The Ontario Securities Commission

OSC Bulletin

July 14, 2006

Volume 29, Issue 28

(2006), 29 OSCB

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

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Published under the authority of the Commission by:
Carswell
One Corporate Plaza
2075 Kennedy Road
Toronto, Ontario
M1T 3V4

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The OSC Bulletin is published weekly by Carswell, under the authority of the Ontario Securities Commission.

Subscriptions are available from Carswell at the price of $549 per year.

Subscription prices include first class postage to Canadian addresses. Outside Canada, these airmail postage charges apply on a current subscription:

U.S.	$175
Outside North America	$400

Single issues of the printed Bulletin are available at $20 per copy as long as supplies are available.

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ISSN 0226-9325
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Chapter 1

Notices / News Releases

1.1 Notices

1.1.1 Current Proceedings Before The Ontario Securities Commission

JULY 14, 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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20 Queen Street West
Toronto, Ontario
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Robert L. Shirriff, Q.C.	—	RLS
Suresh Thakrar, FIBC	—	ST
Wendell S. Wigle, Q.C.	—	WSW

SCHEDULED OSC HEARINGS

July 25, 2006 2:30 p.m.	**Jose Castaneda** s. 127 and 127.1 T. Hodgson in attendance for Staff Panel: WSW
July 27, 2006 10:00 a.m.	**Universal Settlements International Inc.** s. 127 Y. Chisholm in attendance for Staff Panel: PMM/HPH/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 12, 2006 10:00 a.m.	**Maitland Capital Ltd *et al*** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM/ST
September 12, 2006 10:00 a.m.	**First Global Ventures, S.A. and Allen Grossman** s. 127 D. Ferris in attendance for Staff Panel: PMM/ST

September 13, 2006 10:00 a.m.	**Limelight Entertainment Inc., Carlos A. Da Silva, David C. Campbell, Jacob Moore and Joseph Daniels** s. 127 and 127.1 D. Ferris in attendance for Staff Panel: PMM/ST
September 21, 2006 10:00 a.m.	**Juniper Fund Management Corporation, Juniper Income Fund, Juniper Equity Growth Fun and Roy Brown (a.k.a. Roy Brown-Rodrigues)** s.127 and 127.1 D. Ferris in attendance for Staff Panel: SWJ/ST
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

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

OSC STAFF NOTICE 11-739 (REVISED)

POLICY REFORMULATION TABLE OF CONCORDANCE AND LIST OF NEW INSTRUMENTS

The following revisions have been made to the Table of Concordance and List of New Instruments. A full version of the Table of Concordance and List of New Instruments as of June 30, 2006 has been posted to the OSC Website at www.osc.gov.on.ca under Policy and Regulation/Status Summaries.

Table of Concordance

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

Reformulation

Instrument	Title	Status
51-501	Annual Information Form and Management's Discussion and Analysis	***Revoked May 30/06***
62-201	Bids Made Only in Certain Jurisdictions	***Proposed repeal published for comment April 18/06 (tied to NI 62-104)***

New Instruments

11-739	Policy Formulation Table of Concordance and List of New Instruments (Revised)	***Published April 7/06***
11-753	(Revised) Statement of Priorities for the Financial Year to End March 31, 2007	***Published June 30/06***
11-758	Review of Limited Market Dealers	***Published June 16/06***
12-704	Materials to be Provided on a Compact Disc or a 3.25" Disk in connection with Applications for Exemptive Relief	***Published April 7/06***
13-502	Fees – Revocation and Replacement	***Came into Force April 1/06***
13-503	(under the Commodity Futures Act) Fees – Revocation and Replacement	***Came into Force April 1/06***
31-102	National Registration Database – **Amendment**	***Published for comment May 12/06***
33-109	Registration Information - **Amendment**	***Published for comment May 12/06***
43-306	Filing Requirements for Technical Reports in Connection with Prospectus Offerings	***Published June 2/06***
47-302	Pre-Marketing of Underwriters' Options under Bought Deals	***Published April 21/06***
51-604	Defence for Misrepresentations in Forward-Looking Information	***Published for comment June 2/06***
51-714	OSC Continuous Disclosure Advisory Committee	***Revised and published May 26/06***
55-701	Automatic Securities Disposition Plans and Automatic Securities Purchase Plans	***Published June 2/06***
62-103	The Early Warning System and Related Take-over Bid and Issuer Bid Reporting Issues – **Amendment**	***Published for comment April 28/06***
62-104	Take-over Bids and Issuer Bids	***Published for comment April 28/06***
62-801	Implementing NI 62-104 Take-over Bids and Issuer Bids	***Published for comment April 28/06***
81-708	Model Portfolios of Mutual Funds	***Published May 26/06***

For further information, contact:

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

July 14, 2006

1.1.3 Notice of Commission Approval – Material Amendments to CDS Rules Governing Cross-Border Services – Regulation SHO

THE CANADIAN DEPOSITORY FOR SECURITIES LIMITED (CDS)

**MATERIAL AMENDMENTS TO CDS RULES –
REGULATION SHO**

NOTICE OF COMMISSION APPROVAL

On July 7, 2006, the Ontario Securities Commission (OSC) approved proposed rule amendments of The Canadian Depository for Securities Limited (CDS) that expressly require CDS' participants using the Canada-U.S. *cross-border services* to comply with Regulation SHO in the United States. Under the rule amendments CDS will have the authority to close out a *fail-to-deliver position* of a participant using the cross-border services in certain equity securities trading in the U.S. markets that are on a U.S. SRO list of securities experiencing substantial and persistent failures to deliver. Regulation SHO's *close-out* requirements were designed to address problems with failures to deliver in certain equity securities. A copy and description of these amendments were published for a 30 day comment period in the OSC's Bulletin on February 3, 2006 at (2006) 29 OSCB 1170. One comment was received in the form of a request for clarification of the rule amendments, to which CDS responded on March 8, 2006.

1.3 News Releases

1.3.1 Canadians Share Money-savvy Tips in Online Contest - Canadian Securities Administrators Announces First of Two Winners

FOR IMMEDIATE RELEASE

**CANADIANS SHARE MONEY-SAVVY TIPS
IN ONLINE CONTEST**

**CANADIAN SECURITIES ADMINISTRATORS
ANNOUNCES FIRST OF TWO WINNERS**

July 12, 2006 - Montreal **–** "Try to save five dollars every day" is the simple but effective winning tip in a contest sponsored by the Canadian Securities Administrators (CSA), designed to get people across the country to share their good financial habits with each other.

Pamela Shaw of Kitchener, Ontario is the first winner in the CSA's ***This is your life … for better or for worse*** campaign to increase public awareness about the importance of saving and investing. Shaw's entry was one of nearly 3000 submitted online at ***www.thisisyourlife.ca***, a website launched by the CSA in January.

Shaw will receive a new portable DVD player for her winning financial tip. Until the end of November, Canadians can still enter to win prizes online by sharing a tip that's helped them practice healthy financial habits.

Some other useful tips submitted by money-savvy Canadians include:

- Don't put money on a credit card that you can't pay off at the end of the month.
- Make a budget and stick to it, but always allow for little extras and big emergencies.
- Set up automatic savings so that you forget about it and it just grows.
- Contribute to your child's RESP weekly rather than in a lump sum.

More tips will be featured on the website after the contest closes.

The CSA created ***This is your life… for better or for worse*** in response to research showing that major life events motivate people to seek out investment information. The campaign specifically targets people who might be getting married, starting a family, planning retirement or receiving a financial windfall.

"Our message is that no matter where you are in life, it's important to find different ways to save and invest your money," said Jean St-Gelais, Chair of the CSA and President and CEO of the Autorité des marchés financiers.

The CSA is the council of the securities regulators of Canada's provinces and territories whose objectives are to improve, coordinate, and harmonize regulation of Canadian capital markets.

For more information:

Yukon Securities Registry Richard Roberts 867-667-5225 Richard.roberts@gov.yk.ca	British Columbia Securities Commission Andrew Poon 604-899-6880 1-800-373-6393 (BC & Alberta only) www.bcsc.bc.ca
Securities Registry Northwest Territories Gary MacDougall 867-920-8984 www.justice.gov.nt.ca/SecuritiesRegistry/ SecuritiesRegistry.htm Registrar_SecCorpReg@gov.nt.ca	Alberta Securities Commission Tamera Van Brunt (403) 297-2664 1-877-355-0585 www.albertasecurities.com tamera.vanbrunt@seccom.ab.ca

Nunavut Securities Registry Gary Crowe 867-975-6190 GCrowe@gov.nu.ca	Saskatchewan Financial Services Commission Barbara Shourounis 306-787-5842 www.sfsc.gov.sk.ca bshourounis@sfsc.gov.sk.ca
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Chapter 2

Decisions, Orders and Rulings

2.1 Decisions

2.1.1 Mackenzie Financial Corporation and GWLIM Ethics Fund - MRRS Decision

Headnote

MRRS - Approval of fund merger pursuant to subsection 5.5(1)(b) of National Instrument 81-102 Mutual Funds – The fundamental investment objectives of the Terminating Fund and Continuing Fund are not substantially similar and the simplified prospectus and financial statements of the continuing fund to not be delivered to securityholders of the Terminating Fund – A tailored simplified prospectus will, instead, be delivered to securityholders of the Terminating Fund – Regulatory approval needed because the merger does not meet certain of the pre-approval requirements of section 5.6 of NI 81-102.

Applicable Legislative Provisions

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

June 22, 2006

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

AND

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

AND

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

AND

IN THE MATTER OF
MACKENZIE FINANCIAL CORPORATION
("the Filer")
AND
GWLIM ETHICS 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 (the "Application") from the Filer, on behalf of the Terminating Fund, for a decision under the securities legislation of the Jurisdictions (the "Legislation") granting approval of the merger (the "Merger") of the Terminating Fund into the Continuing Fund (as defined below) as contemplated by section 5.5(1)(b) of National Instrument 81-102 ("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. The following additional terms shall have the following meanings:

"Continuing Fund" means GWLIM Canadian Growth Fund;

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

"Tax Act" means the *Income Tax Act* (Canada); and

"Quadrus" means Quadrus Investment Services Ltd., the principal distributor of the Funds.

Representations

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

1. The Filer is a corporation governed by the laws of Ontario and is registered as an advisor in the categories of investment counsel and portfolio manager in Ontario and certain other provinces of Canada and is registered as a limited market dealer in Ontario.

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

3. Each of the Funds is an open-end mutual fund trust governed under the laws of Ontario by a declaration of trust.

4. Quadrus series and H series units of each of the Funds are offered for sale under a simplified prospectus and annual information form dated June 27, 2005, as amended, for the Quadrus Group of Funds. The Quadrus series and H series units of the Funds are offered in all provinces of Canada.

5. The Funds are reporting issuers under the Legislation of each Jurisdiction and are not on the list of defaulting reporting issuers maintained under the Legislation.

6. Each of the Funds follows the standard investment restrictions and practices established by the Decision Makers.

7. The net asset value for each series of units of the Funds is calculated on a daily basis on each day that the Toronto Stock Exchange is open for business.

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

9. The portfolio and other assets of the Terminating Fund to be acquired by the Continuing Fund arising from the Merger may be acquired by the Continuing Fund in compliance with NI 81-102 and are, or prior to the Merger will be, acceptable to the portfolio adviser of the Continuing Fund and are consistent with the investment objective of the Continuing Fund.

10. The Merger will be a “qualifying exchange” within the meaning of section 132.2 of the Tax Act.

11. Securityholders of the Terminating Fund will continue to have the right to redeem securities of the Terminating Fund for cash at any time up to the close of business on the business day immediately preceding the effective date of the Merger.

12. A material change report and an amendment to the simplified prospectus and annual information form of the Terminating Fund were filed via SEDAR on April 28, 2006 with respect to the proposed Merger.

13. The Terminating Fund has not attracted a sufficient number of investors to make it a viable fund. The Filer believes that the Merger will benefit securityholders of the Terminating Fund because the Continuing Fund has a lower management fee and a similar investment style. In addition, as part of a larger fund, securityholders could potentially benefit from reduced management expense ratios. These reasons are further described in the circular sent to securityholders.

14. A notice of meeting, a management information circular and a proxy in connection with the meeting of securityholders have been mailed to securityholders of the Terminating Fund commencing on May 29, 2006 and have been filed via SEDAR on June 2, 2006.

15. Securityholders of the Terminating Fund will be asked to approve the Merger at a meeting to be held on June 22, 2006.

16. The Terminating Fund will merge into the Continuing Fund on or about the close of business on June 23, 2006 and the Continuing Fund will continue as a publicly offered open-end mutual fund.

17. The Terminating Fund will be wound up as soon as reasonably possible following the Merger.

18. Quadrus will pay for the costs of the Merger. These costs consist mainly of any brokerage charges associated with the merger-related trades that occur both before and after the date of the Merger and legal, proxy solicitation, printing, mailing and regulatory fees.

19. Approval of the Merger is required because it does not satisfy all of the criteria for pre-approved reorganizations and transfers set out in section 5.6 of NI 81-102 in that,

    (a) contrary to section 5.6(1)(a)(ii) of NI 81-102, a reasonable person may not consider the fundamental investment objectives of the Terminating Fund and the Continuing Fund to be substantially similar; and

    (b) contrary to section 5.6(1)(f)(ii) of NI 81-102, the Filer intends to send to each unitholder of the Terminating Fund the following: (i) a management information circular fully describing the Merger, which circular will include a statement describing how unitholders can obtain the financial statements, management report of fund performance and annual information form for the Continuing Fund; and (ii) a tailored document, consisting of Part A, the Introduction to Part B and the

Part B for the Continuing Fund, as set out in the current simplified prospectus of the Terminating Fund filed on SEDAR.

Decision

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

(a) the information circular sent to the securityholders of the Terminating Fund prominently discloses that they can obtain the most recent interim and annual financial statements of the Continuing Fund by accessing the SEDAR website at www.sedar.com, by calling Quadrus' toll-free telephone number (1-888-532-3322) or by submitting a request to Quadrus; and

(b) the material sent to securityholders of the Terminating Fund in connection with the approval of the proposed Merger includes a copy of:

(i) the current Part A of the simplified prospectus of the Continuing Fund; and

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

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

2.1.2 Macquarie Infrastructure Group - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - relief from prospectus and registration requirements for spin-off by a publicly traded Australian company to investors by issuing shares of spun off entity as dividends - reorganization technically not covered by prescribed reorganization exemptions.

Applicable Ontario Statutory Provisions

Securities Act, R.S.O. 1990, c. S.5, as am., ss. 25, 35(1)(12)(i), 35(1)(13), 53, 72(1)(f)(ii), 72(1)(g), 74(1).

July 5, 2006

IN THE MATTER OF
THE SECURITIES LEGISLATION OF
BRITISH COLUMBIA, ALBERTA, MANITOBA,
ONTARIO, QUÉBEC, 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
MACQUARIE INFRASTRUCTURE GROUP
(the Filer or MIG)

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer, for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the prospectus requirements (the **Prospectus Requirements**) and the dealer registration requirements (the **Registration Requirements**) of the Legislation in respect of the proposed distribution of dual stapled securities (each dual stapled security an **SRG Security**) of Sydney Roads Group (**SRG**) to securityholders of the Filer (the **MIG Securityholders**) resident in the Jurisdictions by way of a dividend in specie distribution (the **In Specie Distribution**) by the Filer as part of the Filer's spin-off of SRG (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. Filer is an entity consisting of the units of Macquarie Infrastructure Trust (I), the units of Macquarie Infrastructure Trust (II); and the shares of Macquarie Infrastructure Group International Limited. One security of each of the entities comprising MIG are stapled together to form one MIG security which can only be sold as a single unit.

2. The Filer is currently listed on the Australian Stock Exchange (the **ASX**) with this triple stapled security. The Filer is not and has no current intention of listing on any Canadian stock exchange.

3. The Filer is not and has no current intention of becoming a reporting issuer or the equivalent under the Legislation.

4. Immediately prior to the In Specie Distribution, all SRG Securities will be held by MIG.

5. As part of a restructuring of its current assets and investments, the Filer is preparing to spin-off SRG (the **Spin-off**). Each SRG Security will be a dual stapled security comprised of one share of a new Australian company (Sydney Roads Limited) and one unit of a new Australian unit trust (Sydney Roads Trust). It is anticipated that SRG will be listed on the ASX and that each SRG Security will be treated as a single security for ASX trading purposes.

6. To effect the Spin-off, the Filer is planning to make the In Specie Distribution of SRG Securities to all MIG Securityholders on a one-for-three basis for no cost to the MIG Securityholders.

7. The initial step of the Spin-off is a successful initial public offering (the **Offering**) of SRG Securities in Australia. The In Specie Distribution is conditional upon the successful Offering. The Offering may also allow for the private placement of the SRG Securities to residents of the Jurisdictions in reliance on exemptions from the Prospectus Requirements and Registration Requirements as provided for in National Instrument 45-106 *Prospectus and Distribution Exemptions* (**NI 45-106**).

8. As at May 19, 2006, there were 24 registered MIG Securityholders resident in the Jurisdictions of which approximately 10, 4, 3, 4, 1 and 2 have addresses in Ontario, British Columbia, Alberta, Québec, Prince Edward Island and Newfoundland and Labrador, respectively. Also, based on an analysis conducted by MIG's transfer agent, as of May 19, 2006, there were 65 known beneficial holders resident in Canada and Canadian institutional beneficial holders were known to be located in the provinces of Ontario, British Columbia, Manitoba and Québec. Based on this information, MIG Securityholders resident in Canada constitute approximately 0.15% of the 61,105 MIG Securityholders worldwide on May 19, 2006. As such, the proportion of MIG Securityholders resident in Canada is de minimis.

9. As at May 19, 2006, MIG Securityholders of record resident in the Jurisdictions held a total of 138,828 MIG securities and known Canadian beneficial holders held a total of 132,763,375 MIG securities, together being approximately 5.37% of the total 2,475,499,390 outstanding MIG securities worldwide. Based on information provided by MIG's transfer agent, of the 132,763,375 MIG securities held on behalf of beneficial holders resident in Canada, approximately 120,429,236 were held by a single institutional pension plan investor in Ontario. As such, the proportion of issued and outstanding MIG securities held by Canadian residents is de minimis.

10. Subject to obtaining necessary approvals and the successful completion of the Offering, on a distribution date to be set by the Filer's board of directors, the separation of SRG from the Filer will be accomplished through the In Specie Distribution of all SRG shares held by the Filer to the MIG Securityholders. The Spin-off will consist of the following steps:

    (a) the general terms and conditions relating to the In Specie Distribution will be set forth in a distribution agreement between MIG and SRG;

    (b) as a result of the distribution, each MIG Securityholder will receive directly from MIG one SRG Security for every three MIG securities held;

    (c) MIG Securityholders will not be required to pay for SRG Securities received in the distribution or to surrender or exchange MIG securities in order to receive SRG Securities or to take any other action in connection with the distribution. The In Specie distribution will occur automatically and without any investment decision on the part of the MIG Securityholders; and

(d) fractional SRG Securities will not be issued to MIG Securityholders as part of the In Specie Distribution nor credited to book-entry accounts.

11. MIG has determined that the Spin-off is expected to enhance the success of both MIG and SRG, and thereby is expected to maximize value for securityholders over the long term by:

    (a) enabling each group to continue to pursue its unique and focused strategy; and

    (b) enabling investors to evaluate the financial performance, strategies and other characteristics of each of MIG and SRG separately in comparison to companies within their sectors.

12. After the Spin-off, MIG will continue to be listed on the ASX and it is anticipated that SRG will be listed on the ASX.

13. It is not intended that SRG will be listed on any stock exchange in Canada.

14. SRG does not intend to become a reporting issuer or the equivalent in any province or territory of Canada.

15. The In-Specie Distribution will be effected in compliance with the laws of Australia.

16. MIG Securityholders will receive a disclosure document detailing the planned Spin-off and In Specie Distribution for information purposes only.

17. Under Australian law, no vote, election, confirmation or other document is required from any MIG Securityholder for the In Specie Distribution to become effective.

18. There is existing authority in the constituent documents of the entities comprising MIG that allows the distribution to occur in the manner described above.

19. All materials relating to the Spin-off and the In Specie Distribution sent by or on behalf of MIG or SRG worldwide will be sent concurrently to MIG Securityholders resident in Canada.

20. Following the In Specie Distribution, each of MIG and SRG, respectively, will send, concurrently to MIG Securityholders resident in Canada, the same disclosure material that it sends to the securityholders of MIG and SRG with addresses worldwide (as shown on its books).

21. The MIG Securityholders resident in Canada who receive the In Specie Distribution will have the benefit of the same rights and remedies in respect of the disclosure documentation received in connection with the Spin-off and the In Specie Distribution that are available under the laws of Australia to MIG Securityholders with addresses worldwide.

22. Where a MIG Securityholder is entitled to receive less than one SRG Security, fractions will be rounded up or down in MIG's discretion. A MIG Securityholder with one or two MIG Securities will receive one SRG Security. MIG Securityholders with more than three MIG securities, but not an exact multiple of three, will have their entitlement rounded to the nearest whole number.

23. The proposed distribution of SRG Securities to MIG Securityholders pursuant to the Spin-off would be exempt from the Prospectus Requirements and the Registration Requirements pursuant to subsection 2.31(2) and (3) of NI 45-106 but for the fact that SRG is not a reporting issuer or equivalent under the Legislation.

Decision

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

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that the first trade of SRG Securities acquired under this decision in a Jurisdiction shall be deemed to be a distribution or primary distribution to the public under the Legislation of such Jurisdiction unless the conditions in section 2.6 or section 2.14(1) of National Instrument 45-102 - *Resale of Securities* are satisfied.

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

“Harold P. Hands”
Commissioner
Ontario Securities Commission

2.1.3 Holloway Capital Corporation - s. 83

Headnote

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

Ontario Statutes

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

July 6, 2006

Cristina Alaimo
Goodmans LLP
2400-250 Yonge St.
Toronto, ON M5B 2M6

Dear Ms. Alaimo:

Re: Holloway Capital Corporation (the "Filer")- Application to Cease to be a Reporting Issuer under the securities legislation of Nova Scotia, Ontario and Alberta (the "Jurisdictions")

The Filer 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 Filer has represented to the Decision Makers that:

- the outstanding securities of the Filer, including debt securities, are beneficially owned, directly or indirectly, by less than 15 security holders in each of the jurisdictions in Canada and less than 51 security holders in total in Canada;
- no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*;
- the Filer is applying for relief to cease to be a reporting issuer in all of the jurisdictions in Canada in which it is currently a reporting issuer; and
- the Filer 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 Filer is deemed to have ceased to be a reporting issuer.

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

2.1.4 Guardian Group of Funds Ltd. - MRRS Decision

Headnote

MRRS – Approval of fund mergers – Financial statements of continuing fund not required to be sent to unitholders of the terminating funds provided information circular sent in connection with mergers clearly discloses the various ways unitholders can access the financial statements – Future oriented approval.

Applicable Legislative Provisions

National Instrument 81-102 Mutual Funds, ss. 5.5(1)(b), 5.6.

June 22, 2006

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

AND

**IN THE MATTER OF
NATIONAL INSTRUMENT 81-102
MUTUAL FUNDS (the "Instrument")**

AND

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

AND

**IN THE MATTER OF
GUARDIAN GROUP OF FUNDS LTD. ("GGOF")
AND
GGOF AMERICAN GROWTH FUND,
GGOF GLOBAL GROWTH FUND,
GGOF GLOBAL HEALTH SCIENCES FUND AND
GGOF RSP INTERNATIONAL BALANCED FUND
(the "Terminating Funds")**

MRRS DECISION DOCUMENT

Background

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

- the Mergers (defined below) of the Terminating Funds into the applicable Continuing Funds (as defined below); and
- the Future Mergers (defined below).

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

"American Value Merger" means the merger of GGOF American Growth Fund into GGOF American Value Fund Ltd.;

"Continuing Funds" means GGOF American Value Fund Ltd., GGOF Global Diversified Fund, GGOF Global Value Fund and GGOF Global Technology Fund;

"Corporate Fund" means GGOF American Value Fund Ltd.;

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

"Future Mergers" means any merger, after the date of this decision, of funds managed by GGOF that meet all of the criteria for pre-approval of mergers under section 5.6 of the Instrument except for the financial statement delivery requirements of sub-paragraph 5.6(1)(f)(ii) of the Instrument;

"Global Diversified Merger" means the merger of GGOF RSP International Balanced Fund into GGOF Global Diversified Fund;

"Global Equity Merger" means the merger of GGOF Global Growth Fund into GGOF Global Value Fund;

"Global Technology Merger" means the merger of GGOF Global Health Sciences Fund into GGOF Global Technology Fund;

"Merger" and **"Mergers"** means, individually or collectively, the American Value Merger, Global Diversified Merger, Global Equity Merger and Global Technology Merger;

"Tax Act" means the *Income Tax Act* (Canada); and

"Trust Funds" means the Terminating Funds and GGOF Global Diversified Fund, GGOF Global Technology Fund and GGOF Global Value Fund.

Representations

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

1. GGOF is a corporation existing under the laws of Canada and is registered in Ontario as a mutual fund dealer and limited market dealer and as an adviser in the categories of investment counsel and portfolio manager.

2. GGOF is the manager and trustee of each of the Trust Funds. It is also the manager of the Corporate Fund.

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

4. The Corporate Fund is a mutual fund corporation established under the laws of Ontario.

5. Securities of the Funds are currently qualified for sale by a simplified prospectus and annual information form dated July 5, 2005, as amended, which have been filed and accepted in all of the provinces and territories of Canada.

6. Each of the Funds is a reporting issuer under applicable securities legislation of each province and territory of Canada and is not on the list of defaulting reporting issuers maintained under the applicable securities legislation of the Jurisdictions.

7. Each of the Funds follows the standard investment restrictions and practices established under the securities legislation of the Jurisdictions.

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

9. GGOF proposes that each Terminating Fund be merged into the applicable Continuing Fund.

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

11. The portfolios and other assets of each Terminating Fund are, or prior to the Mergers will be, acceptable to the portfolio manager of the corresponding Continuing Fund and are consistent with the investment objectives of the corresponding Continuing Fund.

12. Each of the Continuing Funds and the applicable Terminating Funds, other than the Global

Technology Merger, has substantially similar fundamental investment objectives.

13. Each of the Continuing Funds and the applicable Terminating Funds has substantially similar valuation procedures.

14. The fee structure of each Terminating Fund is or will be substantially similar to the structure of the applicable Continuing Fund.

15. Unitholders of the Terminating Funds will continue to have the right to redeem units of the Terminating Funds for cash at any time up to the close of business on the day before the effective date of the Mergers.

16. A material change report and amendments to the simplified prospectus and annual information form of the Funds were filed via SEDAR under Project No. 934899 and Project No. 795433 on May 8, 2006 with respect to the proposed Mergers.

17. A notice of meeting, a management information circular and a proxy form in connection with a meeting of unitholders of the Terminating Funds were mailed to unitholders of these Funds on May 31, 2006 and were filed via SEDAR as Project No. 950613.

18. Unitholders of the Terminating Funds will be asked to approve the Mergers at special meetings to be held on June 21, 2006 or any adjournment thereof. Implicit in the approval by unitholders of the Mergers is the acceptance by each Terminating Fund of the proposed tax treatment and the adoption by each Terminating Fund of the investment objectives of the corresponding Continuing Fund.

19. The Terminating Funds will merge into the applicable Continuing Funds on or about the close of business on June 23, 2006 and the Continuing Funds will continue as publicly offered open-end mutual funds.

20. The Terminating Funds will be wound up as soon as reasonably possible following the Mergers.

21. GGOF will pay for the costs of the Mergers. These costs consist mainly of legal, proxy solicitation, printing, mailing, brokerage costs and regulatory fees.

22. Approval of the Mergers is required because the Mergers do not satisfy all of the criteria for pre-approval of the Mergers under section 5.6 of the Instrument in the following ways:

    (a) each Merger (other than the Global Diversified Merger) will not be completed as a "qualifying exchange" or a tax-deferred transaction under the Tax Act;

    (b) the Continuing Fund and the Terminating Fund in the Global Technology Merger do not have substantially similar fundamental investment objectives; and

    (c) the most recent financial statements of the Guardian Group of Funds will not be sent to the unitholders of the Terminating Funds but, instead GGOF has prominently disclosed in the information circular sent to unitholders of the Terminating Funds that the most recent audited financial statements of the Continuing Funds can be obtained by accessing the SEDAR website at www.sedar.com, by accessing GGOF's website at www.ggof.com, by calling GGOF toll-free at 1-800-668-7327 or by submitting a request to GGOF by email at clientservices@ggof.com or by writing to them at Guardian Group of Funds Ltd., 100 King Street West, 31st Floor, P.O. Box 150, Toronto, Ontario, M5X 1H3.

Decision

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

The decision of the Decision Makers under the Legislation is that the Mergers and Future Mergers (collectively, the "GGOF Fund Mergers", individually, a "GGOF Fund Merger") are approved provided that:

(a) the information circular sent to unitholders with respect to a GGOF Fund Merger provides sufficient information about the applicable GGOF Fund Merger to permit unitholders to make an informed decision about that GGOF Fund Merger;

(b) the information circular sent to unitholders with respect to a GGOF Fund Merger prominently discloses that unitholders can obtain the financial statements of the applicable continuing fund by accessing the SEDAR website at www.sedar.com, by accessing GGOF's website at www.ggof.com, by calling GGOF's toll-free telephone number, or by submitting (by fax, email or mail) a request to GGOF;

(c) upon a request by a unitholder for financial statements, GGOF will make a best effort to provide the unitholder with financial statements of the applicable

continuing fund in a timely manner so that the unitholder can make an informed decision regarding the GGOF Fund Merger; and

(d) each applicable terminating fund and the applicable continuing fund with respect to a GGOF Fund Merger have an unqualified audit report in respect of their last completed financial period.

The Decision approving the Future Mergers, 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 subparagraph 5.5(1)(b) of the Instrument.

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

2.1.5 Clarington Funds Inc. - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – Approval of a change in control of a mutual fund manager and abridgement of the related 60 day notice requirement to 30 days. – Decision subject to no changes being made to portfolio management operations for period of 60 days subsequent to notice being provided to securityholders of the affected mutual funds.

Applicable Legislative Provisions

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

June 29, 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
CLARINGTON FUNDS INC.
(the "Filer")**

MRRS DECISION DOCUMENT

Background

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

(a) approve the direct change of control of the Filer, the manager of the Clarington Funds, the IA Clarington Funds and the Clarington Target Click Funds listed in Appendix "A"; and

(b) abridge the 60-day notice period in respect of the notice required to be given to all securityholders of a mutual fund before the direct or indirect change of control of the manager of the mutual fund

(the "Requested Relief").

Under the Mutual Reliance Review System for Exemptive Relief Applications:

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

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

Interpretation

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

"CC" means Clarington Corporation, a wholly-owned subsidiary of Industrial Alliance;

"CFI" means ClaringtonFunds Inc., a wholly-owned subsidiary of CC;

"Funds" means the Clarington Funds, the IA Clarington Funds and the Clarington Target Click Funds, as set out in Appendix "A";

"IAFM" means Industrial Alliance Fund Management Inc., a subsidiary of Industrial Alliance;

"Industrial Alliance" means Industrial Alliance Insurance and Financial Services Inc.;

"Québec Corp." means 9142-7476 Québec inc., a subsidiary of Industrial Alliance; and

"Reorganization" means the reorganization of certain wholly-owned subsidiaries of Industrial Alliance.

Representations

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

1. Under the Reorganization, IAFM, an affiliate of CFI, will become the manager and trustee of the Funds. However, in order to achieve the Reorganization in a tax-effective manner, it will be completed in several steps, which will involve the transferring of control of CFI to various subsidiaries of Industrial Alliance.

2. CFI is a corporation incorporated under the laws of the Province of Ontario. It acts as the trustee and the manager of the Funds that are mutual fund trusts and as the manager of the Funds that are classes of shares of mutual fund corporations. CFI is registered as a mutual fund dealer and as a limited market dealer under the *Securities Act* (Ontario). CFI is not a member of the Mutual Fund Dealers Association of Canada. As at April 28, 2006, CFI had assets under management of approximately $4.4 billion. Securities of the Funds are sold in all of the Jurisdictions through registered dealers. CC owns all of the issued and outstanding shares of CFI.

3. The Funds consist of the 22 Clarington Funds, the two IA Clarington Funds and the four Clarington Target Click Funds. The Funds are reporting issuers in each of the Jurisdictions and are not in default of any of the requirements of the Jurisdictions. Securities of the Clarington Funds are qualified for distribution in all of the Jurisdictions by an amended and restated simplified prospectus and annual information form each dated August 26, 2005, as further amended. Units of the IA Clarington Funds are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated March 1, 2006. Units of the Clarington Target Click Funds are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated June 28, 2005, as amended.

4. CC is a corporation incorporated under the laws of the Province of Ontario. Industrial Alliance acquired control of CC on December 28, 2005, pursuant to a take-over bid made by Industrial Alliance for all the common shares of CC. CC currently owns all the issued and outstanding shares of CFI. An application to approve the indirect change of control of CFI to Industrial Alliance was approved by the Decision Makers on December 21, 2005.

5. Established in 1892, Industrial Alliance is a capital stock life insurance company that is continued, organized and validly existing under the *Companies Act* (Québec). Industrial Alliance's head office is located at 1080 Saint-Louis Road, Québec City, Québec. In addition to the Companies Act (Québec), Industrial Alliance is governed by the *Act respecting insurance* (Québec) and the *Act respecting Industrial-Alliance Life Insurance Company* (Québec).

6. Industrial Alliance is a reporting issuer in all of the provinces of Canada and is not on any list of defaulting issuers maintained in any Jurisdiction.

7. Industrial Alliance's common shares are listed and posted for trading on the Toronto Stock Exchange (the "TSX") under the trading symbol IAG.

8. The *Act respecting Industrial-Alliance Life Insurance Company* (Québec) prohibits the direct or indirect acquisition by any person of 10% or more of the outstanding voting shares of Industrial Alliance. To the best of the knowledge of the directors and officers of Industrial Alliance, no individual or corporation beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding voting shares of Industrial Alliance.

9. Industrial Alliance owns all of the voting shares of IAFM, which is the trustee and the manager of 19 mutual funds known as the IA Funds and the R Funds and five fund-of-fund mutual funds known as the Distinction Portfolios. Units of the IA Funds and the R Funds are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated August 26, 2005. Units of the Distinction Portfolios are qualified for distribution in all of the Jurisdictions by a simplified prospectus and annual information form each dated October 7, 2005.

10. Quebec Corp. is a corporation incorporated under the laws of the Province of Quebec. It currently has no operating business activity. It is a wholly-owned subsidiary of Industrial Alliance.

11. Notice of the change of control was mailed to securityholders of the Funds on May 30, 2006.

12. The Filer believes that shortening the notice period to not less than 30 days will not be prejudicial to securityholders of the Funds.

13. By virtue of their roles as directors and/or officers of CFI, the directors and officers of IAFM have demonstrated that they have the necessary education, experience, integrity and competence to be directors and/or officers of IAFM.

14. In the near term, the operation and administration of the Funds will not be materially affected by the change of control because, following the successful completion of the Reorganization: (i) the investment objectives and strategies and the portfolio advisers of each of the Funds will remain the same for a minimum of 60 days following the mailing of the notice to securityholders of the Funds and any change to an investment objective of a Fund or any merger of a Fund will be subject to securityholder approval; (ii) the officers and directors of CFI will become officers and directors of IAFM; (iii) the persons responsible for the administration of the Funds will continue in such capacities; (iv) IAFM will provide wholesale and client service support for the Funds; and (v) the management fees and operating expenses of the Funds will not be increased.

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) securityholders of the Funds are given at least 30 days notice of the change of control of CFI prior to the change; and

(b) no changes are made to the portfolio management operations of the Funds during the 60-day period following the giving of notice of the change of control of CFI to securityholders of the Funds.

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

Appendix "A"

List of Funds

Clarington Funds (including IA Clarington Funds)
Clarington Core Portfolio
Clarington Canadian Bond Fund
Clarington Money Market Fund
Clarington Short-Term Income Class*
Clarington Canadian Dividend Fund
Clarington Canadian Income Fund
Clarington Canadian Income Fund II
Clarington Diversified Income Fund
Clarington Global Income Fund
Clarington Income Trust Fund
Clarington U.S. Dividend Fund
IA Clarington Dividend Income Fund
Clarington Canadian Balanced Fund
Clarington Canadian Equity Class*
Clarington Canadian Equity Fund
Clarington Canadian Growth & Income Fund
Clarington Canadian Resources Class**
Clarington Canadian Small Cap Fund
Clarington Canadian Value Fund
IA Clarington Canadian Conservative Equity Fund
Clarington Navellier U.S. All Cap Fund
Clarington Global Equity Class*
Clarington Global Equity Fund
Clarington Global Small Cap Fund

Clarington Target Click Funds

Clarington Target Click 2010 Fund
Clarington Target Click 2015 Fund
Clarington Target Click 2020 Fund
Clarington Target Click 2025 Fund

*each a class of shares of Clarington Sector Fund Inc.

**a class of shares of Clarington Canadian Resources Inc.

2.1.6 Intrepid NuStar Exchange Corporation and NuStar Mining Corporation Limited - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – exemption from continuous disclosure, certification, audit committee and corporate governance requirements for an exchangeable share issuer, subject to certain conditions – exchangeable shares are exchangeable into common shares of a company that owns all of the common shares of the issuer.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations.
Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
Multilateral Instrument 52-110 Audit Committees.
BC Instrument 52-509 Audit Committees.
National Instrument 58-101 Disclosure of Corporate Governance Practices.

July 7, 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
INTREPID NUSTAR EXCHANGE CORPORATION
(INEC) AND
NUSTAR MINING CORPORATION LIMITED (NuStar)
(together, the Applicants)

<u>MRRS DECISION DOCUMENT</u>

Background

1. The local securities regulatory authority or regulator (**the Decision Maker**) in each of the Jurisdictions has received an application from the Applicants under the securities legislation of the Jurisdictions (**the Legislation**) for the following exemptions from the requirements of the Legislation:

   (a) an exemption for INEC from the application of National Instrument 51-102 – *Continuous Disclosure* (**NI 51-102**) and an exemption from any comparable continuous disclosure requirements

under the Legislation that have not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 (collectively, the **Continuous Disclosure Requirements**);

(b) an exemption for INEC from the application of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (**MI 52-109**) (**the Certification Requirements**);

(c) an exemption for INEC from the requirements under the Legislation relating to audit committees (the **Audit Committee Requirements**); and

(d) an exemption for INEC from the application of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (**NI 58-101**) (**the Corporate Governance Requirements**).

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

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

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

Interpretation

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

Representations

4. This Decision is based on the following facts represented by the Applicants:

(a) The Applicants have entered into an amended and restated arrangement agreement dated April 21, 2006 (**the Arrangement Agreement**) pursuant to which NuStar has agreed to acquire, through INEC and 6554636 Canada Ltd. (**Callco**), all of the issued and outstanding securities of Intrepid Minerals Corporation (**Intrepid**), a reporting issuer in each of the Jurisdictions, listed on the Toronto Stock Exchange (**the TSX**) (**the Transaction**). The Transaction will be effected by way of a plan of arrangement pursuant to section 192 of the *Canada Business Corporations Act* involving Intrepid, holders of common shares of Intrepid (**the Intrepid Common Shares**), holders of warrants to acquire Intrepid Common Shares (**the Intrepid Warrants**), holders of options to acquire Intrepid Common Shares (**the Intrepid Options**), INEC, Callco and NuStar. Completion of the Transaction is conditional upon, among other things, NuStar undertaking a consolidation of its outstanding ordinary shares (**the NuStar Shares**) on the basis of one (1) post-consolidated NuStar Share (**a NuStar Consolidated Share**) for every twelve (12) NuStar Shares. On the effective date of the Transaction, holders of Intrepid Common Shares will be able to exchange their Intrepid Common Shares on the basis of either one (1) NuStar Consolidated Share or one (1) exchangeable share of INEC (**an Exchangeable Share**) for each Intrepid Common Share held. The Intrepid Warrants will be assumed by INEC for warrants to acquire Exchangeable Shares (**the Assumed Warrants**). Each Assumed Warrant will entitle the holder to acquire one (1) Exchangeable Share at the same exercise price and for the same period as the Intrepid Warrant assumed. The Intrepid Options will be assumed by NuStar for options to acquire NuStar Consolidated Shares (**the Assumed Options**). Each Assumed Option will entitle the holder to acquire (1) NuStar Consolidated Share at the same exercise price and for the same period as the Intrepid Option assumed.

(b) NuStar is an Australian corporation. It was incorporated pursuant to the Corporations Act of Australia on June 9, 1993. NuStar is the equivalent of a reporting issuer under the laws of Australia and is not, to its knowledge, in default of any of the applicable requirements under the laws of Australia. NuStar's registered office is located at Level 2, 34 Colin Street, West Perth, Western Australia.

(c) The NuStar Shares are currently listed on the Australian Stock Exchange (**the ASX**) under the symbol NMC and will continue to be listed on the ASX following the completion of the Transaction.

(d) The TSX conditionally approved the listing of the NuStar Shares and the Exchangeable Shares by letter dated May 29, 2006 subject to, among other things, the completion of the Transaction.

(e) NuStar will list the NuStar Consolidated Shares issued pursuant to the Transaction including those to be issued on the exchange of the Exchangeable Shares and the exercise of the Assumed Options on both the ASX and the TSX. The ASX has conditionally approved the listing of these securities by letter dated May 3, 2006.

(f) INEC is a corporation incorporated under the CBCA on April 20, 2006 and is an indirect wholly-owned subsidiary of NuStar. INEC has been established solely for the purposes of the Transaction to issue the Exchangeable Shares to Canadian resident holders of Intrepid Common Shares who wish to participate in the Transaction on a tax-deferred basis electing (or having been deemed to have elected) to receive Exchangeable Shares under the Transaction in exchange for their Intrepid Common Shares.

(g) The authorized capital of INEC consists of an unlimited number of common shares and an unlimited number of Exchangeable Shares. As of the date hereof, 100 common shares are outstanding and are registered in the name of Callco, which is a wholly-owned subsidiary of NuStar. No Exchangeable Shares are currently outstanding. The Exchangeable Shares will rank senior to the common shares of INEC with respect to the payment of dividends and the distribution of the property or assets of INEC in the event of a liquidation, dissolution or winding up of INEC or any other distribution of property or assets of INEC among its shareholders for the purpose of winding up its affairs. In any such distribution, the rights of a holder of Exchangeable Shares will be satisfied by the delivery of one NuStar Consolidated Share for each such Exchangeable Share.

(h) Neither INEC nor NuStar is currently a reporting issuer under the Legislation of the Jurisdictions. However, upon completion of the Transaction, each of INEC and NuStar will be a reporting issuer in each of the Jurisdictions.

(i) The Exchangeable Shares will provide holders with a security of a Canadian issuer having economic and voting rights which are, as nearly as practicable, equivalent to those of the NuStar Consolidated Shares. The Exchangeable Shares will be exchangeable by a holder at any time, at the option of the holder, for NuStar Consolidated Shares on a one for one basis and will be redeemable for the same consideration by INEC upon the occurrence of certain events. The Exchangeable Shares are subject to adjustment or modification in the event of a stock split or other change in the capital structure of NuStar so as to maintain at all times the initial economic equivalence between one Exchangeable Share and one NuStar Consolidated Share.

(j) The rights, privileges, restrictions and conditions attaching to the Exchangeable Shares **(the Exchangeable Share Provisions)** will provide that each Exchangeable Share will entitle the holder to dividends from INEC payable at the same time as, and in amounts equal to any dividends paid by NuStar on the NuStar Consolidated Shares. The Exchangeable Shares will be non-voting (except as required by the Exchangeable Share Provisions or by applicable law). However, the Exchangeable Shares will have voting rights in NuStar equivalent to the holders of the NuStar Consolidated Shares on the basis of one (1) vote for each Exchangeable Share held.

(k) Upon the liquidation, dissolution or winding up of NuStar, all Exchangeable Shares held by holders will be automatically exchanged for NuStar Consolidated Shares in order that holders of Exchangeable Shares will be able to participate in the dissolution of NuStar on a pro rata basis with the holders of the NuStar Consolidated Shares. A similar right exists if NuStar becomes insolvent.

(l) As a result of the economic and voting equivalency between the Exchangeable Shares and the NuStar Consolidated Shares and the fact that at any time the Exchangeable Shares can be converted into NuStar Consolidated Shares, holders of Exchangeable Shares will have a participating interest determined by reference to NuStar, rather than INEC. Accordingly, it is information concerning NuStar, not INEC, that will be relevant to the holders of the Exchangeable Shares.

(m) NuStar will send concurrently to all holders of Exchangeable Shares all materials it is required to send to the holders of the NuStar Consolidated Shares.

(n) The Applicants cannot rely on the exemption contained in section 13.3 of NI 51-102 because NuStar is not an SEC issuer (as defined in NI 51-102) having a class of securities listed or quoted on a U.S. marketplace. As a result of the foregoing, the Applicants also cannot rely upon similar exemptions from the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements.

(o) Proposed amendments to NI 51-102 were published by the Canadian Securities Administrators on December 9, 2005 (**the Amendments**) pursuant to which it is proposed to amend section 13.3 of NI 51-102 to apply to companies issuing exchangeable shares where the parent company is a reporting issuer in Canada.

(p) If the Amendments were to be adopted prior to the completion of the Transaction, it would fall within the exemption in section 13.3 of NI 51-102 and no order for exemptive relief would be required to exempt INEC from the Continuous Disclosure Requirements, the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements.

(q) On the completion of the Transaction, NuStar will be a reporting issuer in Alberta, British Columbia and Ontario and will therefore be required to comply with the Continuous Disclosure Requirements, the Certification Requirements, the Audit Committee Requirements and the Corporate Governance Requirements.

Decision

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

6. The Decision of the Decision Makers is that relief is granted from the Continuous Disclosure Requirements, the Audit Committee Requirements and the Corporate Governance Requirements for so long as:

(a) NuStar is a reporting issuer in at least one of the jurisdictions listed in Appendix B of Multilateral Instrument 45-102 – *Resale of Securities* and is an electronic filer under National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval* (SEDAR);

(b) NuStar complies with the Continuous Disclosure Requirements, the Audit Committee Requirements and the Corporate Governance Requirements;

(c) NuStar concurrently sends to all holders of Exchangeable Shares all disclosure material sent to holders of NuStar Consolidated Shares in compliance with NI 51-102 and files copies of all such documents with the Decision Makers;

(d) prior to or coincident with the distribution of the Exchangeable Shares, NuStar provides or causes INEC to provide to each recipient or proposed recipient of Exchangeable Shares and NuStar Consolidated Shares, as the case may be, resident in Canada, a statement that, as a consequence of the order, INEC will be exempt from certain disclosure requirements in Canada applicable to reporting issuers or the equivalent and specifying the requirements from which INEC has been exempted;

(e) INEC files a notice under its SEDAR profile indicating that it is relying on the disclosure documents prepared and filed by NuStar and directing readers to refer to NuStar's SEDAR profile;

(f) NuStar complies with the requirements of the Legislation and the TSX, or such market or exchange on which the NuStar Consolidated Shares may be quoted or listed, in respect of making disclosure of material information on a timely basis and immediately issues and files a news release that discloses any material change in its affairs;

(g) INEC complies with the requirements of the Legislation to issue a press release and file a report with the Jurisdictions upon the occurrence of a material change in respect of the affairs of INEC that is not also a material change in the affairs of NuStar;

(h) NuStar includes in all future proxy solicitation materials to holders of Exchangeable Shares a clear and concise statement explaining the reason for the mailed material being solely in relation to NuStar and not in relation to INEC, such statement to include a reference to the economic equivalency between the Exchangeable Shares and the NuStar Consolidated Shares and the right to direct voting at the NuStar meeting;

(i) NuStar remains the direct or indirect beneficial owner of all of the issued and outstanding voting securities of INEC other than the Exchangeable Shares; and

(j) INEC does not issue any securities to the public other than the Exchangeable Shares or debt obligations to banks, loan corporations, trust corporations, treasury branches, credit unions, insurance companies or other financial institutions.

7. The decision of the Decision Makers is that relief is granted from the Certification Requirements for so long as:

(a) INEC is not required to, and does not, file its own interim and annual filings (as those terms are defined under MI 52-109);

(b) NuStar files in electronic format under the SEDAR profile of INEC the:

(i) interim filings;

(ii) annual filings;

(iii) interim certificates; and

(iv) annual certificates

of NuStar, at the same time as such documents are required to be filed under the Legislation by NuStar; and

(c) INEC is exempt from or otherwise not subject to the Continuous Disclosure Requirements.

"Kelly Gorman"

2.1.7 VFC Inc. - MRRS Decision

Headnote

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

Applicable Legislative Provisions

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

July 10, 2006

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

AND

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

AND

**IN THE MATTER OF
VFC INC. (the Filer)**

MRRS DECISION DOCUMENT

Background

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

Under the Mutual Reliance Review System for Exemptive Relief Applications

(a) the Ontario Securities Commission (the **OSC**) 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 incorporated under the *Canada Business Corporations Act* (the "**CBCA**") by articles of incorporation dated December 14, 1994.

2. The Filer is a consumer finance company that provides non-prime automotive purchase financing and consumer instalment loans.

3. The head office and registered office of the Filer are located at 25 Booth Avenue, Suite 101, Toronto, Ontario, M4M 2M3.

4. The authorized capital of the Filer consists of an unlimited number of common shares (the "Common Shares"). As at the date hereof, there are 16,710,563 Common Shares issued and outstanding.

5. The Filer is a reporting issuer or the equivalent in each of the provinces and territories of Canada where that concept exists, except British Columbia, where the Filer elected to cease to be a reporting issuer effective June 16, 2006.

6. Pursuant to an offer (the "**Offer**") dated March 13, 2006 by The Toronto-Dominion Bank (the "**Bank**"), the Bank offered to purchase all of the Common Shares, including any Common Shares which became outstanding after the date of the Offer upon the exercise of outstanding options, warrants or other rights to purchase Common Shares, at a price of Cdn. $19.50 per Common Share (the "**Offer Price**"). The Offer was made by way of take-over bid pursuant to Part XX of the *Securities Act* (Ontario).

7. The Offer expired on April 18, 2006. At the expiry of the Offer approximately 90.2% of the outstanding Common Shares had been deposited under the Offer and were taken up and paid for by the Bank.

8. Following the completion of the Offer, the Bank exercised its right under Section 206 of the CBCA to acquire the remaining issued and outstanding Common Shares not deposited under the Offer and this compulsory acquisition was completed on May 19, 2006. As a result, on May 19, 2006 the Bank became the beneficial owner of all of the Common Shares. The Filer has no other securities outstanding.

9. On April 19, 2006, the Bank delivered a notice of compulsory acquisition to shareholders of the Filer who did not tender their shares under the Offer. Following this delivery, the Toronto Stock Exchange ceased trading the Common Shares on April 21, 2006. From May 19, 2006, the remaining holders of the Filer's Common Shares were only entitled to receive the Offer Price, in cash, for their Common Shares and there was no public market for their Common Shares.

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

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

12. The Filer is not in default of any of its obligations as a reporting issuer under the Legislation, other than its obligation to file its interim financial statements, related management's discussion and analysis, and certificates under Multilateral Instrument 52-109 for the three month period ended March 31, 2006. On the last date by which the Filer was required to file its interim financial statements, related management's discussion and analysis and certificates for such period, the Bank (i) owned approximately 90.2% of the Common Shares and (ii) had delivered a notice of compulsory acquisition to shareholders of the Filer who had not tendered their shares under the Offer. Consequently, the Filer has not prepared or filed its interim financial statements, related management's discussion and analysis or certificates for the three month period ended March 31, 2006.

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

Decision

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

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

"Paul M. Moore"
Vice-Chair
Ontario Securities Commission

"Harold P. Hands"
Commissioner
Ontario Securities Commission

2.1.8 Corel Corporation - MRRS Decision

Headnote

Mutual Reliance Review System for Exemptive Relief Applications – National Instrument 51-102 Continuous Disclosure Obligations, s.13.1 – An issuer wants relief from the requirement to include certain financial statements in a business acquisition report (BAR) – The issuer filed a prospectus that contained financial statements relating to the significant probable acquisition – The financial statements required to be included in the BAR are different from the financial statements included in the prospectus – The prospectus contained all material facts in respect of the acquired business at the time the prospectus was filed – Since the prospectus filing date and the issuer's Q1 2006 financial statements filing date, no change in the business or affairs of the acquired business that is material and adverse to the issuer - Issuer will include in the BAR the prospectus financial statements and Q1 2006 financial statements.

Applicable Legislative Provisions

National Instrument 51-102 Continuous Disclosure Obligations, ss. 8.3, 8.4, 13.1.

July 5, 2006

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

AND

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

AND

**IN THE MATTER OF
COREL CORPORATION (THE "FILER")**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the **Decision Maker**) in each of the Jurisdictions has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the **Legislation**) exempting the Filer from the requirement to include certain financial statements in the Business Acquisition Report (the **BAR**) to be filed by the Filer in connection with an acquisition which was completed on May 2, 2006 (the **Requested Relief**).

Under the Mutual Reliance Review System for Exemptive Relief Applications

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

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

Interpretation

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

Representations

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

1. The Filer is incorporated under the federal laws of Canada and is headquartered in Ottawa, Ontario.

2. The Filer is a global packaged software company with distribution in over 70 countries worldwide. The Filer provides productivity and graphics and digital imaging software.

3. The authorized capital of the Filer consists of an unlimited number of common shares, no par value (**Common Shares**), and an unlimited number of preferred shares issuable in series (**Preferred Shares**) of which, as of May 2, 2006, 24,492,427 Common Shares and no Preferred Shares were issued and outstanding. Funds managed by Vector Capital Corporation or related entities and direct and indirect subsidiaries of those funds through which the Filer's shares are owned (**Vector Capital**) own approximately 72% of the Filer's Common Shares. Prior to the Acquisition (defined below), Corel Corporation and WinZip Computing LLC were under common control by Vector Capital.

4. The Common Shares are listed and posted for trading on the TSX under the trading symbol "CRE" and are quoted on the Nasdaq National Markets under the trading symbol "CREL". The Common Shares are registered under Section 12 of the *United States Securities Exchange Act of 1934*.

5. The Filer is a reporting issuer in each of the Jurisdictions.

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

7. The Filer filed financial statements required by its continuous disclosure obligations on May 5, 2006

for the quarter ended February 28, 2006 (the **Q1 2006 Financial Statements**).

8. Vector Capital acquired Corel Corporation in August 2003. Vector Capital subsequently acquired the business conducted by WinZip Computing Inc. (the **WinZip Business**) from an unaffiliated third-party on January 17, 2005. In 2005, Vector Capital decided to combine the business conducted by Corel Corporation and the WinZip Business in connection with the planned initial public offering of common shares of the combined company (the **Offering**). Upon closing of the Offering on May 2, 2006 Corel Corporation acquired the WinZip Business pursuant to a stock purchase agreement among Corel Corporation, Vector CC Holdings IV, SRL and Cayman Ltd. Holdco pursuant to which Corel Corporation purchased all of the issued and outstanding shares of all classes of capital stock of the WinZip Business (the **Acquisition**).

9. The Filer, Vector Capital and other minority shareholders sold 6,500,000 Common Shares of the combined company in Canada and the United States in the Offering pursuant to a supplemented PREP prospectus dated April 25, 2006 (the "**Prospectus**") and a registration statement on Form F-1 dated April 25, 2006, respectively.

10. Prior to the Acquisition, Corel Corporation and the WinZip Business were under common control. Vector Capital owned approximately 98% of Corel Corporation's common equity capital and 100% of the equity interests of the WinZip Business. In accordance with Statement of Financial Accounting Standards of the FASB No.141- Business Combinations and U.S. Generally Accepted Accounting Principles, the Filer presented combined consolidated financial statements in the Prospectus for Corel Corporation and the WinZip Business as if the WinZip Business had been acquired by the Filer on January 17, 2005, the date on which Corel Corporation and the WinZip Business became under common control of Vector Capital.

11. Ontario Securities Commission Rule 41-501 *General Prospectus Requirements* (as in effect as of the date of the Prospectus) (**OSC Rule 41-501**) and Quebec Regulation Q-28 *Respecting General Prospectus Requirements* (**Quebec Regulation Q-28**) set forth the financial statements that are required to be included in a long form prospectus (the **Prospectus Financial Statement Requirements**).

12. Consistent with the requirements of Section 6.4 of OSC Rule 41-501 and Quebec Regulation Q-28 and with discussions held between the Filer's advisors and staff of the Ontario Securities Commission, the Prospectus contained the following financial statements relating to the Acquisition:

a) the Combined Consolidated Balance Sheet for Corel Corporation as of November 30, 2005 and Consolidated Balance Sheet as of November 30, 2004 and the Balance Sheets for WinZip Computing, Inc. as of January 17, 2005, November 30, 2004 and 2003;

b) the Combined Consolidated Statement of Operations for Corel Corporation for the year ended November 30, 2005 and Consolidated Statements of Operations for the year ended November 30, 2004 and for the period from December 1, 2002 through August 28, 2003 and for the period from August 29, 2003 through November 30, 2003 and the Statements of Operations for WinZip Computing, Inc. for the period from December 1, 2004 through January 17, 2005 and for the years ended November 30, 2004 and 2003;

c) the Combined Consolidated Statement of Cash Flows for Corel Corporation for the year ended November 30, 2005 and Consolidated Statements of Cash Flows for the year ended November 30, 2004 and for the period from December 1, 2002 through August 28, 2003 and for the period from August 29, 2003 through November 30, 2003 and the Statements of Cash Flows for WinZip Computing, Inc. for the period from December 1, 2004 through January 17, 2005 and for the years ended November 30, 2004 and 2003;

d) Combined Consolidated Statement of Changes in Shareholders' (Deficit) Equity for Corel Corporation for the year ended November 30, 2005 and Consolidated Statements of Changes in Shareholders' (Deficit) Equity for the year ended November 30, 2004 and for the period from December 1, 2002 through August 28, 2003 and for the period from August 29, 2003 through November 30, 2003 and Statements of Changes in Shareholder's Deficit for WinZip Computing, Inc. for the period from December 1, 2004 through January 17, 2005 and for the years ended November 30, 2004 and 2003; and

e) Corel Corporation Unaudited Pro Forma Combined Condensed Statement of Operations for the year ended November 30, 2005.

13. All material facts in respect of the WinZip Business and the Acquisition at the time the Prospectus was filed, including the Prospectus Financial Statements, were provided in the Prospectus. To the knowledge of the Filer, since the time the Prospectus was filed on April 26, 2006 and since the time the Q1 2006 Financial Statements were filed on May 5, 2006, there has not been any change in the business or affairs of the WinZip Business that is material and adverse to the Filer, taken as a whole.

14. Pursuant to the requirements of Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations* (**NI 51-102**), the Filer is required to file a BAR relating to the Acquisition within 75 days after the date of the Acquisition.

15. Using the significance tests set forth in Section 8.3 of NI 51-102, the Acquisition was determined to be significant above the 40% level.

16. To comply with the requirements of Section 8.4 of NI 51-102 the Filer would be required to include the following financial statements in the BAR:

    a) the audited Balance Sheets for WinZip Computing, Inc. as of November 30, 2005 and 2004;

    b) the audited Statements of Operations, Statements of Cash Flows and Statements of Changes in Shareholder's Deficit for WinZip Computing, Inc. for the year ended November 30, 2005 and 2004;

    c) the unaudited Balance Sheets for WinZip Computing, Inc. as of February 28, 2006 and November 30, 2005;

    d) the unaudited comparative Statements of Operations, Statements of Cash Flows and Statements of Changes in Shareholder's Deficit for WinZip Computing, Inc. for the three months ended February 28, 2006;

    e) the unaudited pro forma Balance Sheet of the Filer as of February 28, 2006 (as if the Acquisition had taken place on February 28, 2006); and

    f) the unaudited pro forma Statements of Operations for the Filer for the year ended November 30, 2005 and for the three months ended February 28, 2006 (as if the Acquisition had taken place on December 1, 2004).

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 Filer incorporate by reference the Prospectus Financial Statements and the Q1 2006 Financial Statements in the BAR.

"Paul K. Bates"
Commissioner
Ontario Securities Commission

"Paul M. Moore"
Vice-Chair
Ontario Securities Commission

2.2 Orders

2.2.1 Au Martinique Silver Inc. - s. 4(b) of the Regulation

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

AND

IN THE MATTER OF
AU MARTINIQUE SILVER INC.

CONSENT
(Subsection 4(b) of the Regulation)

UPON the application of Au Martinique Silver Inc. (the Applicant) to the Ontario Securities Commission (the Commission) requesting consent from the Commission for the Applicant to continue into another jurisdiction pursuant to clause 4(b) of the Regulation;

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

AND UPON the Applicant having represented to the Commission that:

1. The Applicant is governed under the provisions of the OBCA pursuant to articles of amalgamation dated July 12, 1988, as amended pursuant to articles of amendment dated November 27, 2000, and as further amended pursuant to articles of amendment dated July 21, 2005. The registered office of the Applicant is located at 1128 Clapp Lane, P. O. Box 279, Manotick, ON K4M 1A3.

2. The authorized share capital of the Applicant is comprised of an unlimited number of common shares of which 25,563,437 common shares were issued and outstanding as of April 24, 2006.

3. The Applicant is proposing to submit an application to the Director under the OBCA pursuant to section 181 of the OBCA (the Application for Continuance) for authorization to continue (the Continuance) as a corporation under the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the CBCA).

4. Pursuant to subsection 4(b) of the Regulation, where a corporation is an offering corporation (as such term is defined in the OBCA), the Application for Continuance must be accompanied by a consent from the Commission.

5. The Applicant is an offering corporation under the OBCA and a reporting issuer under the *Securities Act*, R.S.O. 1990, c.S.5, as amended (the Act). The Applicant is also a reporting issuer or the equivalent thereof in British Columbia and Alberta.

6. The Applicant's common shares are listed for trading on the TSX Venture Exchange under the symbol "AUU".

7. Following the Continuance, the Applicant intends to remain a reporting issuer in Ontario and in the other jurisdictions in which it is currently a reporting issuer or equivalent thereof.

8. The Applicant is not in default under any provision of the Act or the rules and regulations made under the Act and is not in default under the securities legislation of any other jurisdiction in which it is a reporting issuer or equivalent thereof.

9. The Applicant is not a party to any proceeding or, to the best of its knowledge, information and belief, any pending proceeding under the Act.

10. The Continuance of the Applicant under the CBCA was approved by the Applicant's shareholders by way of special resolution at an annual and special meeting of shareholders (the Meeting) held on June 9, 2006.

11. The management information circular of the Applicant dated April 27, 2006, provided to all shareholders of the Applicant in connection with the Meeting, advised the holders of common shares of their dissent rights in connection with the Continuance pursuant to section 185 of the OBCA.

12. The principal reason for the Continuance is that the Corporation believes it to be in its best interests to conduct its affairs in accordance with the CBCA.

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

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

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

DATED at Toronto on this 7th day of July, 2006.

"Robert W. Davis, FCA"
"Harold P. Hands"

2.2.2 Goldman Sachs Asset Management, L.P. and Goldman Sachs Asset Management International - 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 granted to sub-adviser not ordinarily resident in Ontario in respect of advice regarding trades in commodity futures contracts and commodity futures options, subject to certain terms and conditions. Relief mirrors exemption available in section 7.3 of OSC Rule 35-502 – Non-Resident Advisers made under the Securities Act (Ontario).

Statutes Cited

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

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

AND

**IN THE MATTER OF
GOLDMAN SACHS ASSET MANAGEMENT, L.P.
AND
GOLDMAN SACHS ASSET MANAGEMENT
INTERNATIONAL**

**ORDER
(Section 80 of the CFA)**

UPON the application (the **Application**) of Goldman Sachs Asset Management, L.P. (**GSAM**) and Goldman Sachs Asset Management International (the **Sub-Adviser**) to the Ontario Securities Commission (the **Commission**) for an order, pursuant to section 80 of the CFA, that neither the Sub-Adviser nor any of its directors, officers and employees acting on its behalf as an adviser (collectively, the **Representatives**) shall be subject to the adviser registration requirement in subsection 22(1)(b) of the CFA in respect of advice regarding trades in commodity futures contracts and commodity futures options (the **Commodity Futures**) .

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

AND UPON the Sub-Adviser having represented to the Commission the following:

1. The Sub-Adviser is organized under the laws of England and Wales, is registered with the Registrar of Companies for England and Wales and is authorised to conduct investment management business in the United Kingdom as a portfolio manager. The principal office of the Sub-Adviser is located in London, England. The laws of England and Wales, including applicable securities and commodity futures laws, govern the Sub-Adviser.

2. The Sub-Adviser is an indirect wholly-owned subsidiary of The Goldman Sachs Group, Inc. The Goldman Sachs Group, Inc. is a global full-service investment banking, broker-dealer, asset management and financial services organization.

3. GSAM is a limited partnership governed by the laws of the State of Delaware with its head office in New York, New York.

4. The general partner of GSAM is The Goldman Sachs Group, Inc. and the limited partner is Goldman Sachs Global Holdings L.L.C.

5. GSAM is registered under the CFA as a commodity trading manager. GSAM is also registered in Ontario as a non-Canadian adviser (investment counsel and portfolio manager) under *Securities Act* (Ontario) (the **OSA**) and in British Columbia, Alberta, Saskatchewan and Manitoba as an international adviser (or its equivalent).

6. GSAM is also registered as an investment adviser with the United States Securities and Exchange Commission.

7. GSAM acts as a commodity trading manager in respect of its clients in Ontario (each, a **Client**).

8. GSAM will enter into a sub-advisory agreement (the **Sub-Advisory Agreement**) with the Sub-Adviser, whereby the Sub-Adviser will provide investment advice and portfolio management services to GSAM in respect of purchases and sales of Commodity Futures for the portfolios of the Clients (the **Proposed Advisory Services**).

9. The Sub-Advisory Agreement will set out the obligations and duties of the Sub-Adviser.

10. Each Client will enter into an investment management agreement (**IMA**) with GSAM which provides GSAM with complete discretionary authority to purchase and sell Commodity Futures on behalf of the Client, and authorizes GSAM to delegate its discretionary authority over all or a portion of the Client's assets to the Sub-Adviser.

11. GSAM will contractually agree under the IMA to be responsible for any loss that arises out of the failure of the Sub-Adviser:

    (i) to exercise its powers and discharge its duties honestly, in good faith and in the best interests of GSAM and the Clients; or

(ii) to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances;

(collectively, the **Assumed Obligations**).

12. GSAM cannot be relieved by the Clients for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations.

13. he Sub-Adviser will only provide the Proposed Advisory Services so long as GSAM remains registered under the CFA as an adviser in the category of commodity trading manager.

14. There is presently no rule under the CFA that provides exemption from the adviser registration requirement in paragraph 22(1)(b) of the CFA, for a person or company acting as an adviser to another registered adviser in respect of Commodity Futures that is similar to the exemption in section 7.3 of Commission Rule 35-502, *Non-Resident Advisers*, from the adviser registration requirement in section 25(1)(b) of the OSA.

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

IT IS ORDERED THAT, pursuant to section 80 of the CFA, neither the Sub-Adviser, nor any of its Representatives, shall be subject to the adviser registration requirement in subsection 22(1)(b) of the CFA in respect of the Proposed Advisory Services, provided that:

(a) GSAM is registered under the CFA as an adviser in the category of commodity trading manager;

(b) the Sub-Adviser is registered with the Registrar of Companies for England and Wales and is authorised to conduct investment management business in the United Kingdom as a portfolio manager;

(c) the obligations and duties of the Sub-Adviser are set out in a Sub-Advisory Agreement with GSAM;

(d) GSAM has contractually agreed with each Client to be responsible for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations;

(e) GSAM cannot be relieved by the Clients for any loss that arises out of the failure of the Sub-Adviser to meet the Assumed Obligations; and

(f) this Order shall terminate three years from the date hereof.

July 11, 2006

“David L. Knight”

“Wendell S.Wigle”

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Chapter 3

Reasons: Decisions, Orders and Rulings

3.1 OSC Decisions, Order and Rulings

3.1.1 Bennett Environmental Inc. et al.

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 WITH ALLAN BULCKAERT

Hearing:	June 20, 2006		
Panel:	Paul M. Moore, Q.C. David L. Knight	- -	Vice-Chair (Chair of the Panel) Commissioner
Counsel:	Judy Cotte Pamela Foy Scott Pilkey	- -	On behalf of Staff of the Ontario Securities Commission
	Thomas F. O`Neil III Erica Salmon Byrne Howard Rubinoff Grant V. Sawiak	-	For Allan Bulckaert

ORAL DECISION AND REASONS

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] THE CHAIR: We approve the settlement agreement between staff and Allan Bulckaert.

[2] The Commission has listened to submissions from counsel for staff and submissions from counsel for the company and the special committee, who is here acting as a friend or agent for Mr. Bulckaert. We have considered the evidence and we have approved the agreement as being in the public interest.

[3] The sanctions agreed to in the settlement agreement that will be ordered by us are: pursuant to clause 9 of subsection 127(1) of the Act, Bulckaert shall make a settlement payment of $64,165 to the Commission for allocation to or for the benefit of third parties under section 3.4 subsection 2 of the Act.

[4] This amount equals and does not exceed the loss avoided by Bulckaert's sale of 5,900 shares of the company between June 3 and June 7, 2004.

[5] It is usual in an insider trading case for the Commission to agree on a settlement to a payment equal to one and a half times the profit made or the loss avoided. So this particular settlement doesn't follow some of the precedents. It is important to note, however, that this rule of thumb of one and a half times is not etched in stone. The prime factor that governs us is to make sure that sanctions are appropriate to the facts of the case.

[6] Our jurisdiction is not to punish. The Supreme Court of Canada in the Asbestos case (see *Committee for Equal Treatment of Asbestos Minority Shareholders v. Ontario Securities Commission*, [1999] O.J. No. 388) made it quite clear that

our jurisdiction is to prevent future harm to the public by removing, restricting or sanctioning people who trade in the capital markets and registrants who abuse the market by acting contrary to the public interest.

[7] The particular facts of this case strongly suggest to us that the sanctions agreed to are appropriate. The facts are set out in the settlement agreement which forms part of the public record. I am not going to repeat the particular facts of this case.

[8] I refer to the decision we rendered this morning in approving the settlement agreement with Bennett Environmental Inc. I would suggest that those reasons should be considered by anybody reading these reasons.

[9] The important facts are that Mr. Bulckaert joined the company as chief executive officer on February 18, 2004. He was not fully aware of the problems relating to the first contract. Indeed, he received piecemeal information about that first contract and assurances from those who are now former officers of the company that the contract would be fulfilled. He should have consulted counsel and should have ascertained the facts before he traded.

[10] Staff takes the position that the doubts and confusion in Mr. Bulckaert's mind amounted to knowledge of material facts that had not been disclosed and that his sale of shares of the company was an aberration of good judgment on his part. However, the motivation for his sale of the shares was to realize cash to pay the purchase price of a condominium that he had agreed to purchase in April of 2004. He sold shares of other companies at the same time. It appears from the evidence that the motivation for the sale was this external need for cash and not some devious attempt to trade on inside information.

[11] On June 9, which was two days after the last trade or agreement to sell the shares, Mr. Bulckaert received a copy of a key letter, the letter of September 4, 2003, from the Corps. of Engineers in the United States questioning the first contract. He made inquiries of the Corps. of Engineers but did not receive a response to his inquiry until July 15, and he actually saw it on July 16. He then went into action, worked over the weekend, put information together and presented it at a meeting of the board that had been scheduled for July 22nd or 21st. He raised this whole question of what the real facts were and from that the investigation proceeded in earnest and the securities regulatory authorities were brought into the picture.

[12] The company cooperated fully with the investigation by the regulators and saved staff time, money and effort. In addition, steps were put in place that were described in this morning's hearing, dealing with codes of conduct, procedures and other changes, and eventually a complete change of officers in the company.

[13] Mr. Bulckaert was brought in from the outside to be the new chief executive officer of a troubled company. He worked diligently to find out what the problems of the company were in many respects, not just with respect to the contract in question. He was misinformed by former officers as to the true situation. He was given false assurances and piecemeal information, but the light finally went on when he continued to dig. He then moved forward in quite an honourable and acceptable way.

[14] Counsel for the company and the special committee suggested that it is important in cases like this to walk a mile in the respondent's shoes. He admitted that this was perhaps an aberration of judgment or not the best conduct in hindsight and that Mr. Bulckaert should have consulted counsel. The company did not have a regular Canadian counsel at the time.

[15] The former chief executive officer, Mr. John Bennett, who was one of the former officers that gave Mr. Bulckaert misinformation, was in Vancouver. Mr. Bulckaert was acting as best he could to get the company on a solid footing, and under his leadership the company has retained new Canadian outside counsel.

[16] We accept that it is not appropriate to exact a monetary penalty of one and a half times the loss avoided. A payment equal to the loss avoided in this particular fact situation is quite appropriate.

[17] Mr. Bulckaert has had an admirable career prior to joining the company. He has acted admirably since being at the company. There was an aberration of judgment when he decided to sell shares, albeit it for a purpose not related to avoiding a loss. He did suffer an absolute loss according to the agreed statement of facts.

[18] MR. KNIGHT: Just on one point that I hesitated briefly over: the settlement payment of $64,000 and the amount being one times the loss avoided. But I concluded that that is acceptable given Mr. Bulckaert's conduct and given all of the circumstances: the difficult circumstances in which he found himself as the newly employed CEO at Bennett and in trying to deal with all the issues that were on his plate while at the same time trying to get to the bottom of this or get to the facts on these contracts.

[19] On that basis I can conclude that the settlement payment is acceptable, but I think the panel would not want that to be viewed as any sort of precedent.

Approved by the chair of the panel on June 30, 2006.

“Paul M. Moore”

3.1.2 Bennett Environmental Inc. et al.

**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 WITH BENNETT ENVIRONMENTAL INC.

Hearing:	June 20, 2006		
Panel:	Paul M. Moore, Q.C.	-	Vice-Chair (Chair of the Panel)
	David L. Knight	-	Commissioner
Counsel:	Judy Cotte	-	On behalf of Staff of the
	Pamela Foy	-	Ontario Securities Commission
	Scott Pilkey		
	Thomas F. O`Neil III	-	For Bennett Environmental
	Erica Salmon Byrne		
	Howard Rubinoff		
	Grant V. Sawiak		

ORAL DECISION AND REASONS

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: We have considered the settlement agreement between Commission staff and Bennett Environmental Inc. We have listened to submissions of counsel for staff and submissions of special counsel for Bennett Environmental Inc. We have decided to approve the settlement agreement as being in the public interest. The facts are set out in the settlement agreement and it will form part of the record. So, I do not propose to review the facts in any detail.

[2] Broadly speaking, this case concerned Bennett Environmental Inc. and an important contract that it entered into in the United States relating to the cleaning up of an industrial site and dealing with soil contamination.

[3] The original contract may have been ambiguous but it has been admitted that the press release describing the contract left something to be desired in the disclosure. Subsequently, contract negotiations ensued between the parties and it became clear that the contract was changed significantly or novated with a new contract. Material changes did occur and there was no disclosure of those material changes until much later when finally a press release was issued.

[4] When that press release was issued, within ten days, the price of the stock fell by at least 50 percent. It turns out that key officers sold shares of the company prior to the subsequent announcement and thereby avoided losses they would have incurred had they continued to own the shares that they sold.

[5] The board of directors appointed a special committee to investigate what happened, shortly after Mr. Bulckaert became the chief executive officer. The company in effect replaced its officers with a new slate. The company subsequently has turned itself around and was described to us as a new company. It has adopted new policies and procedures with respect to disclosure, governance matters, has segregated out the duties performed in key positions, and has been extremely co-operative with the Commission from the start of the investigation.

[6] The company has suffered monetary consequences because of its actions. There was a class action lawsuit in the United States. This has recently been settled with a payment of U.S. $9,750,000, some of which was paid by the company's insurers and some of which was contributed by the company itself. In addition, the company has incurred expenses and time resources and dollars in co-operating with the Commission and in cleaning up its own act. The company has taken advantage of the credit for cooperation policy that has been put out by the Commission. Based on the facts outlined in the settlement

agreement, credit for cooperation was not the sole motivating factor for the company. It also has a genuine desire to be properly governed and to be a good corporate citizen.

[7] The settlement agreement contemplates the following sanctions: Pursuant to clause 4 of section 127(1) of the Act, within 30 days from the date of this order that we will sign, the company shall initiate a review of its disclosure and reporting practices and procedures by an independent third party, acceptable to both the company and staff, at the expense of the company; and pursuant to clause 4 of 127(1) of the Act, the company 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.

[8] There is no provision for a monetary penalty against the company. It is appropriate that there not be a monetary penalty. This case involved personal wrongdoing by officers of the company. Monetary penalties against a company indirectly come out of the pocket of the shareholders. Monetary penalties against a company in a case like this may be appropriate to serve as a deterrent factor. We have carefully considered whether this is one where a monetary penalty against the company should have been agreed to before we approved the settlement agreement.

[9] Our jurisdiction as a securities commission is not to punish but is to protect investors. We need to look at the likelihood of future problems based on past conduct. We need to take into account real changes that are made to deal with problems that have arisen, and we need to look at the economics involved. It is not enough just to look at the immediate details of this case. We should look at the economic consequences the company has incurred in determining whether or not a monetary penalty is necessary for deterrent purposes. We are mindful that there are ongoing proceedings against the persons who were officers at the time. In this case, we agree with staff and with the submissions of counsel for the company that this is not an appropriate case for a monetary fine.

[10] This case should serve as a beacon to illustrate that the Commission's policy of credit for cooperation is a real one. It should serve as an example that where a company takes its corporate governance seriously and implements meaningful change – meaningful procedures, adopts a code of business ethics, a code of business conduct, and takes steps to ensure that its disclosure practices will meet the best of the practices adopted in the corporate world – there are significant consequences. The sanctions that we are imposing in this case are appropriate taking into account everything that has transpired.

[11] This is particularly significant because the transgressions in this case were serious. The Commission regards failure to disclose material facts as an important failure. The Commission regards failure to make timely disclosure of material changes as important, and this Commission views insiders trading on inside information before disclosure of material changes as very serious.

[12] We have described in the past illegal insider trading as being a cancer on the market causing a loss of confidence by the public in the marketplace. Appropriate sanctions, therefore, are extremely important in order to maintain and restore the public confidence. But this can be accomplished by giving appropriate credit for cooperation and by acknowledging real changes that give us a basis for believing that improper conduct will not be permitted to re-occur in the future, and by measuring the economic and other consequences already incurred by the company as a result of the misconduct in question. Consequently, we believe that the sanctions in this case are appropriate and meet the test of the public interest.

Approved by the chair of the panel on June 30, 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

NO REPORT FOR THIS WEEK.

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
Foccini International Inc.	02 May 06	15 May 06	15 May 06	10 Jul 06	

4.2.2 Outstanding Management & Insider Cease Trading Orders

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Argus Corporation Limited	25 May 04	03 Jun 04	03 Jun 04		
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	10 Jul 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		
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		

Company Name	Date of Order or Temporary Order	Date of Hearing	Date of Extending Order	Date of Lapse/ Expire	Date of Issuer Temporary Order
Simplex Solutions Inc.	02 May 06	15 May 06	15 May 06		

Chapter 5

Rules and Policies

5.1.1 Notice of Commission Approval - Ontario Amendment Instrument Amending NI 44-101 Short Form Prospectus Distributions

NOTICE OF COMMISSION APPROVAL

ONTARIO AMENDMENT INSTRUMENT
AMENDING
NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS

Making of Amendment Instrument

National Instrument 44-101 *Short Form Prospectus Distributions* (**NI 44-101**) is in force in Ontario and all other Canadian Securities Administrators (**CSA**) jurisdictions. On June 29, 2006, the Commission made as a rule under the *Securities Act* (Ontario) (the **Act**) an amendment instrument (the **Amendment Instrument**) that will amend NI 44-101 in Ontario only.

The Commission understands that the securities regulatory authorities in other CSA jurisdictions have adopted, or will adopt in due course, blanket orders to address the subject matter of the Amendment Instrument.

Delivery of Amendment Instrument to Minister

The Commission delivered the Amendment Instrument to the Minister responsible for the oversight of the Commission on July 7, 2006. If the Minister approves the Amendment Instrument, it will come into force 15 days after the Amendment Instrument is approved. If the Minister does not approve or reject the Amendment Instrument, or return it to the Commission for further consideration, by September 5, 2006, it will come into force on September 20, 2006.

Substance and purpose of Amendment Instrument

The Amendment Instrument supplements the exemption from the prospectus requirements in section 7.1 of NI 44-101 in Ontario (the **Bought Deal Exemption**).

Section 7.1 of NI 44-101 provides that the prospectus requirement does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus if certain conditions are satisfied. One of these conditions is that the issuer has entered into an enforceable agreement with an underwriter who has, or underwriters who have, agreed to purchase the securities to be qualified under a short form prospectus.

On April 21, 2006, CSA staff published CSA Staff Notice 47-302 *Pre-marketing of underwriters' options on bought deals* (the **CSA Notice**). The CSA Notice states that CSA staff recognizes that the Bought Deal Exemption does not extend to pre-marketing of securities underlying a post-closing over-allotment option (**greenshoe option**) to purchase up to 15% of the securities offered under the short form prospectus. CSA staff also stated that they would consider recommending exemptive relief for any pre-marketing of securities underlying a greenshoe option on a case-by-case basis.

The Commission acknowledges that granting such relief on a case-by-case basis for an extended period of time would be impractical. The Commission also understands that the other CSA jurisdictions have granted or will be granting exemptive relief through blanket orders. Accordingly, the Commission has adopted the Amendment Instrument as an Ontario-only amendment to the Bought Deal Exemption.

Authority for Amendment Instrument

The Commission has authority to make the Amendment Instrument pursuant to paragraph 143(1)20 of the Act. Paragraph 143(1)20 of the Act authorizes the Commission to provide for exemptions from the prospectus requirement under the Act and for the removal of exemptions from those requirements.

In addition, clause 143.2(5)(b) of the Act permits the Commission to make the Amendment Instrument without publishing the Amendment Instrument for comment.

Questions

Please refer your questions to:

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Text of Amendment Instrument

The Amendment Instrument is published in Chapter 5 of the Bulletin.

July 14, 2006

NATIONAL INSTRUMENT 44-101
SHORT FORM PROSPECTUS DISTRIBUTIONS
ONTARIO AMENDMENT INSTRUMENT

1. The table of contents of National Instrument 44-101 *Short Form Prospectus Distributions* is amended by adding the following after "7.1 Solicitations of Expressions of Interest":

   "7.2 Solicitations of Expressions of Interest - Over-allotment Options – Ontario."

2. Part 7 of the Instrument is amended by adding the following as a new section after section 7.1:

   "7.2 Solicitations of Expressions of Interest - Over-allotment Options – Ontario

   (1) In Ontario, the prospectus requirement does not apply to solicitations of expressions of interest before the filing of a preliminary short form prospectus for securities to be issued pursuant to an over-allotment option that are qualified for distribution under a short form prospectus in accordance with this Instrument, if

   (a) the issuer has entered into an enforceable agreement with the underwriters, who have agreed to purchase the securities offered under a short form prospectus, other than the securities issuable on the exercise of an over-allotment option,

   (b) the agreement referred to in paragraph (a) has fixed the terms of the distribution and requires that the issuer file a preliminary short form prospectus for the securities and obtain from the regulator a receipt, dated as of a date that is not more than four business days after the date that the agreement is entered into, for the preliminary short form prospectus,

   (c) the issuer has issued and filed a news release announcing the agreement immediately upon entering into the agreement,

   (d) upon issuance of a receipt for the preliminary short form prospectus, a copy of the preliminary short form prospectus is sent to each person or company who has expressed an interest in acquiring the securities, and

   (e) except as provided in paragraph (a), no agreement of purchase and sale for the securities is entered into until the short form prospectus has been filed and a receipt obtained.

   (2) In this section,

   (a) "over-allotment option" means a right granted to the underwriter(s) by an issuer or a selling securityholder of the issuer in connection with the distribution of securities under a short form prospectus to acquire, for the purposes of covering the underwriters' over-allocation position, a security of an issuer that has the same designation and attributes as a security that is distributed under such short form prospectus, and that

   (i) expires not later than the 60th day after the date of the closing of the distribution, and

   (ii) is limited to the lesser of

   (A) the over-allocation position determined as at the closing of the distribution, and

   (B) 15% of the number or principal amount of the securities qualified for the distribution, without taking into account the securities issuable on the exercise of the over-allotment option; and

   (b) "over-allocation position" means the amount by which the aggregate number or principal amount of securities that are the subject of offers to purchase received by all underwriters of a distribution exceeds the aggregate number or principal amount of securities distributed by an issuer or selling securityholder under the prospectus, without taking into account the securities issuable on the exercise of an over-allotment option granted to the underwriters."

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Chapter 6

Request for Comments

6.1.1 Notice of Proposed Amendments to NI 21-101 Marketplace Operation, Companion Policy 21-101CP, NI 23-101 Trading Rules and Companion Policy 23-101CP

NOTICE OF PROPOSED AMENDMENTS TO
NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION
AND COMPANION POLICY 21-101CP

AND

NATIONAL INSTRUMENT 23-101 TRADING RULES
AND COMPANION POLICY 23-101CP

I. INTRODUCTION

The Canadian Securities Administrators (the CSA or we) are publishing proposals for comment that would amend National Instrument 21-101 *Marketplace Operation* (NI 21-101), National Instrument 23-101 *Trading Rules* (NI 23-101) (together, the ATS rules), Companion Policy 21-101CP and Companion Policy 23-101CP. We are also publishing for comment amendments to Form 21-101F2 *Initial Operation Report Alternative Trading System* and amendments to Form 21-101F5 *Initial Operation Report for Information Processor* (together, the Forms).

The Alberta Securities Commission, Autorité des marchés financiers, Manitoba Securities Commission and the Ontario Securities Commission are publishing the amendments (Proposed Amendments) at this time. Other jurisdictions may be publishing at a later date. The comment period for all jurisdictions will end on October 12, 2006.

II. BACKGROUND

The purpose of the ATS Rules is to create a framework that permits competition among marketplaces[1], while ensuring that trading is fair and efficient.[2]

The regulatory objectives are:

- to provide investor choice as to execution methodologies or types of marketplaces;
- to improve price discovery;
- to decrease execution costs; and
- to improve market integrity.

The ATS Rules were finalized in 2001 and set out:

1. A framework that outlines how marketplaces are authorized to do business and how they are regulated;
2. Requirements relating to data transparency and market integration to minimize any negative impact of having multiple markets trading the same securities; and
3. Market regulation rules.

In 2003, the ATS Rules were amended as follows:

- Based on the recommendations of an industry committee (industry committee) formed to review data consolidation and market integration in the equity markets, we deleted the concept of a data consolidator and

[1] Marketplaces are exchanges, quotation and trade reporting systems and alternative trading systems (ATSs).
[2] See Notices for background at (1999), 22 OSCB (ATS Supp), (2001), 24 OSCB (Supp) and (2003), 26 OSCB 4377.

a market integrator for equity securities to promote a market-driven solution to consolidation in the equity markets;

- An exemption from the pre-trade and post-trade transparency requirements for marketplaces and inter-dealer bond brokers (IDBs) trading in government fixed income securities was granted until December 31, 2006;

- Transparency requirements were clarified for corporate fixed income securities as follows: marketplaces were required to provide pre-trade information and marketplaces, IDBs and dealers were required to provide trade information to an information processor; and

- An exemption from the requirements placed on dealers and IDBs to record and report in electronic form certain information regarding orders and trades was granted until December 31, 2006 to allow for the development of appropriate standards and technology solutions.

The exemptions from the transparency requirements for government debt securities and from the electronic audit trail requirements will expire on December 31, 2006. The expiry of these exemptions, along with the emergence of multiple marketplaces, have created the need to make amendments to clarify the ATS Rules.

The topics discussed in this Notice are set out as follows in Part IV below:

A. Transparency for government debt securities

B. Transparency for corporate debt securities

C. Designated fixed income securities

D. Electronic audit trail requirements

E. Clarification of best execution and other obligations in a multiple marketplace environment

F. Requirements for and status of information processors for debt and equity

G. Other amendments

III. SUMMARY OF THE REQUIREMENTS TO BE AMENDED

The relevant requirements in the ATS Rules as of December 31, 2003 (2003 ATS Rules) that are being amended at this time are summarized below as background for the proposed changes.

1. Equity Securities

(i) Transparency

The ATS Rules set out pre-trade and post-trade transparency requirements for marketplaces that trade exchange-traded securities and foreign exchange-traded securities.[3] All marketplaces are currently required to provide order and trade information to an information processor, or if there is no information processor, to an information vendor.

(ii) Market Integration

In 2003, based on the recommendations of an industry committee, we amended the ATS Rules to delete the concept of a market integrator and explained that we would focus instead on ensuring compliance with best execution requirements for dealers and fair access requirements for marketplaces.

2. Government Debt Securities and Corporate Debt Securities

(i) Transparency

The 2003 ATS Rules require marketplaces and inter-dealer bond brokers (IDBs) to provide order and trade information on designated government debt securities to an information processor in real-time.[4] However, the IDBs and existing ATSs

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[3] NI 21-101, Part 7.

[4] NI 21-101, subsections 8.1(1), 8.1(2), 8.1(3), 8.1(4) and 8.1(5) and Companion Policy 21-101CP, subsection 10.1(2).

executing trades of government debt securities have been exempted from the pre-trade and post-trade transparency requirements until December 31, 2006.[5]

For corporate debt securities, marketplaces are required to provide order information to an information processor.[6] In addition, marketplaces, IDBs, and dealers executing trades outside of a marketplace are required to provide to an information processor trade information regarding designated corporate debt securities within one hour of the trade, subject to volume caps of $2 million for investment grade corporate debt securities and $200,000 for non-investment grade corporate debt securities.[7] On August 27, 2003, the CSA designated CanPX as an approved information processor for corporate fixed income securities. Since May 2004, marketplaces and dealers that have achieved a market share of 0.5% of total corporate bond trading over a specific period have been required to provide trade data on designated corporate debt instruments to CanPX.[8]

3. Electronic Audit Trail Requirements

Part 11 of NI 23-101 and Part 8 of the Companion Policy 23-101CP deal with the audit trail requirements. NI 23-101 imposes obligations on dealers and IDBs to record and report in electronic form certain information regarding orders and trades. The 2003 ATS Rules included an exemption from these requirements until December 31, 2006 to allow the development of the appropriate standards and technology solutions.

IV. SUBSTANCE AND PURPOSE OF THE PROPOSED AMENDMENTS

Over the last three years, CSA staff have been working on the following initiatives that relate to the ATS Rules:

- consultations with various industry participants including the Bond Market Transparency Committee to look at the appropriate levels of transparency for government debt securities and corporate debt securities;
- development of the implementation process for electronic audit trail requirements with self-regulatory organizations (SROs); [9] and
- approvals of new marketplaces, which included consideration of the impact of those marketplaces on existing rules and practices.

The Proposed Amendments, which are attached and also summarized below, are the results of these initiatives.

We have also been working on a number of other initiatives including trade-through, best execution and access requirements. We will be proposing subsequent amendments to the ATS Rules to deal with any changes as a result of our review of trade-through and best execution.

A. Transparency for Government Debt Securities

During the last few years, a CSA staff group met with various stakeholders including: staff of the Bank of Canada and the Federal Department of Finance; members of the Interdealer Brokers Association (IDBA); issuers of government fixed income securities; retail bond desk representatives of the large dealers; the Bond Market Association; the Financial Services Authority of the U.K.; and the U.S.'s National Association of Securities Dealers (NASD) staff.

The purpose of the meetings was to get an understanding of market developments in both domestic and international markets; to discuss issues surrounding fixed income markets; and to get an understanding of the fixed income information available for market participants, as well as their information needs.

In the process, meeting participants discussed developments in domestic debt markets, such as the growth of ATSs and various market-initiated ventures designed to enhance transparency in Canadian fixed-income markets, such as the dissemination of fixed income information by ATSs. Meeting participants also discussed developments in foreign debt markets, including

[5] Companion Policy 21-101CP, subsection 10.1(1).
[6] NI 21-101, subsection 8.2(1).
[7] NI 21-101, subsections 8.2(3), 8.2(4) and 8.2(5) and Companion Policy 21-101CP, subsections 10.1(3), 10.1(4), 10.1(5), 10.1(6) and 10.1(7).
[8] IDA Bulletin #3289 released May 19, 2004.
[9] Participating SROs working with the CSA are the IDA, RS Inc., Bourse de Montréal, and the Mutual Fund Dealers Association of Canada.

transparency initiatives, both industry-led and regulator driven, most significantly, through NASD's Trade Reporting and Compliance system (TRACE).[10]

Other topics discussed in the meetings included other regulatory initiatives that are related to debt market transparency, such as Trade Reporting and Electronic Audit Trail Standards (TREATS), trade-through rules, best execution, and IDA Policy 5.

As a result of these meetings, we have concluded that, while transparency has generally increased, issues regarding pricing for retail customers still exist, and that it is difficult to monitor compliance with other requirements applicable to the fixed income markets (for example, best execution or fair pricing) without a single source of reported and disseminated information for government fixed income securities. Feedback from industry participants also reinforced that, regardless of the transparency decisions, it is important that there be a level-playing field amongst market participants such as IDBs, marketplaces and dealers.

Some discussions also addressed issues relating to information sources and types of information that market participants find most useful, as well as the need for an information processor. The industry participants' responses regarding the information sources varied: some relied on dealer screens, some on ATSs, CanPX, or on multiple sources, depending on their needs. Some thought that the existing pricing sources are sufficient, while others noted that they have limitations, such as lack of broader coverage of the bond market. While many believed that indicative pricing may be most useful for price discovery, they also expressed concern about requiring the publication of such information.

CSA staff asked the following questions: 1) what, if any, should be the optimal level of transparency; 2) what would be the downside of increased transparency; and 3) who should be required to report fixed income information. While some industry participants thought that the current levels of transparency were adequate for institutional customers, others thought that mandatory transparency would be helpful because it promotes the consistency and integrity of information made available to the public. It was also clear that most thought that if a decision was made to increase transparency, an incremental approach should be taken.

CSA staff identified four options regarding transparency of government fixed income securities, as follows:

1) Adopt a gradual, phased-in approach for achieving transparency by: mandating transparency for marketplaces and IDBs for benchmark government debt securities, subject to certain limitations such as volume caps;

2) Extend the current exemption in NI 21-101 for five years;

3) Require full transparency for all securities and all market participants; and

4) Give a permanent exemption from transparency requirements.

These options and our recommended approach are described below.

1. Proposed approach - phased-in approach for transparency

We are proposing the following approach: marketplaces and IDBs would be required to report order and trade information for designated benchmark government debt securities to an information processor (or, in the absence of an information processor, to an information vendor that meets the applicable standards).[11] Order information would be reported in real time and trade information within one hour from the time of the trade. The information displayed would be subject to volume caps of $10 million for fixed income securities issued or guaranteed by the government of Canada, and $2 million for all other government debt securities.[12]

This approach, consistent with that currently taken by dealers trading in corporate debt securities, would allow for a phased-in approach for transparency as information would be reported for designated government debt securities and would be disseminated subject to volume caps. The number of benchmark securities and the size of the volume caps could change over time. This would give the industry time to adapt and assess the impact of transparency. We also believe that mandating transparency for benchmark government debt securities may have a beneficial "spill-over" effect for other government debt securities and would eventually lead to greater overall transparency. We do not expect that the costs associated with the

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10 TRACE is the NASD's system for reporting and disseminating trade information for corporate bonds. On December 28, 2005, the SEC approved amendments to Rule 6240 of the Rule 6200 Series (TRACE rules), that provide that information on transactions in TRACE-eligible securities be disseminated immediately upon receipt, with a few exceptions. The amendments became effective on January 9, 2006 and TRACE now disseminates trade information for virtually all transactions in corporate debt securities, immediately upon receipt of the reported information.

11 Proposed amendments to NI 21-101, subsections 8.1(1), 8.1(3), 8.1(4), 8.1(5) and proposed amendments to Companion Policy 21-101CP, subsections 10.1(1) and 10.1(2).

12 Proposed amendments to Companion Policy 21-101CP, subsection 10.1(2)(b).

implementation of these requirements would be significant since certain market participants (i.e. the IDBs) already have systems in place that allow them to provide order information for government bonds to CanPX on a voluntary basis.

2. Alternatives considered

a. Extension of exemption

We have considered extending the current exemption in NI 21-101 until December 31, 2011 and providing guidance on our expectations regarding the level of transparency at the end of the period. This approach would allow the industry to take the lead in achieving transparency, but would communicate clearly that market developments will be monitored and that there will be regulatory intervention if the levels of transparency achieved at the end of the exemption period are insufficient. We are concerned, however, that if this approach is taken, the current situation where dealers, IDBs and marketplaces all report different fixed income information would continue. Since there is no assurance regarding the integrity of data reported and disseminated, market participants would continue to have unequal access to this information, which could create compliance issues for SROs and regulators. We are also concerned that the lack of mandatory transparency would cause certain market participants to stop providing information on a voluntary basis.

b. Full transparency

One option we considered was requiring full transparency for all fixed income securities and all market participants. Although this would ensure equal access to government bond market information for all market participants and would be easier to monitor for compliance, we are concerned that it could adversely impact liquidity.

c. Permanent Exemption

Finally, we considered extending the current exemption from the transparency requirements for government fixed income securities permanently. Some have argued that market participants are already motivated by commercial interests to provide quote and trade information to information processor or information vendors and thus believed that increased transparency might occur as part of the natural evolution of bond markets. However, we believe that, without any regulatory intervention or guidance, the information provided voluntarily by market participants would continue to be inconsistent in quality and quantity, and unequal access to bond information by market participants would continue.

Specific Request for Comment

Question #1:

> **Should there be a mandatory requirement to report and disseminate information related to designated government debt securities? What are the benefits and disadvantages of this and the alternative approaches?**

Question #2:

> **Should dealers be subject to order and/or trade transparency requirements for government fixed income securities? If so, should they be required to report order information, trade data or both?**

Question #3:

> **What type of pre-trade information should be disseminated? Should it include indications of interest?**

Question #4:

> **Are the reporting timelines appropriate – i.e. order information in real time and trade information within one hour of the time of the trade?**

Question #5:

> **Are the volume caps applicable to government fixed income securities set out in the Companion Policy to NI 21-101 adequate? Should there be further tiering of volume caps for the different types of government bond securities?**

B. Transparency for Corporate Debt Securities

The current transparency requirements for corporate fixed income securities set out in NI 21-101 are different than those applicable to government debt securities. Specifically, while IDBs and ATSs are required to provide both order and trade

information for government debt securities to an information processor,[13] NI 21-101 only requires marketplaces to report order information for corporate bond securities to the information processor[14] and marketplaces, IDBs and dealers to report corporate bond trade information.[15] We will maintain the requirements with respect to the corporate debt securities. Specifically, marketplaces, IDBs and dealers would continue to be required to provide post-trade information regarding designated corporate debt securities to an information processor, subject to volume caps (within one hour of the trade).[16]

Specific Request for Comment

Question #6:

> **Should we require pre-trade transparency for corporate fixed income securities? If so, should the requirements be applicable to marketplaces only or should they also apply to dealers?**

Question #7:

> **Should the time for reporting the trades be reduced (for example, should all trades be reported and disseminated in real time)?**

C. Designated Fixed Income Securities

Currently, CanPX requires certain marketplaces and dealer to report trade information for designated corporate fixed income securities.[17] These designated securities are highly liquid, represent all major industrial groups of issuers, different maturity terms, and cover a majority of trade flow within the corporate bond markets. For these reasons, they are considered the corporate debt securities of broader interest to retail investors.

CanPX is also responsible for selecting the designated corporate fixed income securities, based on input from members of the IDA's Capital Markets Committee. The process for selection of corporate bond securities for inclusion takes place on a quarterly basis, and CanPX is also responsible for communicating this list to its subscribers. Over time, the number of designated corporate debt securities has more than doubled, with 50 corporate bond securities currently being reported.[18]

The Canadian securities regulatory authorities expect that, for government fixed income securities, the information processor would also designate securities representative of the government fixed income market. For example, in order to help ensure that a level of transparency that is useful to investors is achieved, the most liquid government bond securities would qualify as designated securities.

Specific Request for Comment

Question #8:

> **Has the process for designating benchmark corporate fixed income securities been effective? Please explain your response.**

Question #9:

> **Has there been sufficient progress, both regulatory and industry-driven, regarding fixed income transparency to date? For retail investors? For large and small institutional investors?**

D. Electronic Audit Trail Requirements

Background

In June 2003, the CSA formed the Industry Committee on Trade Reporting and Electronic Audit Trail Standards (TREATS Committee), to review the appropriate standards for data consolidation and the electronic audit trail requirements. On July 26, 2004, the TREATS Committee submitted a report providing its recommendations (TREATS Report).[19] Based on the TREATS

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13 NI 21-101, section 8.1.
14 Currently, the information processor does not require reporting of order information.
15 NI 21-101, section 8.2.
16 Proposed amendments to NI 21-101, subsection 1.1(6) and proposed 8.2(3), 8.2(4), 8.2(5) and proposed amendments to Companion Policy 21-101CP, subsection 10.1(3).
17 IDA Bulletin #3289 released May 19, 2004.
18 The most recent list of designated corporate bond securities can be found at http://www.canpx.ca/selectioncriteria.jsp.
19 The Report is found at Appendix A to CSA Staff Notice 23-302 – Joint Regulator Notice – Electronic Audit Trail Initiative (TREATS) published on April 15, 2005 at (2005) 28 OSCB 3561.

Report, the CSA joined with Market Regulation Services Inc. (RS), the Bourse de Montréal Inc. (Bourse), the Investment Dealers Association of Canada (IDA) and the Mutual Fund Dealers Association of Canada (MFDA) (together, the Regulators) to investigate, design and implement a solution to facilitate compliance with the audit trail requirements introduced in NI 23-101.

In April 2004, the Regulators selected a consultant to prepare documentation to identify and further clarify the high-level requirements for the Regulators' facility for requesting and receiving audit trail information from dealers and marketplaces. These high-level requirements formed the basis of a Request for Information (RFI) that was used to solicit recommendations on how best to fulfill the objectives of TREATS from both technical and operational perspectives. The RFI process officially concluded in December, 2004.

After considering the recommendations of the TREATS Committee as set out in the TREATS Report, and the responses to the RFI, the Regulators developed more detailed requirements for the electronic facility, and decided to replace the existing Standard Electronic Client Transaction Reporting System (SELECTR) data format specification and the associated REGNET system used by some of the Regulators.

In December 2005, the Regulators also determined that it would be appropriate to defer the inclusion of mutual funds from the scope of the TREATS initiative to a future date, having regard to such factors as the significant differences in the manner in which mutual funds are traded as compared to other categories of securities. As a result of the Regulators' decision to defer inclusion of mutual funds in the TREATS initiative, the MFDA did not participate directly in the Request for Proposal (RFP) process.

The TREATS project includes the following tasks:

1. Developing a facility to communicate, validate and track reporting requests (responsibility of Regulators);

2. Establishing technology requirements of the interfaces between the facility and Regulators as well as between the facility and dealers (responsibility of Regulators);

3. Identifying "Automatic" and "On-Request" Business Use Cases (responsibility of Regulators); and

4. Implementing recording and business processes that will enable dealers to respond to Regulators' requests (responsibility of dealers and marketplaces).[20]

The RFP addressed the first two tasks and was issued on March 13, 2006.[21] It is intended to solicit firm proposals from suppliers to address the business and technical requirements for the TREATS solution and to provide information that will help the Regulators in their selection process and the decision whether to move forward with this initiative.

The Regulators, with the assistance of a consultant, have been meeting with representatives from dealers, marketplaces and service providers to establish and confirm documentation of data modeling to assist the Regulators' and market participants' efforts to achieve the objectives of TREATS. One of the purposes of the data modeling has been to confirm the information that must be electronically recorded and available.

Responses to the RFP have been received. Some data modeling remains and it is our intention to complete the preliminary work by September 2006. After it is completed, it is expected that a cost benefit analysis will be done. The decision whether to proceed with building the facility and the steps going forward will depend upon the results of the data modeling and the cost benefit analysis conducted by the Regulators. This decision will likely take place in the fall of 2006, however, the timelines and steps may change.

The date for implementation of the requirements set out in NI 23-101 needs to be amended to reflect the above timelines and remaining data modeling work. Although the CSA will be involved in any decision concerning TREATS, the rule has been amended to specifically provide for implementation by the SROs to allow for a more flexible implementation approach without requiring additional rule-making. For these reasons, and to clarify some of the current record keeping responsibilities, NI 23-101 has been amended as follows:

1. The reference in subsection 11.2(6) to January 1, 2007 has been changed to January 1, 2010;

2. An exemption has been provided to dealers and IDBs complying with similar electronic audit trail requirements that are established by a regulation services provider and approved by the applicable securities regulatory authority to provide flexibility for implementation;[22]

[20] On March 17, 2006, a Joint CSA-SRO Notice entitled "Status of the Transaction Reporting and Electronic Audit Trail System (TREATS)" was published in Volume 29, Issue 11 of the OSC Bulletin, and summarizes the key developments in the project.

[21] The RFP can be found at Market Regulation / Special Projects / TREATS on the OSC web site.

3. A ten business day time period to transmit information as required by a securities regulatory authority or a regulation services provider has been set out;[23]

4. The scope of the applicable securities has been changed to allow for a phase-in of requirements;

5. A seven-year record preservation requirement, similar to existing requirements on marketplaces in NI 21-101 has been added;[24] and

6. Order marker references have been changed to correspond with requirements of a regulation services provider.[25]

E. Clarification of Best Execution and Other Obligations in a Multiple Marketplace Environment

When the ATS Rules came into force in 2001, we postponed the implementation of the requirement that pre-trade and post-trade information be sent to a data consolidator because of the cost of developing the data consolidator and the uncertainty with respect to how the market would develop. We also postponed market integration to see how many new marketplaces would develop before making a commitment to a particular solution for integration.

We struck an industry committee to review data consolidation and market integration for the equity markets.[26] In 2003, based on the recommendations of the industry committee, we deleted the data consolidation and market integration requirements for exchange-traded securities from the ATS Rules and required instead that, in the absence of an information processor, marketplaces must send information on orders and trades for equities to an information vendor that meets the standards set by the regulation services provider. While we acknowledged that transparency and access to marketplaces are key elements to reducing the impact of fragmentation, we accepted the industry's view that a data consolidator or market integrator may not be necessary. The focus was shifted to ensuring compliance with best execution requirements for dealers and fair access requirements for marketplaces (which would make the information available through the information vendors). The CSA confirmed its expectations in section 11.5 of Companion Policy NI 21-101CP:

> Although the Canadian securities regulatory authorities have removed the concept of a market integrator, we continue to be of the view that market integration is important to our marketplaces. We expect to achieve market integration by focusing on compliance with fair access and best execution requirements. We will continue to monitor developments to ensure that the lack of a market integrator does not unduly affect the market.

We remain of the view that availability of pre-trade and post-trade information is essential to facilitate best execution and market integrity, especially with multiple marketplaces trading the same securities. Under current requirements, dealers should be taking into consideration information from all marketplaces trading the same securities and taking steps to access orders. This is consistent with the views expressed in the industry committee report that "pre-and post-trade data consolidation is necessary in Canada amongst marketplaces offering execution on the same securities". Although our review of trade-through and best execution generally is ongoing, we believe that it is important to clarify our expectations on this particular issue. As a result, we propose to amend the Companion Policy to NI 23-101 by adding the following section:

> In order to meet best execution obligations, we expect that a dealer will take into account order information from all marketplaces where a particular security is traded (not just marketplaces where a dealer is a participant) and take steps to access orders, as appropriate. This may include making arrangements with another dealer who is a participant of a particular marketplace or routing an order to a particular marketplace, where appropriate.[27]

F. Requirements for and Status of Information Processors for Debt and Equity

1. Equity

As set out above, based on the recommendations of the industry committee, in the amendments to the ATS Rules we made in 2003 we required that information on orders and trades for exchange-traded securities be sent to an information vendor. Although there would not be a data consolidator, use of consolidated data was still expected. The following key objectives of data consolidation were set out in the industry committee report:

- Provide visibility and transparency to all key stakeholders of continuous marketplaces' pre- and post-trade information;

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22 Proposed amendments to NI 23-101, subsection 11.2(8)
23 Proposed amendments to NI 23-101 subsection 11.2(5).
24 Proposed amendments to NI 23-101, subsection 11.2(7).
25 Proposed amendments to NI 23-101, subsection 11.2(1)(s).
26 The report of the industry committee is dated March 2, 2003 and was published on June 13, 2003 at (2003) 26 OSCB 4385.
27 Proposed amendments to Companion Policy 23-101CP, subsection 4.1(8).

- Facilitate best execution while allowing flexible trading methodologies;
- Facilitate effective market regulation and market integrity;
- Minimize additional costs to the investment community; and
- Allow key stakeholders to utilize existing technology capabilities and commercial relationships.

Currently, there is no information processor for equity securities. However, we continue to believe that consolidation of data is important to address best execution and market integrity issues, especially in a multiple marketplace environment. Now that we have seen the emergence of multiple marketplaces, we may need to re-visit the issue of whether a market-driven solution to data consolidation is sufficient. However, at this time, we believe that an information processor would ensure that a central source of consolidated data that is consistent and meets the standards approved by the regulators exists and encourage any interested parties to apply as an information processor for the purpose of consolidating pre-trade and post-trade information for the equity markets. We are publishing with this Notice a separate notice to request that interested parties apply as an information processor for equity securities.

2. Debt

The 2003 ATS Rules retained transparency and data consolidation requirements for corporate debt securities, for which CanPX had recently been approved as the information processor. Government debt securities, however, were exempted from the transparency (and, therefore, data consolidation) requirements until December 31, 2006.

We note that CanPX's approval as the information processor for the debt markets expires on December 31, 2006. To the extent that transparency of more debt securities, including government debt securities, is phased in, the importance of having a robust system increases. While we will be considering extending CanPX's approval, we are publishing with this Notice a separate notice to invite other entities that are positioned for the role to apply.

G. Other Amendments

There are a number of other amendments that we have made to the ATS Rules. Most of them are being made to clarify the existing provisions. They are summarized below:

1. NI 21-101

- amendments to the definition of a "government debt security" for consistency with definitions in existing legislation[28]
- clarification that the dealer registration exemptions are not available to an ATS because it is also a marketplace and different considerations apply[29]
- amendment to post-trade information requirements to refer to "trades" to correct a clerical error[30]
- deletion of the section exempting exchange-traded securities that are options or foreign exchange-traded securities that are options until January 1, 2007 so that transparency requirements will apply[31]
- addition of section setting out the obligations of an information processor[32]
- addition of a section for a marketplace to comply with the requirements of an information processor[33]
- amendments to conform marketplace recordkeeping requirements with dealer requirements[34]
- addition of a section to require a marketplace to publish technology requirements for two months prior to operating and to provide testing facilities for one month prior[35]

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[28] Proposed amendments to NI 21-101, section 1.1
[29] Proposed amendments to NI 21-101, section 6.2 and Companion Policy 21-101CP, subsection 3.4(6).
[30] Proposed amendments to NI 21-101, sections 7.2 and 7.4.
[31] Proposed amendments to NI 21-101, section 7.5 and Companion Policy 21-101CP, subsection 9.1(5).
[32] Proposed amendments to NI 21-101, section 7.6.
[33] Proposed amendments to NI 21-101, section 7.7.
[34] Proposed amendments to NI 21-101, sections 11.2(2) and 11.2(3).
[35] Proposed amendments to NI 21-101, section 12.3.

2. Forms 21-101F1, 21-101F2, 21-101F3, 21-101F4, 21-101F5 and 21-101F6

- amendments to Form 21-101F2 Initial Operation Report for Alternative Trading System to clarify the information required about clearing and settlement[36]

- amendments to Form 21-101F5 Initial Operation Report for Information Processor dealing with corporate governance, systems and operations, fees and the selection of securities reported to the information processor[37]

3. Companion Policy 21-101CP

- clarification that marketplace information must include identification of the marketplace and other relevant information[38]

4. NI 23-101

- clarification of jurisdictions that have provisions in their legislation that deal with manipulation and fraud and are not subject to the manipulation and fraud provisions in NI 23-101[39]

- clarification that a regulation services provider monitors the conduct of members of a recognized exchange or recognized quotation and trade reporting system and not the conduct of the recognized exchange or recognized quotation and trade reporting system[40]

5. Companion Policy 23-101CP

- clarification of best execution obligations of a dealer to take into consideration order information from all marketplaces and take steps to access orders[41]

V. SPECIFIC REQUESTS FOR COMMENTS

In summary, we specifically request comment on the following issues:

Question #1:

Should there be a mandatory requirement to report and disseminate information related to designated government debt securities? What are the benefits and disadvantages of this and the alternative approaches?

Question #2:

Should dealers be subject to order and/or trade transparency requirements for government fixed income securities? If so, should they be required to report order information, trade data or both?

Question #3:

What type of pre-trade information should be disseminated? Should it include indications of interest?

Question #4:

Are the reporting timelines appropriate – i.e. order information in real time and trade information within one hour of the time of the trade?

Question #5:

Are the volume caps applicable to government fixed income securities set out in the Companion Policy to NI 21-101 adequate? Should there be further tiering for the different types of government bond securities?

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36 Proposed amendments to Form 21-101F2, Exhibit G.
37 Proposed amendments to Form 21-101F5, Parts 1, 2, 4, 6.
38 Proposed amendments to Companion Policy 21-101CP, section 9.1(2).
39 Proposed amendments to NI 23-101, subsection 3.1(2), Companion Policy 23-101CP, section 2.1 and subsection 3.1(2).
40 Proposed amendments to NI 23-101, subsections 7.2(a) and 7.4(a).
41 Proposed amendments to Companion Policy NI 23-101CP, subsection 4.1(8).

Question #6:

Should we require pre-trade transparency for corporate fixed income securities? If so, should the requirements be applicable to marketplaces only or should they also apply to dealers?

Question #7:

Should the time for reporting the trades be reduced (for example, should all trades be reported and disseminated in real time)?

Question #8:

Has the process for designating benchmark corporate fixed income securities been effective? Please explain your response.

Question #9:

Has there been sufficient progress, both regulatory and industry-driven, regarding fixed income transparency to date? For retail investors? For large and small institutional investors?

VI. AUTHORITY FOR THE PROPOSED AMENDMENTS

In those jurisdictions in which the Proposed Amendments are to be adopted, the securities legislation provides the securities regulatory authority with rule-making or regulation-making authority in respect of the subject matter of the Proposed Amendments.

In Ontario, the proposed amendments to NI 21-101 and the Forms are being made under the following provisions of the *Securities Act* (Ontario) (Act):

- Paragraph 143(1)1 of the Act authorizes the Commission to make rules prescribing requirements in respect of applications for registration and the renewal, amendment, expiration or surrender of registration and in respect of suspension, cancellation or reinstatement of registration.

- Paragraph 143(1)2 authorizes the Commission to make rules prescribing categories or sub-categories of registrants, classifying registrants into categories or sub-categories and prescribing the conditions of registration or other requirements for registrants or any category or sub-category.

- Paragraph 143(1)7 authorizes the Commission to make rules prescribing requirements in respect of the disclosure or furnishing of information to the public or the Commission by registrants.

- Paragraph 143(1)10 authorizes the Commission to make rules prescribing requirements in respect of the books, records and other documents required by subsection 19(1) of the Act to be kept by market participants (as defined in the Act), including the form in which and the period for which the books, records and other documents are to be kept.

- Paragraph 143(1)11 authorizes the Commission to make rules regulating the listing or trading of publicly traded securities including requiring reporting of trades and quotations.

- Paragraph 143(1)12 authorizes the Commission to make rules regulating recognized stock exchanges, recognized self-regulatory organizations, and recognized quotation and trade reporting systems including prescribing requirements in respect of the review or approval by the Commission of any by-law, rule, regulation, policy, procedure, interpretation or practice.

- Paragraph 143(1)13 authorizes the Commission to make rules regulating trading or advising in securities to prevent trading or advising that it is fraudulent, manipulative, deceptive or unfairly detrimental to investors.

- Paragraph 143(1)39 authorizes the Commission to make rules requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by the Act, the regulation or the rules and all documents determined by the regulations or the rules to be ancillary to the documents.

In Ontario, the proposed amendments to NI 23-101 are being made under the following provisions of the Act:

- Paragraph 143(1)10 authorizes the Commission to make rules prescribing requirements in respect of the books, records and other documents required by subsection 19(1) of the Act to be kept by market participants (as defined in the Act), including the form in which and the period for which the books, records and other documents are to be kept.

- Paragraph 143(1)12 authorizes the Commission to make rules regulating recognized stock exchanges, recognized self-regulatory organizations, and recognized quotation and trade reporting systems including prescribing requirements in respect of the review or approval by the Commission of any by-law, rule, regulation, policy, procedure, interpretation or practice.

- Paragraph 143(1)13 authorizes the Commission to make rules regulating trading or advising in securities to prevent trading or advising that it is fraudulent, manipulative, deceptive or unfairly detrimental to investors.

VII. COMMENTS AND QUESTIONS

We invite all interested parties to make written submissions with respect to the Proposed Amendments. Submissions received by October 12, 2006 will be considered.

You should send submissions to all of the CSA listed below in care of the OSC, in duplicate, as indicated below:

Alberta Securities Commission
British Columbia Securities Commission
Manitoba Securities Commission
New Brunswick Securities Commission
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Nova Scotia Securities Commission
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut
Ontario Securities Commission
Prince Edward Island Securities Office
Saskatchewan Financial Services Commission
Registrar of Securities, Government of Yukon

c/o John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8
E-mail: jstevenson@osc.gov.on.ca

Submissions should also be addressed to the Autorité des marchés financiers (Québec) as follows:

Madame Anne-Marie Beaudoin
Directrice du secrétariat
Autorité des marchés financiers
800, square Victoria, 22e étage
C.P. 246, tour de la Bourse
Montréal, Québec H4Z 1G3
Telephone:514-940-2150
Fax:514-864-6381
e-mail:consultation-en-cours@lautorite.qc.ca

A diskette containing the submissions should also be submitted. As securities legislation in certain provinces requires a summary of written comments received during the comment period be published, confidentiality of submissions cannot be maintained.

Questions may be referred to any of:

Randee Pavalow
Ontario Securities Commission
(416) 593-8257

Cindy Petlock
Ontario Securities Commission
(416) 593-2351

Ruxandra Smith
Ontario Securities Commission
(416) 593-2317

Tony Wong
British Columbia Securities Commission
(604) 899-6764

Shaun Fluker
Alberta Securities Commission
(403) 297-3308

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Manitoba Securities Commission
(204) 945-0605

Serge Boisvert
Autorité des marchés financiers
(514) 395-0558 X 4358

July 14, 2006

AMENDMENTS TO NATIONAL INSTRUMENT 21-101 MARKETPLACE OPERATION

PART 1 AMENDMENTS

1.1 Amendments

(1) This Instrument amends National Instrument 21-101 *Marketplace Operation*.

(2) Part 1 is amended by repealing the definition of "government debt security" and substituting the following definition:

"government debt security" means

(a) a debt security issued or guaranteed by the government of Canada, or any province or territory of Canada,

(b) a debt security issued or guaranteed by any municipal corporation in Canada, or secured by or payable out of rates or taxes levied under the law of a jurisdiction of Canada on property in the jurisdiction and to be collected by or through the municipality in which the property is situated,

(c) a debt security of a crown corporation,

(d) in Ontario, a debt security of any school board in Ontario or of a corporation established under section 248(1) of the *Education Act* (Ontario), or

(e) in Québec, a debt security of the Comité de gestion de la taxe scolaire de l'île de Montréal

that is not listed on a recognized exchange or quoted on a recognized quotation and trade reporting system or listed on an exchange or quoted on a quotation and trade reporting system that has been recognized for the purposes of this Instrument and NI 23-101;

(3) Section 6.2 is repealed and the following substituted:

Except as provided in this Instrument, the registration exemptions applicable to dealers under securities legislation are not available to an ATS.

(4) Part 7 is amended by:

a. striking out the reference in section 7.2 to "orders" and substituting "trades";

b. striking out the reference in section 7.4 to "orders" and substituting "trades";

c. repealing section 7.5; and

d. adding the following:

7.6 Consolidated Feed – Exchange-Traded Securities – An information processor shall produce an accurate and timely consolidated feed showing the information provided to the information processor under sections 7.1 and 7.2.

7.7 Compliance with Requirements of an Information Processor – A marketplace shall comply with the reasonable requirements of the information processor to which it is required to provide information under this Part.

(5) Part 8 is amended by

a. repealing subsection 8.1(1) and substituting the following:

A marketplace that displays orders of government debt securities to a person or company shall provide accurate and timely information regarding orders for designated government debt securities displayed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

b. repealing subsection 8.1(3) and substituting the following:

A marketplace shall provide accurate and timely information regarding details of trades of designated government debt securities executed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

c. repealing subsection 8.1(4) and substituting the following:

An inter-dealer bond broker shall provide accurate and timely information regarding orders for designated government debt securities executed through the inter-dealer bond broker to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

d. repealing subsection 8.1(5) and substituting the following:

An inter-dealer bond broker shall provide accurate and timely information regarding details of trades of designated government debt securities executed through the inter-dealer bond broker to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

e. repealing subsection 8.2(1) and substituting the following:

A marketplace that displays orders of corporate debt securities to a person or company shall provide accurate and timely information regarding orders for designated corporate debt securities displayed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

f. repealing subsection 8.2(3) and substituting the following:

A marketplace shall provide accurate and timely information regarding details of trades of designated corporate debt securities executed on the marketplace to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

g. repealing subsection 8.2(4) and substituting the following:

An inter-dealer bond broker shall provide accurate and timely information regarding details of trades of designated corporate debt securities executed through the inter-dealer bond broker to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

h. repealing subsection 8.2(5) and substituting the following:

A dealer executing trades of corporate debt securities outside of a marketplace shall provide accurate and timely information regarding details of trades of designated corporate debt securities traded by or through the dealer to an information processor, as required by the information processor, or if there is no information processor, to an information vendor that meets the standards set by a regulation services provider, as required by the regulation services provider;

i. repealing section 8.5 and substituting the following:

8.5 **Reporting requirements for the information processor -** The information processor shall report, within 30 days after the end of each calendar quarter, the process and criteria for selection of the designated government debt securities and designated corporate debt securities and the list of designated government debt securities and designated corporate debt securities. The information processor shall also report, within 30 days after the end of each calendar year, the process to communicate the designated securities to the marketplaces, inter-dealer bond brokers and dealers providing the information as required by the Instrument, including where the list of designated

securities can be found.

(6) Part 11 is amended by repealing section 11.2(2) and substituting the following:

11.2(2) Transmittal of Order Information – A marketplace shall transmit to a securities regulatory authority or a regulation services provider, if it has entered into an agreement with a regulation services provider in accordance with NI 23-101, the information required by the securities regulatory authority or a regulation services provider, within ten business days, in electronic form as required by the securities regulatory authority or regulation services provider.

11.2(3) Electronic Form – The record kept by a marketplace under section 11.1 and subsection 11.2(1) and the transmission of information to a securities regulatory authority or a regulation services provider under subsection 11.2(2) shall be in electronic form as prescribed by a securities regulatory authority or a regulation services provider.

(7) Part 12 is amended by adding the following section 12.3:

12.3 Availability of technology specifications and testing facilities – (1) For at least two months immediately prior to operating, a marketplace shall make available to the public any technology requirements regarding interfacing with or access to the marketplace.

(2) After the technology requirements set out in subsection (1) have been published, a marketplace shall make available to the public, for at least one month, testing facilities for interfacing with and access to the marketplace.

(8) Appendix A to National Instrument 21-101 *Marketplace Operation* is repealed.

AMENDMENTS TO COMPANION POLICY 21-101CP

PART 1 AMENDMENTS

1.1 Amendments

(1) This amends Companion Policy 21-101CP.

(2) Section 3.4 is amended by:

a. adding a new subsection 3.4(6):

3.4(6) Any registration exemptions that may otherwise be applicable to a dealer under securities legislation are not available to an ATS, even though it is registered as a dealer (except as provided in the Instrument), because of the fact that it is also a marketplace and different considerations apply; and

b. renumbering the subsections accordingly.

(3) Section 9.1 is amended by:

a. adding a new subsection 9.1(2):

9.1(2) To comply with subsections 7.1 and 7.2 of the Instrument, any information provided by a marketplace to an information processor or information vendor must include identification of the marketplace and should contain all relevant information including details as to volume, symbol, price and time of the order or trade;

b. repealing subsection 9.1(5); and

c. renumbering the subsections accordingly.

(4) Part 10 is amended by

a. repealing subsection 10.1(1) and substituting the following:

10.1(1) The Canadian securities regulatory authorities expect that requiring marketplaces, inter-dealer bond brokers and dealers to provide order and/or trade information, as applicable, to an information processor or information vendor would lead to increased transparency. Allowing the information processor or, in the absence of an information processor, the regulation services provider for the fixed income markets, to designate the securities for which this information should be reported would help ensure that increased transparency is achieved while allowing flexibility in meeting transparency requirements. The Canadian securities regulatory authorities will continue to review the transparency requirements to determine whether the requirements summarized in subsections (2) and (3) below should be amended.

b. repealing subsection 10.1(2) and substituting the following:

10.1(2) The requirements of the information processor for government debt securities are as follows:

(a) Marketplaces displaying orders of government debt securities and inter-dealer bond brokers are required to provide in real time information for all orders displayed on the marketplace with respect to the government debt securities designated by the information processor, including the marketplace or inter-dealer bond broker displaying the quote, type of security, issuer, series, coupon and maturity of security, best bid and best ask price for all orders, the yield and total disclosed volume for such orders, and time of the order,

(b) Marketplaces trading government debt securities and inter-dealer bond brokers are required to provide, no later than one hour from the time of the trade, or such shorter period of time determined by the information processor, details of trades of government debt securities designated by the information processor, including details as to the type of counterparty, issuer, type of security, series, coupon and maturity of security, price, yield, time of the trade and the volume traded. If the total par value of a trade for a designated government debt

security issued or guaranteed by the government of Canada is greater than $10 million, the trade details provided to the information processor are to be reported as "$10 million+". If the total par value of a trade of any other government debt security is greater than $2 million, the trade details provided to the information processor are to be reported as "$2 million+",

(c) A marketplace or an inter-dealer bond broker will satisfy the requirements in subsections 8.1(1), 8.1(3), 8.1(4) and 8.1(5) of the Instrument by providing accurate and timely information to an information vendor that meets the standards set by the regulation services provider for the fixed income markets;

c. repealing subsection 10.1(3) and substituting the following:

10.1(3) The requirements of the information processor for corporate debt securities are as follows:

(a) Marketplaces trading corporate debt securities, inter-dealer bond brokers and dealers trading corporate debt securities outside of a marketplace are required to provide details of trades of all corporate debt securities designated by the information processor, including details as to the type of counterparty, issuer, type of security, class, series, coupon and maturity, price and time of the trade and, subject to the caps set out below, the volume traded, no later than one hour from the time of the trade or such shorter period of time determined by the information processor. If the total par value of a trade of an investment grade corporate debt security is greater than $2 million, the trade details provided to the information processor are to be reported as "$2 million+". If the total par value of a trade of a non-investment grade corporate debt security is greater than $200,000, the trade details provided to the information processor are to be reported as "$200,000+".

(b) Although subsection 8.2(1) of the Instrument requires marketplaces to provide information regarding orders of corporate debt securities, the information processor has not required this information to be provided.

(c) A marketplace, an inter-dealer bond broker or a dealer will satisfy the requirements in subsections 8.2(1), 8.2(3), 8.2(4) and 8.2(5) of the Instrument by providing accurate and timely information to an information vendor that meets the standards set by the regulation services provider for the fixed income markets.

d. adding a new subsection 10.1(6):

10.1(6) The information processor is required to use transparent criteria and a transparent process to select the designated government debt securities and designated corporate debt securities. The information processor is also required to make the criteria and the process publicly available;

e. renumbering the remaining subsections accordingly.

f. renumbering section 10.2 as 10.3.

AMENDMENTS TO FORM 21-101F2 – INITIAL OPERATION REPORT ALTERNATIVE TRADING SYSTEM

PART 1 AMENDMENTS

(1) This amends Form 21-101F2 *Initial Operation Report Alternative Trading System*.

(2) Exhibit G is amended by adding the following at the end of item 5:

Where applicable, the description should include, at a minimum: the parties involved in settling the trades; the trades being settled; and the procedures to manage counterparty and settlement risk.

AMENDMENTS TO FORM 21-101F5 – INITIAL OPERATION REPORT FOR INFORMATION PROCESSOR

PART 1 AMENDMENTS

(1) This amends Form 21-101F5 *Initial Operation Report for Information Processor*.

(2) Part 1 Corporate Governance is amended by:

a. adding "identifying the processes and procedures which promote independence from the marketplaces, inter-dealer bond brokers and dealers that provide data" in the description of Exhibit A;

b. adding "identifying those individuals with overall responsibility for the integrity and timeliness of data reported to and displayed by the system (the "System") of the information processor after "the previous year" in the description of Exhibit C; and

c. adding "identifying the employees responsible for monitoring the timeliness and integrity of data reported to and displayed by the System." at the end of the first sentence of the description of Exhibit E.

(3) Part 2 Systems and Operations is amended by:

a. replacing "the system (the "System") of the information processor" with "the System" in the description of Exhibit G;

b. adding "including data validation processes" at the end of subsection 2 of the description of Exhibit G;

c. replacing the description of Exhibit H with:

A description in narrative form of each service or function performed by the information processor. Include a description of all procedures utilized for the collection, processing, distribution, validation and publication of information with respect to orders and trades in securities; and

d. removing the last sentence of the description of Exhibit J and replacing it with:

Describe any measures used to verify the timeliness and accuracy of information received and disseminated by the system, including the processes to resolve data integrity issues identified.

(4) Part 4 Fees is amended by:

a. adding "and Revenue Sharing" to the title; and

b. adding "Where arrangements to share revenue from the sale of data disseminated by the information processor with marketplaces, inter-dealer bond brokers and dealers that provide data to the information processor in accordance with National Instrument 21-101 are in place, a complete description of the arrangements and the basis for these arrangements." at the end of the description of Exhibit O.

(5) The following section is added after Part 5:

6. – Selection of securities reported to the information processor

Where the information processor is responsible for making a determination of the data which must be reported, including the securities for which information must be reported in accordance with National Instrument 21-101, describe the manner of selection and communication of these securities. This description should include the following:

1. The criteria used to determine which securities should be reported to the information processor.

2. The process for selection of the securities, including a description of the parties consulted in the process and the frequency of the selection process.

3. The process to communicate the securities selected to the marketplaces, inter-dealer bond brokers and dealers providing the information as required by National Instrument 21-101. The description should include where this information is located.

AMENDMENTS TO NATIONAL INSTRUMENT 23-101 TRADING RULES

PART 1 AMENDMENTS

1.1 Amendments

(1) This Instrument amends National Instrument 23-101 *Trading Rules*.

(2) Part 3 is amended by repealing subsection 3.1(2) and substituting the following:

In Alberta, British Columbia, Ontario, Québec and Saskatchewan, instead of subsection (1), the provisions of the *Securities Act* (Alberta), the *Securities Act* (British Columbia), the Securities Act (Ontario), the *Securities Act* (Ontario), the Securities Act (Québec) and *The Securities Act, 1988* (Saskatchewan), respectively, relating to manipulation and fraud apply.

(3) Part 7 is amended by

a. striking out “recognized exchange and its members” and substituting “members of a recognized exchange” in subsection 7.2(a); and

b. striking out “recognized quotation and trade reporting system and its users” and substituting “users of a recognized quotation and trade reporting system” in subsection 7.4(a).

(4) Part 11 is amended by

a. adding subsection 11.1(2):

A dealer or inter-dealer bond broker is exempt from this Part if the dealer or inter-dealer bond broker complies with similar requirements, for any securities specified, established by a regulation services provider and approved by the applicable securities regulatory authority.

b. in subsection 11.2(1) by striking out “Immediately following the receipt or origination of an order for securities” and substituting “Immediately following the receipt or origination of an order for equity, fixed income and other securities identified by a regulation services provider”;

c. in subsection 11.2(1)(q), striking out the word “and”;

d. in subsection 11.2(1)(r), striking out “an insider marker” and adding “an insider marker; and”

e. adding the following subsection 11.2(1)(s): “any other markers required by a regulation services provider.”;

f. in subsection 11.2(5), deleting “in the format and at the time required by a securities regulatory authority or the regulation services provider” and substituting “, within 10 business days, in electronic form as required by a securities regulatory authority or the regulation services provider”;

g. deleting subsection 11.2(6) and substituting the following:

Electronic Form – The record kept by the dealer and inter-dealer bond broker under subsections (1) through (4) and the transmission of information to a securities regulatory authority or a regulation services provider under subsection (5) shall be in electronic form by January 1, 2010; and

h. adding subsection 11.2(7):

Record preservation requirements – A dealer and an inter-dealer bond broker shall keep all records for a period of not less than seven years from the creation of a record referred to in this section, and for the first two years in a readily accessible location.

AMENDMENTS TO COMPANION POLICY 23-101CP – TO NATIONAL INSTRUMENT 23-101 TRADING RULES

PART 1 AMENDMENTS TO COMPANION POLICY 23-101CP TRADING RULES

1.1 Amendments

(1) This amends Companion Policy 23-101CP.

(2) Section 2.1 is amended by deleting the last sentence and substituting the following: “The exemption from subsection 3.1(1) does not apply in Alberta, British Columbia, Ontario, Québec and Saskatchewan and the relevant provisions of securities legislation apply.

(3) Subsection 3.1(2) is amended by deleting the first sentence and substituting the following: “Subsection 3.1(2) of the Instrument provides that despite subsection 3.1(1) of the Instrument, the provisions of the *Securities Act* (Alberta), the *Securities Act* (British Columbia), the *Securities Act* (Ontario), the *Securities Act* (Québec) and *The Securities Act, 1988* (Saskatchewan), respectively, relating to manipulation and fraud apply in Alberta, British Columbia, Ontario, Québec and Saskatchewan."

(4) Part 4 is amended by:

a. in subsection 4.1(7), in the second sentence, adding at the end of the sentence “or, if there is no information processor, by an information vendor that meets that standards set out by a regulation services provider.”;

b. adding subsection 4.1(8):

In order to meet best execution obligations, we expect that a dealer will take into account order information from all marketplaces where a particular security is traded (not just marketplaces where a dealer is a participant) and take steps to access orders, as appropriate. This may include making arrangements with another dealer who is a participant of a particular marketplace or routing an order to a particular marketplace, where appropriate.

(5) Part 8 is amended by:

a. in section 8.1 adding the following after the first sentence: Information to be recorded includes any markers required by a regulation services provider (such as a significant shareholder marker).

b. in section 8.2 deleting “in the format and at the time required by a securities regulatory authority or the regulation services provider” and substituting “, within 10 business days, in electronic format as required by a securities regulatory authority or the regulation services provider”; and

c. deleting section 8.3 and substituting the following:

Subsection 11.2(6) of the Instrument requires dealers and inter-dealer bond brokers to transmit certain information to a securities regulatory authority or a regulation services provider in electronic form as prescribed by a securities regulatory authority or a regulation services provider. The Canadian securities regulatory authorities and the self-regulatory entities are working with the industry to develop standards for these requirements.

6.1.2 CSA Notice 21-304 - Request for Filing of Form 21-101F5 Initial Operation Report for Information Processor by Interested Information Processors

CANADIAN SECURITIES ADMINISTRATORS' NOTICE 21-304
REQUEST FOR FILING OF FORM 21-101F5 INITIAL OPERATION REPORT
FOR INFORMATION PROCESSOR BY INTERESTED INFORMATION PROCESSORS

I. Background

National Instrument 21-101 - *Marketplace Operation* (NI 21-101) (which, together with National Instrument 23-101 - *Trading Rules* are hereafter referred to as the ATS Rules) sets out pre-trade and post-trade transparency requirements for marketplaces that trade exchange-traded securities, and for marketplaces, inter-dealer bond brokers (IDBs) and dealers that trade government and corporate debt securities.[1] For government debt securities, the requirements for marketplaces and IDBs to provide order and trade information have been postponed until December 31, 2006. On today's date, the Canadian Securities Administrators (CSA) have published a proposal to provide additional transparency for government debt securities.[2]

II. Current Status of Information Processors for debt and equity

i. Equity

As set out in the Notice of Proposed Amendments which is being published today, we made amendments in 2003 to the ATS Rules to require information on orders and trades for exchange-traded securities to be sent to an information processor, or if there is no information processor, then to an information vendor. Currently there is no information processor for the equity marketplaces.

We remain of the view that availability of pre-trade and post-trade information is essential to facilitate best execution and market integrity, especially with multiple marketplaces trading the same securities. Under current requirements, dealers and regulators need to take into consideration information from all marketplaces trading the same securities and take appropriate steps to access orders. We believe that an information processor would facilitate a central source of consolidated data that is consistent, easily accessible and meets the needs of both the regulators and the industry.

ii. Debt

The 2003 ATS Rules retained transparency and data consolidation requirements for corporate debt securities. In 2003, CanPX was approved as the information processor for corporate fixed income securities. We note that CanPX's approval expires on December 31, 2006. To the extent that transparency of additional debt securities, including government debt securities is phased in, the importance of having a robust system increases. While we will be considering extending CanPX's approval, we invite other entities that are interested in being the information processor to apply.

III. Filing to be an Information Processor and Timing for Review of Filing

We encourage any interested parties to apply as an information processor for the purpose of consolidating pre-trade and post-trade information for the equity and/or fixed income markets. Any party interested in being an information processor for equity and/or fixed income securities should file Form 21-101F5 - *Initial Operation Report for Information Processor* (Form 21-101F5) by August 31, 2006. For more information on the purpose of establishing an information processor and the functions expected of an information processor, please refer to NI 21-101, Part 14 and the Companion Policy to NI 21-101, Part 16. In evaluating the filing, the CSA will consider a number of factors, including, but not limited to:

(a) the performance capability, standards and procedures for the collection, processing, distribution, and publication of information with respect to orders for, and trades in, securities;

(b) whether all marketplaces may obtain access to the information processor on fair and reasonable terms which are not unreasonably discriminatory;

(c) personnel qualifications;

(d) whether the information processor has sufficient financial resources for the proper performance of its functions;

[1] NI 21-101, Parts 7 and 8.
[2] Notice published today (Notice of Proposed Amendments to NI 21-101 *Marketplace Operation*, Companion Policy 21-101CP, NI 23-101 *Trading Rules*, and Companion Policy 23-101CP) provides additional details and background on the requirements.

(e) the existence of another entity performing the proposed function for the same type of security; and

(f) the systems report referred to in subsection 14.5(b) of NI 21-101.

The CSA are currently proposing amendments to Form 21-101F5, and we encourage any parties interested in being an information processor to review the proposed changes to Form 21-101F5 and include the additional information set out as part of the proposed amendments in the application. The proposed amendments to Form 21-101F5 would require any interested parties to include additional information:

a. further explanation about corporate governance processes and procedures that would promote independence from the marketplaces, inter-dealer bond brokers and dealers that provide data;

b. more information about the procedures used to collect, process, distribute, validate and publish information with respect to orders and trades in securities;

c. a description of the process to verify the timeliness and accuracy of the information received and disseminated by the information processor, including the processes to resolve data integrity issues identified;

d. a description of the process and criteria used to select securities for which information must be reported to the information processor; and

e. how revenues will be shared among marketplaces, inter-dealer bond brokers and dealers that provide information to the information processor.

A Notice identifying who has applied and a summary of the application will be published by the CSA for comment in September, 2006.

The CSA will make a decision by December 31, 2006 regarding whether any entity has been accepted as an information processor.

July 14, 2006

Chapter 7

Insider Reporting

This chapter is available in the print version of the OSC Bulletin, as well as as in Carswell's internet service SecuritiesScource (see www.carswell.com).

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

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

Chapter 8

Notice of Exempt Financings

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

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
06/12/2006 to 06/19/2006	92	32 Degrees Energy Fund III LP - Units	9,275,000.00	1,855.00
06/01/2006 to 03/01/2006	32	Abria Diversified Arbitrage Trust - Units	1,570,057.06	432.77
06/27/2006	5	Airesurf Networks Holdings Inc. - Common Shares	360,560.00	2,322,800.00
05/17/2006	1	Airesurf Networks Holdings Inc. - Common Shares	136,952.45	1,369,525.00
06/20/2006	1	AirIQ Inc. - Debentures	3,000,000.00	3,000,000.00
06/29/2006	5	Airline Intelligence Systems Inc. - Common Shares	412,000.00	400,000.00
06/27/2006	37	Angle Energy Inc. - Common Shares	6,080,250.00	1,621,400.00
06/27/2006	33	Angle Energy Inc. - Flow-Through Shares	4,849,952.00	1,077,767.00
06/15/2006	1	AP Alternative Assets L.P. - Units	7,820,400.00	350,000.00
05/30/2006 to 06/09/2006	77	Argenta Oil & Gas Inc. - Warrants	7,725,000.00	15,450,000.00
10/01/2006	1	Asian Television Network International Limited - Units	0.00	N/A
06/05/2006	17	Aura Gold Inc. - Units	2,534,600.00	6,336,500.00
06/05/2006	3	Aura Gold Inc. - Units	670,400.00	1,676,000.00
06/23/2006	2	Baker & Taylor Acquisitions Corp. - Notes	10,112,400.00	9,000.00
06/06/2006	18	Brigadier Gold Limited - Units	155,000.00	1,240,000.00
06/15/2006	111	C & C Energy Canada Ltd. - Common Shares	14,241,264.00	8,132,151.00
06/29/2006	22	Cadillac Mining Corporation - Units	410,000.00	570,000.00
05/29/2006	1	Calloway Real Estate Investment Trust - Units	0.00	756,525.00
06/30/2006	110	Canaco Resources Inc. - Units	2,502,500.00	4,550,000.00
06/15/2006	1	Canadian Golden Dragon Resources Ltd. - Common Shares	6,250.00	50,000.00
06/30/2006	71	Canadian Horizons (Sooke) Limited Partnership - L.P. Units	1,666,000.00	16,660.00
12/13/2005	5	CanWest Petroleum Corp - Common Shares	8,032,000.00	3,200,000.00
08/20/2005	53	CanWest Petroleum Corp - Debentures	6,196,810.68	6,196,800.20

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
09/17/2005	17	CanWest Petroleum Corp - Notes	2,490,865.46	N/A
06/02/2006	8	Castillian Resources Corp. - Units	2,640,499.40	7,544,382.00
06/29/2006	14	Catalyst Healthcare Ltd. - Common Shares	214,000.00	214,000.00
06/02/2006	1	Copper Ridge Explorations Inc. - Common Shares	7,500.00	37,500.00
01/31/2005 to 11/30/2005	5	Core Canadian Equity Fund - Units	1,327,170.06	116,514.07
06/23/2006	4	CPI Capital Partners Europe (Cayman) L.P. - Units	1,950,760.00	2,250.00
06/15/2006	71	Crossfire Holdings Inc. - Units	8,250,790.00	8,250,790.00
06/29/2006	5	Cyberplex Inc. - Units	3,250,000.00	8,125,000.00
06/29/2006	1	DDJ/Ontario Credit Opportunities Fund L.P. - L.P. Interest	111,150,000.00	100,000,000.00
06/29/2006	63	Delphi Energy Corp. - Flow-Through Shares	25,003,200.00	5,209,000.00
05/31/2006	26	Devine Entertainment Corporation - Units	507,499.65	3,383,331.00
01/31/2005 to 11/30/2005	5	Discovery Fund - Units	1,073,500.00	45,164.23
06/20/2006	6	DoveCorp Enterprises Inc. - Common Shares	601,199.28	2,732,724.00
06/20/2006	6	DoveCorp Enterprises Inc. - Common Shares	601,199.28	2,732,724.00
06/21/2006	6	EM-Power Financial Services Inc. - Common Shares	325,000.00	160,000.00
03/31/2006	3	Environnemental Management Solutions Inc. - Units	20,342,500.00	N/A
06/06/2006	63	ExAlta Energy Inc. - Flow-Through Shares	11,900,000.00	1,700,000.00
06/20/2006	1	First Swiss Capital Management Corp. - Notes	50,000.00	1.00
05/31/2006	8	Fjordland Exploration Inc. - Units	420,000.00	1,050,000.00
07/06/2006	32	Flagship Energy Inc. - Common Shares	15,000,600.00	2,174,000.00
06/23/2006	1439	Fortress Financial Corporation - Units	3,597,500.00	7,195,000.00
06/23/2006	14	Franc-Or Resources Corporation - Units	1,285,000.00	5,140,000.00
06/23/2006	11	France Telecom - Notes	199,908,000.00	N/A
06/23/2006	20	France Telecom - Notes	249,530,000.00	N/A
05/01/2006	1	FrontPoint Offshore Multi-Strategy Fund Series A. Ltd - Common Shares	111,250.00	100.00
05/01/2006	1	FrontPoint Offshore Utility and Energy Fund, Ltd. - Common Shares	2,077,037.50	1,867.00
04/01/2006	1	FrontPoint Offshore Utility and Energy Fund, Ltd. - Common Shares	673,980.00	600.00
06/26/2006 to 06/30/2006	15	General Motors Acceptance Corporation of Canada, Limited - Notes	5,159,546.96	5,159,546.96

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
06/23/2006	49	Genesis Limited Partnership #6 - L.P. Units	3,453,888.00	702.00
06/23/2006	45	Genesis Limited Partnership #7 - L.P. Units	2,241,316.00	454.00
06/27/2006	5	GGL Diamond Corp. - Flow-Through Shares	99,000.00	396,000.00
06/12/2006 to 06/19/2006	2	Global Trader Canada Inc. - Special Trust Securities	20.00	-10.00
06/20/2006 to 06/27/2006	1	Global Trader Canada Inc. - Special Trust Securities	81.00	-10.00
06/21/2006	1	GMO Developed World Equity Investment Fund - Units	90,216.36	3,176.63
06/26/2006	28	Golden Hope Mines Ltd. - Common Shares	620,000.00	6,063,636.00
06/21/2006 to 06/23/2006	93	Groove Media Inc. - Common Shares	20,509,630.40	7,324,868.00
06/09/2006	3	HealthSouth Corporation - Notes	48,371,468.74	1,000,000,000.00
06/29/2006 to 06/30/2006	8	Hy Lake Gold Inc. - Common Shares	438,400.00	4,384,000.00
06/19/2006 to 06/28/2006	10	IGW Properties Limited Partnership I - L.P. Units	711,500.00	711,500.00
05/10/2006	5	IGW Properties Limited Partnership I - L.P. Units	235,000.00	235,000.00
06/23/2006	26	Indico Technologies Limited - Units	737,999.96	1,209,836.00
06/21/2006	1	International Millennium Mining Corp. - Common Shares	25,000.00	100,000.00
05/25/2006 to 05/31/2006	11	InterRent International Properties Inc. - Common Shares	2,285,000.00	4,570,000.00
06/23/2006 to 06/30/2006	53	Invico Capital Private Equity L.P. - Units	9,985,000.00	9,985.00
06/27/2006	12	Ittihad Capital Corporation - Common Shares	161,386.00	161,386.00
06/09/2006	14	KERN Energy Partners II, LP - L.P. Units	291,750,000.00	1,167.00
06/07/2006	1	Level 3 Communications Inc. - Stock Option	504,094.50	125,000,000.00
06/27/2006	4	Liquid Computing Corporation - Debentures	2,305,391.44	4.00
06/27/2006	6	Liquid Computing, Inc. - Debentures	2,157,794.78	6.00
02/08/2006 to 05/25/2006	27	Litewave Corp. - Common Shares	870,000.00	7,440,000.00
06/28/2006	161	Lodgepole Energy No. 2 Limited Partnership - L.P. Units	3,601,000.00	360,100.00
05/18/2006	183	Longford Corporation - Units	5,355,284.70	17,850,949.00
06/26/2006 to 07/04/2006	16	Longview Strategies Incorporated - Units	942,500.00	1,885,000.00
06/01/2006	2	MCAN Performance Strategies - L.P. Units	357,000.00	2,979.74

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
06/01/2006	15	Messina Minerals Inc. - Common Shares	677,000.00	2,125,000.00
06/01/2006	16	Messina Minerals Inc. - Units	1,705,025.00	974,300.00
06/19/2006	36	Metalex Ventures Ltd. - Flow-Through Shares	4,182,010.00	4,551,200.00
06/22/2006	1	Mindready Solutions Inc. - Common Shares	350,000.00	1,000,000.00
05/29/2006	105	National Bank of Canada - Notes	8,175,895.00	7,399.00
06/22/2006	18	National Grid plc - Notes	200,000,000.00	200,000,000.00
06/07/2006	2	Nevarro Energy Ltd. - Common Shares	27,675.00	12,300.00
06/07/2006	34	Nevarro Energy Ltd. - Flow-Through Shares	3,472,326.20	1,417,276.00
06/15/2006	1	New Solutions Financial (II) Corporation - Debentures	443,070.00	1.00
06/21/2006	28	Newport diversified Hedge Fund - Units	935,941.15	7,472.72
06/20/2006	22	Nightingale Informatix Corporation - Units	10,010,000.00	7,700,000.00
06/23/2006	18	North American Palladium Ltd. - Common Shares	3,375,000.00	270,000.00
05/06/0229	47	Ontario Hose Specialties Inc. - Common Shares	1,500,000.00	30,000,000.00
06/20/2006	40	Outlook Resources Inc. - Units	305,000.00	6,100,000.00
06/20/2006	175	Parkbridge Lifestyle Communities Inc. - Units	30,000,250.00	1,935,500.00
06/01/2006	25	Peat Resources Limited - Units	225,000.00	900,000.00
06/23/2006	2	Petrohawk Energy Corporation - Notes	8,875,091.68	8,000.00
06/19/2006	1	PharmaGap Inc. - Common Shares	470,000.00	470,000.00
06/19/2006	19	Phoenix Matachewan Mines Inc. - Flow-Through Shares	943,010.00	6,171,734.00
06/20/2006	16	Plazacorp Retail Properties Ltd. - Debentures	1,311,000.00	13,110.00
06/22/2006	17	Power Tech Corporation Inc. - Units	760,119.60	1,266,866.00
06/21/2006	1	Preferred Term Securities XXII, Ltd. - Notes	11,020,100.00	10.00
06/26/2006 to 06/28/2006	3	Probe Mines Limited - Common Shares	18,000.00	50,000.00
06/28/2006	9	Qualia Real Estate Investment Fund VI Limited Partnership - L.P. Units	650,000.00	15.00
06/15/2006	100	Red Dragon Resources Corp. - Units	18,600,000.00	24,800,000.00
06/28/2006	55	Resin Systems Inc. - Units	9,801,715.50	5,600,980.00
06/26/2006	36	Richards Oil & Gas Limited - Debentures	6,500,000.00	-10.00
06/05/2006	26	Santa Cruz Ventures Inc. - Units	1,200,000.00	6,000,000.00
06/19/2006	2	SC Stormont Holdings Inc. - Debentures	470,000.00	470,000.00
06/07/2006	1	SCITI TR Fund - Units	2,842,500.00	300,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
05/29/2006	88	SCOSS Capital Corp. - Common Shares	4,500,000.00	9,000,000.00
05/31/2006	6	Shop to It Inc. - Notes	400,000.00	0.13
06/15/2006	10	SLM Corporation - Notes	175,000,000.00	175,000,000.00
06/22/2006	9	Spartan BioScience Inc. - Common Shares	450,000.00	757,855.00
06/14/2006 to 06/23/2006	6	Specialty Foods Group Canada Holdings Inc. - Debentures	7,253,037.90	6,519.00
06/14/2006 to 06/23/2006	27	Specialty Foods Group Inc. - Debentures	64,349,531.90	57,956.00
06/29/2006	91	Spry Energy Ltd. - Common Shares	7,405,000.00	1,100,000.00
05/26/2006	22	Strategic Oil & Gas Ltd. - Common Shares	1,313,000.00	820,625.00
05/31/2006	1	TD Harbour Capital Canadian Balanced Fund - Trust Units	152,259.75	1,102.69
05/31/2006	10	The McElvaine Investment Trust - Trust Units	1,563,750.00	61,011.53
06/12/2006	3	True North Gems Inc. - Units	990,000.00	2,200,000.00
07/04/2006	8	Ungava Minerals Corp. - Units	3,650,000.00	3,300,000.00
06/29/2006	18	University of Windsor - Debentures	108,300,000.00	1,083,000.00
03/21/2006	1	UR- Energy Inc. - Common Shares	34,000.00	25,000.00
06/06/2006	4	Vanquish Oil & Gas Corporation - Flow-Through Shares	2,080,000.00	924,444.00
01/01/2005 to 12/31/2005	4	VBA Canadian Partners' Fund - Units	1,355,000.00	N/A
01/01/2005 to 12/31/2005	8	VBA U.S. Partners' Fund - Units	725,789.71	N/A
05/31/2006	222	Vertex Fund - Trust Units	21,036,359.22	112.31
06/23/2006	6	VSS Communications Parallel Partners IV, L.P. - L.P. Interest	3,154,775.00	2,869,543.00
07/04/2006	1	Walsingham Fund LP No. 1 - Units	100,000.00	100.00
06/30/2006	130	Walton GGH Simcoe Heights 4 Corporation - Common Shares	2,151,230.00	215,123.00
06/23/2006	60	Walton International Group Inc. - Notes	3,840,000.00	N/A
06/27/2006	83	West Africa Energy Inc. - Common Shares	6,510,000.00	18,600,000.00
06/29/2006	65	Western Financial Group Inc. - Preferred Shares	15,000,000.00	150,000.00
06/22/2006	41	Wi-LAN Inc. - Common Shares	15,665,680.00	9,091,000.00
06/15/2006	1	Williams Partners L.P. - Notes	926,529.00	150,000,000.00
05/25/2006	57	Wyn Developments Inc. - Flow-Through Shares	1,962,639.70	1,056,000.00

Transaction Date	# of Purchasers	Issuer/Security	Total Pur. Price ($)	# of Securities Distributed
05/30/2006	21	Xplore Technologies Corp. - Preferred Shares	20,859,067.00	55,520,542.00
05/29/2006	2	ZTEST Electronics Inc. - Units	320,000.00	2,000,000.00

Chapter 11

IPOs, New Issues and Secondary Financings

Issuer Name:
Cadiscor Resources Inc.
Principal Regulator - Quebec
Type and Date:
Preliminary Prospectus dated July 10, 2006
Mutual Reliance Review System Receipt dated July 10, 2006
Offering Price and Description:
Maximum Offering: $* (* Flow-Through Common Shares and * Units); Minimum Offering: $ * (* Flow-Through Common Shares and * Units) Flow-Through Common Shares at a price of $ * per share and
Units comprising One (1) Common Share and one-half (1/2) Warrant at a price of
$* per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Canaccord Capital Corporation
Haywood Securities Inc.
Promoter(s):
Strateco Resources Inc.
Project #962786

Issuer Name:
Consolidated Thompson-Lundmark Gold Mines Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 11, 2006
Mutual Reliance Review System Receipt dated July 11, 2006
Offering Price and Description:
Cdn. $42,864,250.00 - 15,587,000 Common Shares Issuable on Exercise of 15,587,000 Special Warrants and 935,220 Compensation Options Issuable on Exercise of 935,220 Broker Options Price: $2.75 per Special Warrant
Underwriter(s) or Distributor(s):
Orion Securities Inc.
Canaccord Capital Corporation
GMP Securities L.P.
CIBC World Markets Inc.
Promoter(s):
-
Project #963063

Issuer Name:
Crescent Point Energy Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated July 5, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
$100,345,000.00 - 4,700,000 Trust Units Price: $ 21.35 per Trust Units
Underwriter(s) or Distributor(s):
Scotia Capital Inc.
BMO Nesbitt Burns Inc.
CIBC World Markets Inc.
RBC Dominion Securities Inc.
FirstEnergy Capital Corp.
GMP Securities L.P.
Tristone Capital Inc.
Canaccord Capital Corporation
Promoter(s):
-
Project #961718

Issuer Name:
FAMILY MEMORIALS INC.
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Prospectus dated July 4, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
Maximum Offering: $2,000,000.00 (5,000,000 Common Shares); Minimum Offering: $600,000 (1,500,000.00 Common Shares) $0.40 per Common Share
Underwriter(s) or Distributor(s):
Blackmont Capital Inc.
Promoter(s):
Scott C. Kellaway
Project #961670

Issuer Name:
First Majestic Resource Corp.
Principal Regulator - British Columbia
Type and Date:
Preliminary Short Form Prospectus dated July 10, 2006
Mutual Reliance Review System Receipt dated July 10, 2006
Offering Price and Description:
$ 28,000,000.00 - 7,000,000 Common Shares and 3,500,000 Warrants Issuable on Exercise of 7,000,000 Special Warrants Price: $4.00 per Special Warrant
Underwriter(s) or Distributor(s):
Sprott Securities Inc.
Promoter(s):
-
Project #962916

Issuer Name:
Galleon Energy Inc.
Principal Regulator - Alberta
Type and Date:
Preliminary Short Form Prospectus dated July 6, 2006
Mutual Reliance Review System Receipt dated July 6, 2006
Offering Price and Description:
$60,147,750 - 2,985,000 Class A Shares and $20,046,000 - 780,000 Flow-Through Shares
Price: $20.15 per Class A Share and $25.70 per Flow-Through Share
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Sprott Securities Inc.
FirstEnergy Capital Corp.
Scotia Capital Inc.
TD Securities Inc.
Promoter(s):
Glenn R. Carley
Project #962063

Issuer Name:
Mitel Networks Corporation
Principal Regulator - Ontario
Type and Date:
Amended and Restated Preliminary Prospectus dated July 5, 2006
Mutual Reliance Review System Receipt dated July 6, 2006
Offering Price and Description:
C$ * - * Common Shares Price: C$ * a Share
Underwriter(s) or Distributor(s):
Morgan Stanley Canada Limited
RBC Dominion Securities Inc.
Merrill Lynch Canada Inc.
Genuity Capital Markets G.P.
National Bank Financial Inc.
Promoter(s):
-
Project #935502

Issuer Name:
Petrowest Energy Services Trust
Principal Regulator - Alberta
Type and Date:
Preliminary Prospectus dated July 6, 2006
Mutual Reliance Review System Receipt dated July 7, 2006
Offering Price and Description:
$ * - * Trust Units Price: $10.00 per Trust Unit
Underwriter(s) or Distributor(s):
Westwind Partners Inc.
Sprott Securities Inc.
Promoter(s):
Gary Sweetman
Kenneth N. Drysdale
Project #962179

Issuer Name:
Redzone Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Preliminary Prospectus dated June 29, 2006
Mutual Reliance Review System Receipt dated July 6, 2006
Offering Price and Description:
$300,000.00 - 2,000,000 Common Shares Price: $ 0.15 per Common Share
Underwriter(s) or Distributor(s):
Leede Financial Markets Inc.
Promoter(s):
Quest Capital Corp.
Project #961822

Issuer Name:
Secunda International Limited
Principal Regulator - Nova Scotia
Type and Date:
Amended and Restated Preliminary Prospectus dated July 5, 2006
Mutual Reliance Review System Receipt dated July 6, 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:
TD Asian Growth Fund
TD Corporate Bond Capital Yield Fund
TD Dividend Income Fund
TD Energy Fund
TD Global Dividend Fund
TD Global Multi-Cap Fund
TD Global Value Fund
TD International Equity Growth Fund
TD Japanese Growth Fund
TD Latin American Growth Fund
TD Precious Metals Fund
TD U.S. Blue Chip Equity Currency Neutral Fund
TD U.S. Equity Advantage Currency Neutral Portfolio
TD U.S. Large-Cap Value Currency Neutral Fund
TD U.S. Mid-Cap Growth Currency Neutral Fund
TD U.S. Small-Cap Equity Currency Neutral Fund
Principal Regulator - Ontario
Type and Date:
Preliminary Simplified Prospectuses dated July 7, 2006
Mutual Reliance Review System Receipt dated July 7, 2006
Offering Price and Description:
Offering Advisor Series, F-Series, T-Series, and S-Series Units
Underwriter(s) or Distributor(s):
TD Investment Services Inc. (for Investor and Institutional series units)
TD Investment Services Inc. I(for Investor and Institutional series units)
TD Investment Services Inc.(for Investor and Institutional series units)
TD Investment Services Inc.(for Investor, Institutional and O-Series units)
TD Investment Services Inc. (for Investor series, e-Series and Institutional series Units)
TD Investment Services Inc. (for Investor series, e-Series and Institutional series units)
TD Investment Services Inc. (for Investor series, Institutional series and O-Series units)
TD Investment Services Inc. (for Investor series and e-Series units)
TD Investment Services Inc. (for Investor series units)
TD Investment Services Inc. (forI Investor and Institutional series units)
TD Investment Services Inc. (for Investor series,e-Series and Institutional series units)
TD Investment Services Inc. (for Investor series and H-Series units)
TD Asset Management Inc. (for Investor and Institutional series units)
TD Investment Services Inc. (for Investor series, Institutional series and O-series units)
Promoter(s):
TD Asset Management Inc.
Project #962288

Issuer Name:
Union Gas Limited
Principal Regulator - Ontario
Type and Date:
Preliminary Short Form Shelf Prospectus dated July 7, 2006
Mutual Reliance Review System Receipt dated July 11, 2006
Offering Price and Description:
$600,000,000.00 - Debt Securities (unsecured)
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #962913

Issuer Name:
WIN Energy Corporation
Principal Regulator - Alberta
Type and Date:
Second Amended and Restated Preliminary Prospectus dated July 5, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
$15,000,000.00 - 7,500,000 Units and $5,000,001.60 2,083,334 Flow-Through Shares Price: $2.00 per Unit and $2.40 per Flow-Through Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Jennings Capital Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Promoter(s):
-
Project #936372

Issuer Name:
BNP Resources Inc.
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated July 6, 2006
Mutual Reliance Review System Receipt dated July 7, 2006
Offering Price and Description:
Minimum: 8,000 Units ($8,000,000.00); Maximum: 10,000 Units ($10,000,000.00)
Underwriter(s) or Distributor(s):
GMP Securities L.P.
Promoter(s):
Gregory Bilcox
Dave Bonnar
Project #944258

Issuer Name:
Caldwell Exchange Fund
Caldwell Balanced Fund
Caldwell Canada Fund
Caldwell Income Fund
Principal Regulator - Ontario
Type and Date:
Final Simplified Prospectuses dated July 7, 2006
Mutual Reliance Review System Receipt dated July 11, 2006
Offering Price and Description:
Mutual Fund securities @ net asset value
Underwriter(s) or Distributor(s):
Caldwell Securities Ltd.
Promoter(s):
-
Project #951836

Issuer Name:
Churchill IV Debenture Corp.
Churchill IV Real Estate Limited Partnership
Principal Regulator - British Columbia
Type and Date:
Amendment #1 dated July 6, 2006 to the Prospectus dated May 29, 2006
Mutual Reliance Review System Receipt dated July 11, 2006
Offering Price and Description:
$30,000,000.00 - 2,400 Units Price $12,500 per Unit
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Promoter(s):
Churchill International Securities Corporation
Project #931182/931076

Issuer Name:
Gaz Métro inc.
Principal Regulator - Quebec
Type and Date:
Final Short Form Shelf Prospectus dated July 5, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
$500,000,000.00 - Series J First Mortgage Bonds
Underwriter(s) or Distributor(s):
-
Promoter(s):
-
Project #957704

Issuer Name:
Miramar Mining Corporation
Principal Regulator - British Columbia
Type and Date:
Final Short Form Prospectus dated July 5, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
$80,064,000.00 - 19,200,000 Common Shares Price: $4.17 per Common Share
Underwriter(s) or Distributor(s):
BMO Nesbitt Burns Inc.
Paradigm Capital Inc.
Dundee Securities Corporation
Canaccord Capital Corporation
RBC Dominion Securities Inc.
National Bank Financial Inc.
Salman Partners Inc.
Promoter(s):
-
Project #958498

Issuer Name:
Pixman Capital Inc.
Principal Regulator - Quebec
Type and Date:
Final Prospectus dated June 30, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
Minimum Offering: $1,000,000.00 or 3,333,333 common shares; Maximum Offering: $1,600,000.00 or 5,333,333 common shares Price: $0.30 per common share
Underwriter(s) or Distributor(s):
Dundee Securities Corporation
Promoter(s):
Daniel Langlois
Project #953161

Issuer Name:
Rapid Solutions Corporation
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated July 4, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
$1,500,000.00 - OFFERING : 4,285,714 UNITS PRICE : $0.35 PER UNIT
Underwriter(s) or Distributor(s):
Standard Securities Capital Corporation
Promoter(s):
Rapid Technology Corporation
Project #949977

Issuer Name:
Real Resources Inc.
Principal Regulator - Alberta
Type and Date:
Final Short Form Prospectus dated July 5, 2006
Mutual Reliance Review System Receipt dated July 5, 2006
Offering Price and Description:
$30,014,137.00 - 1,177,025 FLOW-THROUGH COMMON SHARES PRICE: $25.50 PER FLOW-THROUGH COMMON SHARE
Underwriter(s) or Distributor(s):
GMP Securities Ltd.
Promoter(s):
-
Project #958543

Issuer Name:
Strike Resources Ltd.
Principal Regulator - British Columbia
Type and Date:
Final Prospectus dated July 7, 2006
Mutual Reliance Review System Receipt dated July 7, 2006
Offering Price and Description:
A Minimum of 2,500,000 and a Maximum of 3,000,000 Common Shares Price: $1.00 per Common Share
Underwriter(s) or Distributor(s):
Wolverton Securities Ltd.
Promoter(s):
-
Project #954079

Issuer Name:
WIN Energy Corporation
Principal Regulator - Alberta
Type and Date:
Final Prospectus dated July 11, 2006
Mutual Reliance Review System Receipt dated July 11, 2006
Offering Price and Description:
$15,000,000.00 - 7,500,000 Units and $5,000,001.60 - 2,083,334 Flow-Through Shares Price:
$2.00 per Unit $2.40 per Flow-Through Share
Underwriter(s) or Distributor(s):
CIBC World Markets Inc.
Jennings Capital Inc.
Canaccord Capital Corporation
GMP Securities L.P.
Promoter(s):
-
Project #936372

Issuer Name:
Big Country Energy Services Income Fund
Principal Jurisdiction - Alberta
Type and Date:
Amended and Restated Preliminary Prospectus dated June 7th, 2006
Withdrawn on July 11th, 2006
Offering Price and Description:
$ * - * Units Price: $10.00 per Unit
Underwriter(s) or Distributor(s):
RBC Dominion Securities Inc.
BMO Nesbitt Burns Inc.
TD Securities Inc.
Peters & Co. Limited
Raymond James Ltd.
Sprott Securities Inc.
Promoter(s):
Grand Mesa Trust
Project #944226

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Chapter 12

Registrations

12.1.1 Registrants

Type	Company	Category of Registration	Effective Date
Change of Name	**From:** Man Alternative Investments Canada **To:** Man Investments Canada Corp.	Limited Market Dealer and Investment Counsel & Portfolio Manager	June 26, 2006
New Registration	SCC Limited	Limited Market Dealer	July 6, 2006
New Registration	OceanRock Capital Partners Inc.	Extra-Provincial Investment Counsel and Portfolio Manager	July 6, 2006
Change in Registration Category	Bloomberg Tradebook LLC	**From:** International Dealer **To:** International Dealer and Limited Market Dealer	July 7, 2006
Change in Registration Category	Brickburn Asset Management Inc.	**From:** Extra-Provincial Investment Counsel & Portfolio Manager **To:** Extra-Provincial Investment Counsel & Portfolio Manager and Commodity Trading Manager	July 7, 2006
New Registration	AmerUs Capital Management Group Inc.	International Adviser (Investment Counsel & Portfolio Manager)	July 10, 2006

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Chapter 13

SRO Notices and Disciplinary Proceedings

13.1.1 RS Disciplinary Notice - Standard Securities Capital Corporation

Participant Disciplined

On 6 July 2006, a Hearing Panel of the Hearing Committee of Market Regulation Services Inc. ("RS") approved a settlement agreement (the "Settlement Agreement") concerning Standard Securities Capital Corporation.

Requirement Contravened

Under the terms of the Settlement Agreement, Standard admits that it did the following:

> Between 1 April 2002 to 1 April 2004, Standard Securities Capital Corporation, a Participating Organization of the Toronto Stock Exchange, failed to adopt written policies and procedures to be followed by Standard's directors, officers, partners and employees that were adequate, taking into account Standard's business and affairs, to ensure compliance with the Universal Market Integrity Rules and UMIR Policies, contrary to UMIR 7.1 and UMIR Policy 7.1.

Sanctions Approved

Standard will pay to RS a fine of $80,000 and costs of $20,000

Summary of Facts

Between April 2002 and April 2004, Standard failed to implement trade supervision and compliance systems that were fully satisfactory to RS.

During this period, Standard's trading policies and procedures did not meet the minimum requirements under UMIR 7.1. For example, the policies and procedures did not:

- adequately ensure compliance with the client priority rule;
- describe methodologies as to how Standard would conduct compliance testing, quantify and summarize compliance testing results, and report problems identified from testing results to management.

Second, Standard failed to maintain adequate evidence that it conducted compliance testing and failed to review its trading policies and procedures annually as required by UMIR Policy 7.1.

In entering the settlement, RS recognized that Standard undertook significant improvements to its trade supervision and compliance systems in 2004, and that RS' trade desk review in 2005 reported no material deficiencies with Standard's trade supervision and compliance system.

Panel Members

Chair: The Honourable Robert Stanley Montgomery
Panel Member: Ms. Hillery Lloyd
Panel Member: Mr. Donald Page

Further Information

Participants who require additional information should direct questions to Chilwin Cheng, Chief Counsel, Market Regulation Services Inc., Western Region, at 604 602-6997.

About Market Regulation Services Inc. (RS)

RS is the independent regulation services provider for Canadian equity marketplaces, including the Toronto Stock Exchange, TSX Venture Exchange, CNQ, Bloomberg Tradebook Canada Company, Liquidnet Canada Inc. and BlockBook. RS is recognized by the securities commissions of British Columbia, Alberta, Manitoba, Ontario, and by the Autorité des marchés financiers in Québec to regulate the trading of securities on these marketplaces by participant firms and their trading and sales staff. RS helps protect investors and ensure market integrity by ensuring all equities transactions are executed properly, fairly and in compliance with trading rules.

13.1.2 MFDA Hearing Panel issues Decision and Reasons respecting Glenn Murray Greyeyes Disciplinary Hearing

NEWS RELEASE
For immediate release

MFDA HEARING PANEL ISSUES DECISION AND REASONS RESPECTING GLENN MURRAY GREYEYES DISCIPLINARY HEARING

July 10, 2006 (Toronto, Ontario) – A Hearing Panel of the Prairie Regional Council of the Mutual Fund Dealers Association of Canada ("MFDA") has issued its Decision and Reasons in connection with the disciplinary hearing held in Edmonton, Alberta on April 11, 2006 in respect of Glenn Murray Greyeyes.

As previously announced, the Hearing Panel found that the allegation set out by MFDA staff in the Notice of Hearing dated November 4, 2005, summarized below, had been established:

Allegation: Between May 2001 and June 2004, Mr. Greyeyes engaged in a series of loan transactions whereby he borrowed monies totaling $243,000, more or less, from two of his mutual fund clients, thereby:

(a) placing his personal interests above those of his clients and giving rise to a conflict of interest, contrary to MFDA Rule 2.1.4; and

(b) engaging in conduct unbecoming an approved person, contrary to MFDA Rule 2.1.1.

The following is a summary of the Orders made by the Hearing Panel:

1. Mr. Greyeyes is permanently prohibited from conducting securities related business in any capacity;
2. Mr. Greyeyes shall pay a fine in the amount of $225,000; and
3. Mr. Greyeyes shall pay costs in the amount of $7,500.

A copy of the Decision and Reasons is available on the MFDA web site at **www.mfda.ca**.

The Mutual Fund Dealers Association of Canada is the self-regulatory organization for Canadian mutual fund dealers. The MFDA regulates the operations, standards of practice and business conduct of its 175 Members and their approximately 75,000 Approved Persons with a mandate to protect investors and the public interest.

For further information, please contact:
Shaun Devlin
Vice-President, Enforcement
(416) 943-4672 or sdevlin@mfda.ca

Chapter 25

Other Information

25.1 Approvals

25.1.1 Gemini Asset Management Inc. - s. 213(3)(b) of the LTCA

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., s. 213(3)(b).

June 27th, 2006

Ogilvy Renault LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
P.O. Box 84
Toronto, ON
M5J 2Z4

Attention: Angela Salmon

Dear Sirs/Medames:

RE: Gemini Asset Management Inc. (the "Applicant")
Application pursuant to clause 213(3)(b) of the Loan and Trust Corporations Act (Ontario) for approval to act as trustee
Application No. 471/06

Further to your application dated June 16, 2006, as supplemented by correspondence dated June 22, 2006 (collectively 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 Gemini Financial Services Opportunities Fund and such other funds as the Applicant may establish from time to time will be held in the custody of a bank listed in Schedule I, II or III of the *Bank Act* (Canada) or an affiliate of such bank, 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 Gemini Financial Services Opportunities 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 Bates"

"Paul Moore"

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