Although there were several delays, on or about October 23, 2003, Sevenson sent BEI an IFB for the treatment of a minimum of 1000 and maximum of 100,000 tons of soil.

26. After some minor amendments to the IFB, BEI submitted a bid in response to it and on December 11, 2003, Sevenson advised BEI that it was the low bidder in response to the IFB (the "Second Contract").

27. BEI did not disclose that it was the low bidder for the Second Contract.

28. Moreover, BEI continued to include the full 300,000 tons of soil that was originally going to be treated under the Phase III Contract as part of its disclosed contract backlog, including in a news release dated November 6, 2003.

G. <u>BEI is awarded the Second Contract</u>

29. On March 30, 2004, Sevenson advised BEI that it had been awarded the Second Contract and Sevenson would be sending a purchase order to BEI pursuant to that Second Contract.

30. By May 2004, Bulckaert had not been informed about the dispute regarding the Phase III Contract and had not been provided with copies of any of the above-noted correspondence. On May 13, 2004, prior to executing the purchase order under the Second Contract, Bulckaert wrote to Sevenson requesting clarification of the status of the Phase III Contract and its relationship to the Second Contract because the two contracts appeared to be for the same scope of work. BEI did not receive a response to its enquiries.

31. On June 3, 2004 BEI signed the purchase order pursuant to the Second Contract, although BEI maintained it was not waiving its rights under the Phase III Contract.

32. BEI did not disclose that it had been awarded the Second Contract or that it had executed the purchase order under it.

33. On June 9, 2004, Bulckaert first received a copy of with the September 4 correspondence from the Corps. That same day BEI, through its legal counsel, wrote directly to the Corps once again requesting clarification of the status of the Phase III Contract and its relationship to the Second Contract.

34. By letter to BEI dated July 15, 2004, which Bulckaert reviewed on July 16, 2004, the Corps reiterated its position which it had previously detailed in its letter of September 4, 2003.

35. Throughout this time, BEI continued to include the full 300,000 tons of soil to be treated under the Phase III Contract (minus any nominal amounts that had

been shipped) as part of its disclosed contract backlog, including in news releases dated March 29, 2004 and April 29, 2004, its Management Discussion and Analysis as at April 28, 2004, its Annual Report dated May 13, 2004 and its Annual Information Form filed in May, 2004.

H. BEI discloses the Phase III Contract dispute

36. By news release dated July 22, 2004, BEI finally announced the existence of the Phase III Contract dispute. BEI revealed that a competitor had protested the awarding of the Phase III Contract to BEI and that the Corps had withdrawn its consent to the Phase III Contract. BEI stated that it had been attempting to ascertain the status of the Phase III Contract since August, 2003. BEI disclosed that it had only treated 7,000 tons of soil under the Phase III Contract and that any future shipments under it were "highly unlikely".

37. In that news release, BEI also disclosed the Second Contract to treat some of the soil that was originally going to be treated under the Phase III Contract. BEI acknowledged that the Second Contract only guaranteed a minimum shipment of 1000 tons.

38. After the news release of July 22, 2004, the price of BEI shares fell dramatically – falling almost 50% within the next 10 days.

I. The above information about the Phase III Contract was material and should have been disclosed forthwith

39. The existence of the dispute over the Phase III Contract, including whether there would be any further shipments under it and whether it was being replaced by the much smaller Second Contract, was a material change in the affairs of BEI within the meaning of the *Securities Act*. BEI failed to disclose that material change forthwith, contrary to s. 75 of the *Securities Act* and contrary to the public interest.

J. BEI's inclusion of the Phase III Contract in its disclosed contract backlog was misleading or untrue

40. BEI's confirmation of the volume to be treated under the Phase III Contract in its public disclosure, including in its press releases of July 24, 2003, August 8, 2003, November 6, 2003, March 29, 2004 and April 29, 2004 and in its Management Discussion and Analysis as at April 28, 2004, its Annual Report dated May 13, 2004 and its Annual Information Form filed in May, 2004 was misleading or untrue contrary to s. 122(1)(b) of the *Securities Act* and/or contrary to the public interest.

41. BEI's inclusion of the volume to be treated under the Phase III Contract as part of its disclosed contract backlog was also misleading or untrue and contrary to the public interest.

IV. MITIGATING FACTS AND CHANGES IMPLEMENTED BY BEI

A. History of Contractual Relationship with Sevenson and the Corps

42. BEI has a long-standing relationship with both the Corps and Sevenson, having served successfully as a key subcontractor on the Federal Creosite Superfund Site since 2001. Prior to the Phase III Contract, Sevenson and BEI entered into two fixed-price contracts for the management of hazardous waste contaminated soils from the Federal Creosite Superfund Site; under each, BEI treated considerably more soil than originally envisioned by each contract.

B. Cooperation of BEI

43. When Bulckaert learned on July 16, 2004 that the Corps had not changed its position, he brought the matter to the attention of the Board of Directors of BEI, which mandated a disclosure and appointed a Special Committee of Independent Directors to investigate the issues arising out of the Phase III Contract. The Special Committee, through its counsel, conducted a comprehensive inquiry and shared with Staff the evidence it uncovered during that inquiry.

44. Staff notes that BEI, its employees and advisors have been exceptionally co-operative with Staff at every stage and have assisted Staff in gathering the facts that gave rise to this proceeding. BEI's assistance included waiving privilege with respect to communications with its outside counsel concerning certain issues arising out of the Phase III Contract during the material period, which allowed Staff to more fully explore the facts that gave rise to this

proceeding. BEI's co-operation has assisted Staff in its review and analysis of the facts and has been instrumental in the expeditious resolution of this matter.

C. Settlement of United States Class Actions

45. On August 31, 2005, BEI settled consolidated securities class actions that had been filed in the United States in 2004 naming as defendants BEI and certain of its present and former officers and directors. Those lawsuits arose out of the operative facts concerning the Phase III Contract and the July 22, 2004 press release. Following notice to class members, on February 21, 2006, the Court entered an order and final judgment approving the settlement. The settlement order has not been appealed and is now final. Under the settlement, all claims asserted against BEI and the other named defendants were dismissed with prejudice, and an aggregate cash payment was made to class members of US$9.75 million, which was paid primarily by BEI's insurance carriers with a contribution of US$750,000 from BEI.

D. Compliance and Operational Initiatives by BEI and the Board

46. As previously noted, on February 18, 2004, Bulckaert became the President and CEO of BEI. When he arrived at the BEI, the company had not had a Toronto-based CEO for approximately eighteen months. After evaluating BEI's operations, Bulckaert developed his near- and long-term strategic and operational priorities. More specifically, he concluded that it was necessary to restructure BEI's finance and sales operations. To that end, in July 2004, he hired as BEI's CFO Andrew Boulanger. Boulanger assumed his duties in September 2004. BEI also hired Wendy Ford as Corporate Controller in January 2005. Under her supervision, the Company has transferred all files from the Vancouver office to a new financial control system in the Oakville office. It has also transferred audit responsibilities from KPMG LLP's Vancouver office to its Toronto office.

47. In October 2004, BEI named Michael McSweeney Vice President – Environmental Affairs and Government Relations.

48. BEI has consolidated all existing sales staff under one experienced professional, and has hired three new U.S. salespersons who have a total of 60 years experience.

49. In addition, the Company retained outside corporate counsel in Toronto, Fogler Rubinoff LLP, to advise BEI on an ongoing basis.

50. In March 2005, after careful consideration by the Board, BEI adopted a new Code of Business Conduct and Ethics that applies to all directors, officers, executives and employees, and includes an affirmative duty to report violations of the Code of Business Conduct and Ethics to either the CEO or, if the employee wishes to report anonymously, to the Chairman of the Corporate Governance Committee or Audit Committee of the Board. BEI also has adopted a Code of Business Conduct and Ethics Applicable to United States Government Procurement Activities that focuses on transactions with agencies of the United States government In addition, BEI has promulgated a document retention policy that applies to all personnel.

51. BEI has implemented new financial planning procedures and a new disclosure policy that provides clear examples of potentially material events; each employee is required to acknowledge receipt of the disclosure policy via signature. Furthermore, BEI has expanded the Disclosure Committee to include the CEO, CFO and the Vice President – Environmental Affairs and Government Relations. Among other things, under the new policy financial disclosures are reviewed by BEI's external auditors, outside corporate counsel, the Audit Committee of the Board and the full Board.

V. ADDITIONAL CONSIDERATIONS

52. In 2002, BEI was advised that Staff were investigating its disclosure practices, including the fact that it had made selective disclosure to an analyst of its contract backlog and concerns relating to shipments under certain material contracts. BEI was aware of the importance of full and accurate disclosure of the status of its material contracts.

VI. TERMS OF SETTLEMENT

53. BEI agrees to settle this matter on the basis of an Order:

1. approving this settlement;

2. requiring that within 30 days of this Settlement Agreement being approved, BEI will initiate a review of its disclosure and reporting practices and procedures by an independent third party, acceptable to both BEI and Staff. The review will be at BEI's expense; and

3. requiring that BEI will implement any recommendations made by the independent third party referred to above that are approved by Staff, within a reasonable period of time as approved by Staff.

VII. STAFF COMMITMENT

54. If this settlement is approved by the Commission, Staff will not initiate any other proceeding under the Act against BEI or any of its directors or officers in relation to the facts set out in Part III of this Settlement Agreement.

55. If this settlement is approved by the Commission and at any subsequent time, BEI fails to honour the terms of settlement contained in paragraph 53 of this Settlement Agreement, Staff reserve the right to bring proceedings against BEI based on the facts set out in part III of this Settlement Agreement, and based on the breach of this Settlement Agreement.

VIII. APPROVAL OF SETTLEMENT

56. Approval of the settlement set out in this Settlement Agreement shall be sought at the public hearing of the Commission scheduled for June 20, 2006 at 9:30 a.m. or such other date as may be agreed to by Staff and BEI (the "Settlement Hearing"). Representatives of BEI will attend at the Settlement Hearing.

57. Counsel for Staff or BEI may refer to any part, or all, of this Agreement at the Settlement Hearing. Staff and BEI agree that this Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing.

58. If this Settlement is approved by the Commission, BEI agrees to waive its rights to a full hearing, judicial review or appeal of the matter under the Act.

59. Staff and BEI agree that if this settlement is approved by the Commission, it will not make any public statement inconsistent with this Settlement Agreement.

60. If, for any reason whatsoever, this settlement is not approved by the Commission, or any order in the form attached as Schedule "A" is not made by the Commission:

i) This settlement Agreement and its terms, including all discussions and negotiations between Staff and BEI leading up to its presentation at the Settlement Hearing, shall be without prejudice to Staff and BEI;

ii) Staff and BEI shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by this Settlement Agreement or the settlement discussions/negotiations;

iii) The terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and BEI or as may be required by law; and

iv) BEI agrees that it will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement discussions/negotiations or the process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

IX. APPROVAL OF SETTLEMENT

61. Except as permitted under paragraph 60(iii) above, this Settlement Agreement

and its terms will be treated as confidential by Staff and BEI until approved by the Commission, and forever, if for any reason whatsoever this settlement is not approved by the Commission, except with the consent of Staff and BEI, or as may be required by law.

62. Any obligations of confidentiality shall terminate upon approval of this settlement by the Commission.

X. EXECUTION OF SETTLEMENT AGREEMENT

63. This Settlement Agreement may be signed in one or more counterparts that together shall constitute a binding agreement.

64. A facsimile copy of any signature shall be as effective as an original signature.

DATED this 15th day of June, 2006

Bennett Environmental Inc.
"David Williams"
Chairman of the Board of Directors

DATED this 15th day of June, 2006

STAFF OF THE ONTARIO SECURITIES COMMISSION
"Kelley McKinnon"
Acting Director of Enforcement

2.2.5 Bennett Environmental Inc. et al. - ss. 127, 127.1

June 20, 2006

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

AND

IN THE MATTER OF
BENNETT ENVIRONMENTAL INC., JOHN BENNETT, RICHARD STERN, ROBERT GRIFFITHS, AND ALLAN BULCKAERT

ORDER

(Section 127 and 127.1)

WHEREAS on June 2, 2006, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127(1) and 127.1 of the *Securities Act* (the "Act") in respect of Bennett Environmental Inc., John Bennett, Richard Stern, Robert Griffiths, and Allan Bulckaert;

AND WHEREAS Allan Bulckaert entered into a settlement agreement with Staff of the Commission ("Staff") dated June 15, 2006 (the "Settlement Agreement") in which he agreed to a proposed settlement of the proceeding commenced by the Notice of Hearing, subject to the approval of the Commission;

AND WHEREAS Staff recommend approval of the Settlement Agreement;

AND UPON reviewing the Settlement Agreement and the Notice of Hearing and upon hearing submissions of Staff and counsel for Allan Bulckaert;

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

IT IS HEREBY ORDERED THAT:

1. the Settlement Agreement is hereby approved; and

2. pursuant to clause 9 of subsection 127(1) of the Act, Bulckaert shall make a settlement payment of CDN$64,165.00 to the Commission for allocation to or for the benefit of third parties under section 3.4(2) of the Act.

"Paul M. Moore" "David Knight"

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

AND

**IN THE MATTER OF
BENNETT ENVIRONMENTAL INC., JOHN BENNETT,
RICHARD STERN, ROBERT GRIFFITHS, AND
ALLAN BULCKAERT**

**SETTLEMENT AGREEMENT
BETWEEN STAFF OF THE ONTARIO SECURITIES
COMMISSION AND
ALLAN BULCKAERT**

I. INTRODUCTION

1. On June 2, 2006, the Ontario Securities Commission (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 consider this Settlement Agreement between Staff of the Ontario Securities Commission and Allan Bulckaert.

II. JOINT SETTLEMENT RECOMMENDATION

2. Staff agree to recommend Settlement of the proceeding against Bulckaert in accordance with the terms and conditions set out below. Bulckaert consents to the making of an order against him in the form attached as Schedule "A" based on the facts set out in Part III of this Settlement Agreement.

III. STATEMENT OF FACTS

A. The Respondents in this proceeding

3. Bennett Environmental Inc. ("BEI") is a Canadian company with its head office in Oakville, Ontario. BEI is a reporting issuer in Ontario, Quebec and British Columbia. Shares of BEI trade on the TSX and the American Stock Exchange in the United States. BEI provides thermal treatment services for the remediation of contaminated soil.

4. At all relevant times, John Bennett was Chairman of the Board of BEI and was the Chief Executive Officer ("CEO") of BEI until February 18, 2004. John Bennett was the founder of BEI and one of two members of its Disclosure Committee, which was responsible for ensuring that BEI complied with its disclosure obligations under the Ontario *Securities Act*.

5. At all relevant times, Richard Stern was the Chief Financial Officer ("CFO") of BEI. Stern was the other member of BEI's Disclosure Committee.

6. At all relevant times, Robert Griffiths headed BEI's U.S. Sales division, first as Director of Sales, U.S.A. and then, as of approximately June, 2003, as Vice-President, U.S. Sales.

7. Allan Bulckaert became the President and CEO of BEI on February 18, 2004.

B. The Phase III Contract is announced

8. On June 2, 2003, BEI announced that it had been awarded a contract to treat contaminated soil from Phase III of the Federal Creosote Superfund Site in New Jersey (the "Phase III Contract"). The Phase III Contract was with Sevenson Environmental Services Inc. ("Sevenson") acting as sub-contractor for the United States Army Corps of Engineers (the "Corps"). In its news release, BEI described the Phase III Contract as being for an "estimated 300,000 tons of soil" and "valued at $200 million Cdn., the largest in the Company's history".

9. In the June 2, 2003 news release, BEI emphasized the significance of the Phase III Contract, stating that "[s]hipments from three different locations on the site should start within the next few days, and continue until the completion of Phase III which is anticipated by the end of 2005". In the news release, John Bennett is quoted as stating that:

> [t]his, together with previously announced contracts, ensures that we will have a very successful year in 2003 and beyond in terms of meeting our financial and operational goals….[w]inning this contract…provides a good base load of materials for our proposed new soil treatment facility in Belledune, New Brunswick which is scheduled to be completed by the end of this year."

10. BEI did not disclose that the Phase III Contract was an "Indefinite Delivery/Indefinite Quantity" ("ID/IQ") contract, which means that the actual amount of soil to be treated under the contract was uncertain, as was the timing of any shipment of soil.

C. BEI is advised that there has been a protest of the Phase III Contract

11. Just a few days after issuing its news release of June 2, 2003, BEI was advised that a competitor of BEI had protested the awarding of the Phase III Contract to BEI. At the request of Sevenson, BEI agreed to a 30-day extension of the previous Phase II Contract to treat material that would have been treated under the Phase III Contract. At this point, BEI was sufficiently concerned about the status of the Phase III Contract that it had legal counsel review the matter.

12. BEI did not disclose the fact that a competitor had protested the awarding of the Phase III Contract or the fact that Sevenson had requested an extension to the previous Phase II Contract.

13. BEI released its Q2 2003 results by news release dated July 24, 2003 and held a conference call for investors on July 25, 2003. In that news release and during that conference call, BEI continued to report the full 300,000 tons of soil to be treated under the Phase III Contract as part of its contract "backlog", which represents contracts that have been signed but have not yet been fully performed.

D. <u>BEI is advised by Sevenson that ACE has withdrawn its consent to the Phase III Contract</u>

14. On August 5, 2003, Sevenson advised BEI that the Request for Proposal ("RFP") that had given rise to the Phase III Contract was going to be amended such that multiple ID/IQ contracts were being awarded with a maximum shared quantity of 100,000 tons of soil and a minimum quantity of 1000 tons.

15. BEI sent a letter to Sevenson protesting the amendment to the RFP, noting that Sevenson was essentially re-bidding the work that had been awarded to BEI under the Phase III Contract. In response, Sevenson wrote to BEI on August 6, 2003 and advised that,

> [t]he amended RFP was issued as a result of the **government's withdrawal of its consent to the Bennett contract** with direction to Sevenson to obtain clarifications concerning, and to perform a re-evaluation of, the proposals received in response to the original RFP. Those clarifications and the re-evaluation resulted in the government's direction to Sevenson to proceed with the amended RFP. (emphasis added)

16. Moreover, Sevenson advised BEI that BEI's characterization of the Phase III Contract (as set out in the June 2, 2003 news release) was incorrect, stating that,

> [a]s you well know, the contract guarantees a minimum quantity of 500 tons. A prudent person could not value such contract as having the value you ascribe to it using the maximum quantity. That contract also contains a termination for convenience clause.

17. On August 14, 2003, Sevenson advised BEI that instead of amending the original RFP, it would proceed by way of an Invitation for Bids ("IFB") which would be delivered on or about August 27, 2003.

18. Throughout this time, BEI did not disclose that the Corps had withdrawn its consent to the Phase III Contract. It did not disclose that Sevenson had told BEI that the Phase III Contract was going to be re-bid and that the maximum shared quantity of soil to be treated was going to be reduced to 100,000 tons.

19. In addition, BEI continued to include the full 300,000 tons of soil under the Phase III Contract (minus any nominal amounts that had been shipped) as part of its disclosed contract backlog, including in a news release dated August 8, 2003.

E. <u>The Corps confirms to BEI that it has withdrawn its consent to the Phase III Contract</u>

20. Although it had not yet received the new IFB, BEI was concerned that it appeared to be replacing the Phase III Contract. BEI's legal counsel wrote to the Corps on August 25, 2003 and objected on the ground that the IFB was "essentially a re-solicitation to submit bids for a contract that Bennett has already been awarded".

21. By letter dated September 4, 2003, the Corps advised BEI of the following facts:

- It had withdrawn its consent to the Phase III Contract;
- The Phase III Contract only guaranteed a minimum of 500 tons of soil;
- The Corps had issued a limited consent for up to 10,000 tons of soil, which would exceed the minimum guarantee under the Phase III Contract; and
- As a result of design revisions to the site in New Jersey, the maximum amount of soil to be treated had been reduced from 300,000 tons of soil to 100,000 tons of soil. The new IFB would be awarding up to three sub-contracts to treat a minimum of 1000 tons of soil and a total maximum of 100,000 tons of soil.

22. BEI and the Corps exchanged correspondence throughout the month of September, 2003, in which the Corps reiterated the above facts to BEI.

23. Throughout this time, BEI still did not disclose that the Corps had withdrawn its consent to the Phase III Contract. It did not disclose that the Phase III Contract was going to be re-bid and that the maximum shared quantity of soil to be treated had been reduced to 100,000 tons.

24. In addition, BEI continued to include the full 300,000 tons of soil under the Phase III Contract (minus any nominal amounts that had been shipped) as part of its disclosed contract backlog,

including in a conference call for investors on October 23, 2003.

F. BEI is notified that it is the low bidder on the 100,000 ton contract

25. Although there were several delays, on or about October 23, 2003, Sevenson sent BEI an IFB for the treatment of a minimum of 1000 and maximum of 100,000 tons of soil.

26. After some minor amendments to the IFB, BEI submitted a bid in response to it and on December 11, 2003, Sevenson advised BEI that it was the low bidder in response to the IFB (the "Second Contract").

27. BEI did not disclose that it was the low bidder for the Second Contract.

28. Moreover, BEI continued to include the full 300,000 tons of soil that was originally going to be treated under the Phase III Contract as part of its disclosed contract backlog, including in a news release dated November 6, 2003.

G. BEI is awarded the Second Contract

29. On March 30, 2004, Sevenson advised BEI that it had been awarded the Second Contract and Sevenson would be sending a purchase order to BEI pursuant to that Second Contract.

30. By May, 2004, Bulckaert had not been informed about the dispute regarding the Phase III Contract and had not been provided with copies of any of the above-noted correspondence. Prior to executing the purchase order under the Second Contract, Bulckaert wrote to Sevenson on May 13, 2004 requesting clarification of the status of the Phase III Contract and its relationship to the Second Contract because the two contracts appeared to be for the same scope of work. BEI did not receive a response to its enquiries.

31. On June 3, 2004, BEI signed the purchase order pursuant to the Second Contract, although BEI maintained it was not waiving its rights under the Phase III Contract.

32. BEI did not disclose that it had been awarded the Second Contract or that it had executed the purchase order under it.

33. On June 9, 2004, Bulckaert first received a copy of the September 4 correspondence from the Corps. That same day BEI, through its legal counsel, wrote directly to the Corps once again requesting clarification of the status of the Phase III Contract and its relationship to the Second Contract.

34. By letter to BEI dated July 15, 2004, the Corps reiterated its position which it had previously detailed in its letter of September 4, 2003.

35. Throughout this time, BEI continued to include the full 300,000 tons of soil to be treated under the Phase III Contract (minus any nominal amounts that had been shipped) as part of its disclosed contract backlog, including in news releases dated March 29, 2004 and April 29, 2004, its Management Discussion and Analysis as at April 28, 2004, its Annual Report dated May 13, 2004 and its Annual Information Form filed in May, 2004.

H. BEI discloses the Phase III Contract dispute

36. By news release dated July 22, 2004, BEI announced the existence of the Phase III Contract dispute. BEI revealed that a competitor had protested the awarding of the Phase III Contract to BEI and that the Corps had withdrawn its consent to the Phase III Contract. BEI stated that it had been attempting to ascertain the status of the Phase III Contract since August, 2003. BEI disclosed that it had only treated 7,000 tons of soil under the Phase III Contract and that any future shipments under it were "highly unlikely".

37. In that news release, BEI also disclosed the Second Contract to treat some of the soil that was originally going to be treated under the Phase III Contract. BEI acknowledged that the Second Contract only guaranteed a minimum shipment of 1000 tons.

38. After the news release of July 22, 2004, the price of BEI shares fell dramatically – falling almost 50% within the next 10 days.

I. The above information about the Phase III Contract was material and should have been disclosed forthwith

39. The existence of the dispute over the Phase III Contract, including whether there would be any further shipments under it and whether it was being replaced by the much smaller Second Contract, was a material change in the affairs of BEI within the meaning of the *Securities Act*. BEI failed to disclose that material change forthwith, contrary to s. 75 of the *Securities Act* and contrary to the public interest.

40. The existence of the dispute over the Phase III Contract, including whether there would be any further shipments under it and whether it was being replaced by the much smaller Second Contract, was also a material fact within the meaning of the *Securities Act* that had not been generally disclosed.

J. BEI's inclusion of the Phase III Contract in its disclosed contract backlog was misleading or untrue

41. BEI's inclusion of the volume to be treated under the Phase III Contract in its public disclosure, including in its press releases of July 24, 2003, August 8, 2003, November 6, 2003, March 29, 2004 and April 29, 2004 and in its Management Discussion and Analysis as at April 28, 2004, its Annual Report dated May 13, 2004 and its Annual Information Form filed in May, 2004 was misleading or untrue contrary to s. 122(1)(b) of the *Securities Act* and/or contrary to the public interest.

42. BEI's inclusion of the volume to be treated under the Phase III Contract as part of its disclosed contract backlog was also misleading or untrue and contrary to the public interest.

K. Conduct of Bulckaert

43. As noted, Bulckaert did not join BEI until February 18, 2004. By May 13, 2004, Bulckaert was aware that there were concerns about whether the Second Contract was intended to replace the Phase III Contract, although he was not aware of the position taken by the Corps on September 4, 2003 until June 9, 2004. He received confirmation that the Corps was maintaining its position by letter dated July 15, 2004, which he reviewed on July 16, 2004. From that date, Bulckaert authorized, permitted or acquiesced in BEI's continuing failure to disclose the material change forthwith contrary to s. 122(3) of the *Securities Act* and contrary to the public interest.

44. At the material time, Bulckaert was a person in a special relationship with BEI. Between June 3, 2004 and June 7, 2004 Bulckaert sold a total of 5900 shares of BEI from a U.S. account and a Canadian account in order to fund the purchase of a condominium in Toronto. Bulckaert sold these shares for a loss of $17,340.00 CDN and $10,758.00 US, for a total loss of approximately $31,540.00 CDN.

45. As set out above, these sales were prior to Bulckaert learning of the position that had been taken by the Corps on September 4, 2003. Although at the time of the sales Bulckaert was concerned about the relationship between the Phase III Contract and the Second Contract, he was still in the process of gathering all of the necessary information. Certain members of former management and other individuals hindered that effort by, among other things, providing him with inconsistent and/or incomplete information and not providing him with all of the relevant documents in their custody. Moreover, certain individuals assured Bulckaert that they expected BEI ultimately to receive shipments of soil in the range of the original estimates issued in June, 2003. Nevertheless, Bulckaert acknowledges that the partial information he had was material and his trading in advance of its disclosure was contrary to s. 76 of the *Securities Act*.

46. As noted above, Bulckaert learned on Friday, July 16, 2004 that the Corps had not changed its position. A Board meeting had already been scheduled for Wednesday, July 21, 2004, and at least one director had to travel to Toronto to attend. Bulckaert prepared packages of information for the directors over the weekend, and then he brought the matter to the attention of the Board of Directors at the meeting on July 21, 2004. At that meeting, the Board mandated a disclosure (which was released on July 22, 2003) and appointed a Special Committee of Independent Directors to investigate the issues arising out of the Phase III Contract. The Special Committee, through its counsel, conducted a comprehensive inquiry.

IV. COOPERATION OF BULCKAERT

47. When the issues raised in this proceeding were brought to Bulckaert's attention by Staff, he acknowledged his conduct and agreed to pay to the Ontario Securities Commission $64,165.00, representing his loss avoided on the sale of his BEI shares.

48. Under the leadership of Bulckaert, BEI has been exceptionally cooperative with Staff and has assisted Staff in gathering the facts that gave rise to this proceeding. BEI's cooperation has assisted Staff in its review and analysis of those facts and has been instrumental in the expeditious resolution of this matter.

49. Bulckaert has agreed that he will continue to cooperate with Staff in this matter and at the request of Staff, will appear as a witness for Staff in proceedings before the Ontario Securities Commission.

V. POSITION OF BULCKAERT

A. February - June 2004

50. As previously noted, on February 18, 2004, Bulckaert became the President and CEO of BEI. When he arrived at BEI, the company had not had a Toronto-based CEO for approximately eighteen months. As a result, there were a host of short- and long-term operational and strategic concerns that required his immediate attention. These issues included restructuring BEI's sales and finance operations, revamping its periodic forecasting and reporting systems, and devising and implementing a new sales strategy.

51. In addition, within his first six weeks at BEI, Bulckaert had to address a temporary suspension of operations at BEI's facility in St. Ambroise, Quebec and the delay in the permitting of its facility in Belledune, New Brunswick.

52. At the Board's request, Bulckaert also evaluated BEI's operations and determined that the Vancouver office should be closed and all Vancouver-based functions should be relocated to Toronto.

53. Notwithstanding these urgent and time-consuming demands, Bulckaert undertook to obtain information regarding the status of the Phase III Contract and its relationship to the Second Contract from certain former executives of BEI and other individuals, one or more of whom failed to provide him with all relevant information and documents. Moreover, in July 2004, one or more of those individuals disavowed knowledge of the salient facts when confronted with the information contained in the Corp's correspondence of September 4, 2003. In addition, one or more of those individuals repeatedly assured Bulckaert that the Phase III Contract was still valid, and that the Second Contract provided for the remediation of additional soil. As late as the first week of July 2004, one or more of those individuals presented Bulckaert with a draft press release asserting that the Second Contract called for the remediation of additional soil.

B. <u>Compliance and Operational Initiatives by BEI and the Board during Bulckaert's Tenure</u>

54. Under Bulckaert's leadership, BEI has devised and implemented a broad array of compliance and operational initiatives, beginning with the Finance Department. As previously noted, in July 2004, Bulckaert hired as BEI's CFO Andrew Boulanger. Boulanger assumed his duties in September 2004. BEI hired Wendy Ford as Corporate Controller in January 2005. Under her supervision, the Company has transferred all files from the Vancouver office to a new financial control system in the Oakville office. It has also transferred audit responsibilities from KPMG LLP's Vancouver office to its Toronto office.

55. In October 2004, BEI named Michael McSweeney Vice President – Environmental Affairs and Government Relations.

56. During Bulckaert's tenure, BEI retained outside corporate counsel in Toronto, Fogler Rubinoff LLP, to advise BEI on an ongoing basis.

57. BEI, at the direction of Bulckaert and the Board, has adopted a comprehensive corporate compliance program. A new Code of Business Conduct and Ethics applies to all directors, officers, executives and employees, and includes an affirmative duty to report violations of the Code or any company policy to the CEO or to the Chairpersons of the Corporate Governance Committee or to the Audit Committee of the Board. As part of the corporate compliance program, BEI also has adopted a Code of Business Conduct and Ethics Applicable to United States Government Procurement Activities. BEI now has a detailed document retention policy that applies to all personnel.

58. During Bulckaert's tenure, BEI has implemented new financial planning procedures and a new Disclosure Policy that provides clear examples of potentially material events; each employee is required to execute an acknowledgement that he or she has received the Disclosure Policy. Furthermore, BEI has expanded the Disclosure Committee to include the CEO, CFO and the Vice President – Environmental Affairs and Government Relations. Among other things, under the new policy financial disclosures are reviewed by BEI's external auditors, outside corporate counsel, the Audit Committee of the Board and the full Board.

VI. TERMS OF SETTLEMENT

59. Bulckaert agrees to the following terms of settlement:

1. Bulckaert will continue to cooperate with Staff in this matter and at the request of Staff, he will appear as a witness for Staff in the proceeding it has brought before the Ontario Securities Commission; and

2. immediately upon this Settlement Agreement being approved, Bulckaert will pay to the Ontario Securities Commission the sum of $64,165.00 representing the loss avoided on the sale of his BEI shares, for allocation to or for the benefit of third parties under section 3.4(2) of the *Securities Act*.

VII. STAFF COMMITMENT

60. If this settlement is approved by the Commission, Staff will not initiate any other proceeding under the Act against Bulckaert in relation to the facts set out in Part III of this Settlement Agreement.

61. If this settlement is approved by the Commission and at any subsequent time, Bulckaert fails to honour the terms of settlement contained in paragraph 59 of this Settlement Agreement, Staff reserve the right to bring proceedings against Bulckaert based on the facts set out in part III of this Settlement Agreement, and based on the breach of this Settlement Agreement.

VIII. APPROVAL OF SETTLEMENT

62. Approval of the settlement set out in this Settlement Agreement shall be sought at the public hearing of the Commission scheduled for June 20, 2006 at 2:00 p.m. or such other date as may be agreed to by Staff and Bulckaert (the "Settlement Hearing"). Bulckaert will attend the Settlement Hearing.

63. Counsel for Staff or Bulckaert may refer to any part, or all, of this Agreement at the Settlement Hearing. Staff and Bulckaert agree that this Settlement Agreement will constitute the entirety of the evidence to be submitted at the Settlement Hearing.

64. If this Settlement is approved by the Commission, Bulckaert agrees to waive his rights to a full hearing, judicial review or appeal of the matter under the Act.

65. Staff and Bulckaert agree that if this settlement is approved by the Commission, he will not make any public statement inconsistent with this Settlement Agreement.

66. If, for any reason whatsoever, this settlement is not approved by the Commission, or any order in the form attached as Schedule "A" is not made by the Commission:

    i) This settlement Agreement and its terms, including all discussions and negotiations between Staff and Bulckaert leading up to its presentation at the Settlement Hearing, shall be without prejudice to Staff and Bulckaert;

    ii) Staff and Bulckaert shall be entitled to all available proceedings, remedies and challenges, including proceeding to a hearing of the allegations in the Notice of Hearing and Statement of Allegations of Staff, unaffected by this Settlement Agreement or the settlement discussions/negotiations;

    iii) The terms of this Settlement Agreement will not be referred to in any subsequent proceeding, or disclosed to any person, except with the written consent of Staff and Bulckaert or as may be required by law; and

    iv) Bulckaert agrees that it will not, in any proceeding, refer to or rely upon this Settlement Agreement, the settlement discussions/negotiations or the process of approval of this Settlement Agreement as the basis for any attack on the Commission's jurisdiction, alleged bias or appearance of bias, alleged unfairness or any other remedies or challenges that may otherwise be available.

67. Except as permitted under paragraph 66(iii) above, this Settlement Agreement and its terms will be treated as confidential by Staff and Bulckaert until approved by the Commission, and forever, if for any reason whatsoever this settlement is not approved by the Commission, except with the consent of Staff and Bulckaert, or as may be required by law.

68. Any obligations of confidentiality shall terminate upon approval of this settlement by the Commission.

IX. EXECUTION OF SETTLEMENT AGREEMENT

69. This Settlement Agreement may be signed in one or more counterparts that together shall constitute a binding agreement.

70. A facsimile copy of any signature shall be as effective as an original signature.

DATED this 15th day of June, 2006

"Allan Bulckaert"

DATED this 15th day of June, 2006

STAFF OF THE ONTARIO SECURITIES COMMISSION
"Kelley McKinnon"
Acting Director of Enforcement

2.2.6 Majorica Asset Management Corporation

Headnote

Clause 213(3)(b) of the Loan and Trust Corporations Act – application by manager, with no prior track record acting as trustee, for approval to act as trustee of pooled funds and future pooled funds to be established and managed by the applicant and offered pursuant to a prospectus exemption.

Statutes Cited

Loan and Trust Corporations Act, R.S.O. 1990, c. L. 25, as am., clause 213(3)(b).

June 13th, 2006

Majorica Asset Management Corporation
21 St. Clair Avenue East
Suite 504
Toronto, ON
M4T 1L9

Attention: Peter Rizakos

Dear Sirs/Medames:

RE: Majorica Asset Management Corporation (the "Applicant")
Application pursuant to clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario) for approval to act as trustee
Application No. 392/06

Further to your application dated May 19, 2006 (the "Application") filed on behalf of the Applicant, and based on the facts set out in the Application, and the representation by the Applicant that the assets of Majorica Bond Fund and such other funds as the Applicant may establish from time to time will be held in the custody of a trust company incorporated and licensed or registered under the laws of Canada or a jurisdiction or a bank listed in Schedule I, II or III of the Bank Act (Canada) or an affiliate of such bank or trust company, the Ontario Securities Commission (the "Commission") makes the following order. Pursuant to the authority conferred on the Commission in clause 213(3)(b) of the *Loan and Trust Corporations Act* (Ontario), the Commission approves the proposal that the Applicant act as trustee of Majorica Bond Fund and such other funds which may be established and managed by the Applicant from time to time, the securities of which will be offered pursuant to a prospectus exemption.

Yours truly,

"Paul Moore" "Harold P. Hands"

2.2.7 Sears Canada Inc. et al. - ss. 104(1), 127

June 20, 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.

ORDER GRANTING INTERVENOR STATUS
TO THE BANK OF NOVA SCOTIA AND SCOTIA CAPITAL INC.

(Application for standing in the hearing on the merits of the Applications under Subsection 104(1) and section 127 of the Act)

Motion Hearing	-	June 9, 2006

Panel

Susan Wolburgh Jenah	-	Vice-Chair (Chair of the Panel)
Robert W. Davis, FCA	-	Commissioner
Carol S. Perry	-	Commissioner

Counsel

For Staff	-	Jane Waechter
For the Bank of Nova Scotia and	-	Paul Steep
Scotia Capital Inc.	-	Thomas Sutton
	-	Lyla Simon
For Hawkeye Capital Management LLC	-	Kent Thomson
Knott Partners Management LLC	-	Steven Harris
Pershing Square Capital Management, L.P.	-	Luis Sarabia
For Sears Holdings Corporation	-	Joseph Steiner
	-	Allan Coleman
For Sears Canada Inc.	-	Andrew Gray
	-	Kathleen Keller-Hobson
For Royal Bank of Canada	-	David Byers
	-	Emily Smith
For William Anderson	-	Gerald Ranking

ORDER GRANTING INTERVENOR STATUS
TO THE BANK OF NOVA SCOTIA AND SCOTIA CAPITAL INC.

WHEREAS these proceedings concern an offer (the Offer) by SHLD Acquisition Corp. (SHLD), a wholly-owned subsidiary of Sears Holdings Corporation (Sears Holdings), to acquire all of the outstanding common shares of Sears Canada Inc. (Sears Canada);

AND WHEREAS on June 5, 2006, Pershing Square Capital Management L.P. (Pershing), Hawkeye Capital Management, LLC (Hawkeye) and Knott Partners Management LLC (Knott Partners) (collectively, the Pershing Group) applied for relief against SHLD and Sears Holdings under sections 104 and 127 of the Securities Act, R.S.O. 1990, c. S.5 (the Act);

AND WHEREAS on June 5, 2006, SHLD and Sears Holdings applied for relief under sections 104 and 127 of the Act in respect of the conduct of the Pershing Group in connection with the Offer;

AND WHEREAS the Bank of Nova Scotia (BNS) and Scotia Capital Inc. (Scotia Capital) are not named as parties to the application made by the Pershing Group although certain facts have been put into issue by the Pershing Group which may have an impact on BNS and Scotia Capital;

AND WHEREAS on or around June 2, 2006, the Pershing Group delivered a document request to BNS and Scotia Capital relating to documents in the possession, power or control of BNS and Scotia Capital;

AND WHEREAS on or around June 6, 2006, the Pershing Group delivered a notice of motion to compel the production of certain documents from BNS and Scotia Capital;

AND WHEREAS BNS and Scotia Capital filed a notice of motion for an order that they be granted full standing in the hearing on the merits of the two applications for orders under sections 104 and 127 of the Act (the Applications);

AND WHEREAS BNS and Scotia Capital maintain that they would be able to make a useful contribution to the resolution of the issues raised in the application made by the Pershing Group as they are best positioned to provide probative evidence and make submissions concerning the role they played in the matters at issue;

AND WHEREAS BNS and Scotia Capital are security holders of Sears Canada and as such have an economic interest which may be affected by a decision rendered by the Commission;

AND WHEREAS the Pershing Group, SHLD, Sears Holdings and Sears Canada have provided their consent to BNS and Scotia Capital's application for full standing in the hearing on the merits of the Applications, subject to three conditions being observed by BNS and Scotia Capital;

AND UPON considering the submissions made by counsel at the motion hearing held on June 9, 2006;

AND UPON being satisfied that granting BNS and Scotia Capital full standing would also be of assistance in securing a just and expeditious determination of the Applications;

AND UPON being satisfied that BNS and Scotia Capital's contribution to the hearing on the merits of the Applications would not prejudice the interests of any of the parties;

AND UPON being satisfied that it is appropriate under the circumstances to grant full standing to BNS and Scotia Capital at the hearing on the merits of the Applications, subject to the conditions set out below;

IT IS ORDERED THAT:

The Bank of Nova Scotia and Scotia Capital are granted full standing at the hearing on the merits of the Applications, subject to the following conditions:

1. BNS and Scotia Capital shall make full and proper production of documents as agreed upon by the parties or as required by a Commissioner or panel of Commissioners on a timely basis;

2. BNS and Scotia Capital shall abide by the timetable agreed to by the existing parties to this proceeding, including by delivering any affidavits, submissions or factums they intend to rely upon on the same dates as Sears Holdings and Sears Canada;

3. the materials filed by or on behalf of BNS and Scotia Capital, and the submissions and examinations of their counsel, be confined to the matters at issue in this proceeding that directly affect or concern BNS and Scotia Capital, and do not repeat or duplicate materials, submissions or examinations of the existing parties to this proceeding.

DATED at Toronto this 20th day of June, 2006.

"Susan Wolburgh Jenah"

"Robert W. Davis"

"Carol S. Perry"

2.2.8 Sears Canada Inc. et al. - ss. 104(1), 127

June 20, 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.

ORDER GRANTING INTERVENOR STATUS
TO THE ROYAL BANK OF CANADA

(Application for standing in the hearing on the merits of the Applications under Subsection 104(1) and section 127 of the Act)

Motion Hearing	-	June 9, 2006

Panel

Susan Wolburgh Jenah	-	Vice-Chair (Chair of the Panel)
Robert W. Davis, FCA	-	Commissioner
Carol S. Perry	-	Commissioner

Counsel

For Staff	-	Jane Waechter
For the Bank of Nova Scotia and	-	Paul Steep
Scotia Capital Inc.	-	Thomas Sutton
	-	Lyla Simon
For Hawkeye Capital Management LLC	-	Kent Thomson
Knott Partners Management LLC	-	Steven Harris
Pershing Square Capital Management, L.P.	-	Luis Sarabia
For Sears Holdings Corporation	-	Joseph Steiner
	-	Allan Coleman
For Sears Canada Inc.	-	Andrew Gray
	-	Kathleen Keller-Hobson
For Royal Bank of Canada	-	David Byers
	-	Emily Smith
For William Anderson	-	Gerald Ranking

ORDER GRANTING INTERVENOR STATUS
TO THE ROYAL BANK OF CANADA

WHEREAS these proceedings concern an offer (the Offer) by SHLD Acquisition Corp. (SHLD), a wholly-owned subsidiary of Sears Holdings Corporation (Sears Holdings), to acquire all of the outstanding common shares of Sears Canada Inc. (Sears Canada);

AND WHEREAS on June 5, 2006, Pershing Square Capital Management L.P. (Pershing), Hawkeye Capital Management, LLC (Hawkeye) and Knott Partners Management LLC (Knott Partners) (collectively, the Pershing Group) applied for relief against SHLD and Sears Holdings under sections 104 and 127 of the *Securities Act*, R.S.O. 1990, c. S.5 (the Act);

AND WHEREAS on June 5, 2006, SHLD and Sears Holdings applied for relief under sections 104 and 127 of the Act in respect of the conduct of the Pershing Group in connection with the Offer;

AND WHEREAS the Royal Bank of Canada (RBC) is not named as a party to the application made by the Pershing Group although certain facts have been put into issue by the Pershing Group which may have an impact on RBC;

AND WHEREAS on or around May 30, 2006, the Pershing Group delivered a document request to RBC relating to documents in the possession, power or control of RBC;

AND WHEREAS on or around June 6, 2006, the Pershing Group delivered a notice of motion to compel the production of certain documents from RBC;

AND WHEREAS RBC filed a notice of motion for an order that RBC be granted full standing in the hearing on the merits of the two applications for orders under sections 104 and 127 of the Act (the Applications);

AND WHEREAS RBC maintains that it would be able to make a useful contribution to the resolution of the issues raised in the application made by the Pershing Group as RBC is best positioned to provide probative evidence and make submissions concerning the role it played in the matters at issue;

AND WHEREAS RBC is a security holder of Sears Canada and as such has an economic interest which may be affected by a decision rendered by the Commission;

AND WHEREAS the Pershing Group, SHLD, Sears Holdings and Sears Canada have provided their consent to RBC's application for full standing in the hearing on the merits of the Applications, subject to three conditions being observed by RBC;

AND UPON considering the submissions made by counsel at the motion hearing held on June 9, 2006;

AND UPON being satisfied that granting RBC full standing would also be of assistance in securing a just and expeditious determination of the Applications;

AND UPON being satisfied that RBC's contribution to the hearing on the merits of the Applications would not prejudice the interests of any of the parties;

AND UPON being satisfied that it is appropriate under the circumstances to grant full standing to RBC at the hearing on the merits of the Applications, subject to the conditions set out below;

IT IS ORDERED THAT:

The Royal Bank of Canada is granted full standing at the hearing on the merits of the Applications subject to the following conditions:

1. RBC shall make full and proper production of documents as agreed upon by the parties or as required by a Commissioner or panel of Commissioners on a timely basis;

2. RBC shall abide by the timetable agreed to by the existing parties to this proceeding, including by delivering any affidavits, submissions or factums they intend to rely upon on the same dates as Sears Holdings and Sears Canada;

3. the materials filed by or on behalf of RBC, and the submissions and examinations of their counsel, be confined to the matters at issue in this proceeding that directly affect or concern RBC, and do not repeat or duplicate materials, submissions or examinations of the existing parties to this proceeding.

DATED at Toronto this 20th day of June, 2006.

“Susan Wolburgh Jenah”

“Robert W. Davis”

“Carol S. Perry”

2.2.9 Portus Alternative Asset Management Inc. et al. - ss. 127, 127.1

June 16, 2006

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

AND

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

ORDER

(Sections 127 and 127.1)

WHEREAS, on October 5, 2005, the Ontario Securities Commission (the "Commission") issued a Notice of Hearing pursuant to sections 127 and 127.1 of the *Securities Act*, R.S.O. 1990 c. S. 5, as amended (the "Act") accompanied by a Statement of Allegations issued by Staff of the Commission, in respect of Portus Alternative Asset Management Inc., Portus Asset Management Inc., Boaz Manor, Michael Mendelson, Michael Labanowich and John Ogg (the "Respondents");

AND WHEREAS, on October 4, 2005, the Commission authorized the commencement of proceedings against Boaz Manor ("Manor") in the Ontario Court of Justice pursuant to section 122 of the Act;

AND WHEREAS, on April 20, 2006, the Commission authorized the commencement of proceedings against Michael Mendelson ("Mendelson") and the laying of additional charges against Manor, in the Ontario Court of Justice, pursuant to section 122 of the Act (collectively, the "Section 122 Proceeding");

AND WHEREAS, on March 31, 2006, Manor brought an application (the "Application") requesting the adjournment of the sections 127 and 127.1 proceeding (the "Administrative Proceeding") against him, pending the conclusion of the Section 122 Proceeding;

AND WHEREAS each of the Respondents in the Administrative Proceeding consents to the adjournment requested in the Application;

AND WHEREAS each of the Respondents in the Administrative Proceeding requests that the Commission grant an adjournment of the Administrative Proceeding against them pending the conclusion of the Section 122 Proceeding;

AND WHEREAS Staff consent to the granting of an adjournment of the Administrative Proceeding against each of the Respondents pending the conclusion of the Section 122 Proceeding;

AND WHEREAS a judicial pre-trial in respect of the Section 122 Proceeding has been scheduled to take place on July 11, 2006;

AND WHEREAS, based on information provided by the Trial Coordinator's Office for the Ontario Court of Justice, the Commission is satisfied that the trial of the Section 122 Proceeding will likely commence in the summer of 2007;

AND WHEREAS Staff, Manor and Mendelson have agreed to appear before the Commission to communicate any significant events that render it unlikely that the trial of the Section 122 Proceeding will commence in the summer of 2007;

AND WHEREAS Manor, Mendelson, Michael Labanowich ("Labanowich") and John Ogg ("Ogg") have provided undertakings to the Commission which are attached hereto and have agreed to adhere to such undertakings until the Commission's final decision on the merits and sanctions in the Administrative Proceeding has been rendered or until further order of the Commission releasing them from their undertakings or aspects thereof;

AND UPON considering the written submissions filed in relation to the Application by Staff, Manor, Mendelson, Labanowich and Ogg;

AND UPON hearing the submissions of Staff and counsel for Manor, Mendelson, Labanowich and Ogg at the hearing held on June 16, 2006;

AND WHERAS the Commission considers it to be in the public interest to make this order,

IT IS HEREBY ORDERED that:

1. The Administrative Proceeding is hereby adjourned until judgment is rendered in respect of the Section 122 Proceeding; and

2. Staff, Manor and Mendelson shall inform the Commission and seek further directions from the Commission in the event that it becomes unlikely that the trial of the Section 122 Proceeding will commence in the summer of 2007; and

3. Staff and the Respondents shall appear before the Commission within 8 weeks of judgment being rendered in the Section 122 Proceeding.

"Susan Wolburgh Jenah"

"Wendell S. Wigle"

"Carol S. Perry"

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

AND

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

UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION

I, Boaz Manor, am a Respondent to a Notice of Hearing dated October 5, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission (the "Commission"). I undertake to the Commission that, pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking, I agree to refrain from:

i. acting or becoming an officer or director of a "reporting issuer", "affiliated company" of a reporting issuer, as these terms are defined in the *Securities Act* (Ontario) (the "Act"), and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;

ii. applying to become a "registrant" or from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

iii. engaging directly or indirectly in the solicitation of investment funds from the general public.

"Jay Naster"
Witness
June 16, 2006

"Brian H. Greenspan"
June 16, 2006

Acknowledged as Received by,

"John Stevenson"
Secretary to the Ontario Securities Commission

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

AND

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

UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION

I, Michael Mendelson, am a Respondent to a Notice of Hearing dated October 5, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission (the "Commission"). I undertake to the Commission that, pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking, I agree to refrain from:

i. acting or becoming an officer or director of a "reporting issuer", "affiliated company" of a reporting issuer, as these terms are defined in the *Securities Act* (Ontario) (the "Act"), and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;

ii. applying to become a "registrant" or from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

iii. engaging directly or indirectly in the solicitation of funds from the general public for investment in "securities," as that term is defined in the Act and, in particular, subsection 1(1) thereof.

"S. Mendelson"
Witness
June 6, 2006

"Michael Mendelson"
June 6, 2006

Acknowledged as Received by,

"John Stevenson"
Secretary to the Ontario Securities Commission

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

AND

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

UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION

I, Michael Labanowich, am a Respondent to a Notice of Hearing dated October 5, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission (the "Commission"). I undertake to the Commission that, pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking, I agree to refrain from:

i. acting or becoming an officer or director of a "reporting issuer", as that term is defined the *Securities Act* (Ontario) (the "Act");

ii. applying to become a "registrant" or from being an employee, director or officer of a registrant, as that term is defined in the Act; and

iii. engaging in any registerable activity, including the solicitation of investment funds directly from the general public for investment in "securities," as that term is defined in the Act, in circumstances where registration would be required.

"Jay Naster"
Witness
June 13, 2006

"Michael Labanowich"
June 13, 2006

Acknowledged as Received by,

"John Stevenson"
Secretary to the Ontario Securities Commission

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

AND

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

UNDERTAKING TO THE
ONTARIO SECURITIES COMMISSION

I, John Ogg, am a Respondent to a Notice of Hearing dated October 5, 2005 (the "Notice of Hearing") issued by the Ontario Securities Commission (the "Commission"). I undertake to the Commission that, pending the Commission's final decision on liability and sanctions in the proceeding commenced by the Notice of Hearing against me, or an Order of the Commission releasing me from this undertaking or aspects of the undertaking, I agree to refrain from:

i. acting or becoming an officer or director of a "reporting issuer", "affiliated company" of a reporting issuer, as these terms are defined in the *Securities Act* (Ontario) (the "Act"), and in particular, subsections 1(1) and 1(1.1) of the Act, respectively;

ii. applying to become a "registrant" or from being an employee, director or officer of a registrant or an affiliated company of a registrant, as that term is defined in the Act; and

iii. engaging directly or indirectly in the solicitation of funds from the general public for investment in "securities," as that term is defined in the Act and, in particular, subsection 1(1) thereof.

"Dave Brewer"
Witness
June 13, 2006

"John Ogg"
June 13, 2006

Acknowledged as Received by,

"John Stevenson"
Secretary to the Ontario Securities Commission

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Orders and Rulings

3.1.1 Terrence William Marlow, Marlow Group Private Portfolio Management Inc. and Marlow Group Securities Inc.

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

AND

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

ORAL DECISION AND REASONS

Hearing:	May 25, 2006.		
Panel:	Paul M. Moore, Q.C.	-	Vice-Chair (Chair of the Panel)
	Suresh Thakrar	-	Commissioner
Counsel:	Gregory MacKenzie	-	On behalf of Staff of the
		-	Ontario Securities Commission
	David Richardson	-	Agent for Terrence William Marlow

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

[1] CHAIR: Please be seated. We approve the settlement agreement as being in the public interest.

[2] Briefly the facts are that Mr. Marlow, who was or still is a chartered accountant and a long-time partner of one of the major accounting firms in Canada, left the firm many years ago and was interested in investments. He had many friends invest in his companies. These companies ran into difficulty partly through what appears to be, from the record, misappropriation of assets. Although it's not actually clear what went wrong, it appears that monies were not carefully accounted for or spent on the wrong things. Whatever happened, the investments have gone sour. The two companies are in bankruptcy. Mr. Marlow is in receivership. Mr. Marlow has lost everything. He is in his mid 60s. He's on welfare and has no significant assets not committed to the receiver.

[3] We heard from Mr. Richardson who is acting as agent for Mr. Marlow. We heard that he has been acting in the receivership and the bankruptcies at the request of former partners at the accounting firm and at the law firm that Mr. Marlow dealt with. Mr. Richardson advised that the investors involved in this are not clamoring for Mr. Marlow's blood. Although Mr. Richardson didn't give evidence, we take his advice as equivalent to a victim impact statement.

[4] It's clear that Mr. Marlow shouldn't have done whatever he did, that he had the background and training as an accountant to keep track of things and not make the mistakes he made. It appears he has paid dearly.

[5] We were interested in the fact that there was no monetary penalty provided for in the settlement agreement. Absent special facts in this case, we would have anticipated a monetary penalty in order to be satisfied that this agreement was in the public interest. However, we understand that in the receivership, recovery is likely to be limited to 60 percent, and that the investors who were hurt by this series of events are behind the instigation of the receivership and bankruptcies and are taking a very active role in them.

[6] We understand Mr. Richardson, who has background in the insolvency/bankruptcy area, has been involved at the behest of investors in this matter. He believes that the settlement agreement is in everyone's interest and that any provision for a monetary payment against Mr. Marlow would not be helpful in light of the receivership.

[7] Accordingly, we determine that the sanctions that are provided for in the settlement agreement are reasonable; that it is appropriate to order that Mr. Marlow cease trading permanently with the carve-outs provided in the draft order; that Mr. Marlow be denied exemptions available under the *Securities Act* as provided in the draft order; that Mr. Marlow be reprimanded; and that Mr. Marlow resign any positions he holds as director or officer of any issuer; and that he be permanently prohibited from becoming or acting as an officer or director of any issuer.

[8] We understand that this is a sad state of affairs, and we believe that this settlement agreement brings a proper conclusion to the Commission's interest in this matter.

Approved by the chair of the panel on June 1, 2006.

"Paul M. Moore"

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
Aurado Energy Inc.	06 Jun 06	16 Jun 06		20 Jun 06
Datec Group Ltd.	06 Jun 06	16 Jun 06	16 Jun 06	
Dinnerex Limited Partnership X	08 Jun 06	20 Jun 06	20 Jun 06	
Dinnerex National III Limited Partnership	06 Jun 06	16 Jun 06	16 Jun 06	
Dinnerex National IV Limited Partnership**	02 Jun 06	14 Jun 06	14 Jun 06	
Red Tusk Resources Inc.	09 Jun 06	21 Jun 06		
SAMSys Technologies Inc.	06 Jun 06	16 Jun 06	16 Jun 06	
World Wide Minerals Ltd.	07 Jun 06	19 Jun 06	19 Jun 06	21 Jun 06

** Correction on Issuer's name

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
Bennett Environmental Inc.	10 Apr 06	24 Apr 06	24 Apr 06	19 Jun 06	
Neotel International Inc.	02 Jun 06	15 Jun 06	15 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	19 Jun 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		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Genesis Land Development Corp.	11 Apr 06	24 Apr 06	24 Apr 06		
Hip Interactive Corp.	04 Jul 05	15 Jul 05	15 Jul 05		
HMZ Metals Inc.	03 Apr 06	14 Apr 06	17 Apr 06		
Hollinger Canadian Newspapers, Limited Partnership	21 May 04	01 Jun 04	01 Jun 04		
Hollinger Inc.	18 May 04	01 Jun 04	01 Jun 04		
Interquest Incorporated	03 May 06	16 May 06	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	15 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		
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 SecuritiesScource (see www.carswell.com).

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
06/06/2006	2	Airline Intelligence Systems Inc. - Common Shares	75,000.00	75,000.00
03/05/2006	3	Arapahoe Energy Corporation - Flow-Through Shares	3,650,010.00	5,615,400.00
06/02/2006	1	Austrian Post - Common Shares	1,071,072.36	40,000.00
06/12/2006	1	Axela Biosensors Inc. - Debenture	3,000,000.00	1.00
05/31/2006	16	BA Movie Company Inc. - Preferred Shares	1,300,000.00	52.00
06/01/2006	7	Bank of China Limited - Common Shares	20,708,397.65	49,050,000.00
06/05/2006	89	Bellhaven Ventures Inc. - Units	2,392,000.00	3,125,000.00
06/06/2006	2	Brandimensions Inc. - Preferred Shares	3,000,001.00	3,000,001.00
05/31/2006	73	Cadillac Mining Corporation - Units	2,810,000.00	562.00
05/26/2006	45	Campbell Resources Inc. - Special Warrants	10,000,000.00	125,000,000.00
05/31/2006	81	Canadian Horizons (Sooke) Limited Partnership - Limited Partnership Units	1,388,500.00	138,850.00
05/31/2006	142	Canadian Sub-Surface Energy Services Corp. - Common Shares	18,999,997.50	2,533,333.00
06/06/2006	7	CareVest Blended Mortgage Investment Corporation - Preferred Shares	369,606.00	369,606.00
06/06/2006	35	CareVest First Mortgage Investment Corporation - Preferred Shares	1,386,704.00	1,386,704.00
06/07/2006	36	Carpathian Gold Inc. - Units	9,999,999.60	16,666,666.00
06/12/2006	9	Cascadero Copper Corporation - Flow-Through Shares	390,500.00	1,333,334.00
05/30/2006	23	Clean Current Power Systems Incorporated - Common Shares	1,698,550.00	4,853,000.00
06/05/2006	19	Consolidated New Sage Resources Ltd. - Units	560,000.00	7,000,000.00
06/01/2006	48	Cooper Minerals Inc. - Units	3,009,999.89	7,000,000.00
06/12/2006	1	Cooper Pacific Mortgage Investment Corporation - Common Shares	100,000.00	100,000.00
06/01/2006	46	Cream Minerals Ltd. - Units	1,797,600.00	2,996,000.00
06/09/2006	8	Cuervo Resources Inc. - Common Shares	460,000.00	1,533,333.00
06/02/2006	48	Cypress Development Corp. - Common Shares	705,000.00	3,525,000.00
05/31/2006	4	Echoworx Corporation - Common Shares	2,009,752.98	2,130,000.00
06/01/2000	19	Ecstall Mining Corporation - Flow-Through Units	2,989,999.35	6,644,443.00
06/08/2006	16	Ecstall Mining Corporation - Units	261,749.95	747,857.00
06/06/2006	20	Ele Capital Corporation - Receipts	337,500.00	1,500,000.00
06/08/2006	39	Exile Resources Inc. - Units	1,677,500.00	3,355,000.00

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
06/01/2006	15	FactorCorp Inc. - Debentures	1,390,000.00	1,390,000.00
06/02/2006	36	Fisgard Capital Corporation - Common Shares	1,195,277.22	1,195,277.22
06/13/2006	1	Fluid Audio Network, Inc. - Preferred Shares	150,000.00	50,000.00
06/06/2006	4	Four Winds Income Fund - Units	4,031,000.00	556,000.00
06/05/2006 to 06/09/2006	15	General Motors Acceptance Corporation of Canada, Limited - Notes	5,593,853.45	55,938.53
06/12/2006	5	GGL Diamond Corp. - Units	660,000.00	2,640,000.00
06/06/2006	1	Glass Earth Limited - Units	1,500,000.00	10,000,000.00
05/05/2006	69	Gravity West Mining Corp. - Units	780,000.00	13,000,000.00
06/01/2006	26	Groundstar Resources Limited - Units	3,450,199.80	5,750,333.00
05/31/2006	3	H2o Innovation (2000) Inc. - Units	270,992.00	355,384.11
06/05/2006	6	IGW Properties Limited Partnership I - Limited Partnership Units	178,000.00	178,000.00
06/13/2006	1	Internet Identity Presence Company Inc. - Common Shares	NA	1,500,000.00
06/13/2006	1	Internet Identity Presence Company Inc. - Common Shares	45,000.00	3,000,000.00
05/31/2006 to 06/02/2006	5	Investeco Private Equity Fund II, L.P. - Limited Partnership Units	2,689,767.05	2,500.00
06/05/2006 to 06/09/2006	1	Kinwest Corporation - Common Shares	75,000.00	25,000.00
06/05/2006 to 06/09/2006	1	Kinwest Corporation - Flow-Through Shares	30,450.00	8,700.00
06/02/2006	2	LaSalle Canadian Income & Growth Fund II Limited Partnership - Limited Partnership Units	28,000,000.00	280,000.00
06/02/2006	46	Lateegra Gold Corp. - Flow-Through Shares	533,000.00	1,166,000.00
05/29/2006	9	Magenta II Mortgage Investment Corporation - Common Shares	445,249.36	445,249.36
05/29/2006	4	Magenta Mortgage Investment Corporation - Common Shares	550,334.00	5,503.34
05/31/2006	23	Markinch Realty Corporation - Units	107,500.00	268,750.00
05/24/2006 to 05/31/2006	109	MasterCard Incorporated - Common Shares	15,960,714.06	61,520,912.00
05/18/2006	27	Max Resource Corp. - Units	855,000.00	1,140,000.00
05/30/2006	21	Metropolitan Life Global Funding I - Note	447,042,640.00	N/A
05/30/2006	2	Mogul Energy International Inc. - Common Shares	175,000.00	437,500.00
05/31/2006	1	Moss Lake Gold Mines Ltd. - Notes	300,000.00	1.00
06/08/2006	100	Mountain Boy Minerals Ltd. - Units	1,417,340.00	2,487,234.00
06/07/2006	2	neuroLanguage Corporation - Preferred Shares	2,075,000.50	3,181,667.01
05/31/2006	49	Northern Vision Development Limited Partnership - Limited Partnership Units	4,000,000.00	2,000,000.00
05/30/2006	21	Novawest Resources Inc. - Units	405,600.00	3,379,999.00
06/08/2006	1	Performance Plants Inc. - Note	500,000.00	1.00
06/06/2006	3	Pogo Producing Company - Note	1,378,263.60	1.00
06/01/2006	23	Promittere Retirement Trust - Units	656,000.00	67,207.20

Transaction Date	No. of Purchasers	Issuer/Security	Total Purchase Price ($)	No. of Securities Distributed
06/13/2006	6	Real World Data, Inc. - Common Shares	200,000.00	29.21
12/16/2005	9	RemoteLaw Online Systems Corp. - Common Shares	177,250.50	118,167.00
06/08/2006	11	Ripple Lake Diamonds Inc. - Units	180,000.00	800,000.00
06/01/2006	67	Romspen Mortgage Investment Fund - Units	6,126,370.00	612,637.00
06/12/2006	3	Royal Caribbean Cruises Ltd. - Note	3,904,686.93	NA
06/13/2006	2	RTICA Corporation - Debentures	65,000.00	65.00
05/29/2006	15	Signet Minerals Inc. - Flow-Through Units	3,212,185.28	5,180,944.00
05/29/2006	15	Signet Minerals Inc. - Units	1,243,320.00	2,486,640.00
06/02/2006	11	Skyharbour Resources Ltd. - Units	165,000.00	1,650,000.00
06/01/2006 to 06/08/2006	2	SLM Private Credit Student Loan Trust 2006-B - Notes	45,045,060.00	41,000.00
06/01/2006	1	SMART Trust - Note	2,134,314.75	1.00
05/31/2006	1	Sonami Communications Inc. - Common Shares	150,000.00	187,500.00
05/26/2006 to 05/29/2006	30	Sonomax Hearing Healthcare Inc. - Common Shares	2,635,000.00	13,175,000.00
06/07/2006 to 06/12/2006	1	Spansion Inc. - Debentures	2,208,780.60	2,000.00
06/01/2006	1	St. Eugene Mining Corporation Limited - Common Shares	36,769.20	122,564.00
05/30/2006	21	Sultan Minerals Inc. - Units	382,800.00	2,000,000.00
06/08/2006	9	Tahera Diamond Corporation - Common Shares	8,360,000.00	2,200,000.00
06/06/2006	141	Twin Butte Energy Ltd. - Common Shares	6,750,000.00	17,000,000.00
06/02/2006	1	VE Networks, Inc. - Note	16,902.00	1.00
05/23/2006 to 05/30/2006	4	Vonage Holdings Corp. - Common Shares	6,371,381.72	31,250,000.00
05/29/2006	64	Wavefront Energy and Environmental Services Inc. - Common Shares	8,073,207.00	4,485,115.00
06/08/2006	94	Whiterock Real Estate Investment Trust - Units	33,535,612.50	10,318,650.00
05/30/2006	1	Wimberly Apartments Limited Partnership - Note	1,000,000.00	1.00

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Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Algonquin Credit Card Trust
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 16, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
1) $ * * % Series 2006-1 Class A Fixed Rate Notes, Expected Final Payment Date of * , 20**; (2. $ * * % Series 2006-1 Class B Fixed Rate Notes, Expected Final Payment Date of * , 20**; and (3. $ * * % Series 2006-1 Class C Fixed Rate Notes, Expected Final Payment Date of * , 20**;
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Capital One Bank (Canada Branch)
Project #956009

Issuer Name:
Balanced Monthly Income Fund
Conservative Monthly Income Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated June 19, 2006
Mutual Reliance Review System Receipt dated June 20, 2006
Offering Price and Description:
Class O, I, P, F, and R Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
SEI Investments Canada Company
Project #956810

Issuer Name:
CAPVEST Income Corp.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 15, 2006
Mutual Reliance Review System Receipt dated June 15, 2006
Offering Price and Description:
Offering of Rights to Subscribe for Common Shares Subscription Price: One Right and $ * per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
-
Project #955536

Issuer Name:
Dundee Corporation (formerly Dundee Bancorp Inc.)
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated June 14, 2006
Mutual Reliance Review System Receipt dated June 15, 2006
Offering Price and Description:
$150,000,000.00 - (6,000,000 shares) 5.00% Cumulative Redeemable First Preference Shares, Series 1
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
CIBC World Markets Inc.
Dundee Securities Corporation
RBC Dominion Securities Inc.
TD Securities Inc.
Desjardins Securities Inc.
GMP Securities L.P.
Promoter(s):
-
Project #955622

Issuer Name:
Iteration Energy Ltd.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated June 14, 2006
Mutual Reliance Review System Receipt dated June 14, 2006
Offering Price and Description:
$25,110,000.00 - 6,200,000 Subscription Receipts each representing the right to receive one Common Share
Underwriter(s) or Distributor(s):
First Energy Capital Corp.
Peters & Co. Limited
Wellington West Capital Markets Inc.
BMO Nesbitt Burns Inc.
Tristone Capital Inc.
Promoter(s):
-
Project #955270

Issuer Name:
Northern Precious Metals 2006 Limited Partnership
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated June 15, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
$15,000,000.00 (maximum); $2,000,000 (minimum) - 15,000 Limited Partnership Units (maximum)
2,000 Limited Partnership Units (minimum) Subscription Price: $1,000 per Unit Minimum Subscription: $5,000
Underwriter(s) or Distributor(s):
Secutor Capital Management Corporation
Promoter(s):
Northern Precious Metals 2006 Inc.
Project #955889

Issuer Name:
Secunda International Limited
Principal Regulator - Nova Scotia
Type and Date:
Preliminary Prospectus dated June 19, 2006
Mutual Reliance Review System Receipt dated June 20, 2006
Offering Price and Description:
$ * - * Common Shares Price: $ * per Common Share
Underwriter(s) or Distributor(s):
Genuity Capital Markets G.P.
RBC Capital Markets
TD Securities Inc.
CIBC World Markets Inc.
GMP Securities L.P.
National Bank Financial Inc.
Fortis Securities LLC
Promoter(s):
-
Project #956693

Issuer Name:
Silverwing Energy Inc.
Principal Regulator - Alberta
Type and Date:
Amended Preliminary Prospectus dated June 16, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
$35,000,000.00 - * Shares and * Flow-Through Shares Price: $ * per Share and $ * per Flow-Through Share
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
Orion Securities Inc.
FirstEnergy Capital Corp.
Acumen Capital Finance Partners Limited
Promoter(s):
Terry O'Connor
Oleh Wowkodaw
Project #945758

Issuer Name:
Offering Series A Shares or Units or Series SC and Series DSC Units
(Series B Shares are also offered , as indicated) of:
AIM Trimark Dialogue Allocation Fund
AIM Trimark Dialogue Income Portfolio
AIM Trimark Dialogue Income with Growth Portfolio
AIM Trimark Dialogue Growth with Income Portfolio
AIM Trimark Dialogue Growth Portfolio
AIM Trimark Dialogue Long -Term Growth Portfolio
Trimark Interest Fund (Series SC and Series DSC Units)
AIM Canada Money Market Fund
AIM Short-Term Income Class of AIM Trimark Global Fund Inc . (also Series B Shares)
Trimark U.S. Money Market Fund (Series SC and Series DSC Units)
Trimark Government Income Fund
Trimark Canadian Bond Fund
Trimark Floating Rate Income Fund
Trimark Advantage Bond Fund
Trimark Global High Yield Bond Fund
Trimark Income Growth Fund
Trimark Select Balanced Fund
Trimark Diversified Income Class of AIM Trimark Canada Fund Inc .
AIM Canadian Balanced Fund
Trimark Global Balanced Fund
Trimark Global Balanced Class of AIM Trimark Global Fund Inc .
Trimark Canadian Fund
Trimark Canadian Endeavour Fund
Trimark Select Canadian Growth Fund
AIM Canadian First Class of AIM Trimark Canada Fund Inc .
AIM Canadian Premier Fund
AIM Canadian Premier Class of AIM Trimark Canada Fund Inc .
Trimark Canadian Small Companies Fund
Trimark U.S. Companies Fund
Trimark U.S. Companies Class of AIM Trimark Global Fund Inc .
AIM American Growth Fund
AIM American Mid Cap Growth Class of AIM Trimark Global Fund Inc .
Trimark U.S. Small Companies Class of AIM Trimark Global Fund Inc .
Trimark Fund
Trimark Select Growth Fund
Trimark Select Growth Class of AIM Trimark Global Fund Inc .
AIM Global Theme Class of AIM Trimark Global Fund Inc .
Trimark Global Endeavour Fund
Trimark Global Endeavour Class of AIM Trimark Global Fund Inc .
Trimark International Companies Fund
AIM International Growth Class of AIM Trimark Global Fund Inc .
Trimark Europlus Fund
AIM European Growth Fund
AIM European Growth Class of AIM Trimark Global Fund Inc .
AIM Indo-Pacific Fund
Trimark Canadian Resources Fund
Trimark Discovery Fund
AIM Global Health Sciences Fund
AIM Global Health Sciences Class of AIM Trimark Global Fund Inc .
AIM Global Technology Fund
AIM Global Technology Class of AIM Trimark Global Fund Inc .
Principal Regulator - Ontario
Type and Date:
Amendment #3 dated June 6, 2006 to the Simplified Prospectuses and Annual Information Forms dated August 12, 2005
Mutual Reliance Review System Receipt dated June 15, 2006
Offering Price and Description:
Series A Shares or Units, Series B Shares or Series DSC Units
Underwriter(s) or Distributor(s):
-
Promoter(s):
AIM Funds Management Inc.
Project #804561

Issuer Name:
Augen Limited Partnership 2006
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 14, 2006
Mutual Reliance Review System Receipt dated June 19, 2006
Offering Price and Description:
Minimum Offering: $30,000,000.00 (300,000 units); Maximum Offering: $5,000,000.00 (50,000 units) Price: $100 per unit
Underwriter(s) or Distributor(s):
Berkshire Securities Inc.
IPC Securities Corporation
HSBC Securities (Canada) Inc.
Blackmont Capital Inc.
Canaccord Capital Corporation
Research Capital Corporation
Wellington West Capital Inc.
Industrial Alliance Securities Inc.
Queensbury Securities Inc.
Sora Group Wealth Advisors Inc.
Promoter(s):
Augen General Partner XII Inc.
Project #922061

Issuer Name:
Class A, Class F, Class L, Class M and Class I units of :
Brandes Global Equity Fund
Brandes Global Balanced Fund
Brandes International Equity Fund
Brandes Global Small Cap Equity Fund
Brandes Emerging Markets Equity Fund
Brandes U.S. Equity Fund
Brandes U.S. Small Cap Equity Fund
Brandes Canadian Equity Fund
Brandes Canadian Balanced Fund
and
Class A and Class F units of :
Brandes Canadian Money Market Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 15, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
Mutual fund trust units at net asset value
Underwriter(s) or Distributor(s):
-
Promoter(s):
Brandes Investment Partners & Co.
Project #939737

Issuer Name:
Series A, B, D, F, H and I Units of:
Capital International - Growth and Income
Capital International - Global Equity
Capital International - International Equity
Capital International - U.S. Equity
Capital International - Global Discovery
Capital International - Global Small Cap
Series I Units of:
Capital International - U.S. Small Cap
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 16, 2006
Mutual Reliance Review System Receipt dated June 20, 2006
Offering Price and Description:
Series A, B, D, F, H and I Units @ Net Asset Value
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #942311

Issuer Name:
Cirrus Energy Corporation
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 19, 2006
Mutual Reliance Review System Receipt dated June 19, 2006
Offering Price and Description:
$8,000,000.30 (Minimum Offering); $10,005,000.00 (Maximum Offering) A Minimum of 6,956,522 and a Maximum of 8,700,000 Common Shares Price: $1.15 per Common Share
Underwriter(s) or Distributor(s):
Tristone Capital Inc.
Maison Placements Canada Inc.
Promoter(s):
David Taylor
Robert Carter
Project #947669

Issuer Name:
Claret Trust
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 14, 2006
Mutual Reliance Review System Receipt dated June 15, 2006
Offering Price and Description:
Commercial Mortgage Pass-Through Certificates
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Promoter(s):
Canadian Imperial Bank of Commerce
Project #951564

Issuer Name:
Divestco Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated June 15, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
$12,075,000.00 - 2,300,000 Common Shares Price: $5.25 per Offered Share
Underwriter(s) or Distributor(s):
TD Securities Inc.
Blackmont Capital Inc.
FirstEnergy Capital Corporation
Northern Securities Inc.
Promoter(s):
-
Project #953752

Issuer Name:
Dynamic Global Dividend Value Fund
Principal Regulator - Ontario
Type and Date:
Amendment #2 dated June 13, 2006 to the Simplified Prospectus and Annual Information Form dated February 13, 2006
Mutual Reliance Review System Receipt dated June 20, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Goodman & Company, Investment Counsel Ltd.
Goodman & Company, Investment Counsel Ltd.
Promoter(s):
Goodman & Company, Investment Counsel Ltd.
Project #880456

Issuer Name:
EPCOR Power L.P.
Principal Regulator - Alberta
Type and Date:
Final Short Form Base Shelf Prospectus dated June 15, 2006
Mutual Reliance Review System Receipt dated June 15, 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:
Front Street Canadian Equity Fund
Front Street Diversified Income Fund
Front Street Resource Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 9, 2006
Mutual Reliance Review System Receipt dated June 19, 2006
Offering Price and Description:
Series A, B and F securities
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #926289

Issuer Name:
Horizons Mondiale Hedge Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 7, 2006 to the Prospectus dated August 12, 2005
Mutual Reliance Review System Receipt dated June 20, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
Horizons Funds Inc.
Project #804400

Issuer Name:
Horizons Tactical Hedge Fund
Principal Regulator - Ontario
Type and Date:
Amendment #1 dated June 7, 2006 to the Prospectus dated March 17, 2006
Mutual Reliance Review System Receipt dated June 20, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #886059

Issuer Name:
Linear Metals Corporation
Principal Regulator - Nova Scotia
Type and Date:
Final Prospectus dated June 13, 2006
Mutual Reliance Review System Receipt dated June 15, 2006
Offering Price and Description:
Distribution by Linear Gold Corp. as a Dividend-in-Kind of Units of the Issuer
Underwriter(s) or Distributor(s):
-
Promoter(s):
Linear Gold Corp.
Project #933980

Issuer Name:
Merc International Minerals Inc.
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 14, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
-
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
Promoter(s):
Thomas Pladsen
Project #902182

Issuer Name:
Northwest Money Market Fund
(Series A units)
Northwest Canadian Equity Fund
(Series A units, Series F units and Series I units)
Northwest Canadian Bond Fund
(Series A units, Series F units and Series I units)
Northwest Canadian Dividend Fund
(Series A units, Series F units and Series I units)
Northwest Growth and Income Fund
(Series A units, Series F units and Series I units)
Northwest Foreign Equity Fund
(Series A units, Series F units and Series I units)
Northwest U.S. Equity Fund
(Series A units, Series F units and Series I units)
Northwest EAFE Fund
(Series A units, Series F units and Series I units)
Northwest Specialty High Yield Bond Fund
(Series A units, Series F units and Series I units)
Northwest Specialty Global High Yield Bond Fund
(Series A units, Series F units and Series I units)
Northwest Specialty Equity Fund
(Series A units, Series F units and Series I units)
Northwest Specialty Innovations Fund
(Series A units, Series F units and Series I units)
Northwest Specialty Growth Fund Inc .
(Series A units, Series F units and Series I units)
Northwest Quadrant Conservative Portfolio
(Series A units and Series F units)
Northwest Quadrant Growth and Income Portfolio
(Series A units and Series F units)
Northwest Quadrant All Equity Portfolio
(Series A units and Series F units)
Northwest Quadrant Monthly Income Portfolio
(Series A units and Series F units)
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated June 14, 2006
Mutual Reliance Review System Receipt dated June 19, 2006
Offering Price and Description:
Series A units, Series F units and Series I units
Underwriter(s) or Distributor(s):
Northwest Mutal Funds Inc.
Northwest Mutual Funds Inc.
Promoter(s):
Northwest Mutal Funds Inc.
Project #935936

Issuer Name:
Nuvo Research Inc.
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 15, 2006
Mutual Reliance Review System Receipt dated June 15, 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
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Versant Partners Inc.
Clarus Securities Inc.
Westwind Partners Inc.
Promoter(s):
-
Project #952272

Issuer Name:
Palmarejo Silver and Gold Corporation
Principal Regulator - Ontario
Type and Date:
Final Short Form Prospectus dated June 15, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
$75,000,001.50 - 7,894,737 Common Shares and 3,947,368 Warrants issuable on exercise or deemed exercise of 7,894,737 Special Warrants
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Haywood Securities Inc.
Dundee Securities Corporation
Promoter(s):
Bolnisi Gold NL
Project #945089

Issuer Name:
Petrominerales Ltd.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated June 13, 2006
Mutual Reliance Review System Receipt dated June 14, 2006
Offering Price and Description:
$75,000,000.00 - Up to 20,000,000 Common Shares Price: $3.75 per Offered Share
Underwriter(s) or Distributor(s):
Haywood Securities Inc.
TD Securities Inc.
Fraser Mackenzie Limited
Promoter(s):
PetroBank Energy and Resources Ltd.
Project #934176

Issuer Name:
Royal Utilities Income Fund
Principal Regulator - Ontario
Type and Date:
Final Prospectus dated June 16, 2006
Mutual Reliance Review System Receipt dated June 16, 2006
Offering Price and Description:
$150,000,000.00 - 15,000,000 Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
National Bank Financial Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
GMP Securities L.P.
Peters & Co. Limited
Salman Partners Inc.
Promoter(s):
-
Project #936893

Issuer Name:
West High Yield (W.H.Y.) Resources Ltd.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated June 15, 2006
Mutual Reliance Review System Receipt dated June 15, 2006
Offering Price and Description:
A Minimum of 4,200,000 Units and a Maximum of 5,000,000 Units at a price of $0.40 per Unit Price: $0.40 per Unit
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
-
Project #900742

Issuer Name:
Shield Gold Inc.
Principal Jurisdiction - Ontario
Type and Date:
Preliminary Prospectus dated December 5th, 2005
Closed on June 15th, 2006
Offering Price and Description:
$400,000.00 - 2,000,000 Common Shares Price: $0.20 per Common Share
Underwriter(s) or Distributor(s):
Northern Securities Inc.
Promoter(s):
John Siriunas
Project #866959

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
New Registration	New Solutions Capital Inc.	Limited Market Dealer	June 14, 2006
New Registration	Mohamed, Siddiq	Limited Market Dealer	June 14, 2006
New Registration	D & D Securities Company	Investment Dealer	June 15, 2006
New Registration	Generation Capital Inc.	Limited Market Dealer	June 19, 2006

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Chapter 25

Other Information

25.1 Exemptions

25.1.1 The Children's Education Trust of Canada

Headnote

Application pursuant to s. 6.1 of OSC Rule 13-502 Fees - exemption from requirement to pay activity fee of $3000 in connection with the Application under item E(1) of Appendix C to Rule 13-502.

Statutes Cited

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

Rules Cited

Ontario Securities Commission Rule 13-502 Fees, Appendix C, Item E(1).

June 12, 2006

Ogilvy Renault
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
P.O. Box 84
Toronto, Ontario
M5J 2Z4

Attention: Aglaya Redekopp

Dear Sirs/Mesdames:

Re: The Children's Education Trust of Canada (the "Fund")
Application under s. 6.1 of OSC Rule 13-502– Fees ("Rule 13-502")
Application No. /06

By letter dated June 9, 2006 (the "Application"), you applied on behalf of the Fund to the Ontario Securities Commission (the "Commission") under subsection 62(5) of the *Securities Act* (Ontario) (the "Act") for an extension of the time limits pertaining to the distribution of units under the prospectus of the Fund dated May 31, 2005, (the "Prospectus"). You additionally applied for an exemption, pursuant to subsection 6.1 of Rule 13-502, from the requirement to pay an activity fee of $ 3000 in connection with the Application in accordance with item E(1) of Appendix C of Rule 13-502.

From our review of the Application and other information communicated to staff, we understand the relevant facts and representations to be as follows:

1. The Fund is a reporting issuer under the Act and is not in default of any of the requirements of the securities legislation of the Province of Ontario.

2. The units of the Fund are currently qualified for distribution by means of the Prospectus that was prepared and filed in accordance with legislative requirements.

3. The lapse date for the Fund is May 31, 2006. The Fund filed a pro forma prospectus on May 1, 2006.

4. In connection with staff's review of the Fund's prospectus dated April 30, 2006, staff posed certain questions to counsel for the Fund concerning a new product. Both staff and the Fund have expressed a desire to have more time to review and resolve such matters.

Decision

This letter confirms that, based on the information provided in the Application and the facts and representations above, and for the purposes described in the Application, the Director hereby exempts the Fund from paying an activity fee of $3000 in connection with the Application under item E(1) of Appendix C to Rule 13-502.

Yours truly,

Leslie Byberg
Manager, Investment Funds Branch

25.2 Recommendations and Determinations

25.2.1 Investors Group Trustco Ltd.

MUTUAL RELIANCE REVIEW SYSTEM FOR EXEMPTIVE RELIEF APPLICATIONS

RECOMMENDATION AND DETERMINATION

Date: June 5, 2006

To: Rhonda Goldberg
Assistant Manager, Investment Funds

From: Chantal Mainville
Senior Legal Counsel, Investment Funds

Subject: **Application filed by Investors Group Trustco Ltd. for approval of a fund merger under paragraph 5.5(1)(b) of National Instrument 81-102 *Mutual Funds* ("NI 81-102")**

Application No. 330/06

Principal Regulator: Manitoba

Recommendation:

Attached is a memorandum prepared by the staff of the Principal Regulator and the determination of the Principal Regulator on the above-noted application.

Staff recommends that the same determination be made on this application as that made by the Principal Regulator and that Ontario opt into the Mutual Reliance Review System for Exemptive Relief applications for this application.

Determination:

I make the same determination on this application as the Principal Regulator and opt into the Mutual Reliance Review System for Exemptive Relief Applications for this application.

DATED this 5th day of June, 2006.

"Rhonda Goldberg"
Assistant Manager, Investment Funds

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